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Commission studies possible amendment to state constitution

by Jordan Hensley - LRC Public Information

FRANKFORT — Teens and adults spoke to lawmakers on Nov. 6 about changing what the state constitution says about slavery.

The Commission on Race and Access to Opportunity discussed a constitutional amendment for Section 25, which currently prohibits slavery and involuntary servitude in Kentucky, except as a punishment for a crime. The proposed amendment would remove the punishment for a crime exception.

Commission co-chair Killian Timoney, R-Nicholasville, said he was inspired to research the issue of Section 25 further after a conversation with a constituent at a basketball game last winter.

David Childs, a history and Black studies professor at Northern Kentucky University, gave a presentation to the commission on the history of Section 25. The language used in Kentucky's constitution comes from the 13th Amendment of the U.S. Constitution, which also allowed for slavery as a punishment for a crime.

Childs said convict leasing, a form of legal slavery, was widespread in the South during



Senate President Pro-Tempore David P. Givens, R-Greensburg, speaks on the importance of keeping proposed constitutional amendment language simple during the Commission on Race and Access to Opportunity meeting Nov. 6.

Reconstruction.

"During the Reconstruction period, farmers and businessmen needed to find replacements for the labor force once their slaves had been freed," Childs said. "Some southern legislatures passed

Black Codes to restrict free movement of Black people and force them into employment."

Childs said the new laws would often lead to Black people being incarcerated for minor offenses.

"States began to lease convict labor to plantations and other facilities," Childs added.

Senate Democratic Floor Leader Gerald A. Neal, D-Louisville, said he's filed similar legislation to amend Section 25 in the past.

Timoney asked whether or not removing the "except as a punishment for crime, whereof the party shall have been duly convicted" language would impact work programs for incarcerated individuals.

Senate President Pro-Tempore David P. Givens, R-Greensburg, said Section 253 of the Kentucky Constitution addresses work of penitentiary prisoners and may cover the issue.

Givens, who is also one of the commission's co-chairs, spoke on the importance of keeping the amendment's language simple to avoid confusing

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Legislators receive results of annual ‘school report card’

by Nancy Royden - LRC Public Information

FRANKFORT — The Interim Joint Committee on Education reviewed results on Nov. 1 from the annual ‘school report card,’ a much-anticipated snapshot of public education and student performance in Kentucky schools.

The Kentucky Department of Education (KDE) released the new report – required by state and federal law – on Oct. 31. Overall, it shows that during the 2022-23 academic year, fewer than half of public schools scored at proficient or above in major content areas, including reading, math, science and social studies.

The report also showed that the state’s composite ACT score has climbed since the 2020-21 academic year, but remains below the level measured in 2019-20.

Rhonda Sims, associate commissioner of KDE’s Office of Assessment and Accountability, summed up the year-over-year results, saying that elementary schools have consistently moved forward, middle schools have seen slight improvement in most areas, and high schools have stayed the same or declined.

“We do have improvement efforts that we need to put into place. Some things we are already doing with your assistance,” said Robin Kinney, interim commissioner of KDE.

Kinney said the department is focused on providing high-quality instructional resources, access to highly qualified teachers and administrators, and professional learning and grant opportunities. However, she pointed to teacher shortages, absenteeism and truancy as continued challenges.

“Our goal is to have every student engaged every single day,” Kinney said. “That’s the way that we have the best opportunity to make our test scores go up.”

Senate President Pro Tempore David P. Givens, R-Greensburg, agreed that varying issues may have impacted the scores in the report – such as chronic absenteeism and the lingering effects of COVID-19. But he also warned that the scores overall indicate that Kentucky is failing to provide students with the tools they need to succeed in life.

“Parents play a vital role. We’ve got to have parents getting these kids back in school. But we’ve got to make school relevant for these kids. We’ve got to make it matter. We’ve got to make them want to be there, and we’ve got to make them know that our future depends on them,” he said. “So, for all the celebrations that we’re enjoying in some districts with these results, we have some districts that have failed our kids. And whatever we need to do to help them, we stand ready.”

Another concern was raised by Rep. James Tipton, R-Taylorsville and co-chair of the committee.

“One of the alarming statistics I did see is we’re still seeing significant gaps between white and Black students. Have those numbers increased over last year? I mean we’re talking 30 points or better in these gaps,” he said.

Sims answered they would gather further information.

“There certainly are gaps,” she said. “I’ve not looked at the state data enough to tell you with great certainty if that gap is now increasing statewide, is it increasing in certain areas, but we’ll be happy to pull that information for you.”

Sen. Stephen West, R-Paris, and a co-chair of the committee, also asked about how to find additional data on achievement gaps, and Sims said the department has a 63-page briefing packet on its website that shows how different demographic groups are performing.

Some lawmakers also said they want to see the report card data sooner next year, including Rep. Timmy Truett, R-McKee, a school principal.

“I love the data. I want to thank you for, in my opinion, probably having the best accountability system that I’ve seen as principal,” he said.

Rep. Felicia Rabourn, R-Pendleton, had a similar request.

“I’m hearing from a lot of the superintendents that I represent in my district saying if they only had that data sooner, they could be better prepared to make sure that each student comes in and they’re able to meet their needs based on the data that they’re receiving,” she said.



Lawmakers hear about legislation designed to reduce maternal mortality

by Nancy Royden - LRC Public Information

FRANKFORT — Legislators heard from one of their own on Nov. 6 about proposals to shore up maternal health in Kentucky – a state described during testimony as having the second highest maternal mortality rate in the United States.

“I am very happy to be with you today to discuss a bill draft that I have worked on throughout the summer with a very nice bipartisan, bicameral, informal workgroup discussing maternal health,” said Rep. Kimberly Poore Moser, R-Taylor Mill, also co-chair of the committee.

Moser said those working on the legislation are targeting ways to improve the state’s situation.

“We’ve really tried to pull all of the stakeholders together to take a deep dive and hard look at what is affecting maternal mortality in Kentucky. We know that new Kentucky mothers die at a higher rate in Kentucky than 48 other states,” she said.

Moser said the legislation will most likely undergo changes before the legislative session that begins on Jan. 2, but it calls for establishment of the Kentucky maternal psychiatry access program, also known as the Kentucky Lifeline for Moms.

A dedicated hotline number would be available for health care practitioners to obtain information about referrals, continuing professional education and other issues regarding mental health services.

“I can say definitively that maternal health, as in saving mothers and babies, is a priority, especially for our caucus, and we want to make sure we are supporting moms and babies. And that’s really what this seeks to do,” she said.

The legislation would also cover a special enrollment period when women find out they’re pregnant, Moser said.

One area of major concern is the high rate of substance use disorder, which is the top cause of death for mothers in the year following a birth, she said.

The legislation also addresses a lack of insurance coverage, access to prenatal care, mental health treatment, education and service referrals, including treatment support and follow-up care, Moser said.

Sen. Whitney Westerfield, R-Fruit Hill, said he’s aware of crisis pregnancy clients who struggle with costs of housing, transportation and other needs. He’s working on legislation with some overlapping issues, and he commended Moser for her “leadership” and legislation to help mothers.



Rep. Kimberly Poore Moser, R-Taylor Mill, testifies on legislation regarding maternal mortality during the Interim Joint Committee on Health Services meeting Nov. 6.

Moser serves as the committee’s co-chair.

“Kentucky needs to invest in moms and children before they’re born, when they’re in the womb, after they’re born, and as they’re starting to grow in their early childhood development,” he said. “We’ve done some things that are good, but we need to do a whole lot more.”

Rep. Ryan Dotson, R-Winchester, said he’s a father who supports the “omnibus” bill before broaching depression.

“And the question I have, and it’s very personal to me because my eldest daughter gave birth to her second child, and she went into deep postpartum depression. And you referenced the mental health aspect. Does this deal with postpartum depression because I know how bad it got for her,” he said.

Those concerns, Moser said, are integral to the bill. She pointed to compo-

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Legislative committee discusses housing issues

by Jordan Hensley - LRC Public Information

FRANKFORT — Kentuckians have long commutes and struggle to find an affordable place to live, according to data shared with lawmakers on Nov. 9.

Patrick Bowen, president of Bowen National Re-



Rep. Kim King, R-Harrodsburg, asks a question about the types of housing included in the presenter's research during the Interim Joint Committee on Economic Development and Workforce Investment meeting on Nov. 9.

search, told the Interim Joint Committee on Economic Development and Workforce Investment that housing issues across the commonwealth are a concern for employers as well.

Bowen's research looked at worker commutes, wages and housing affordability and availability in five Kentucky counties — Daviess, Fayette, Kenton, Rowan and Warren. Each county had a large population of workers who travel at least 50 miles day for work, Bowen said.

Most people have long commutes because they either cannot afford to live where they work, cannot find a place to live where they work, or both, he said.

"When we ask them, 'Would you live in that area (where they work) if housing was available and affordable?' 40% say, 'yes,'" Bowen said.

Looking at the top 30 occupations for each county, the majority of workers in those occupations cannot afford to rent or buy housing in those communities on a single income, according to Bowen's research.

From the employer side, more than half of 456 employers surveyed nationally over a multi-year period said local housing issues have impacted their business, particularly their ability to attract and retain workers, Bowen said.

"Nearly two-thirds of employers indicate they are more likely to hire workers if housing issues are resolved," Bowen added.

During discussion, Rep. Kim King, R-Harrodsburg, asked Bowen what the definition of housing

is in his research.

"The reason I ask is in our Affordable Housing Caucus, we talk about housing issues, but that means a wide variety of things," King said. "... Are you including single houses on a single plot of land, duplexes, quads, all the way up to major apartment buildings?"

Bowen said it was the "entire spectrum," including mobile homes, condominiums, apartments and more.

"The challenges are universal," Bowen said. "The lack of available housing is really across the whole spectrum of affordability, and it's both rentals and it's for sale housing as well."

Sen. Shelley Funke Frommeyer, R-Alexandria, questioned whether the lack of senior care facilities due to certificate of need requirements is having an impact on the housing market.

"I wonder if there's a correlation with much of our senior housing population actually staying in their home, but in fact they would be better suited in a transitional care or something that has a lot of levels of care," she said.

Bowen said senior care housing is a section of the market that not a lot of people think about, but should. While many seniors would like to down-size or transition into a senior care facility, there's a lack of availability there that results in seniors staying in homes they would prefer to sell, he said.

During the interim, the Kentucky General Assembly cannot take action on legislation. The 2024 legislative session begins Jan. 2

Amendment, from page 1

voters. Any amendments made to the state constitution must be approved through a ballot measure.

"If we don't make our proposed constitutional amendment change simple, we end up bogging

down the electorate in ways we don't intend to," Givens said.

Givens suggested the proposed amendment should say something simple like: "Are you in favor of amending Section 25 of the constitution to

prohibit slavery in all circumstances?"

During the interim, the Kentucky General Assembly cannot take action on any legislation. The 2024 legislative session begins Jan. 2

Lawmakers share plan to extend off-highway vehicle pilot program

by Jordan Hensley - LRC Public Information

FRANKFORT — Two Eastern Kentucky lawmakers are hoping to extend a pilot program that allows off-highway vehicles, or ATVs, to use state highways to get from one portion of a trail to another.

Sen. Phillip Wheeler, R-Pikeville, and Rep. Chris Fugate, R-Chavies, worked on adding the pilot program to an omnibus transportation measure, Senate Bill 215, during the 2021 legislative session.

The program is set to expire on July 1, 2024, Wheeler and Fugate told the Interim Joint Committee on Transportation on Nov. 1. Wheeler said they hope to extend the program another 36 months with new legislation in 2024.

“We’re really just now getting to the point to be able to adopt state roads and certain county roads into the ATV trail system,” Wheeler said.

SB 215 in 2021 gave local governments the ability to petition the state for permission to use a state highway to connect one portion of an ATV recreation trail to another.

Jason Siwula, deputy state highway engineer with the Kentucky Transportation Cabinet, said the administrative regulations took some time to promulgate, but they officially went into effect on March 1, 2023. He said no petitions have been submitted yet.

Jerry Adkins, director for the Pike County Hillbilly Trail System, said ATV recreation trail tourism is already off to a great start, and they hope to file a petition soon.

“We will soon be approaching to ask the Transportation Department to consider having the off-highway vehicles on State Route 197, which will allow us to access Elkhorn City, Kentucky, a few miles down Route 197, which is a trail friendly town,” Adkins said.



Sen. Phillip Wheeler, R-Pikeville, speaks about a pilot program for off-highway vehicle trails in Eastern Kentucky during the Interim Joint Committee on Transportation meeting Nov. 1.

Adkins said Pike County’s trail system officially opened Sept. 30 and permit sales with 15 local retailers have been going well.

Fugate said the ATV recreation trail system is more than just tourism for Eastern Kentucky.

“We’ve got 18 counties all working together to make this trail system happen, but it’s more of an economic development thing than it is tourism,” he said.

Sen. Jimmy Higdon, R-Lebanon, asked the panel what other states, like Tennessee and West Virginia, are doing to make ATV tourism a success. Higdon said research on other states played a large role in the 2021 legislation.

Fugate said Kentucky has essentially copied what West Virginia has done for the last 15 to 20 years.

Rep. Tom Smith, R-Corbin, said he was contacted by a constituent who was concerned about the lack of a kill-switch on ATVs after a child died when one was left running.

Wheeler said he’s not sure if there’s anything Kentucky can do at a state-level to mandate a kill-switch component on ATVs. Smith suggested the legislature consider passing a resolution asking the federal government to improve the safety of ATVs.

Wheeler agreed safety is a huge concern when it comes to ATV use.

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Maternal mortality, from page 3

nents of the legislation that help identify women struggling with postpartum depression and improve their access to psychiatric care.

Sen. Cassie Chambers Armstrong, D-Louisville, said legislators had to ask several questions to understand the directions they need to take to tackle maternal mortality.

“The process started with, ‘What do we know about the data in our communities and our state? What do the experts say are the best solutions for those problems?’ and ‘How can we craft something that makes sense in our current policy landscape?’”

Sen. Stephen Meredith, R-Leitchfield, also committee co-chair, asked Moser about urban vs. rural rates of maternal mortality.

Moser said the Kentucky Perinatal Quality Collaborative and the Maternal Mortality Review Panel have good information about the issue.

“Obviously, only the moms who need this insurance coverage would access it. So we don’t anticipate that this is going to be a large number. So regardless of whether you’re rural or you’re urban, if you need insurance, you should have access to that,” she said.

Sen. Donald Douglas, R-Nicholasville, thanked Moser, and said in Kentucky, 48% of births were covered by Medicaid. In 2022, 45% of the births in the state were covered by Medicaid. He urged the committee to “keep our eyes also on the big picture in the Medicaid area,” adding there is no free money.

“So anyone who wants to argue that we are not putting money into this area needs to go back and look at some of the data. I want to make sure that we’re looking at this in a pragmatic way, an objective way and not just an emotional way,” he said.

Moser said she agrees that more people are accessing Medicaid, but having healthier citizens will benefit the state’s economy and fewer people will access Medicaid.

“We are looking at this issue because this is a crisis, and we need to get our hands around it. But I think you’re right. We need to ultimately look at how to make Kentucky a healthier place, and I think we’re doing that,” she said.

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Committee Meetings

INTERIM JOINT COMMITTEE ON AGRICULTURE

Minutes of the 1st Meeting of the 2023 Interim June 8, 2023

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Agriculture was held on June 8, 2023, at 9:00 AM in Room 154 of the Capitol Annex. Representative Richard Heath, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Richard Heath, Co-Chair; Senator Cassie Chambers Armstrong, Senator Gary Boswell, Senator Matthew Deneen, Senator David P. Givens, Senator Damon Thayer, Senator Robin L. Webb, Senator Stephen West, Senator Mike Wilson, Representative Chad Aull, Representative Mike Clines, Representative Daniel Fister, Representative Derrick Graham, Representative David Hale, Representative Kim King, Representative Matthew Koch, Representative Shawn McPherson, Representative Amy Neighbors, Representative Michael Sarge Pollock, Representative Phillip Pratt, Representative Brandon Reed, Representative Sarah Stalker, Representative Walker Thomas, and Representative James Tipton.

Guests: Casey Shrader, Acting State Conservationist, USDA-Natural Resources Conservation District; Scott Schneider, State Conservationist Engineer, USDA-Natural Resources Conservation Service; Gordon Slone, Commissioner, Kentucky Department for Natural Resources; Cori Troutman, Director Financial Management, Energy and Environment Cabinet

LRC Staff: Stefan Kasacavage, Hillary Abbott, Kelly Ludwig, Susan Spoonamore, and Emily Wiley

Discussion on Kentucky's Watershed Dams

Gordon Slone, Commissioner, Kentucky Department for Natural Resources (KDNR), stated that Kentucky has 200 watershed dams which were constructed in the 1960s and 1970s by the United States Department of Agriculture's Natural Resources Conservation Service (USDA- NRCS). Many of these dams were built with a lifespan of 50 or 100 years. Each county has a soil and water conservation district. Some conservation districts have a watershed conservancy district. The dams are owned and maintained by watershed conservancy districts or local governments. These dams provide for flood control, erosion control, and water supply, and the watershed conservancy districts have the authority to levy an annual tax. The assessments of the lands by acreage have not been updated, making it "monetarily insignificant" for the local watershed conservancy districts to fund a watershed dam rehabilitation project.

Cori Troutman, Director of Financial

Management, Kentucky Energy and Environment Cabinet, stated that the Kentucky 2022-2023 budget language included \$5 million for rehabilitation grants to non-compliant or high hazard Kentucky watershed dams.

Mr. Slone stated that there are three priority watershed dams identified by USDA-NRCS in Kentucky. The top two are in Madison County, and the third is in Marshall County. The second and third priority projects are assumed to consume the \$5 million allocation.

In response to Representative King, Scott Schneider, Acting State Conservationist, USDA-NRCS, identified a map in the presentation that identifies the locations of the current watershed dams in Kentucky.

In response to Representative Tipton, Mr. Schneider stated that there are approximately 10 to 12 watershed dams that will need rehabilitation in the near future.

In response to Senator Boswell, Mr. Schneider stated that if sponsors want to use federal funds, then they must meet federal criteria.

Mr. Schneider stated there are approximately 11,845 USDA-NRCS watershed dams in 47 states. The nationwide USDA-NRCS Watershed Program has federal funding in the amount of \$2.4 billion to provide support for flood control, water supply, erosion control, recreation, wetland restoration, and wildlife. Mr. Schneider stated that downstream development can put people at risk as communities expand and build closer to the areas affected. Of the 200 dams in Kentucky, 48 have high hazard potential, 17 have significant hazard potential, and 135 have low hazard potential. Approximately 131 of those watershed dams are over 50 years old.

According to Mr. Schneider, many of the watershed dams in Kentucky are in the western part of the state. Downstream development is one of the biggest factors to create a need for rehabilitation. In addition to the original 24 high hazard dams, downstream development has changed the hazard classification for 24 dams to high hazard potential. Mr. Schneider defined rehabilitation as any work necessary to extend the service life of a dam and to meet applicable safety and performance standards. In order for a watershed dam to qualify for federal rehabilitation, it must be classified high hazard potential.. There has been \$112,356,285 million in federal funds allocated across the U.S. for the program future rehabilitation. The application process for rehabilitation grant funds for the construction and rehabilitation process can take up to seven years. For every one dollar contributed to rehabilitation construction, the federal government will contribute \$1.86, creating a 35/65 cost share.

In response to Representative Aull, Mr. Slone stated that it is the Soil and Water Conservation Commission's authority to decide who receives the \$5 million allocation. There is an opportunity for

local governments to share the 35 percent state/local cost share, but the assessments for tax levies are a small portion of what would be required if local governments were to share the cost burden.

In response to Representative Aull, Mr. Schneider stated there are 48 high hazard dams in Kentucky, but only 24 meet the federal criteria for rehabilitation. There are 12 watershed dams that have been identified as a priority by USDA-NRCS, with construction and rehabilitation costs totaling approximately \$97 million. Approximately \$34 million would be required in state cost share. Mr. Schneider stated that it can be assumed that it would be about the same cost for the other 12 watershed dams that were not made a priority.

Representative McPherson stated that there are seven counties in Kentucky that have received the most damage from natural disasters, specifically flooding. Kentucky should begin work as soon as possible to utilize these funds.

In response to Senator Webb, Mr. Slone stated that the Energy and Environment Cabinet, Division of Water, is responsible for inspecting dams. Mr. Schneider said that, to his

understanding, federal standards for inspections are more up-to-date than Kentucky's standards. The federal dollar commitment to watershed dam rehabilitation nationwide is between the \$50 and \$100 million range. Mr. Slone said that there has not been a specific state budget request, because the Kentucky Department for Natural Resources needs to consult with the USDA-NRCS.

In response to Senator Boswell, current watershed dams were not built to a 100-year standard. If a dam is high hazard potential, it does not mean that the dam is in poor health. The high rating means that a dam does not meet the criteria in the event of a large storm. An environmental assessment is needed when a rehabilitation occurs because it normally increases the environmental footprint of the dam.

In response to Senator Chambers Armstrong, Mr. Schneider stated that significant hazard potential means that there is a large risk for property damage. If there is a hazard to life, it would be designated as a high hazard potential. Mr. Slone stated that the watershed conservancy districts are responsible for dissemination of information regarding dam classification changes.

In response to Senator West, Mr. Schneider stated that approximately \$100 million needed for Kentucky to rehabilitate the dams. The USDA-NRCS funds about \$100 million annually to the entire United States. There are no federal restrictions if a state wants to rehabilitate dams as long as the dams meet the state criteria.

In response to Representative Stalker, Mr. Schneider stated that if a dam is rehabilitated using only state criteria, then the dam will still be eligible for federal funds.

Chair Heath stated that there is a long term need for watershed dam rehabilitation moving forward.

Report Received: NO ACTION REQUIRED

Chair Heath acknowledged the 2022 Property Tax Assessment Procedures for Well-Managed Forests. No action was required.

Adjournment
Meeting adjourned.

INTERIM JOINT COMMITTEE ON AGRICULTURE
Minutes of the 2nd Meeting of the 2023 Interim
July 20, 2023

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Agriculture was held on Thursday, July 20, 2023, at 9:00 AM, in Room 154 of the Capitol Annex. Senator Jason Howell, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jason Howell, Co-Chair; Representative Richard Heath, Co-Chair; Senators Cassie Chambers Armstrong, Gary Boswell, Matthew Deneen, Damon Thayer, Stephen West, and Mike Wilson; Representatives Mike Clines, Daniel Fister, Derrick Graham, David Hale, Kim King, Matthew Koch, Shawn McPherson, Amy Neighbors, Brandon Reed, Sarah Stalker, Cheryl Lynn Stevenson, Nancy Tate, Walker Thomas, and James Tipton.

Guests: Representative Jason Petrie, Rebecca Hartsough, Babbage Cofounder, Jeremy Buchanan, Executive Director, Purchase Area ADD, Eric Ratliff, Executive Director, Big Sandy ADD, Billie Johnson, Executive Director, Department for Local Government, Rich Storm, Commissioner, Kentucky Department of Fish and Wildlife, Dave Dreves, Fisheries Director, Kentucky Department of Fish and Wildlife, and Chris Wooldridge, Director, Center for Economic and Entrepreneurial Development, Murray State University.

LRC Staff: Stefan Kasacavage, CSA, Kelly Ludwig, Emily Wiley, Graduate Fellow, and Susan Spoonamore, Committee Assistant.

The June 8, 2023, minutes were approved, by voice vote, upon motion of Representative McPherson and seconded by Representative Koch.

Discussion on the Implementation of 2023 Regular Session HB 9 Relating to Economic Relief for Local Communities

Co-Chair Heath defined the acronym in the Kentucky G.R.A.N.T Program as the Government Resources Accelerating Needed Transformation Program. The main objective of the Program is to seize opportunities to leverage state dollars for public projects that will revitalize rural communities. The federal government has allocated \$3 trillion in competitive grants to promote economic and workforce development, infrastructure, substance use disorders, STEM Programs, housing, etc.

Rebecca Hartsough, Babbage Cofounder, explained that the Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization identified 25 areas across the United States that need economic revitalization due to job losses and downturns associated with the fossil fuel industry. The Interagency Working Group has prioritized two areas in Kentucky for funding: 21

counties in eastern Kentucky (second priority) and 20 counties in western Kentucky (sixth priority). Ms. Hartsough stated that the federal grant dollars will require matching funds. Several neighboring states, such as Indiana, Ohio, and West Virginia, have appropriated funds to assist grant applicants with matches. Seeing this policy trend, Ms. Hartsough began working with co-sponsors Representative Heath and Representative Petrie to develop 23 RS HB 9 in November 2022.

Ms. Hartsough stated that any local government, nonprofit, area development district, or a coalition of those entities can apply to the G.R.A.N.T Programs for the state match. Applicants seeking G.R.A.N.T Programs funds must be approved prior to applying for the federal grant. If approved, for the federal grant, then the Department for Local Government will enter into an agreement to release the approved funds to the applicant's project. If the project is denied at the federal level, the approved funds will be released back into the pool for which other applicants can apply.

Ms. Hartsough stated that, at the request of Representative Petrie, a group of stakeholders across Kentucky are working to efficiently implement 23 RS HB 9. Local area development districts are hosting workshops to educate local individuals on the G.R.A.N.T Program.

Billie Johnson, Executive Director for the Department for Local Government (DLG), updated the committee on the progress of the G.R.A.N.T application. The DLG is revising the scoring matrix to ensure the application is a simple process. Ms. Johnson stated that the DLG is looking forward to continuing the process and anticipates delivering numbers to the committee in the fall of 2023.

Jeremy Buchanan, Executive Director, Purchase Area ADD, stated that his area development district has been working on projects relating to port facilities in western Kentucky. As a result, infrastructure is improving as the industry develops from the improved facilities. The Purchase Area ADD currently has over \$196 million in projects, including water treatment plants, expansions of river port facilities, transportation, etc. Mr. Buchanan stated that transportation improvement projects are the most difficult for the Purchase Area ADD to provide matching funds.

Eric Ratliff, Executive Director, Big Sandy ADD, stated that much of the coal severance dollars the Big Sandy ADD received were used to match other projects. With that revenue stream diminishing, some communities in eastern Kentucky are in desperate need of matching funds to support projects such as infrastructure, water, and sewer. The Big Sandy ADD has identified \$164 million of water and wastewater projects needed to improve the area. Mr. Ratliff stated that it would be beneficial to receive matching funds for needed projects.

Representative Petrie stated that 23 RS HB 9 has already become law. An executive order passed in 2021 by the President of the United States provides almost \$1 trillion with a broad scope and applicability to support communities across the country. Representative Petrie encouraged applicants to visit energycommunities.gov and grantreadykentucky.org

to identify possible projects. He stated that 23 RS HB 9 provides an opportunity to these two areas in Kentucky that may not have been attainable before. Representative Petrie explained that there is no obligation for repayment once communities receive their matching funds from the G.R.A.N.T Program. He stated that it will be financially beneficial to the general fund to provide a match, rather than fully funding a project. In addition, these dollars are “one-time” funds and are not intended to provide operational support. Representative Petrie stated that he and others are already looking to state budget considerations in the 2024 Regular Session to provide funding for the G.R.A.N.T Program.

Representative King asked that facilitators of the G.R.A.N.T Program be cautious of any stipulations that may come along with federal grant dollars.

In response to Senator West, Ms. Hartsough stated that communities providing its own matching funds can bypass the G.R.A.N.T Program and apply directly to the federal Program. they can proceed and not wait for a state-provided match. She stated that energycommunities.gov is a phenomenal resource to search for open grants. There are also 50 opportunities that do not require matches. Representative Petrie stated that there is no cap for federal funding received the \$1 trillion allocation.

In response to Co-chair Howell, Representative Petrie stated the G.R.A.N.T Program is prospective, which aims towards future projects. Though, statutory modifications may be made to 23 RS HB 9 before the 2024 Regular Session.

In response to Representative McPherson, Ms. Hartsough stated that the G.R.A.N.T Program facilitators anticipate the federal funding pool lasting until 2026 or 2027. Representative Petrie stated that Kentucky needs to take advantage of the small window of opportunity.

In response to Senator Boswell, Representative Petrie stated that if a county has not been identified by the federal government as a second or sixth tier priority, it can still submit a G.R.A.N.T application, but will not be considered unless it collaborates with a county that is in those identified areas. Incorporating counties that are a non-priority may affect the chances of approval at the federal level.

In response to Co-chair Howell, Representative Petrie stated that it would be beneficial to list a county identified as a second or sixth priority by the Interagency Working Group as the primary applicant for these federal grants.

In response to Senator Chambers Armstrong, Representative Petrie stated that state and federal government Programs tend to preference larger regional projects that have broader outcomes. He recommended that individuals attend upcoming training sessions to know if they will be a priority for the federal grants.

Senator Chambers Armstrong stated that, for local governments, collaboration may reduce the compliance burden regarding grant reporting.

In response to Co-chair Howell, Representative Petrie stated that collaboration with neighboring state counties is a possibility when applying for federal grants. Though, G.R.A.N.T Program dollars are not intended to go outside the state. Ms. Hartsough stated

that the Interagency Working Group has established rapid response teams across the country to encourage collaboration near state borders and are considering a team near the Kentucky-West Virginia border.

In response to Representative Stalker, Representative Petrie stated that statutory requirements in 23 RS HB 9 are one-time funds and applicants should restructure their budgets if they are considering an operational Program or project.

Ms. Hartsough shared the links to energycommunities.gov and grantreadykentucky.org for applicants to utilize in the application process. Co-chair Heath stated that applicants should apply when considering a project.

Co-chair Howell commended those working with the G.R.A.N.T Program for their dedication to support opportunities for the state.

Update on the Management of Asian Carp in Kentucky

Rich Storm, Commissioner of the Kentucky Department of Fish and Wildlife Resources, stated that his department has created an industry to mitigate Asian Carp. This industry includes human and animal consumption. During his tenure, 34 million pounds of Asian Carp have been removed from waterways in Kentucky.

Dave Dreves, Fisheries Director, Kentucky Department of Fish and Wildlife Resources, stated that there are four species of carp that are ‘invasive carp’: Big Head Carp, Grass Carp, Black Carp, and Silver Carp. Silver Carp have the potential to jump out of water and injure recreational boaters and interfere with sport fish populations. These fish were initially introduced into ponds in Arkansas to control algae, then spread to the Mississippi River, and have gradually made their way to Kentucky. Invasive carp have the potential to damage the nearly \$3 billion fishing and boating industry in the state. The Department of Fish and Wildlife Resources sells about 550,000 fishing licenses, generating \$1.2 billion. The Kentucky boating industry consists of about 1.2 million boaters, generating \$1.9 billion.

Director Dreves stated that, since 2013, Kentucky has increased its efforts to mitigate the population of invasive carp. The only viable solution to control the population growth of these fish is commercial fishing. For example, in March 2013, the Kentucky Department of Fish and Wildlife Resources hosted “Carp Madness,” which was the first ever commercial fishing competition in the state. There are 10 full-time, federally funded positions in the department that work with carp, with five positions in western Kentucky and five in Frankfort. The department’s goal is a complete eradication of invasive carp by slowing the expansion into new waters and create Programs and regulations to assist commercial fishermen to fish for Asian carp. For example, there is currently an eight cent per pound subsidy on invasive carp harvested in Kentucky and Barkley Lakes, provided by federal funds. In addition, the department has provided regulatory exceptions to fish for invasive carp.

Director Dreves stated the Kentucky Department of Fish and Wildlife, along with commercial fishermen, harvest about 10 million pounds of invasive carp per year. Since 2013, 50 million pounds of carp have been

harvested statewide.

Chris Wooldridge, Director of the Center for Economic and Entrepreneurial Development at Murray State University, has collaborated with the department to assist with the market aspect of minimizing the number of invasive carp. One way to address the issue is to create demand for bait, fertilizer, and consumption. The hope is that a market approach will contain and control invasive carp, create a market incentive, and add jobs to the region.

Commissioner Storm stated that the history of invasive carp comes from private ponds in Arkansas which flooded into tributaries, creating the current issue of invasive carp in Kentucky. 23 RS HB 9 could provide support to needed infrastructure to limit the carp population.

In response to Co-Chair Howell, Director Dreves stated the department is reviewing administrative regulations to make commercial fishing more effective and appreciates the General Assembly’s support. Commissioner Storm stated that there are geographical limitations regarding transportation of carp; 23 RS HB 9 could be a solution.

In response to Senator Boswell, Commissioner Storm stated that electrofishing is only used by federal and state resource agencies and is not allowed for commercial use. Reasoning for the prohibition include the effect on nontarget species and safety of users. Bow fishing does not have a large impact on the total amount harvested.

In response to Senator Wilson, Director Dreves stated that there is a contract fishing agreement to pay fishermen federal funds to fish for invasive carp. Fishers are aware that the department’s goal is to eliminate carp. Commissioner Storm stated that groups acknowledge realistic goals and the economic opportunities that come along with preventing the expansion of an invasive species. Director Wooldridge stated that invasive carp will not be eradicated unless there is another invasive species brought in to consume invasive carp.

In response to Representative Fister, Director Dreves stated that the federal government has begun to use the term “invasive carp” rather than “Asian carp.” The species of carp has not expanded.

In response to Representative Hale, since 2013, there have been approximately 50 million pounds of invasive carp harvested. Approximately 90 percent of this harvest comes from Kentucky and Barkley Lakes. The fish are sold for 15 to 20 cents per pound. The primary customers of invasive carp are producers of bait, fishmeal, fertilizer, and human consumption.

Representative Hale thanked the department for all its work, and encouraged Governor Beshear to provide additional support to the Fish and Wildlife Resources.

Meeting adjourned.

INTERIM JOINT COMMITTEE ON AGRICULTURE

Minutes of the 5th Meeting of the 2023 Interim
October 19, 2023

Call to Order and Roll Call

The 5th meeting of the Interim Joint Committee on Agriculture was held on October 19, 2023, at 9:00 AM in Room 154 of the Capitol Annex. Representative Richard Heath, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Richard Heath Co-Chair; Senators Cassie Chambers Armstrong, Gary Boswell, Matthew Deneen, David P. Givens, Robin L. Webb, Stephen West, and Mike Wilson; Representatives Chad Aull, Mike Clines, Daniel Fister, Derrick Graham, David Hale, Kim King, Matthew Koch, Shawn McPherson, Amy Neighbors, Michael Sarge Pollock, Phillip Pratt, Brandon Reed, Sarah Stalker, Cherlynn Stevenson, Nancy Tate, Walker Thomas, and James Tipton.

Guests: Dr. Ryan Quarles, Commissioner, Kentucky Department of Agriculture; Keith L. Rogers, Chief of Staff, Kentucky Department of Agriculture; Dr. Steve Velasco, State Veterinarian, Kentucky Department of Agriculture; Matthew Koch, State Representative; Michelle Shane, Executive Director, Kentucky Board of Veterinary Examiners; Dr. John Park, Chairman, Kentucky Board of Veterinary Examiners; Dr. Jim Weber, Chairman, Government Relations Committee, Kentucky Veterinary Medical Association; Dr. Calvin M. Johnson, Dean, College of Veterinary Medicine, Auburn University; Dr. Melinda S. Camus, Associate Dean for Academic Affairs, College of Veterinary Medicine, Auburn University; Dr. Brian Parr, Dean, Hutson School of Agriculture, Murray State University; and Dr. Jason Peake, Founder and CEO, Peake Associates, LLC.

LRC Staff: Stefan Kasacavage, Hillary Abbott, Kelly Ludwig, Susan Spoonamore, and Emily Wiley.

Approval of September 21, 2023 minutes

The September 21, 2023, minutes were approved by voice vote, without objection, upon motion made by Senator Boswell and seconded by Representative Fister.

Discussion on Efforts to Address Kentucky's Veterinarian Shortage

Commissioner Ryan Quarles thanked members of the committee for the passage of 2023 RS SB 46 which created the Division of Emergency Preparedness and Response within the Office of the State Veterinarian (OSV) at the Kentucky Department of Agriculture (KDA). Kentucky's Veterinary Shortage Working Group (VSWG) is about to conclude with recommendations to address the large animal veterinarian shortage. Commissioner Quarles introduced the new State Veterinarian, Dr. Steve Velasco, who provided his background and intentions with the OSV.

Keith Rogers stated the OSV has had workload and staffing challenges over the past 10 years.

Commissioner Quarles's administration has rebuilt staffing numbers due to increased demand. Some areas of need include the growing cervid population, increasing backyard flocks, and processing of Certificates of Veterinarian Inspection (CVI). KDA is requesting additional funding

for the OSV in the 2024-2026 Biennial Budget to provide 4 positions in its new Emergency Preparedness and Response Division and 11 positions in its Field Division.

Mr. Rogers gave an overview of the VSWG's evaluation of the lifespan of a veterinarian from school to practice. The VSWG will meet on November 28, to finalize and approve its recommendations to address the shortage. The KDA has promoted large animal veterinary practices by establishing the Large/Food Animal Veterinary Loan Program within the Kentucky Agricultural Finance Corporation (KAFC). The Kentucky Agricultural Development Board (KADB) recently created a Large/Food Animal Veterinary Incentives Program, which provides matching dollars to assist veterinarians with startup or expansion costs. The KDA has also been involved at the federal level to increase awareness of the shortage. Mr. Rogers stated that Kentucky has become a leader on the issue, as it was the only state to have a working group such as the VSWG.

In response to Representative Aull, Mr. Rogers noted that states are primarily focusing on financial solutions to address the large animal veterinarian shortage. Commissioner Quarles commented that other states are awaiting recommendations from the VSWG.

In response to Representative Stevenson, Mr. Rogers stated that the average debt for a veterinary student is over \$200,000. The salary for a KDA staff veterinarian is \$78,000.

Michelle Shane thanked the committee for the passage of 23 RS HB 167, which modernized veterinary medicine and the Kentucky Board of Veterinary Examiners' regulation of it. Twenty-one new regulations will emerge from the passage of 23 RS HB 167. Representative Koch stated that the bill is not responsible for the prescription requirements for Noromycin 300 LA.

Representative Koch stated that the General Assembly is allocating about \$5.3 million annually for veterinary school seats at Auburn University (AU) and Tuskegee University, and there is a need to expand the number of seats. Over half of the veterinarians in Kentucky are AU graduates. Representative Koch expressed concern for the development of an in-state veterinary school and the costs of veterinary school debt. He referenced KRS 164.295 and the loss of Kentucky's Southern Regional Education Board (SREB) contract if it develops an in-state veterinary school.

Dr. Calvin Johnson stated the SREB contract has been active for 72 years. One-hundred fifty two of 520 students in AU's College of Veterinary Medicine (CVM) are Kentuckians. Sixty eight percent of employed Kentucky graduates immediately return to Kentucky. The SREB contract allows for Kentucky students to pay in-state tuition and fees to AU, with the state of Kentucky paying the difference. This is a \$127,500 four-year tuition savings to each Kentucky

student for an AU Doctor of Veterinary Medicine (DVM) degree.

Dr. Melinda Camus stated that AU has initiated Kentucky-focused projects to address the rural veterinarian shortage. The university has published research, which finds that individuals from rural areas or those who express a preference for a rural background are more likely to return to rural practices and communities. Dr. Johnson stated that AU has contracted with the United States Department of Agriculture's National Institute of Food and Agriculture (USDA-NIFA) Veterinary Services Grant Program. Grant One's (2018-2022) goal was to support aspects of rural recruitment of veterinarians, which focused on the educational experience at AU. There was a 95 percent success rate of students returning to rural practices at the time of graduation.

Dr. Johnson stated that the KADB, AU, and the Kentucky Veterinary Medical Association (KVMA) have entered a partnership to extend the life of Grant One for two additional years until 2025.

Grant Two (2023-2026) focuses on the educational pipeline in Kentucky to veterinary school. The first session was held in September 2023, where AU CVM students met with and mentored 10 high school students.

In response to Representative McPherson, Dr. Johnson stated that AU CVM focuses on business management, which is also an accreditation standard for the program. Dr. Camus stated that students can pursue their master's degree in business administration while concurrently attaining their DVM.

In response to Senator Givens, Dr. Johnson stated that AU collects employment data on outgoing DVM students by surveying students two weeks prior to graduation. Dr. Camus stated that those who are not considered "employed" in the survey are usually individuals pursuing advanced education or are actively job searching. Dr. Johnson stated that AU CVM has a holistic admissions process which considers more than GPA. There is a lowered differential between the overall AU CVM student population's GPA and Kentucky students' GPA. Dr. Camus stated that, to combat this, AU believes the USDA-NFIA Grant Two will better prepare Kentucky students academically for the AU CVM.

In response to Representative Thomas, Dr. Johnson stated that the SREB sets the rate that Kentucky pays to AU based on national metrics. There is a differential between what Kentucky is paying to AU and the difference between in-state and out-of-state tuition.

In response to Representative Stalker, Dr. Camus stated that the Kentucky Higher Education Assistance Authority (KHEAA) makes the determination if a student is considered a Kentucky resident in the AU CVM admissions process.

In response to Representative Tipton, Dr. Camus stated that, on average, each class loses three to four students for various reasons. AU CVM may change its acceptance numbers each year to account for Kentucky students that are no longer in the program.

In response to Representative Pollock, Dr. Johnson stated that AU CVM believes that licensed veterinary technicians should have the ability to practice within the authority given to them within the

Kentucky Practice Act, rather than creating a mid-level position between licensed veterinarians and licensed veterinary technicians.

In response to Representative Graham, Dr. Johnson stated that 92 percent of AU DVM graduates typically pass the veterinary licensing exam; six percent higher than the national average.

Dr. Brian Parr stated that Murray State University's (MSU) Hutson School of Agriculture is positioned to address the growing need for rural veterinarians in Kentucky. There is a national need unmet by existing DVM graduates. Five thousand individuals are needed to meet demand. There are 1,564 practicing veterinarians in Kentucky and 2,613 total licensed veterinarians. The shortage of rural food animal veterinarians available puts herds and flocks at risk. MSU has over 800 high school students currently enrolled in dual credit agriculture classes. This positions MSU to integrate themselves early on in students' careers. The Hutson School of Agriculture recently received a \$4.2 million endowment to support rural students studying veterinary medicine.

Dr. Parr stated that, if MSU were to establish a veterinary school, an estimated 50-70 veterinarians would graduate each year with an increased likelihood to remain in Kentucky and bolster potential veterinarians from rural areas. An emergency veterinary care facility provided by the school would allow for emergency care. The new veterinary school would utilize a clinical model framework to educate third-year DVM students. Projected costs of construction for a veterinary school would be \$89 million.

In response to Representative King, Dr. Parr stated that the profile of new veterinarians has changed over the past 20 years. The average pre-veterinarian student at MSU is a female student from suburban or urban backgrounds. As the landscape of practice ownership changes, Dr. Parr indicated that alternative workweeks have become more appealing and may be lower than the average of 40 hours.

Representative King expressed her concern regarding the presented statistics about abbreviated work weeks for veterinarians and may need to be discussed further.

In response to Representative Tipton, Dr. Parr stated that MSU has not entered an accreditation process for the potential veterinary school. MSU's program would entail a full curriculum of veterinary medicine, including large animal.

In response to Senator Webb, Dr. Parr stated that the demographics of agriculture students has changed. MSU's agricultural programs now start with agricultural literacy, rather than technical proficiency, due to lack of exposure prior to students' higher education.

Representative Koch suggested the committee consider the annual cost of a veterinary school in Kentucky and the diversity of distributive models which may be of concern.

In response to Senator Boswell, Dr. Parr stated that prerequisite courses taken by pre-veterinary students would be taken with general population students. MSU's intervention with prospective pre-vet or DVM high school students could support educational outcomes.

Consideration of Referred Administrative Regulations - No Action Required

Chair Heath acknowledged the listed Referred Administrative Regulations. No action was required.

302 KAR 016:071 Proposed - Repeal of 302 KAR 16:070.

302 KAR 016:030 Proposed - Determination of administrative or safety violations which cannot be corrected immediately; section stop order.

302 KAR 016:020 Proposed - Inspection and operation of amusement rides or amusement attractions.

302 KAR 016:010 Proposed - Business registration and permit for amusement rides or attractions.

302 KAR 033:010 Proposed - Grain dealers and grain warehouse operators.

302 KAR 016:111 Proposed - Violations, civil penalties, revocations, and suspensions of permits for amusement rides or attractions.

302 KAR 016:072 Proposed - Notification of occurrence involving an amusement ride or attraction.

Adjournment

There being no further business, the meeting was adjourned.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Minutes of the 1st Meeting of the 2023 Interim June 7, 2023

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Appropriations and Revenue was held on June 7, 2023, at 1:00 p.m. in Room 149 of the Capitol Annex. Representative Jason Petrie, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Jason Petrie, Co-Chair; Senator Christian McDaniel, Co-Chair; Senator Gary Boswell; Senator Matthew Deneen; Senator Donald Douglas; Senator Shelley Funke Frommeyer; Senator David P. Givens; Senator Amanda Mays Bledsoe; Senator Gerald A. Neal; Senator Michael J. Nemes; Senator Robin L. Webb; Representative Kim Banta; Representative Danny Bentley; Representative Adam Bowling; Representative Josh Branscum; Representative George Brown Jr.; Representative Myron Dossett; Representative Patrick Flannery; Representative Ken Fleming; Representative Deanna Frazier Gordon; Representative Chris Freeland; Representative Al Gentry; Representative Mark Hart; Representative DJ Johnson; Representative Bobby McCool; Representative Shawn McPherson; Representative Ruth Ann Palumbo; Representative Josie Raymond; Representative Brandon Reed; Representative Steve Riley; and Representative Ken Upchurch.

Guests: Stephanie L. Robey, Assistant Director of Administration, Division of Emergency Management, Department of Military Affairs; Shannon L. Soard, Budget Manager, Office of Management and Administration, Department of Military Affairs; Alex

Kelly, Budget Specialist, Office of Management and Administration, Department of Military Affairs; Meghan Sandfoss, Executive Director, Office of Broadband Deployment; John T. Hicks, State Budget Director; Mary Elizabeth Bailey, Secretary, Personnel Cabinet; Jamie Caldwell, Assistant Director, Personnel Cabinet, Division of Employee Management.

LRC Staff: Cynthia Brown, Katy Jenkins, Lexi Bensberg, and Fantasia Tackett.

Military Affairs' 2022-2023 Non-Governmental Expenditures Update

Stephanie L. Robey, Assistant Director of Administration, Division of Emergency Management, Department of Military Affairs; Shannon L. Soard, Budget Manager, Office of Management and Administration, Department of Military Affairs; and Alex Kelly, Budget Specialist, Office of Management and Administration, Department of Military Affairs provided the committee with an update on the Department of Military Affairs State Fiscal Year 2023 Necessary Government Expenditures (NGEs).

Mr. Kelly testified that \$273 million has been expended for NGEs for the 2023 fiscal year.

Kentucky's budget appropriates \$4.5 million annually for NGEs. The budget allows for additional expenditures for NGEs for governor-declared emergencies, governor's call of the Kentucky National Guard, and to match federal aid for presidentially declared disasters or emergencies.

Funds that exceed the annual appropriation of \$4.5 million come from the Budget Reserve Trust

Fund. At the end of the fiscal year all unexpended NGE funds lapse back to the Budget Reserve Trust Fund.

Ms. Robey testified in the last 5 years Kentucky has had 12 major disaster declarations. Over the last 5 years Kentucky has only had 2 declarations that did not involve flooding. She explained the process for receiving funds from Federal Emergency Management Agency (FEMA) is long, and KYEM tries to ensure the information they provide FEMA is accurate so they can be reimbursed quickly.

In response to the Western Kentucky tornadoes, KYEM submitted multiple projects totaling

\$21.6 million in reimbursement requests, which FEMA approved in their entirety. In response to the Eastern Kentucky flooding, KYEM submitted multiple projects totaling \$254.5 million in reimbursement requests. FEMA has approved \$16.8 million of the requests thus far. KYEM is limited to only conducting and being reimbursed for emergency work. In a normal declaration, FEMA would reimburse 75% of the cost from the Western Kentucky tornadoes. However, there was a presidential order that declared all disasters occurring in 2020 and 2021 would be funded at 90%. FEMA allowed KYEM to identify the 30 most expensive days of emergency response following the floods and tornadoes, which will be reimbursed entirely.

In response to a question from Senator McDaniel, Ms. Robey testified she expects KYEM to be reimbursed 95% for their expenses with the Western Kentucky tornado event and approximately 80% for the Eastern Kentucky flooding event. She explained that this reimbursement will occur over multiple

years.

In response to a question from Senator Webb, Ms. Robey explained that FEMA recently declared any project under \$1 million is considered a small project and can be reimbursed efficiently.

FEMA has also designated more people to help with final inspections for larger projects, which should expedite the reimbursement process.

Chair Petrie explained that as a result of the Eastern Kentucky flood and Western Kentucky tornadoes, Kentucky has the EKSAFE and WKSAFE funds, Team Kentucky funds, and \$400 million in NGEs.

In response to a question from Chair Petrie, Ms. Robey explained that she expects \$40 million to be reimbursed by the end of the fiscal year and approximately \$100 million to be reimbursed by the end of the next fiscal year.

Broadband Deployment Fund Implementation Update

Meghan Sandfoss, Executive Director, Office of Broadband Deployment and John T. Hicks, State Budget Director, provided the committee with an update on The Office of Broadband Deployment Fund Implementation, which is intended to provide universal access to affordable and reliable high-speed internet.

Mr. Hicks testified that 47 awards have been granted, approximately \$90 million. The office was able to leverage the state and local fiscal recovery funds at both the state and local levels. They have been involved in 36 counties, and 13 of the 47 approved projects have either been bid on or are in the construction phase.

The office put out the applications in November 2022 which were due in February 2023. It received 103 project applications which would cost approximately \$908 million, while the appropriated budget was only \$206 million.

Projects were proposed in 77 counties and there were proposals to serve 127,000 locations. Locations with no internet service were given priority. The office received multiple challenges to the project applications. After reviewing the challenges, revisions are now being completed, and the funds will be awarded in July.

In 2021, the General Assembly appropriated \$20 million from federal ARPA funds for the Rural Infrastructure Improvement Fund. This was intended to partially reimburse poll replacements and projects that were going to provide internet service to unserved locations.

Mr. Hicks testified that the Broadband Equity Access and Deployment (BEAD) program is the next step. By June 30, 2023, the National Telecommunications and Information Administration (NTIA) will announce the allocations of Kentucky's share of \$42 billion. The funding decision is based upon maps of served, underserved, and unserved locations by the Federal Communications Commission (FCC). It is estimated that Kentucky's share could be close to \$1 billion.

Ms. Sandfoss testified their 5-year action plan is due to the NTIA by August 12, 2023. The office has a contract with Connected Nation, a Kentucky-

based nonprofit with broadband experience, and they have been collaborating to develop a final plan. Ms. Sandfoss added that her office has been gathering local input to prevent further application challenges. Additionally, they have been working with the Education and Labor Cabinet to produce the digital equity plan for the state, which is also a BEAD requirement.

Ms. Sandfoss testified their initial proposal is due by the end of this calendar year and 20% of their allocation will be released once it is approved. The remaining 80% of the allocation will be released upon approval of their final proposal which is due at the end of 2024.

Mr. Hicks testified that the focus continues to be on unserved communities. However, federal funds can also be used for underserved locations which is measured by 100-megabyte download, 25-megabyte upload speeds.

In response to a question from Chair Petrie, Ms. Sandfoss testified their contract with Connected Nation cost \$4.4 million.

Chair Petrie requested additional information related to both approved and pending applicants. Mr. Hicks and Ms. Sandfoss agreed to provide documentation to the committee.

Mr. Hicks testified that the BEAD money will be appropriated to the Commonwealth of Kentucky and that the office would provide documentation on the money's guidelines and restrictions.

In response to a question from Chair Petrie, Mr. Hicks testified that there has been interest in developing a consistent revenue stream whose profits would be dedicated to broadband development, but not enough information has been gathered yet to propose and an adequate plan for this.

In response to a comment from Representative Flannery, Mr. Hicks testified they will soon be releasing a map for constituents to see locations that have broadband services available.

Personnel Cabinet Compensation and Classification Study Update

Mary Elizabeth Bailey, Secretary, Personnel Cabinet and Jamie Caldwell, Assistant Director, Personnel Cabinet, Division of Employee Management, provided the committee with an update on the cabinet's compensation and classification study.

Ms. Bailey testified that 2022 RS HB 444 required the personnel compensation study be complete by November 1, 2023. Korn Ferry, a premiere compensation consulting firm, is assisting the Personnel Cabinet with the study. There are 1,155 job classifications that encompass 25,500 classified, graded employees. The Personnel Cabinet is 70% complete with the job classification review. Of what has been completed, 89% of the job classifications are going to require an adjustment. This will include changes in job titles, minimum eligibility requirements, grade changes, special interest rates, and locality premiums, among other factors.

In response to a question from Senator McDaniel about compression issues, Ms. Bailey testified that the findings of this study will not result in compression or

changes in who employees report to following a grade change. After the study is complete, the Personnel Cabinet will have specific recommendations for compression that has already occurred.

Correspondence Received

Chair Petrie made the committee aware of the additional materials provided to them prior to the meeting, including correspondence from Budget Review and reports received by the Appropriations and Revenue Committee since the November meeting.

Adjournment

With there being no further business, the meeting was adjourned at 2:12 p.m.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE Minutes of the 2nd Meeting of the 2023 Interim July 19, 2023

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Appropriations and Revenue was held on Wednesday, July 19, 2023, at 1:00 PM, in Room 149 of the Capitol Annex. Senator Christian McDaniel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel, Co-Chair; Representative Jason Petrie, Co-Chair; Senators Gary Boswell, Matthew Deneen, Donald Douglas, Shelley Funke Frommeyer, Amanda Mays Bledsoe, Gerald A. Neal, Michael J. Nemes, and Robin L. Webb; Representatives Kim Banta, Danny Bentley, Adam Bowling, Josh Branscum, Josh Bray, George Brown Jr., Myron Dossett, Patrick Flannery, Deanna Frazier Gordon, Chris Freeland, Chris Fugate, Mark Hart, DJ Johnson, Bobby McCool, Shawn McPherson, Ruth Ann Palumbo, Josie Raymond, Brandon Reed, Steve Riley, Cherlynn Stevenson, and Ken Upchurch.

Guests: Senator Damon Thayer, Senate District 17; Jamie Eads, Executive Director, Kentucky Horse Racing Commission; Jennifer Wolsing, General Counsel, Kentucky Horse Racing Commission; Dr. Kim Schatzel, President, University of Louisville; Will Metcalf, Associate Vice President for Research and Innovation, University of Louisville; Dr. Gail DePuy, Senior Vice Provost, University of Louisville; Dr. Derek Paulsen, Dean of the College of Justice, Safety and Military Science, Eastern Kentucky University; Dr. Michael Ramage, Director of the Cyber Education and Research Center, Murray State University; Dr. Ray Blankenship, Department Chair of Analytics and Information Systems, Western Kentucky University; Dr. Kevin Kirby, Dean of the College of Informatics, Northern Kentucky University; Dr. Larry Ferguson, Acting President, Kentucky Community and Technical College System, President, Ashland Community and Technical College; Dr. Johnathan Nelson, Dean of the Elmer R. Smith College of Business, Morehead State University; Joe Monroe, Chief of Police, University of Kentucky; Dr. Melissa Bell, Vice President of Academic Excellence and Student Success, Council

on Postsecondary Education; Dr. Richard Maiti, Assistant Professor of Computer Science, Kentucky State University; Senator Gex Williams, Senate District 20; and Representative Daniel Fister, House District 56.

LRC Staff: Jennifer Hays, Cynthia Brown, Katy Jenkins, Sarah Watts, Hunter Branham, and Mariah Derringer Lackey.

Approval of the June 7, 2023, minutes

Senator Douglas made a motion, seconded by Representative Hart, to approve the minutes from the June 7, 2023, meeting.

Kentucky Horse Racing Commission

Senator Damon Thayer, Senate District 17; Jamie Eads, Executive Director, Kentucky Horse Racing Commission; and Jennifer Wolsing, General Counsel, Kentucky Horse Racing Commission provided an update on the implementation of the 2023 Regular Session HB 551. Senator Thayer discussed the funding and taxation of 23 RS HB 551. He reviewed the different funding sources and where the revenue from taxes would be placed.

Ms. Eads provided information about the timeline that was established in conjunction with the Public Protection Cabinet and how to achieve that timeline. The Kentucky Horse Racing Commission had several conversations with states where sports wagering already existed. The states named were Colorado, Indiana, Nevada, New Jersey, and Massachusetts. Also covered was the agreement with Gaming Laboratories International (GLI), which helps states roll out sports wagering. The Kentucky Horse Racing Commission approved the emergency and ordinary regulations, and those were filed with the Legislative Research Commission. The start date for taking wagers in retail locations is September 7 and online is September 28.

In response to a question from Senator McDaniel, Ms. Eads confirmed that the Kentucky Horse Racing Commission requested the 14 personnel positions and she believes that will be adequate and is affordable. She clarified some of the positions will be focused on all the products available. Ms. Eads pointed out that the commission had been regulating over \$8 billion wagered in the state of Kentucky with a team of two.

Cybersecurity Programs offered at Kentucky Universities

Representatives from universities around the state were given an opportunity to discuss their respective university's current and future programs relating to cybersecurity. Universities present included the University of Louisville, Eastern Kentucky University, Murray State University, Morehead State University, Western Kentucky University, Northern Kentucky University, University of Kentucky, and Kentucky State University.

Personnel from the Council on Postsecondary Education gave a few comments on the academic pipeline in Kentucky for cybersecurity. Comments covered were statistics, different types of programs offered in the state, collaborations with different workforce areas, and programs have been certified with national accreditations. Dr. Thompson stressed the importance of research and development in

cybersecurity.

In response to a question from Senator Funke Frommeyer, Mr. Metcalf explained the National Science Foundation grant has a limited number of qualified applicants they can accept into the program. He commented more teachers could be trained, if the university had more funding to support the trainers.

In response to a question from Senator McDaniel, Dr. Nelson discussed the steps Morehead State University is taking in response to the cyber-attack. There are a couple programs that are running now, but the university is moving in a slow and cautious manner to make sure everything is ready to be launched again.

Senator Nemes made several comments regarding the bill he filed relating to a cybersecurity center. He discussed the idea of the center, like Florida or Georgia, that would help coordinate collaborations, help with funding, and assist with teaching.

In response to a question from Senator Boswell, Dr. Bell commented on the funding for the Council on Postsecondary Education within the budget. Dr. Thompson discussed the board that selects the president and went into detail about funding.

Senator Williams asked questions about the availabilities of a SCIF (sensitive compartmented information facility) available. No response or comments were given.

Senator McDaniel made closing comments regarding cybersecurity and the lack of societal attention to the possibility of cyber-attacks.

Senator McDaniel encouraged committee members to review the follow-up information and the correspondence received.

The next meeting will be Wednesday, August 2 at 1 p.m. The meeting adjourned at 2:25 p.m.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE Minutes of the 5th Meeting of the 2023 Interim October 18, 2023

Call to Order and Roll Call

The 5th meeting of the Interim Joint Committee on Appropriations and Revenue was held on October 18, 2023, at 1:00 PM in Room 149 of the Capitol Annex. Representative Jason Petrie, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Jason Petrie, Co-Chair; Senator Christian McDaniel, Co-Chair; Senators Gary Boswell, Matthew Deneen, Donald Douglas, Shelley Funke Frommeyer, David P. Givens, Amanda Mays Bledsoe, Michael J. Nemes, and Robin L. Webb; Representatives Kim Banta, Danny Bentley, Adam Bowling, Josh Branscum, Josh Bray, George Brown Jr., Myron Dossett, Patrick Flannery, Ken Fleming, Chris Freeland, Chris Fugate, Al Gentry, Mark Hart, DJ Johnson, Bobby McCool, Shawn McPherson, Ruth Ann Palumbo, Josie Raymond, Brandon Reed, Steve Riley, Cherlynn Stevenson, and Ken Upchurch.

Guests: Dr. Jim Flynn, Executive Director, Kentucky Association of School Superintendents; Eric Kennedy, Kentucky School Boards Association; Chay Ritter, Division Director, Division of District Support; Andrea Day, Director, Department for Community

Based Services, Division of Child Care; Lesa Dennis, Commissioner, Department for Community Based Services; Laura Begin, Staff Assistant, Department for Community Based Services; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Scott Young, Executive Director, Kentucky Rural Water Association; Chris Perry, President & CEO, Kentucky Electric Cooperatives; Alan Gates, President & CEO, Pennyrile Electric; and Joe Arnold, Vice-President of Strategic Communications, Kentucky Electric Cooperatives.

LRC Staff: Jennifer Hays, Cynthia Brown, Katy Jenkins, Adam Johnson, Sarah Watts, and Fantasia Tackett.

Approval of Minutes

Representative Reed made a motion, seconded by Representative Bowling, to approve the minutes from the September 20, 2023, meeting.

School Funding Approaches

Dr. Jim Flynn and Eric Kennedy provided an update on school funding approaches.

Mr. Kennedy testified that in the recent biannual budget bill funding was increased for K-12 education, including base funding. In 2022, the Kentucky School Boards Association (KSBA) conducted a survey on local school employee raises, with 95 percent of districts responding their local school boards had approved some form of raise. The survey revealed diverse approaches to compensation increases, including special raises for specific job positions.

In 2023, KSBA did not repeat the survey due to the complexity of the task. However, anecdotally, it appears most districts gave some form of raises, with examples like Jessamine County

approving additional raises for high-need positions. Some districts added new steps to their salary schedules to retain experienced staff.

KSBA believes in local discretion for compensation adjustments, allowing boards to address nuanced issues at the district level. Concerns were raised about competing with neighboring districts that offer higher salaries, a common issue reported by school board members.

Dr. Flynn expressed appreciation for the 2022 budget policy, highlighting the investment and discretion given to use funds based on local context. Superintendents face challenges, such as competing with neighboring districts, losing experienced teachers, and addressing issues specific to their regions.

Dr. Flynn testified about the importance of maximum discretion at the local level for deploying resources and hoped for a similar approach in the 2024 biannual budget policy. Shortages not only in teachers, but also in bus drivers, student resource officers, custodians, and other roles were acknowledged.

SEEK & Student Transportation Funding Formulas

Mr. Ritter discussed the Support Education Excellence in Kentucky (SEEK) program and student transportation funding formulas.

The SEEK program originated from the 1989 Rose v. Council for Better Education lawsuit. SEEK is

a significant budget item, collaboratively estimated by the department, LRC staff, and the governor's budget staff. The program draws funding from federal, state, and local sources, with state funding, particularly SEEK, being a substantial component at \$2.3 billion. The funding process involves demographic and student count calculations, as well as considerations for facilities. The formula ensures equitable treatment for districts of varying sizes and types.

In response to a question from Representative Petrie, Mr. Ritter testified the SEEK formula operates predominantly as a straight-line process. He illustrated this with an example involving average daily attendance (ADA), where attendance percentages contribute to the base guarantee amount, currently set at \$4,200 per pupil. Mr. Ritter explained various add-ons, including free lunch, exceptional child support, home hospital funding, and limited English proficiency funding, which are calculated on top of the base guarantee to provide additional financial support for specific student needs.

Data for the SEEK formula is reported by districts through various systems, with a focus on ensuring data quality. Several factors, including property assessments, transportation costs, and local effort through property wealth, are considered in the formula. Transportation funding has seen a notable increase, and local effort, tied to property assessments, can affect state funding. Districts may also levy various local taxes, with some being restricted for facilities. Certain "nickels" are mandated or equalized by the General Assembly, addressing specific needs like facility growth and improvements. The "recallable nickel" is a current option for districts, subject to local petition, to fund facility goals.

In response to a question from Representative Petrie, Mr. Ritter testified the equalization of the "nickels" by the General Assembly is specified in the budget bill every two years.

In response to an additional question from Representative Petrie, Mr. Ritter testified that, to the best of his knowledge, there is no statute mandating the equalization of "nickels."

Mr. Ritter testified about SEEK funding tiers, underscoring the role of tier one in incentivizing local tax levies, and contributing approximately \$180 million. The equalization process linked to property wealth was discussed, along with budgeting challenges tied to fluctuating student populations and potential SEEK shortfalls. Post-COVID, there was a decline of about 4.6 percent in average daily attendance. Initiatives like open enrollment and a legislative change allowing FEMA districts to recover funds for substantial student losses were highlighted. Projections suggest a minimal increase in attendance for FY25 and FY26, emphasizing the need to address losses to avert fiscal challenges.

In response to a question from Representative Fleming, Mr. Ritter testified that currently the bulk of transportation costs in the formula is marked through a specific code. He expressed uncertainty about whether including parents transporting their kids in this cost would qualify, suggesting a need for a closer examination of the accounting details.

In response to an additional question from Representative Fleming, Mr. Ritter testified he has not

been contacted about the specific question regarding Jefferson County Public Schools' transportation issue.

In response to questions from Senator Boswell, Mr. Ritter testified figures regarding property tax increases for all school districts last year were submitted to the board for approval. He assured that the information, including the count of districts surpassing the four percent allowable increase without recall petition, would be provided to the committee.

22 RS HB 499 Implementation & Social Worker Employment Status

Ms. Day and Ms. Dennis discussed 22 RS HB 499 implementation and social worker employment status.

Representative Petrie provided an overview of 2022 Regular Session House Bill 499, designed to support child care in Kentucky. Sponsored by Representative Heavrin, the bill allocated \$15 billion in funding with a one-year delay for implementation. The goal was to extend state government assistance to smaller employers offering child care benefits to their employees.

Representative Petrie sought information on the current status of the program, the path taken to reach this point, and any challenges or suggestions for improvement encountered during the rollout.

Ms. Day testified about the Employee Child Care Assistance Partnership Program, highlighting that 25 percent of the \$15 million allocation targeted small businesses with fewer than 50 employees. Eligible entities must operate in Kentucky, prioritize child care deserts, and contribute at least 33 percent to costs. Employees working in Kentucky, not eligible for federal subsidies, and child care providers regulated by Kentucky were deemed eligible. Introduced on February 15, 2022, the program became effective a year later, drawing insights from other state programs. Extensive marketing efforts were made, resulting in 181 applications, with 82 approved. Challenges included its pilot program status, statewide child care capacity issues, and concerns about benefit equity. Successes involved family child care startup grants. Future steps include improving benefit equity, developing an online portal, and seeking feedback from early adopters.

Representative Raymond expressed support for 2022 Regular Session House Bill 499 but voiced concerns about its effectiveness, emphasizing a focus on affordability over expanding access and quality. She criticized excessive marketing expenses; suggested extending successful initiatives, such as providing free child care for childcare workers, to other in-demand profession; and emphasized the importance of direct cash assistance as a more impactful measure for supporting families, children, and providers.

In response to a question from Representative Johnson, Ms. Day testified benefit equity involves ensuring fairness in providing benefits to employees, considering those without children or ineligible for the child care assistance program. The goal is to maintain an equitable distribution of benefits across all employees within an organization.

Representative Petrie commented on the difficulty employers face in ensuring equality in benefit packages, particularly when extending different levels

of benefits to distinct employee groups.

Representative Johnson acknowledged the complexity of this issue, expressing the need for further consideration and reflection on the matter in the future.

In response to a question from Representative Bentley, Ms. Day testified the marketing was carried out statewide and did not overlook the eastern region of Kentucky (East of I-75).

Representative Petrie commented child care is a complex issue targeted at specific needs within a particular sector, emphasizing that the bill could not be leveraged for broader child care issues.

In response to a question from Representative Bowling, Ms. Day testified the 113 children who signed up are still receiving the benefit, with only a few terminations, often due to the employee no longer working for the employer.

Representative Petrie commented the Cabinet for Economic Development and local economic authorities at county or city levels might find interest in using this type of program for recruitment and expansion of businesses. Ms. Day affirmed his suggestion.

Ms. Dennis testified about the current status of social work recruitment and retention. As of October 9, the Department for Community Based Services (DCBS) had 4,678 full-time employees, marking the highest staffing level ever recorded.

In response to a question from Representative Petrie, Ms. Dennis testified the mentioned figure includes the entire department and not just social workers.

Challenges faced by social workers were outlined, such as exposure to traumatic events and burnout. Turnover rates for the years 2020, 2021, and 2022 were discussed. An increase in case load carrying social worker positions from December 2022 to September 2023, indicates a slow and steady gain in hiring and retention within the department.

In response to a question from Representative Petrie, Ms. Dennis testified there was a net gain of approximately 150 social workers from December 2022 to September 2023.

In response to an additional question from Representative Petrie, Ms. Dennis testified there was a slow start in the first year of the biennium but acknowledged hiring had picked up speed in the second year.

Ms. Dennis thanked the General Assembly and Governor Beshear for their efforts on salary improvements, highlighting the increase in staffing. The starting salary for social workers rose from \$33,644 in 2021 to the current \$50,754, a gain of over \$17,000. Retention efforts include compensation work, shift and locality premiums, training, flexible work schedules, and initiatives to reduce case loads.

In response to comments from Representative Petrie, Ms. Dennis testified about the allocation of \$22.35 million for recruitment in FY 23 and FY 24, with an additional \$1.5 million.

In response to a question from Representative Bowling, Ms. Dennis testified she did not have the exact number for full staffing but mentioned the DCBS is nearing its personnel cap. She noted plans to request an additional 100 social workers to address

staffing needs.

In response to a question from Representative Petrie, Ms. Dennis testified achieving the optimal number of social workers would, in an ideal scenario, reduce the case load per social worker to around 18 to 19 cases. This number, while still on the higher end, would represent a significant improvement.

In response to an additional question from Representative Petrie, Ms. Dennis agreed to provide the committee with details on current case load numbers, including the individuals managing case loads, recent additions over the past two years, the present figures, the recommended optimal amount, and the necessary steps to achieve that optimal level.

In response to a question from Senator McDaniel, Ms. Dennis confirmed the 10 percent salary adjustment mentioned on slide 12 was specifically allocated for social work positions and was part of the budget bill.

In response to an additional question from Senator McDaniel, Ms. Dennis testified while the 10 percent salary adjustment was not specifically within the recruitment appropriation, it significantly contributed to attracting new social workers and was instrumental in the overall recruitment effort.

In response to a question from Senator Boswell, Ms. Dennis testified when the entry-level salaries were increased, all employees, including those with 5 or 10 years of experience, were brought up to the new salary level, if they were earning less than the new entry-level rate. This adjustment aimed to address concerns about retention for existing employees.

In response to an additional question from Senator Boswell, Ms. Dennis testified under current regulations with the Personnel Cabinet, it is possible for someone with five years of experience to be making the same as an entry-level employee due to the salary adjustments made.

Representative Petrie commented if the Personnel Cabinet completes the salary schedule as required by statute by November 1, 2023, it should help address some of the compression issues.

Water Management Assistance Fund

Ms. Williams and Mr. Young discussed the Water Management Assistance Fund.

Representative Petrie provided an overview of the Water Management Assistance Fund, mentioning assistance given in 2022 for operational aid to distressed water districts, not capital construction. He noted the infusion of \$10 million into the program and sought an update on its status, along with any suggestions for improvement or streamlining.

Ms. Williams testified about the criteria used to identify financially at-risk utilities, encompassing factors such as median household income, rate affordability index, audits, deficit retained earnings, debt service coverage ratio, and compliance. While underscoring the critical importance of safe drinking water and waste water services, Ms. Williams emphasized the challenge of assisting systems that struggle to repay funds. The fund prioritizes low-interest or zero-interest loans over grants, focusing on non-capital expenditures like audits, staffing, and maintenance. Collaborative efforts with entities such as the Environmental Protection Agency (EPA), Energy and Environment Cabinet (EEC), Kentucky

Rural Water Association (KRW), Rural Community Assistance Partnership (RCAP) and others were outlined to assess factors leading to financial instability and potential systems for assistance. The approval criteria were tabled at the October Kentucky Infrastructure Authority (KIA) board meeting, with further consideration planned for the November meeting.

In response to a question from Representative Petrie, Ms. Williams testified the Water Management Assistance Fund is currently in the development rollout stage, with coordination efforts involving about half a dozen utilities. No funds have been distributed thus far, as they are ensuring a comprehensive plan is in place to address the negative impacts before proceeding.

In response to a question from Representative Bray, Ms. Williams testified the funds can be used to assist with the acquisition of smaller districts by another entity.

Mr. Young testified, recognizing the current need, and commending the KIA and Ms. Williams for their diligent efforts to establish a performance matrix, ensuring purposeful allocation of funds. He emphasized ongoing collaboration and suggested developing a performance matrix and clearer criteria for efficient fund distribution, underscoring the importance of evaluating utility performance to ensure appropriate fund utilization.

Representative Petrie agreed with Mr. Young's suggestion, proposing the implementation of a target list or performance metrics for loans in capital construction. He emphasized the importance of clear guidelines to facilitate the effective use of state and federal assistance, particularly on the state side.

In response to a question from Representative McCool, Ms. Williams testified, while still in the planning stage, the KIA board's approval is required. The timeline for approval is expected in November 2023.

In response to a comment from Representative Petrie, Ms. Williams testified they have already engaged with approximately half a dozen districts and are working through the process. Once the final criteria are outlined, they will be able to distribute funds.

Senator Webb commented on the prolonged discussions about water management issues, recalling her involvement in a task force. She mentioned the task force's two-year efforts and

expressed concern about limited progress, questioning the current focus on six districts and suggesting the possibility of restarting the task force.

Provision of Utilities to Kentucky State Parks

Representative Petrie clarified this presentation was not related to tourism, state park funding, or bonds. Instead, it focused on the ongoing issue of state-owned electric utilities at various parks with outdated equipment and no clear means of operation. Electric cooperatives had previously assisted, but the sustainability of this approach was in question. Information was requested on understanding the issue, addressing it, and the associated costs for future consideration.

Mr. Perry testified about concerns regarding

the deteriorating electric infrastructure at state parks. Images were presented illustrating safety and reliability issues in the right of way as well as deteriorating equipment. Electric cooperatives have assisted in emergencies but are increasingly worried about the safety risks posed by the current state of infrastructure.

In response to a question from Representative Petrie, Mr. Perry testified the equipment shown in one of the images is typically suspended in the air.

Highlighting the significance of adhering to the National Electric Safety Code for clearance issues, Mr. Perry emphasized the need for engineering work. Key areas included the necessity of clearing right of way, addressing aged infrastructure, and implementing new construction and safety measures. Preliminary cost estimates for various state parks amounted to \$43 million.

Concerns were expressed about safety, reliability, and the economic development of the parks.

In response to a question from Representative Petrie, Mr. Perry testified if no action is taken, challenges may arise, especially if safety concerns lead to difficulties in maintaining service.

In response to a series of questions from Representative Petrie, Mr. Perry testified if no action is taken and the electric infrastructure in state parks deteriorates, there may be challenges for electric cooperatives to continue assisting due to safety concerns. He clarified there is no statutory obligation. Regarding the duration of the situation, it is estimated to be as long as electric cooperatives have been serving the parks, possibly spanning 50 years. When asked who would service the infrastructure if not the cooperatives, Mr. Perry suggested the need for contract crews, citing challenges in finding qualified personnel.

In response to a question from Senator Funke Frommeyer, Mr. Gates testified some state parks, like Pennyriple State Park, are not facing the same issues because their electric systems are owned and operated by electric utilities. Mr. Perry added across the state, many parks were initially set up with utilities asked to run services, and they handle maintenance and operations in those parks. However, the highlighted parks in the presentation are exceptions where the state of Kentucky owns the infrastructure.

In response to an additional question from Senator Funke Frommeyer about potential benefits, Mr. Gates testified one significant advantage would be the conservation of limited lineman resources, especially during major storms. He emphasized addressing the infrastructure issues could reduce outage hours, benefiting both the utility and park visitors. Mr. Perry added while there might be minimal cost savings at present, the current setup does not include operation and maintenance costs. Mr. Gates expressed Pennyriple Electric's willingness to take over if the parks are improved with the allocated funds, relieving the state of a business it may not have

needed to be in. He highlighted the potential improvement in visitor experiences, citing the frustration caused by extended outages at Lake Barkley State Resort Park.

In response to a question from Representative McPherson, Mr. Perry testified the proposed

agreement could be implemented within a two-year timeframe, considering variations in complexity among the parks. He emphasized Kentucky Electric Cooperatives's (KEC) capacity to handle engineering work efficiently, procure materials, and maintain transparency in communication.

In response to a question from Senator Boswell, Mr. Perry testified the bulk of the \$44 million was allocated to materials, particularly emphasizing the substantial expenses associated with right-of-way clearing, such as tree removal. He underscored that the perceived high costs were not driven by engineering expenses.

In response to a series of questions from Senator Nemes, Mr. Perry testified KEC's responsibility stops at the property line, similar to residential properties. He explained the practice of having a meter at the property boundary, and that the usage is metered at that specific point, even though it extends further into the park. Senator Nemes raised concerns about tree trimming, drawing parallels to personal property, and Mr. Perry highlighted KEC's scope does not extend beyond the metering point, mirroring practices with industrial customers.

In response to a question from Representative Dossett, Mr. Gates testified about the importance of addressing the infrastructure issue, particularly at Lake Barkley State Resort Park. The extensive acreage and safety concerns associated with deteriorating poles were discussed, emphasizing the challenges faced by linemen and sharing a specific incident of a state park employee being electrocuted. This highlighted the need to improve infrastructure for operational efficiency and employee safety.

Senator Webb expressed concern about potential challenges at Greenbo and Carter Caves state parks, emphasizing the impact on aesthetics. Exploring underground options to preserve the parks' integrity was suggested. The historical underfunding of state parks was highlighted, with a call for increased financial support to restore Kentucky's status as a leading park system.

Prioritizing a working relationship between park officials and stakeholders before allocating funds for modernization was recommended.

Representative Petrie commented on the shift in focus from the parks' traditional development to essential utilities like electricity. The presentation aimed to address the pressing issue of aging infrastructure, emphasizing the need for a future solution. The intention was not to advocate for immediate action but to highlight the looming challenges and potential solutions for future consideration.

Correspondence Received

Representative Petrie encouraged committee members to review the follow-up information and correspondence received. The follow-up information consisted of Teachers' Retirement System annuities. Correspondence received included Interim Emergency Appropriation Increases for FY 2024, Interim Allotment Adjustments for FY 2024, Interim Appropriation Revisions for Second Quarter FY 2024 from Jenny Bannister, and Reports Received Since September 20, 2023 from Jennifer Hays.

Adjournment

The next meeting will be Thursday, November 2 at 1:00 p.m. With there being no further business, the meeting was adjourned at 2:42 p.m.

BUDGET REVIEW SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND ENVIRONMENTAL PROTECTION

Minutes of the 1st Meeting of the 2023 Interim
June 7, 2023

Call to Order and Roll Call

The 1st meeting of the Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection was held on June 7, 2023, at 9:00 AM in Room 154 of the Capitol Annex. Representative Chris Fugate, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Chris Fugate, Co-Chair; Senator Gary Boswell, Co-Chair; Representative Russell Webber, Senator Brandon Smith, Representative Chad Aull, Representative Josh Bray, Representative Al Gentry, Representative Mark Hart, Representative Matt Lockett, and Representative Reed.

Guests: Kent Chandler, Chairman, Kentucky Public Service Commission. LRC Staff: Joseph Holt, Sara Rome, and Amie Elam.

Public Service Commission

Chairman, Kent Chandler, gave a general overview of the Kentucky Public Service Commission and an update on legislation passed in the 2023 Regular Session that will have an impact on the commission.

In response to a question from Representative Lockett, Mr. Chandler said that some of the reasons for the high turnover in the management division at the Public Service Commission include the requirement for a very unique skill set, low salaries compared to the private sector, and competition with other employers for experienced new hires.

In response to a question from Representative Aull, Mr. Chandler said that, as a general matter, the commission would not get involved in private utility companies cutting down trees. He added that regarding any complaints filed with the commission, the party alleging the wrongdoing would have to prove that the practice was unreasonable according to statute for the commission to take action.

In response to a question from Co-Chair Boswell, Mr. Chandler said that the Public Service Commission does occasionally outsource legal work.

The next meeting will be held on July 19, 2023.

Adjournment

There being no further business before the subcommittee, the meeting adjourned at 10:01 A.M.

Committee meeting materials may be accessed online at <https://apps.legislature.ky.gov/CommitteeDocuments/37>

BUDGET REVIEW SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND ENVIRONMENTAL PROTECTION

Minutes of the 2nd Meeting of the 2023 Interim
July 19, 2023

Call to Order and Roll Call

The 2nd meeting of the Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection was held on July 19, 2023, at 9:00 AM in Room 154 of the Capitol Annex. Senator Gary Boswell, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Chris Fugate, Co-Chair; Senator Gary Boswell, Co-Chair; Representative Russell Webber, Representative Mark Hart, and Representative Matt Lockett.

Guests: Jeff Noel, Secretary, Cabinet for Economic Development; Katie Smith, Deputy Secretary and Commissioner, Cabinet for Economic Development; and Matt Wingate, General Counsel, Cabinet for Economic Development.

LRC Staff: Joseph Holt, Kevin Newton, Sara Rome, and Amie Elam.

Rural Area Projects

Jeff Noel, Katie Smith, and Matt Wingate from the Cabinet for Economic Development spoke to the committee regarding rural economic development. The presentation included information on the KDPI program, new and expanding industry, and performance-based tax incentive programs.

There were no questions.

The next meeting will be held on August 2, 2023.

Adjournment

There being no further business before the subcommittee, the meeting adjourned at 9:15 A.M.

Committee meeting materials may be accessed online at <https://apps.legislature.ky.gov/CommitteeDocuments/37>

BUDGET REVIEW SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND ENVIRONMENTAL PROTECTION

Minutes of the 5th Meeting of the 2023 Interim
October 18, 2023

Call to Order and Roll Call

The 5th meeting of the Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection was held on October 18, 2023, at 9:00 AM in Room 154 of the Capitol Annex. Representative Chris Fugate, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Chris Fugate Co-Chair; Senator Gary Boswell Co-Chair; Senators Amanda

Mays Bledsoe, and Brandon Smith; Representatives Russell Webber, Jason Petrie, Brandon Reed, Chad Aull, and Mark Hart

Guests: Margaret Bell, Interim Chief Executive Officer, Waterfront Botanical Gardens; Jeff Fortwengler, Chief Financial Officer, Waterfront Botanical Gardens; Kenneth "Mort" Brown, Horticulture Intern, Waterfront Botanical Gardens; Scott Smith, Executive Director, First Frontier Appalachian Trails; Jerry Stacy, Chairman of the Board, First Frontier Appalachian Trails; Steve Pike, Executive Director, Southwest Regional Recreation Authority

LRC Staff: Joseph Holt, Kevin Newton, Sara Rome, and Amie Elam The minutes from September 20, 2023 were approved by voice vote. Waterfront Botanical Gardens

Representatives from the Louisville Waterfront Botanical Gardens provided the committee with

an update on the investments and the progress at the gardens.

In response to a question from Senator Boswell, Mr. Fortwengler stated the 50,000 customers referenced in the presentation may include repeat customers. He said the \$6 million price of the transformation includes drilling into the landfill's clay covering to put pilings down. He added that the offing of gas must also be maintained and monitored.

All-Terrain Vehicle Trails

Scott Smith and Jerry Stacy from First Frontier Appalachian Trails and Steve Pike from Southwest Regional Recreation Authority gave a presentation on what the trail system could mean for the future of Eastern Kentucky's economy.

In response to a question from Representative Petrie, Mr. Smith agreed to provide the committee with a Gantt chart for the project.

In response to a question from Chair Fugate, Mr. Pike said Spearhead Trails has seventeen employees and receives \$1.1 million a year from the Virginia General Assembly.

In response to a question from Representative Aull, Mr. Smith agreed to provide a specific budget request to the committee for the upcoming session.

In response to a question from Senator Boswell, Mr. Smith said that the goal is to open the trail system sometime next year. He added that the trail system will likely always need state funding. Mr. Pike said that Virginia's trail systems are not limited to just all-terrain vehicles. He said Virginia has motorized and non-motorized trails for biking, e-biking, horseback riding, and motorcycling.

In response to a question from Senator Bledsoe, Mr. Pike said that Virginia sells a \$60 annual permit. He added that residents, veterans, and youth may purchase permits at a discounted rate. Mr. Pike said the funding breakdown for the trail system is \$1.1 million from the state, \$185,000 from localities, and \$216,000 from permits.

In response to a question from Representative Webber, Chair Fugate said 35 counties are eligible to join the Kentucky Mountain Regional Recreation Authority. Mr. Smith said that Pike County is eligible to join the existing authority but is interested in

starting its own stand-alone project.

Adjournment

There being no further business before the subcommittee, the meeting adjourned at 10:07 a.m.

BUDGET REVIEW SUBCOMMITTEE ON EDUCATION

Minutes of the 1st Meeting of the 2023 Interim June 7, 2023

Call to Order and Roll Call

The 1st meeting of the Budget Review Subcommittee on Education was held on June 7, 2023, at 10:30 AM in Room 154 of the Capitol Annex. Representative Kim Banta, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Kim Banta, Co-Chair; Senator Matthew Deneen, Co-Chair; Representative Bobby McCool, Co-Chair; Representative James Tipton, Senator Gerald Neal, Senator Stephen West, Representative Shane Baker, Representative Tina Bojanowski, Representative Adam Bowling, Representative Derrick Graham, Representative Scott Lewis, Representative Ruth Ann Palumbo, Representative Jason Petrie, Representative Josie Raymond, Representative Brandon Reed, Representative Steve Riley, and Representative Killian Timoney.

Guests: Chay Ritter, Director, Office of Finance and Operations/Division of District Support, Kentucky Department of Education; Elly Gilbert, Assistant Director, Division of Educator Recruitment and Development, Kentucky Department of Education; Jocelyne Waddle, Education Administration Program Consultant, Division of Educator Recruitment and Development, Kentucky Department of Education; Jamie Link, Secretary, Education and Labor Cabinet; Sam Flynn, Chief of Staff and General Counsel, Education and Labor Cabinet; Shelby Lewis, Executive Director, Office of Legislative Services, Education and Labor Cabinet; Anthony Hudgins, Deputy Executive Director, Office of Unemployment Insurance, Education and Labor Cabinet.

LRC Staff: Seth Dawson, Sara Rome, Ethan Williams, and Amie Elam.

Salary Stipend Programs

Representatives from the Kentucky Department of Education (KDE) spoke to the committee regarding National Board Certification (NBC) and the salary supplement for speech pathologists and audiologists.

In response to a question from Representative Timoney, Ms. Waddle stated that the highest poverty districts have the lowest number of National Board certified teachers. Mr. Ritter said it is difficult to predict how many teachers will obtain NBC in a given year.

In response to a question from Representative Graham, Ms. Waddle explained that Kentucky's NBC retention rate is doing well and improving each year. She said if a teacher chose not to renew certification, they would forfeit the supplement.

In response to a question from Representative Bojanowski, Mr. Ritter said KDE would be happy to explore a stipend for teachers in classrooms with the most need, for example, classrooms with children with severe behavioral issues or disabilities.

In response to a question from Representative Tipton, Mr. Ritter said that only teachers that are in the classroom or spend the majority of time mentoring other teachers are eligible for the NBC stipend. Ms. Waddle said that certification makes a teacher eligible for a rank change.

In response to a question from Chair Banta, Ms. Waddle said not all colleges and universities use the five core propositions when educating new teachers.

Unemployment Insurance (UI)

Representatives from the Education and Labor Cabinet (ELC) testified regarding the impact of the pandemic on unemployment and the changes made to unemployment insurance in the 2023 Regular Session.

In response to a question from Representative Baker, Mr. Link said that the goal is to have a vendor in place for the new system by the end of 2023. He stated that, in the meantime, the UI technology team has been making changes to the existing system.

In response to a question from Representative Petrie, Mr. Link said that a new system would take approximately 24-36 months to implement. Mr. Link agreed to submit information to the committee regarding the 60 additional UI positions requested by ELC. Mr. Link said that ELC is in the process of cross-training existing staff.

In response to a question from Representative McCool, Mr. Link said hiring new employees is difficult for UI. He added that it takes at least six months of training for an employee to be proficient with the current system.

In response to a question from Representative Bojanowski, Mr. Flynn said that overpayment waivers were sent to 17,000 individuals. He said that 8,000-9,000 individuals responded to the communication, and the vast majority were granted an overpayment waiver.

In response to a question from Representative Tipton, Mr. Link said that every claim has been touched at this point. Mr. Flynn said all unresolved claims have received an adjudication and are in various stages of that process.

In response to a question from Senator West, Mr. Link said that 27 states are in the process of upgrading or developing new UI systems, and only four or five vendors in the nation have the capacity to handle that type of project. He said that building a new system would cost approximately \$48 million.

In response to a question from Representative Petrie, Mr. Link said a few substantial technology companies are looking to get into the space to develop new UI systems. He added that the alternative to a new system would be continuing to maintain the existing system. Mr. Link said the appropriate amount for the new system is roughly \$60 million, \$48 million from the General Fund, and \$12 million from the Service Capacity Upgrade Fund. Mr. Hudgins said blanket waivers are available for individuals who did not respond to the overpayment waiver communication

from ELC.

The next meeting will be held on July 19, 2023. Adjournment

There being no further business before the subcommittee, the meeting adjourned at 12:01 P.M.

BUDGET REVIEW SUBCOMMITTEE ON EDUCATION

Minutes of the 2nd Meeting of the 2023 Interim July 19, 2023

Call to Order and Roll Call

The 2nd meeting of the Budget Review Subcommittee on Education was held on July 19, 2023, at 10:30 AM in Room 154 of the Capitol Annex. Senator Matthew Deneen, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Matthew Deneen, Co-Chair; Representative Kim Banta, Co-Chair; Representative Bobby McCool, Co-Chair; Representative James Tipton, Senator Christian McDaniel, Senator Gerald A. Neal, Senator Stephen West, Representative Adam Bowling, Representative Derrick Graham, Representative Scott Lewis, Representative Steve Riley, and Representative Killian Timoney.

Guests: Dr. Koffi Akakpo, President, Kentucky State University; Tammi Dukes, Kentucky State University Board of Regents, Chair; Travis Powell, Vice President and General Counsel, Council on Postsecondary Education; Dr. Juston Pate, President, Elizabethtown Community and Technical College; Jessie Schook, Vice President of Workforce and Economic Development, Kentucky Community and Technical College System

LRC Staff: Justin Smith, Ethan Williams, and Amie Elam.

The minutes from June 7, 2023 meeting were approved by voice vote. Kentucky State University (KSU) Update

Newly named KSU President, Dr. Koffi Akakpo, provided the subcommittee with an update on the state of the the university. Mr. Travis Powell, updated the committee regarding HB 250 deliverables, including the faculty and staff evaluation process.

In response to a question from Representative Tipton, Mr. Powell will provide the subcommittee with a report on faculty and staff performance reviews, an updated organizational chart, and program updates. Ms. Dukes answered that KSU expects to complete the Fiscal Year (FY) 21 financial audit by July 31, 2023, and the FY 22 financial audit by the end of August 2023. Dr.

Akakpo said that he informed senior management officials at Sodexo, the facilities management company, that they have 30 days to improve or he will cancel the contract. Dr. Akakpo stated there is a transition plan in place should the contract be canceled.

In response to a question from Senator Neal, Dr. Akakpo said that KSU will be requesting funding for a health sciences building in the upcoming budget cycle.

In response to a question from Senator West, Dr. Akakpo stated that KSU must grow enrollment to be able to meet financial obligations.

Workforce Development

Representatives from the Kentucky Community and Technical College System (KCTCS) spoke to the committee about workforce development in the Commonwealth. The presentation included information about the impact of KCTCS on Kentucky's economy and workforce, and program and funding challenges.

In response to a question from Representative Timoney, Dr. Pate said that KCTCS has been involved in every phase of the battery plant project in Glendale. He said that the investment the legislature has made in the training facility and other facets of the project have been critical in allowing KCTCS to continue to grow the workforce pipeline needed to move the battery plant forward.

In response to a question from Representative Tipton, Dr. Pate stated that KCTCS is very supportive of performance-based funding. He said that the biggest challenge is the volatility that comes with performance-based funding not being added to the base. He added that he is hopeful there will be changes made to the performance metrics for two year institutions versus four year institutions.

Adjournment

There being no further business before the subcommittee, the meeting adjourned at 11:46.

BUDGET REVIEW SUBCOMMITTEE ON EDUCATION

Minutes of the 5th Meeting of the 2023 Interim October 18, 2023

Call to Order and Roll Call

The fifth meeting of the Budget Review Subcommittee on Education was held on October 18, 2023, at 10:30 AM in Room 154 of the Capitol Annex. Senator Matthew Deneen, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Matthew Deneen Co-Chair; Representatives Kim Banta Co-Chair; Bobby McCool Co-Chair; Senators and Stephen West; Representatives James Tipton, Shane Baker, Tina Bojanowski, Adam Bowling, Derrick Graham, Scott Lewis, Josie Raymond, Steve Riley, and Killian Timoney

Guests: Ronnie Nolan, Ed.D., Executive Director, Kentucky Educational Collaborative for State Agency Children; Julian Tackett, Commissioner, Kentucky High School Athletic Association; Chad Collins, General Counsel, Kentucky High School Athletic Association

LRC Staff: Liz Columbia, David Talley, Amie Elam

The minutes from September 20, 2023, were approved by voice vote. Kentucky Educational Collaborative for State Agency Children

Ronnie Nolan, Ed.D., Executive Director of the Kentucky Educational Collaborative for State

Agency Children (KECSAC), testified regarding the agency's budget request. The presentation included demographics, educational opportunities, and a request for financial support to help meet the needs of state agency children.

In response to a question from Representative Tipton, Dr. Nolan said the 8,500 students in the presentation include only school-age children who are in the custody or care of the Commonwealth and being served in a program that is operated or contracted with the Cabinet for Health and Family Services or the Department of Juvenile Justice (DJJ). Dr. Nolan stated that the Department of Education tracks students who have aged out of the system. He said there are many options for support services once a student ages out if that student is under the care of the Department for Community Based Services. He added that students in the care of DJJ do not have the same support services. Dr. Nolan said that KECSAC encourages a blended learning model of direct instruction by a certified in-person teacher enhanced by technology and virtual learning.

In response to a question from Senator West, Dr. Nolan said that KECSAC has programs in 47 Kentucky school districts and educates children in 72 programs operated or contracted with the Commonwealth. He added that the most common facilities are residential group home settings. Dr. Nolan stated that district schools receive the typical Support Education Excellence in Kentucky (SEEK) allocation and local tax dollars. He said the concern is that districts are serving children who do not reside in the area where they are receiving services; therefore, districts are supplementing the cost of serving these students. He answered that the \$18 million allocation is in addition to the SEEK allotment.

In response to a question from Representative Bojanowski, Dr. Nolan said the SEEK formula additions are insufficient to cover the significant needs of students with disabilities.

Kentucky High School Athletic Association

Julian Tackett and Chad Collins from the Kentucky High School Athletic Association (KHSAA) testified regarding student transfers and current rules and regulations.

In response to a question from Representative Bowling, Mr. Tackett said that foster care children or children in state custody are required to submit a judicial order to KHSAA when transferring schools. Mr. Collins added that eligibility exceptions can be made based on extenuating circumstances. Mr. Collins said that due process may only take a few days. However, if a hearing is required, the timeframe for a decision would be extended. Mr. Tackett said KHSAA allows student-athletes to make money from name, image, and likeness (NIL) deals.

In response to a question from Representative McCool, Mr. Tackett answered that students in counties near the border or in other states must follow the same rules as any transfer student. He added that Kentucky does not have an in-state residence requirement.

In response to a question from Representative Timoney, Mr. Tackett stated that two surrounding states have requirements that prohibit Kentucky

student-athletes from competing.

In response to a question from Chair Deneen, if a student does not meet one of the exceptions, schools are prohibited from determining eligibility without going through KHSAA.

Adjournment

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

BUDGET REVIEW SUBCOMMITTEE ON HEALTH AND FAMILY SERVICES

Minutes of the 1st Meeting of the 2023 Interim June 7, 2023

Call to Order and Roll Call

The 1st meeting of the Budget Review Subcommittee on Health and Family Services was held on June 7, 2023, at 10:30 AM in Room 129 of the Capitol Annex. Representative Danny Bentley, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Danny Bentley, Co-Chair; Senator Donald Douglas, Co-Chair; Senator Amanda Mays Bledsoe, Representative Jason Petrie, Representative Brandon Reed, Senator Karen Berg, Senator Lindsey Tichenor, Representative Adam Bowling, Representative Ken Fleming, and Representative Lisa Willner.

Guests: Eric Friedlander, Secretary, Cabinet for Health and Family Services; Lesa Dennis, Acting Commissioner, Department for Community Based Services, Cabinet for Health and Family Services; Jennifer Hancock, President & Chief Executive Officer, Volunteers of America; Lisa Lee, Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services

LRC Staff: Miriam Fordham, Kevin Newton, and Benjamin Thompson.

Status Update on Social Worker Recruitment and Hiring

Secretary Friedlander and Acting Commissioner Dennis provided information regarding the number of social workers employed by the Department for Community Based Services (DCBS).

In response to a question from Chair Bentley, Ms. Dennis noted that there are just over one thousand social workers employed by the DCBS.

In response to a question from Representative Willner, Secretary Friedlander noted that the acuity level for children receiving services for behavioral and mental health issues had increased over the last five years. Ms. Dennis noted that the DCBS is working with the federal government on a five year prevention plan.

In response to questions from Representative Petrie, Secretary Friedlander stated that the DCBS was short on social worker hires for Fiscal Year 2022. The DCBS had hired an additional twenty-five social workers. Secretary Friedlander noted that he was unaware of any plans to utilize the funds designated

for additional social workers for another purpose.

Funding for Substance Abuse Recovery Services

Ms. Hancock provided an overview of the substance abuse recovery services provided by the Volunteers of America.

In response to a question from Senator Douglas, Ms. Hancock noted that recovery courts are an additional layer of support for families. Recovery courts allow judges to operate in a therapeutic manner to accelerate family reunification.

Status Update on 2023 Regular Session Senate Joint Resolution 54

Secretary Friedlander and Commissioner Lee provided an update on the implementation of Section 3 of 2023 Regular Session SJR 54 which requires the Department for Medicaid Services to examine the reimbursement rates for outpatient pediatric therapy providers.

In response to a question from Representative Willner, Commissioner Lee noted that the cabinet has the funds to pay for a third-party audit as the federal government will pay half the cost.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 11:46 AM.

BUDGET REVIEW SUBCOMMITTEE ON HEALTH AND FAMILY SERVICES

Minutes of the 2nd Meeting of the 2023 Interim

July 19, 2023

Call to Order and Roll Call

The 2nd meeting of the Budget Review Subcommittee on Health and Family Services was held on July 19, 2023, at 10:30 AM in Room 129 of the Capitol Annex. Senator Donald Douglas, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Donald Douglas, Co-Chair; Representative Danny Bentley, Co-Chair; Representative Samara Heavrin, Senator Karen Berg, Representative Adam Bowling, Representative Josie Raymond, and Representative Lisa Willner.

Guests: Eric Friedlander, Secretary, Cabinet for Health and Family Services; and Lisa Lee, Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services

LRC Staff: Miriam Fordham, Kevin Newton, and Jennifer Luttrell.

Status Update on Medicaid Home and Community Based Services Waivers

Secretary Friedlander and Commissioner Lee provided an update on Medicaid Home and Community Based Services Waivers.

In response to questions from Senator Berg, Commissioner Lee noted that Michelle P waiver services are utilized for those who would typically qualify for long term care facility services. Michelle

P waivers cover services that no traditional insurance plan would cover. Commissioner Lee stated that some children receiving Michelle P waiver services also have private insurance, while the waiver provides wrap around support for the services that private insurance will not cover.

In response to a question from Representative Bentley, Secretary Friedlander noted that rural providers would receive higher payments if Medicaid rates were adjusted to the Medicare rates.

In response to questions from Representative Heavrin, Commissioner Lee stated that therapy services will be accessed in the same way even though they are moving from waiver services to the state Medicaid plan. Secretary Friedlander said that the waiver rate study would likely be submitted with the Cabinet's budget request submission.

In response to a question from Representative Willner, Commissioner Lee said that the Severe Mental Illness waiver had been submitted to Centers for Medicare & Medicaid Services for public comment.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 11:12 AM.

Committee meeting materials may be accessed online at <https://apps.legislature.ky.gov/CommitteeDocuments/372>

BUDGET REVIEW SUBCOMMITTEE ON HEALTH AND FAMILY SERVICES

Minutes of the 4th Meeting of the 2023 Interim October 18, 2023

Call to Order and Roll Call

The 4th meeting of the Budget Review Subcommittee on Health and Family Services was held on October 18, 2023, at 10:30 AM in Room 129 of the Capitol Annex. Representative Danny Bentley, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Danny Bentley Co-Chair; Senator Donald Douglas Co-Chair; Senators Karen Berg, and Lindsey Tichenor; Representatives Samara Heavrin, Kimberly Poore Moser, Adam Bowling, and Ken Fleming.

Guests: Jeb Duke, Chief Executive Officer, Humana Healthy Horizons; Liz Stearman, Director, Behavioral Health, Humana Healthy Horizons; Talley Russell, Director, Government Affairs, Humana; Evan C. Reinhardt, J.D., M.B.A., Executive Director, Kentucky Home Care Association

LRC Staff: Miriam Fordham, Kevin Newton, and Benjamin Thompson.

Approval of Minutes

Senator Douglas made the motion to approve the minutes from the September 20, 2023, meeting of the subcommittee. Senator Berg seconded the motion and the minutes were approved without objection.

Medicaid Reimbursement for Substance Use Disorder Treatment Services

Mr. Duke, Ms. Stearman, and Ms. Russell provided testimony regarding Medicaid reimbursement for substance use disorder treatment.

In response to questions from Senator Berg, Mr. Duke said that those members with substance use disorder could be placed into a separate premium category by identifying the underlying diagnoses when the members seek care.

In response to a question from Representative Bowling, Mr. Duke noted that Humana had not had contact with providers regarding the proposed changes to reimbursements to substance use disorder treatment services.

In response to a question from Senator Douglass, Mr. Duke confirmed that Humana's proposal would have no impact on the state Medicaid budget. Ms. Stearman stated that Humana relies on claims data to identify members with substance use disorder, meaning that members who have not sought care would not be included in any reporting.

In response to a question from Representative Fleming, Mr. Duke said that he believes there is reason for providers to support Humana's request due to adverse impacts the current structure has on provider payments.

In response to a question from Representative Moser, Mr. Duke noted that there are already various premium cohorts, though not specifically for those with substance use disorder.

Medicaid Reimbursement for Home Health Services

Mr. Reinhardt provided testimony regarding Medicaid reimbursement for home health services.

In response to a question from Senator Berg, Mr. Reinhardt noted that those individuals who perform home health services are required to be a Registered Nurse.

In response to a question from Senator Tichenor, Mr. Reinhardt stated that the Kentucky Home Care Association was requesting a fifty percent increase in the reimbursement rate for home health services.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 11:48 AM.

BUDGET REVIEW SUBCOMMITTEE ON GENERAL GOVERNMENT, FINANCE, PERSONNEL, AND PUBLIC RETIREMENT

Minutes of the 1st Meeting of the 2023 Interim June 7, 2023

Call to Order and Roll Call

The first meeting of the Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement was held on June 7, 2023, at 9:00 AM in Room 131 of the Capitol Annex. Representative Ken Fleming, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Ken Fleming, Co-Chair; Senator Michael J. Nemes, Co-Chair; Representative Chris Freeland, Co-Chair; Representative Kevin D. Bratcher, Representative Randy Bridges, Representative George Brown Jr., Representative David Hale, Senator Amanda Mays Bledsoe, Senator Christian McDaniel, Senator Shelley Funke Frommeyer, Representative Jason Petrie, Senator Robby Mills, Senator Reginald Thomas, Representative Al Gentry, Representative Mary Beth Imes, Representative DJ Johnson, and Representative Ruth Ann Palumbo

Guests: Jacob Walbourn, General Counsel, Office of the Secretary; DJ Wasson, Chief of Staff, Office of the Secretary; Holly Johnson, Cabinet Secretary; Sam Ruth, Commissioner, Department for Facilities and Support Services; John Hicks, State Budget Director; Billie Johnson, Executive Director, Department for Local Government; Rebecca Hartsough, Senior Policy Advisor, Babbage Cofounder; Casey Ellis, Executive Director, Kentucky Council of ADDs; Jason Vincent, Executive Director, Pennyryle ADD; Whitney Chesnut, Executive Director, Cumberland Valley ADD

LRC Staff: Emma Mills, Ethan Williams, and Jennifer Luttrell

Public Protection Cabinet (PPC)

Jacob Walbourn, General Counsel, Office of the Secretary, and DJ Wasson, Chief of Staff, Office of the Secretary, gave a brief overview of the Team Eastern Kentucky Flood Relief Fund and the Team Western Kentucky Tornado Relief Fund.

In response to questions from Chair Fleming, Mr. Walbourn stated that Governor Beshear issued an executive order to set up the Team Eastern Kentucky Flood Relief Fund and the Team Western Kentucky Tornado Relief Fund. PPC provided this information to the General Assembly in response to several legislative inquiries from committees and individual legislators, and the legislature codified the program guidelines and processes for the on-budget accounts through Senate Bill 99. State government websites, including the legislature's website, carried a banner to donate to the respective funds, first Western and then to the Eastern Kentucky funds.

Individuals contacted the Public Protection Cabinet to donate, but the cabinet did not solicit any donations. The Western Kentucky fund had an emergency regulation that was extended. The Eastern Kentucky fund was set up differently but was vested in the governor's powers, directing his cabinet secretaries to take in money for the Commonwealth and provide expenditures for public purposes. The primary source of funds was online private donations that were transferred into the disaster on-budget account created by Senate Bill 99. Each program adopted its specific

program guidelines. There were no weighted criteria used by PPC, but PPC applied feedback from local officials, with the most significant interaction through long-term recovery groups, to help assess what needs were not being met. PPC used these funds to fill the gaps where there isn't a readily identifiable source of money and was able to work with every

program that tried to get funds. Mr. Hicks added that the Safe Funds are separate from the on-budget account created by Senate Bill 99.

In response to questions from Senator Mills, Ms. Wasson replied that a third batch of checks was sent to disaster victims with a letter explaining where the money was from and why it was being distributed. There was confusion because of a "second supplemental check" notation on the memo line, and some people didn't get the first checks. PPC assisted those people in determining their eligibility for the first check and where it was distributed. People were transient in the aftermath of the disaster, so many checks were returned because of incorrect addresses. PPC investigated all of those cases. If eligible, they received the first check as well. Anyone with an insured loss, damage, or other needs in their home is welcome to contact PPC. PPC will verify their insurance claims with the insurer. If eligible, a check will be issued. If they still have unmet needs after receiving those checks and insurance didn't cover all of their needs, they will be referred to long-term recovery groups, the Commonwealth case management program, or the American Red Cross if they are still in the area. The insurance companies were beneficial in providing information when PPC made two data requests to identify where the damage was, verify payments, and they continue to help respond to those inquiries.

Responding to questions from Representative Bratcher, Ms. Wasson stated that PPC created eligibility programs for all of the programs described. Direct payments given to uninsured homeowners and renters were based on whether someone received assistance from FEMA. PPC worked with FEMA to verify those who received assistance, and insurance companies confirmed if the insured homeowners filed a claim or not. PPC funded the grain program based on information from the grain elevator about the deliveries there. No administrative costs come from PPC to the long-term recovery groups. The groups manage their cases and provide that funding. Each program decides who receives money according to the guidelines. She said she spoke with USA Cares because the Eastern Kentucky Flood Relief Fund (EKFRF) has limited funds with many needs. PPC asked them for specific information: if the homes were total rebuilds or needed repairs. The EKFRF primarily focuses on rebuilds, although Foundation for Appalachia Kentucky was given funding for a matching grant. PPC told USA Cares that PPC would connect them with one of the partners to assist in building the veterans' homes. PPC received no feedback from them. Some of the second group of checks that went to uninsured and insured homeowners and renters were returned to the fund sources because people indicated that they didn't file a claim with FEMA, so that information was sent to FEMA to research fraud activity.

In response to questions from Senator Thomas, Mr. Walbourn and Ms. Wasson confirmed that no public monies or privately donated funds were misappropriated.

In response to questions from Senator McDaniel and Representative Hale, Mr. Walbourn explained that PPC was tasked with fund administration. The legislature authorized 75 million dollars for non-profits this past session that PPC awarded so that

infrastructure was already built in. Ms. Wasson added it was an all-hands-on-deck scenario, and since PPC had experience in fund management and databases that help manage the funds, it was one of many agencies chosen to help, and she would like a better understanding of how FEMA filtered data to ensure funding is distributed to individuals in a timely manner.

In response to questions from Senator Mays Bledsoe, Mr. Walbourn said 10 to 12 trained PPC employees worked with the programs, Kentucky's emergency management, the Finance and Administration Cabinet, the Transportation Cabinet, the Cabinet for Health and Family Services, and the Energy and Environment Cabinet to ensure no funding sources were duplicated, but none were dedicated on a full-time basis. The precedent for these funds was set when the Team Kentucky Fund was created during the pandemic response modeled after the Boston Marathon response.

In response to questions from Senator Bridges, Mr. Walbourn stated that he understood that all donations were fully tax-deductible. He added the cabinet would provide documentation concerning how each account was created and by what authority.

In response to questions from Representative Petrie and Representative Johnson, Ms. Wasson and Mr. Walbourn stated they would provide a written response to the committee of a total of funds expended prior to the codification of the executive orders in Senate Bill 99, the obligated but not yet expended funds and timetable for that expenditure, and the process of choosing and paying contractors in ten days.

Finance and Administration Cabinet (FAC)

Holly Johnson, Cabinet Secretary; Sam Ruth, Commissioner, Department for Facilities and Support Services; John Hicks, State Budget Director, gave a brief overview of the Capital Construction and Relocation of Constitutional Officers.

In response to questions from Chairman Fleming and Senator Mills, Ms. Johnson confirmed FAC will keep in communication with the Attorney General and Secretary of State's offices and that the Office of the Attorney General is located in the Capitol and has a secondary office located at 1024 Capital Center Drive. Mr. Ruth confirmed that there is a landlord in receivership, others are attempting to acquire those properties, but that he has no details. FAC has a list of all spaces leased so tenants can be moved into these spaces at the same terms. Ms. Johnson stated that the cabinet will follow up with LRC concerning a rescheduled meeting about Senate Bill 122.

In response to questions from Senator Mays Bledsoe, Ms. Johnson replied that FAC is working on bidding the construction needed to determine how tenants will be relocated. Mr. Hicks added the cabinet is identifying available space to relocate agencies. Mr. Ruth stated that a space lease survey is sent to all state agencies to determine their needs.

Responding to a question from Representative Thomas, Ms. Johnson confirmed that the construction and relocation of Capitol offices will not interfere with the 2024 Regular Session.

In response to a question from Chairman Fleming, Mr. Ruth said he would provide information to the committee about when the construction was bid. The scope changed after the original bid.

Area Development Districts (ADD)

Billie Johnson, Executive Director, Department for Local Government; Rebecca Hartsough, Senior Policy Advisor, Babbage Cofounder; Casey Ellis, Executive Director, Kentucky Council of ADDs; Jason Vincent, Executive Director, Pennyriple ADD; Whitney Chesnut, Executive Director, Cumberland Valley ADD, provided information concerning 2023 Regular Session House Bill 9.

In response to questions from Representative Johnson, Ms. Hartsough replied that they would provide a consolidated request before the 2024 Regular Session.

In response to questions from Senator Funke Frommeyer, Ms. Chesnut stated there is an economic development project in Clay County providing tourism opportunities. Ms. Hartsough added Senate Bill 9 does not prohibit private investment from contributing to that match.

Representative Petrie stressed the importance of the committee members reaching out to the ADDs to be aware of the opportunities created through House Bill 9.

Adjournment

There being no further business the meeting was adjourned at 10:23 a.m.

BUDGET REVIEW SUBCOMMITTEE ON GENERAL GOVERNMENT, FINANCE, PERSONNEL, AND PUBLIC RETIREMENT

Minutes of the 2nd Meeting of the 2023 Interim

July 19, 2023

Call to Order and Roll Call

The second meeting of the Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement of the Interim Joint Committee on Appropriations and Revenue was held on July 19, 2023, at 9:00 AM in Room 131 of the Capitol Annex. Representative Chris Freeland, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Chris Freeland, Co-Chair; Senator Michael J. Nemes, Co-Chair; Representative Kevin D. Bratcher, Representative Randy Bridges, Senator Christian McDaniel, Representative David Hale, Senator Reginald Thomas, Representative Mary Beth Imes, Representative DJ Johnson, Representative Josie Raymond, and Representative Nancy Tate.

Guests: Milward Dedman, Deputy Executive Director, Kentucky Infrastructure Authority; Karen Sellers, Executive Director, State Board of Elections; and Tabatha Clemons, Grant County Clerk and Vice President, Kentucky County Clerks Association.

LRC Staff: Joey Holt, Emma Mills, Jeremy Simpson, and Spring Emerson.

Kentucky Infrastructure Authority

Mr. Dedman provided information on the American Rescue Plan Act (ARPA) Drinking Water and Wastewater Infrastructure Fund and the Water Management Assistance Fund.

In response to a question from Representative Bridges, Mr. Dedman said the last four projects he mentioned were for water projects in Martin and Marion counties, a stormwater project in Burgin, and one other project. Representative Bridges commented that Livingston and Crittenden Counties are supplying what they can to Marion County and they are over capacity with aging equipment which is cause for concern.

In response to a question from Senator Thomas, Mr. Dedman confirmed that Burgin is in Mercer County.

In response to questions from Chair Freeland, Mr. Dedman said the timeline for the grants is not currently an issue, but the lack of response is more concerning. He added that wastewater treatment facilities are also included.

State Board of Elections

Ms. Sellers and Ms. Clemons provided information on the cost of elections for the counties and the state.

In response to a question from Chair Freeland regarding the reimbursement rates and how long they have been in effect, as well as how they compare to other states, Ms. Sellers deferred to

Trey Grayson, former Kentucky Secretary of State. Mr. Grayson said no adjustment has been made to the statutory numbers since his term ended in 2011.

In response to a question from Chair Freeland, Ms. Clemons said more poll workers are able to serve now that there are Vote Centers. It is still difficult to find election officers.

In response to questions from Representative Hale, Ms. Clemons said the pay for election officers is set by the county fiscal courts up to a capped amount. Some counties have Vote Centers that all voters can utilize without voting in their particular precinct. Representative Hale expressed his appreciation for the options being made available.

In response to a question from Senator Thomas, Ms. Sellers agreed that early voting is great, but it does cost more. Ms. Clemons added that costs vary per county, and the information will be provided at a later date.

In response to a question from Chair Freeland regarding marketing costs, Ms. Clemons said some costs are mandated, such as advertisements and media notices.

In response to a question from Representative Hale regarding voter registration in high schools, Ms. Sellers said the State Board of Elections works with the counties. Ms. Clemons said there is a program for high school seniors in Grant County that teaches about taxes, elections, and voting registry. Usage of the State Board of Elections Voter Registration web page is very helpful. Ms. Sellers added that people find the website to be more secure than other types of

registration.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 10:02 AM.

BUDGET REVIEW SUBCOMMITTEE ON GENERAL GOVERNMENT, FINANCE, PERSONNEL, AND PUBLIC RETIREMENT

Minutes of the 5th Meeting of the 2023 Interim

October 18, 2023

Call to Order and Roll Call

The fifth meeting of the Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement was held on October 18, 2023, at 9:00 AM in Room 131 of the Capitol Annex. Representative Chris Freeland, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Chris Freeland Co-Chair; Senator Michael J. Nemes Co-Chair; Representative Ken Fleming Co-Chair; Senators Robby Mills and Reginald Thomas; Representatives Randy Bridges, David Hale, Jason Petrie, George Brown Jr., Al Gentry, Mary Beth Imes, DJ Johnson, and Nancy Tate.

Guests: Tara Purvis, Executive Director, Big I Kentucky; Shannon Stiglitz, Senior Vice President of Government Affairs, Kentucky Retail Federation; Heather Stevenson, Workforce Development Coordinator, Kentucky Rural Water Association

LRC Staff: Emma Mills, Jeremy Simpson, and Jennifer Luttrell.

Approval of Minutes (September 20, 2023)

Representative Fleming moved to approve the September 20, 2023, meeting minutes. Representative Johnson seconded the motion, and the minutes were approved without objection.

Apprenticeship Incentive Fund

Ms. Purvis, Ms. Stiglitz, and Ms. Stevenson provided information on the Apprenticeship Incentive Fund.

In response to questions from Senator Nemes, Ms. Stevenson said she was aware of the Bell County Detention Center program. Still, the Kentucky Rural Water Association, a registered apprenticeship, had no apprentices there. Ms. Stiglitz stated that the Kentucky Retail Federation Foundation is a newly registered apprenticeship. Ms. Purvis added that Big I Kentucky has a registered apprenticeship called the General Insurance Associate. She also stated that the Kentucky Office of Employer and Apprenticeship Services was prepared to accept the allocated \$2.5 million directly to the employers.

Senator Nemes commented that he was willing to allocate more money to this program if given the assurance that the money is applied to the program and not to the administrative costs. Ms. Stiglitz

recommended that the General Assembly add statutory language to ensure the money is utilized as intended and agreed to help with the appropriate language.

In response to questions from Representative Fleming regarding a significant return on

taxpayers' money and any ancillary income the state and local governments receive, a funding request cap, and reporting requirements, Ms. replied yes, even though it is a pilot program, this should help get people into the workforce and reduce their burdens of student loans and other debts incurred by going through the postsecondary school system. Ms. Stiglitz said more income, sales, and local occupational taxes would be collected, positively affecting the Commonwealth. The national apprenticeship requires reporting to keep the status as a registered apprenticeship. Still, the program was willing to report to the General Assembly.

Representative Fleming recommended language to include reporting requirements and oversight to minimize administrative costs. Ms. Stevenson stated that there is a cap of \$43,000 per entity.

In response to a question from Representative Fleming about the types of professions this program covers, Ms. Purvis said the General Insurance Associate provides careers in customer service and insurance agency account management, which could lead to the individual owning or managing their own agency. Ms. Stevenson stated the Kentucky Rural Water Association would provide careers as Water Systems Operations Specialists to become certified by the Commonwealth and Public Health Officials. Ms. Stiglitz added that the Kentucky Retail Federation would provide careers in building trades, such as electricians and HVAC specialists.

In response to a question from Representative Johnson regarding how these associations collaborated, Ms. Purvis stated that each is a trade association with shared membership organizations that have registered apprenticeships with the same mission. Any association with a registered apprenticeship would be eligible for this program.

In response to a question from Representative Johnson, Ms. Stevenson replied the Kentucky Rural Water Association's goal was to provide eligible candidates to expand communities' infrastructure needs. Ms. Stiglitz said the Kentucky Retail Federation's goal was to provide employees interested in a career, ensure employers that this is a good investment, and prove to the General Assembly that this seed money for apprenticeships would generate desirable employees.

Representative Thomas recommended that this program collaborate with the Economic Development Cabinet to receive entrepreneurship and business development education and the Community Development Financial Institutions Fund to empower underserved communities economically. Ms. Stiglitz said she would recommend this to the Kentucky Retail Federation's Senior Vice President.

In response to a question from Representative Gentry about how the program decided on the

\$1,000 incentive for the employers, Ms. Purvis said they spoke with employers and decided this would incentivize employers who would assume training cost burdens.

In response to a question from Representative Bridges regarding whether a tax credit might be more beneficial to employers, Ms. Purvis replied that other states have not had success with providing a tax credit and that Kentucky is the first state to try this apprenticeship program. Ms. Stevenson added that not all employers are eligible for tax credits.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 10:02 AM.

BUDGET REVIEW SUBCOMMITTEE ON JUSTICE AND JUDICIARY

Minutes of the 1st Meeting of the 2023 Interim June 7, 2023

Call to Order and Roll Call

The 1st meeting of the Budget Review Subcommittee on Justice and Judiciary was held on June 7, 2023, at 9:00 AM in Room 129 of the Capitol Annex. Representative Patrick Flannery, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Patrick Flannery, Co-Chair; Representative Daniel Elliott, Representative Brandon Reed, Senator Michael J. Nemes, Senator John Schickel, Representative George Brown Jr., Representative Jennifer Decker, Representative Nima Kulkarni, and Representative Scott Sharp.

Guests: Phillip J. Burnett, Jr., Commissioner, Kentucky State Police; Kiernyn Fannin, Director of Population Management, Department of Corrections; Hilary Dailey, Deputy Commissioner of Support Services, Department of Corrections

LRC Staff: Zachary Ireland, Perry Papka, and Benjamin Thompson.

Kentucky State Police - Update - Recruitment and Retention of State Troopers Commissioner Burnett provided an update on the number of troopers in the Kentucky State Police.

In response to questions from Representative Kulkarni, Commissioner Burnett noted that the maximum number of recruits in a training class is 110. The largest number of troopers at one time was 1,007 in 2006.

In response to a question from Senator Schickel, Commissioner Burnett stated that standards will not be sacrificed as long as he is Commissioner.

In response to questions from Chair Flannery, Commissioner Burnett noted that there are roughly one and a half classes per year, as there is some overlap.

Department of Corrections - Update - Prison Population Trends

Ms. Fannin and Ms. Dailey provided information regarding inmate populations.

In response to a question from Senator Schickel, Ms. Dailey said that there were slightly higher numbers of inmates in prisons than jails.

In response to questions from Chair Flannery, Ms. Dailey noted that the Department of Corrections does not see a large difference in population trends from

pre-COVID to present. Ms. Dailey noted that inmate populations were above the estimated numbers, but the department had a sufficient budget to handle the higher than expected population.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 9:40 AM.

BUDGET REVIEW SUBCOMMITTEE ON JUSTICE AND JUDICIARY

Minutes of the 2nd Meeting of the 2023 Interim

July 19, 2023

Call to Order and Roll Call

The 2nd meeting of the Budget Review Subcommittee on Justice and Judiciary was held on July 19, 2023, at 9:00 AM in Room 129 of the Capitol Annex. Senator Shelley Funke Frommeyer, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Shelley Funke Frommeyer, Co-Chair; Representative Patrick Flannery, Co-Chair; Representative Daniel Elliott, Senator Christian McDaniel, Senator Michael J. Nemes, Senator John Schickel, Representative Nima Kulkarni, and Representative Scott Sharp.

Guests: Keith L. Jackson, Deputy Secretary, Justice and Public Safety Cabinet; Randy White, Deputy Commissioner, Department of Corrections; and Rebecca Norton, Budget Director, Justice and Public Safety Cabinet.

LRC Staff: Zachary Ireland, Perry Papka, and Jennifer Luttrell.

Update - Justice & Public Safety Cabinet - Capital Project Priorities for 2024-2026 Biennium Deputy Secretary Jackson and Ms. Norton provided an overview of the Justice and Public Safety Cabinet's (JPSC) capital project priorities for the upcoming biennium.

In response to a question from Senator McDaniel, Ms. Norton stated that the JPSC is working with Northern Kentucky University on reestablishing a Northern Kentucky branch of the Office of the State Medical Examiner.

Update - Report on Strategic Master Plan for Correctional Facilities - HB1 (2022)

Deputy Commissioner White provided an overview of the strategic master plan for correctional facilities.

In response to questions from Senator McDaniel, Deputy Commissioner White noted that the Kentucky State Reformatory located in Oldham County faces challenges due to a very competitive job market in the area as well as significant deterioration of the facility. The Department of Corrections is expanding the Little Sandy Correctional Complex as well as looking to build a new complex in Fayette County on the campus of the Blackburn Correctional Complex in order to

offset the bed reductions being seen in the Kentucky State Reformatory.

Deputy Commissioner White noted that the Luther Luckett Correctional Complex has not had the same level of staffing challenges as the Kentucky State Reformatory.

In response to questions from Senator Schickel, Deputy Commissioner White stated that staff at the Kentucky State Penitentiary are prepared to carry out executions if they are required to do so. Deputy Secretary Jackson noted that the juvenile justice facility in northern Kentucky would begin accepting juvenile inmates again after a retraining and reorganization process is completed. Deputy Secretary Jackson confirmed that the northern Kentucky juvenile justice facility would house only female juveniles.

In response to a question from Chair Funke Frommeyer, Deputy Secretary Jackson stated that the cabinet is working to recruit employees to the Department of Juvenile Justice, while attempting to retain existing employees.

In response to questions from Senator McDaniel, Deputy Secretary Jackson noted that additional defensive equipment has been acquired for officers in juvenile justice facilities.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 9:43 AM.

BUDGET REVIEW SUBCOMMITTEE ON JUSTICE AND JUDICIARY

Minutes of the 5th Meeting of the 2023 Interim October 18, 2023

Call to Order and Roll Call

The 5th meeting of the Budget Review Subcommittee on Justice and Judiciary was held on October 18, 2023, at 9:00 AM in Room 129 of the Capitol Annex. Representative Patrick Flannery, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Patrick Flannery Co-Chair; Senator Shelley Funke Frommeyer Co-Chair; Senators Christian McDaniel, Michael J. Nemes, John Schickel, and Robin L. Webb; Representatives George Brown Jr., Jennifer Decker, and Scott Sharp.

Guests: Rodney Moore, Human Resources Director, Justice and Public Safety Cabinet; Amy Hess, Executive Staff Advisor, Justice and Public Safety Cabinet; Jenny Lafferty, Director, Office of Finance & Administration, Administrative Office of the Courts; Danny Rhoades, Executive Officer, Department of Court Facilities, Administrative Office of the Courts; Elizabeth Lucas, Director, Implementation & Court Services, Administrative Office of the Courts; Scott Mattingly, Chief Technology Officer, Administrative Office of the Courts

LRC Staff: Zachary Ireland, Perry Papka, and Benjamin Thompson.

Approval of Minutes

Representative Sharp made the motion to approve the minutes from the September 20, 2023 meeting of the subcommittee. Senator Schickel seconded the motion and the minutes were approved without objection.

Department of Juvenile Justice - Update on Juvenile Detention Centers

Mr. Moore and Ms. Hess presented information regarding the Department for Juvenile Justice (DJJ).

In response to questions from Chair Flannery, Ms. Hess stated that the DJJ is partnering with several outside groups regarding behavioral assessments of juveniles. Mr. Moore noted that the Campbell Regional and the Jefferson Regional Juvenile Detention Centers had seen changes in leadership.

In response to a question from Representative Sharp, Mr. Moore stated that the governor had converted DJJ youth workers to correction officer job titles, immediately increasing pay for those individuals.

In response to a question from Senator Schickel, Ms. Hess noted that detention center staff appreciated the ability to defend themselves in dangerous situations.

Administrative Office of the Courts

Ms. Lafferty and Mr. Rhoades provided an update on court facility projects.

In response to a question from Chair Flannery, Ms. Lafferty stated that the lease for the current court of appeals building is structured to expire when the construction on the new building has been completed and it is ready for use.

Ms. Lucas and Mr. Mattingly provided an update on video arraignment and conferencing.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 10:27 AM.

BUDGET REVIEW SUBCOMMITTEE ON TRANSPORTATION

Minutes of the 1st Meeting of the 2023 Interim June 7, 2023

Call to Order and Roll Call

The first meeting of the Budget Review Subcommittee on Transportation of the Interim Joint Committee on Appropriations and Revenue was held on June 7, 2023, at 10:30 AM in Room 131 of the Capitol Annex. Representative Ken Upchurch, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Ken Upchurch, Co-Chair; Senator Jimmy Higdon, Co-Chair; Representative John Blanton, Senator Brandon J. Storm, Senator Johnnie Turner, Representative Josh Branscum, Representative Thomas Huff, Representative Shawn McPherson, Representative Ruth Ann Palumbo, Representative Tom Smith, and

Representative Ashley Tackett Laferty.

Guests: Jim Gray, Secretary, Kentucky Transportation Cabinet; Bobbi Jo Lewis, Commissioner, Rural and Municipal Aid; John Moore, Assistant State Highway Engineer; Justin Harrod, National Electric Vehicle Infrastructure (NEVI) Project Manager; Robin Brewer, Executive Director, Office of Budget and Fiscal Management; and, Ron Rigney, Transportation Engineer, and Director of the Department of Highways.

LRC Staff: Justin Perry, David Talley, and Spring Emerson.

Highway Construction Contingency Account

Secretary Gray and Commissioner Lewis provided information on the Highway Construction Contingency Account.

In response to questions from Co-Chair Higdon, Commissioner Lewis explained the Transportation Alternatives Program is contained within the Office of Local Programs in the Department of Rural and Municipal Aid, and these projects are federally funded, requiring a twenty percent match. Revenue Sharing is broken down with the formula of fifths. One-fifth equal share to each county, one-fifth of rural road mileage as compared to the state overall rural road mileage, and one-fifth rural population as compared to the rural population of the state, and then two-fifths of rural land area as compared to the rural land area of the state. If a county is not a co-op program member, they would receive monthly payments through the Department of Local Government. Being a co-op member assures that the county would receive their Revenue Sharing funds in a different form, which is generally paid out in three payments. Co-op members are also entitled to emergency funding, which consists of three percent of funds set aside for emergency use.

In response to a question from Chair Upchurch regarding a breakdown of the formula by county or city, Commissioner Lewis said it is based on the most current census information, and will be provided to the subcommittee at a later date.

In response to questions from Representative Tackett Laferty, Commissioner Lewis said gravel or dirt roads must be part of the county road system or a city street to be considered. Gravel roads are not even considered, due to the fact that there is not enough funding for blacktop resurfacing.

In response to questions from Senator Turner, Commissioner Lewis said there is a high level of need in Letcher county and the surrounding areas due to the recent flooding issues. For assistance in applying for emergency funding, the field representative in the area is Barry Davis.

National Electric Vehicle Infrastructure (NEVI) Plan

Mr. Moore provided an overview of the NEVI Plan.

Chair Upchurch commented that Tennessee Tech visited Monticello, KY a few months ago and are placing a charging station in the downtown area at no charge to the city. Mr. Moore replied that he was unaware of that situation. Mr. Harrod said the Tennessee Valley Authority has been working with some counties in Western Kentucky and helping to

install charging stations in those areas. They are not necessarily compliant with the NEVI Plan, but there are also other entities working on the installation of charging stations.

In response to a question from Representative Blanton, Mr. Moore said the charging units could be implemented by a convenience store, a petroleum marketer, or an independent unrelated location.

In response to questions from Representative Blanton regarding the cost, Mr. Moore said a lot of the rollouts that you see at hotels are Level Two chargers, and are less expensive than fast chargers, due to the higher kilowatt requirement. The overall return on investment is capped based on federal requirements. A federal taxing structure does not exist at this time. Electric vehicles weigh slightly more than standard vehicles, but that does not cause the majority of the road damage.

In response to a question from Chair Upchurch regarding tracking the usage of electric vehicle chargers, Mr. Moore said that question would be better answered at the Department of Revenue.

In response to a question from Senator Turner, Mr. Moore said the primary cause of road damage is from commercial vehicle usage.

KYTC Cash Management Program

Ms. Brewer and Mr. Rigney provided information on the KYTC Cash Management Program.

In response to questions from Co-Chair Higdon, Mr. Rigney explained that a pre-construction phase must be completed before a project can be let. When it reaches the letting state, it enters the Road Plan. Not all projects have a planning phase. Federally funded projects have certain requirements, including an environmental impact statement. This process can take from a few weeks to a year or longer, and can include final design, fine tuning plans, acquisition of required right-of-way, reevaluation of the environmental statement, utility relocation, right of entry to properties, and utility certifications.

In response to a question from Co-Chair Higdon regarding projects that were designed or started but were unfinished due to a change in priorities, Mr. Rigney said there is no such list, but there

may be some delayed projects. If an active project is on the exceptions list for federal funding and there have been no expenditures within a year, an explanation must be submitted to the federal government through the quarterly reporting process.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 11:58 AM.

BUDGET REVIEW SUBCOMMITTEE ON TRANSPORTATION

Minutes of the 2nd Meeting of the 2023 Interim

July 19, 2023

Call to Order and Roll Call

The second meeting of the Budget Review Subcommittee on Transportation of the Interim Joint Committee on Appropriations and Revenue was held on July 19, 2023, at 10:30 AM in Room 131 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 Ken Upchurch, Co-Chair; Representative John Blanton, Senator Johnnie Turner, Senator David Yates, Representative Josh Branscum, Representative Thomas Huff, Representative Shawn McPherson, Representative Tom Smith, and Representative Ashley Tackett Laferty.

Guests: Vickie Bourne, Executive Director, Office of Transportation Delivery, KYTC; Kenny Bishop, Legislative Director, Office of the Secretary, KYTC; Andy Rush, Director of Transportation, Kentuckiana Regional Planning and Development Agency (KIPDA); Jarrett Haley, Executive Director, KIPDA; Bob Koehler, Deputy Executive Director, Ohio-Kentucky-Indiana Regional Council of Governments (OKI); and, Christopher Evilia, Transportation Planning Engineer, Lexington Area MPO.

LRC Staff: Justin Perry, David Talley, and Spring Emerson.

Approval of Minutes

Co-Chair Upchurch moved to approve the minutes of the June 7, 2023 meeting. The motion was seconded by Senator Thomas, and the minutes were approved without objection.

Public Transportation

Ms. Bourne provided information on the Office of Transportation Delivery, Department of Public Transportation.

In response to questions from Chair Higdon, Ms. Bourne said only a few counties in south central Kentucky have no service, due to no applications being received for them; however, they have expressed interest. Public transit is used by employees for rides to work, as well as by veterans, even though there is no formal veterans program in place at this time.

Representative Blanton commented that one of his former constituents who was disabled utilized the public transport service in the Sandy Valley area and enjoyed the ability to ride to work. When the service began charging fares, he had to quit his job. Ms. Bourne said that the Education and Workforce Development Cabinet may be involved with special cases.

In response to questions from Senator Yates, Ms. Bourne said usage is increasing as people reenter the workplace following the pandemic. Public input and coordination with the local governments will be considered before removing any routes.

Representative Smith commented that if a decrease in federal funding is anticipated, we should be working with them now, as it takes time for the long process involved. Increased activity plus a decrease in funds equals a problem.

Representative McPherson commented that there is a public-private partnership opportunity for local entities to assist in the fares, as is being done in his district of Scottsville.

In response to a question from Senator Turner regarding electric vehicles, Mr. Bishop said they are currently in the information gathering stage, and discussions are taking place. The committee will be kept informed on their progress.

In response to a question from Chair Higdon regarding the non-public school funding, Ms. Bourne said the fiscal courts did not request the full amount for their budgets.

Metropolitan Planning Organizations (MPOs)

Mr. Koehler with OKI provided information on the MPOs, along with Mr. Rush with KIPDA and Mr. Evilia with the Lexington Area MPO.

In response to a question from Chair Higdon regarding working with the KYTC, Mr. Rush said they work with the cabinet regularly on the Strategic Highway Investment for Tomorrow (SHIFT) process.

In response to a question from Chair Higdon regarding communication about SHIFT projects, Mr. Evilia said the MPOs do a lot before the SHIFT process begins. The need must be identified, then the sponsorship process begins, followed by setting priorities. Mr. Rush added that they are able to turbo boost certain projects, depending on necessity.

Chair Higdon commented that an issue with the SHIFT process is that it begins during the Session of the General Assembly. He requested that they share priority projects with legislators for their districts, as they want to work more closely together. Mr. Rush replied that they would be happy to provide the information.

Chair Higdon commented that the KYTC road plan within the agency budget request does not include SHIFT scores. If the SHIFT process is going to be used as a tool, it would benefit the legislature to have those scores at the time of the request.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 11:43 AM.

BUDGET REVIEW SUBCOMMITTEE ON TRANSPORTATION

**Minutes of the Fifth Meeting of the
2023 Interim**
October 18, 2023

Call to Order and Roll Call

The fifth meeting of the Budget Review Subcommittee on Transportation of the Interim Joint Committee on Appropriations and Revenue was held on October 18, 2023, at 10:30 AM in Room 131 of the Capitol Annex. Representative Ken Upchurch, Chair,

called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jimmy Higdon Co-Chair; Representative Ken Upchurch Co-Chair; Senators Amanda Mays Bledsoe, Johnnie Turner, and David Yates; Representatives John Blanton, Josh Branscum, Thomas Huff, Shawn McPherson, Tom Smith, and Ashley Tackett Laferty.

Guests: Cynthia S. Kelley, President and Chief Executive Officer, Madisonville Community College; Todd Smith, Director of Aviation, Madisonville Community College; Ray Gillaspie, Chief Financial Officer, Madisonville Community College; Jennifer Kirshner, Executive Director, Kentuckians for Better Transportation (KBT); Emily Herron, Airport Manager, Madisonville Regional Airport; Eric Frankl, Executive Director, Lexington Bluegrass Airport; Richard Dobson, Executive Director, Office of Sales and Excise Taxes, Department of Revenue; and, Kim Hensley, Division Director, Office of Sales and Excise Taxes, Department of Revenue.

LRC Staff: Justin Perry, Savannah Wiley, and Spring Emerson.

Approval of Minutes

Representative McPherson moved to approve the minutes of the September 20, 2023 meeting. The motion was seconded by Co-Chair Higdon, and the minutes were approved without objection.

Madisonville Community College

Ms. Kelley, Mr. Smith, and Mr. Gillaspie provided information regarding the Fixed Wing and Helicopter Training Programs being offered at Madisonville Community College.

In response to a question from Chair Upchurch regarding the success rate of graduates entering the workforce, Ms. Kelley said the first two-year program students will graduate in the upcoming spring. One of the first-year students worked a summer in Oregon spraying trees and found it to be a successful venture. Mr. Smith said some of the students are military veterans who wish to transition from fixed wing to helicopter training, or vice versa. Some are there to become flight instructors.

In response to a question from Representative McPherson regarding the return on investment back to the community, Ms. Kelley said their presence in Madisonville during the two-year program adds to the local economy. The program is also attractive to other companies, as well as for private industries and agriculture piloting opportunities.

In response to a question from Co-Chair Higdon regarding tuition rates for out-of-state students, Ms. Kelley said tuition fees are approximately \$3,000 per semester for in-state students, and for those residents of states that Kentucky has agreements with. Mr. Gillaspie said the fee for out-of-state students that do not have state agreements will pay approximately 1.5 times more than the in-state rate.

In response to a question from Co-Chair Higdon regarding the cost of flight hours regardless of a student's residency status, Ms. Kelley replied the fee is \$281 per flight hour for fixed wing, and \$531 per

flight hour for rotor training.

Representative Smith commented that looking into federal grants for agriculture may be a good idea, as a matching amount to a federal grant would be less than paying the full amount outright. Another idea would be a diesel mechanics school, as there is a demand for those jobs.

In response to a question from Representative Blanton regarding a maintenance training program, Ms. Kelley said the plan is to implement one, and they are awaiting approval from the Federal Aviation Administration (FAA). She agreed there is a huge need for aviation mechanics.

Senator Yates commented that there would be an economic impact on the investment and stated that a Public-Private Partnership (P3) would be one good option.

Commercial Service and General Aviation Airports

Ms. Kirchner, Ms. Herron, and Mr. Frankl provided an overview of the budgetary needs of commercial service and general aviation airports.

In response to a question from Senator Mays Bledsoe regarding the request for \$7.95 million per year of the biennium, Mr. Frankl said only a portion of that request would be used for matching funds. Paducah and Owensboro have significant needs.

In response to a question from Chair Upchurch regarding the use of Virtower, Ms. Herron said the Madisonville Regional Airport had been utilizing the operations tracking system since late May. Its use led to the recognition of additional traffic not being captured manually.

Department of Revenue

Mr. Dobson and Ms. Hensley provided information on Electric Vehicle Charging Fees and Collections within the Department of Revenue.

In response to questions from Senator Yates, Mr. Dobson said there are a wide range of installation costs for meters. Local governments would be required to pay the excise tax. No revenue estimate is available.

In response to questions from Senator Turner, Mr. Dobson said the excise tax would not replace the motor fuels tax, but would be supplementary. Private customers would not be required to pay the tax. The language in the statute is clear.

Co-Chair Higdon commented that there is much work to be done on this. Buyers of electric vehicles are required to pay an annual fee to equal approximately the amount to what would have been received in motor fuels tax. The current statute is a starting point, and there will be more discussion as time goes on.

Adjournment

The next meeting is scheduled for November 2, 2023 at 10:30 AM in Room 131 of the Capitol Annex. There being no further business before the subcommittee, the meeting was adjourned at 11:55 AM.

INTERIM JOINT COMMITTEE ON BANKING AND INSURANCE

Minutes of the 2nd Meeting of the 2023 Interim

October 17, 2023

Call to Order and Roll Call

The second meeting of the Interim Joint Committee on Banking and Insurance was held on October 17, 2023, at 9:30 AM in Room 149 of the Capitol Annex. Senator Jared Carpenter, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jared Carpenter Co-Chair; Representative Michael Meredith Co-Chair; Senators Donald Douglas, Rick Girdler, Jason Howell, Gerald A. Neal, John Schickel, Johnnie Turner, and David Yates; Representatives Robert Duvall, Jim Gooch Jr., Jacob Justice, Matt Lockett, Michael Sarge Pollock, Rachel Roarx, and Tom Smith.

Guests: Chris Nolan, Government Affairs, Insurance Institute of Kentucky; Lindsey McCutchan, Senior Director of State Government Relations, Nationwide Insurance; Kyle R. Hagerty, Vice President, Government Affairs & Compliance, Kentucky Credit Union League; Karen Harbin, President & CEO, Commonwealth Credit Union; and Mike Biagi, Partner, The Rotunda Group.

LRC Staff: Jessica Sharpe, Elizabeth Hardy, and Mariah Derringer-Lackey.

Approval of August 01, 2023 Minutes

Representative Pollock moved to approve the August 1, 2023, minutes. Senator Douglas seconded the motion, and the minutes were approved by unanimous voice vote.

Insurance Institute of Kentucky's legislative agenda

Mr. Nolan discussed the Insurance Institute of Kentucky's (IIK) legislative agenda. The first topic was legislation aimed at curbing auto glass fraud. Kentucky is a target because it is a no-deductible state for auto glass claims. Mr. McCutchan discussed legislation to require hands-free cell phone usage while driving. This is a highway safety measure and many surrounding states have hands-free laws. They also support eliminating gaps in insurance coverage for delivery network drivers and the National Conference of Insurance Legislators' (NCOIL's) Paid Family Leave Insurance Model Act, which authorizes a new line of insurance to provide paid family leave to employees. IIK does not support the effort to legalize litigation loans. Another topic was fortified "smart homes," which will help insurance companies to mitigate losses from extreme weather. Mr. Nolan next discussed 2022 legislation relating to settlements involving minors. IIK is working with stakeholders to address an issue involving banks being reluctant to set up blocked accounts for minors without a court order. Lastly, they requested an amendment to the recently-enacted medical cannabis legislation to add property and casualty insurance policies to the exemption that is provided for workers' compensation policies.

In response to Chairman Carpenter's question regarding the delivery network company legislation, Mr. Nolan stated that one of the issues last session was the fine tuning of definitions for when insurance coverage starts and stops. Regarding fortified smart homes, Senator Carpenter stated that a lot of the building code has changed dramatically to promote more sound structures, which also contributes to price increases. Mr. McCutchan stated that NCOIL is looking at revisions to a model law that address some of the cost concerns with fortified smart homes and suggested that a tax rebate or grant program could be options. In response to Senator Carpenter's question regarding IIK's request for an amendment to the medical cannabis legislation, Mr. Nolan stated that he believes the thought process is that medical cannabis has not been approved by the federal Food and Drug Administration (FDA), but he will follow up.

In response to Senator Howell's question regarding the delivery network company legislation, Mr. Nolan stated that the legislation does not require the development of a platform or application. He explained that the legislation does not apply to employees of a business, who would be covered by the employer's insurance. Senator Howell stated that he is concerned about how small delivery companies will cover the insurance gap if they do not have an application. In response to Senator Howell's questions regarding litigation funding, Mr.

McCutchan stated that most funding organizations have a rigorous case evaluation system and that he assumes, but cannot say for certain, that there are online litigation funding companies. Mr. Nolan stated that there is less concern about frivolous lawsuits and more concern about discouraging settlement. Senator Howell added that online consumer lending was a concern last session and requested that Mr. Nolan follow up on that topic with him at a later time.

Senator Girdler commented that drivers receiving a 1099 tax form would still be covered under the business policy. Many personal auto policies exclude commercial use, which results in a big issue for insurance companies trying to determine when use is personal and when it is commercial. In response to Senator Girdler's question about people in Florida committing auto glass fraud moving to Kentucky, Mr. Nolan explained that this is not the same group of people who did the same after Florida passed personal injury protection reform, but there is a similar effect with people exploiting assignments of benefits, which is now spilling over into Kentucky after additional reform legislation in Florida. He also stated that he believes there are more protections around property insurance in Kentucky.

Senator Yates stated that the General Assembly could create a rebuttable presumption as a starting point for determining coverage for delivery network drivers. Mr. Nolan stated that a clear delineation is needed for when the personal policy stops providing coverage and the commercial policy starts providing coverage. Regarding litigation funding, Senator Yates commented that he is concerned about the predatory nature of the loans and consumer protection. In response to his question about who are the borrowers, Mr. Nolan answered that it is not the attorney but the

plaintiff in the case. Regarding fortified smart homes, Senator Yates agreed that a tax rebate or incentive could address cost concerns. Regarding settlements involving minors, Senator Yates stated that even with small settlements and powers of attorneys, banks worry about being brought into litigation or being subject to a fiduciary duty. Mr. Nolan responded that they are trying to collaborate with banks to figure out how to amend the statute for better understanding. Regarding medical cannabis, Senator Yates stated that the Administrative Regulations Subcommittee has set up meetings with the Cannabis Council to look at best practices all over the country. In the event medical cannabis becomes a prescribed medication, Senator Yates confirmed that it was not the intent to lay groundwork for it to not be covered, as it would be a better alternative to drugs like Xanax and Klonopin.

In response to Representative Gooch, Senator Yates explained that minor settlements approved by the court cannot be relitigated once that person is no longer a minor.

Senator Turner commented on the problems with not having a court order to release minor funds. Mr. Nolan stated that they are trying to work through the issue of a bank requiring a court order to release settlement funds when the case is settled without a court order. Senator Turner further stated that the medical cannabis legislation provides for research to continue until 2025. The General Assembly did not legalize cannabis and has the right to amend the medical cannabis statutes as research continues.

In response to Representative Lockett, Mr. Nolan explained that banks are reluctant to open minor settlement accounts because of liability issues as well as a possible education issue. He did not know whether using a Uniform Gift to Minors account would achieve the same result.

In response to Senator Neal, Mr. McCutchan stated that the basis for the medical cannabis exemption request is to avoid the creation of potentially unsafe situations resulting from the use of cannabis and potential liability. Mr. Nolan added that because cannabis is not prescribed by a physician, insurance companies should not have to pay for a choice to utilize a non-traditional remedy.

Senator Douglas explained that the FDA has not approved the use medical cannabis for any medical conditions and insurance companies are not required to pay for things that are not FDA-approved. Mr. Nolan added that the medical cannabis legislation passed during the 2023 session does not require workers' compensation insurance policies to cover medical cannabis use.

Update on Kentucky credit unions and their role in the current economy

Mr. Hagerty introduced Kentucky Credit Union League's (KCUL's) new president and CEO and discussed how credit unions, which are not-for-profit, member-owned financial cooperatives, are healthy, safe, and rewarding financial partners for both their member-owners and the communities at large. Credit unions are not at risk for the types of failures that occurred in the banking industry. Over 90 percent of credit union deposits systemwide are fully insured.

In 2021, credit unions delivered \$1.06 billion in total positive economic impact for Kentucky and generated over \$97 million in financial benefits that were directly returned to members. Credit unions have been working to serve more rural communities. He also discussed the steps credit unions took during the pandemic and more recently to help their members, including supporting and funding financial literacy education.

Ms. Harbin stated that Commonwealth Credit Union (CCU) was established in 1951 and was opened with the purpose of serving state employees but has since expanded its field of membership like most credit unions. CCU has about \$2.2 billion in assets, 350 employees, 17 branches across Kentucky, and a volunteer board of directors. Credit unions serve about 138 million consumers nationally, but make up less than 10 percent of the market share. The majority of credit unions are small institutions with limited resources. Ms. Harbin discussed adding an underserved community to CCU's membership, helping their members during recent emergencies, helpful products and services that CCU offers, and CCU's participation in financial education and financial literacy.

In response to Chairman Carpenter, Ms. Harbin explained that higher interest rates have depressed CCU's profit margin and deposits and they have to reprice deposits more than they do loans. CCU's high capital helps in withstanding the impact. Chairman Carpenter commented that the cost of living has increased and the market has slowed.

In response to Representative Duvall, Ms. Harbin stated that the Financial Empowerment Commission deployed CCU's portal in up to 25 high schools. Additionally, financially trained employees go to the high schools to assist teachers, participate in community groups, and visit middle and elementary schools.

Senator Schickel commented on the important role that credit unions play in our communities and was thankful for the role they played in his life.

In response to Representative Smith, Mr. Hagerty stated that cryptocurrency is prominent in discussions within credit unions. Representative Smith stated that the General Assembly should look into regulating cryptocurrency automated teller machines (ATMs). Mr. Hagerty stated that credit unions are aware of the cashflows going in and out of cryptocurrency coin bases, but in terms of credit unions being the depositories for cryptocurrency or treating cryptocurrency as an asset for loans, there will need to be a more robust framework. Ms. Harbin explained that CCU is researching cryptocurrency but is waiting for government regulation before taking action. She stated that some funds are leaving her credit union and going into cryptocurrency.

Representative Smith stated that he would like to hear ideas from KCUL prior to session as this is a rapidly evolving issue.

Representative Meredith agreed that there needs to be some type of regulation of cryptocurrency ATMs. He also commented that regulators generally want to look at cash flows as a basis for lending and not assets or liabilities. Most financial institutions are probably not taking variable, moving target assets,

like cryptocurrency, as collateral for loans, but are focusing more on hard assets, like property and vehicles.

Adjournment

Chairman Carpenter announced the next Interim Joint Committee on Banking and Insurance meeting will be held on November 1, 2023. There being no further business before the committee, the meeting adjourned at 10:46 a.m.

CERTIFICATE OF NEED TASK FORCE Minutes of the 1st Meeting of the 2023 Interim June 19, 2023

Call to Order and Roll Call

The first meeting of the Certificate of Need Task Force was held on June 19, 2023, at 10:30 AM in Room 171 of the Capitol Annex. Senator Donald Douglas, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Donald Douglas, Co-Chair; Representative Russell Webber, Co-Chair; Senator Karen Berg, Senator Stephen Meredith, Senator John Schickel, Representative Lindsey Burke, Representative Daniel Elliott, Representative Marianne Proctor, and Representative Susan Witten.

Guests: Samantha Scotti, Project Manager, Health Program, National Conference of State Legislatures; Adam Mather, Inspector General, Office of Inspector General, Cabinet for Health and Family Services; Kara Daniel, Deputy Inspector General, Office of Inspector General, Cabinet for Health and Family Services; and Judy Taylor, Kentucky Ambulance Providers Association.

LRC Staff: DeeAnn Wenk, CSA, Logan Bush, and Becky Lancaster.

Introduction of Committee Members

Each member present introduced themselves to the committee.

Certificate of Need Requirements National Overview

Samantha Scotti, Project Manager, Health Program, National Conference of State Legislatures (NCSL), discussed NCSL background information, state examples, legislation, research, task forces, and studies, related to national certificate of need programs. She provided additional NCSL resources related to certificate of need.

In response to questions and comments from Representative Webber, Ms. Scotti stated that West Virginia modified its certificate of need program in 2023 and some modifications exempted specific types of health facilities.

In response to questions and comments from Senator Berg, Ms. Scotti stated that the NCSL webpage includes all facilities and services regulated in each state's certificate of need program.

In response to questions and comments from Representative Witten, Ms. Scotti stated that typically geo fencing modifications are made by the certificate of need regulating or oversight entity.

In response to questions and comments from Representative Proctor, Ms. Scotti stated that she can follow up on the dates that Kentucky suspended the certificate of need program during the COVID-19 pandemic.

In response to questions and comments from Senator Douglas, Ms. Scotti stated that states are acknowledging that access to services in rural areas is a unique issue and discussing different considerations to be applied in rural areas. She stated that task forces and studies in South Carolina and Georgia are looking into how certificate of need affects rural health care access.

Kentucky Certificate of Need Requirements Overview

Adam Mather, Inspector General, Office of Inspector General, Cabinet for Health and Family Services, discussed Kentucky's certificate of need purpose, governing statutes, enabling regulations, five application review criteria as operationalized in the state health plan, and the application review flowchart. He discussed the certificate of need formal review application process, provided a list of facilities that require a formal review, described nonsubstantive review and process, circumstances that grant nonsubstantive review status, exemptions authorized by state law including certain ground ambulance services, and pending certificate of need regulations.

In response to questions and comments from Senator Douglas, Mr. Mather gave an example that a hospital in an area providing sufficient MRI services for the community, the hospital may challenge the certificate of need application for another entity, and the hearing officer would determine the need through the hearing process. Kara Daniel, Deputy Inspector General, Office of Inspector General, Cabinet for Health and Family Services, stated that the administrative hearing office within the Cabinet for Health and Family Services, determines who will be the hearing officer for a review.

In response to questions and comments from Senator Berg, Mr. Mather stated that he would follow up with the number of reviews that are approved and denied. There are changes in the state health plan that may modify the number of review requests. The Office Inspector General surveys different facilities and is comparable to an accrediting body such as Joint Commission in Kentucky. Kentucky requires outpatient surgical centers, pain centers, and birthing centers to meeting ongoing quality assertions.

In response to questions and comments from Senator Meredith, Mr. Mather stated that the 35 states that have certificate of need programs implement them differently. A certificate of need goes away when a license is granted and there is an ability for the facility to change ownership.

In response to questions and comments from Representative Webber, Ms. Daniel stated that the cost escalation category in a nonsubstantive review is detailed in statute. Mr. Mather gave an example of a cost escalation nonsubstantive review. Ms. Daniel stated that an affective party is defined as other entities that provide and/or receive healthcare in the regional area as determined by the hearing officer. If there is no opposition during the nonsubstantive review, the

Office of Inspector General will issue a final decision. The burden of proof of need in the formal review process is on the party that is seeking approval, but in a nonsubstantive review the need is presumed or need qualifications have been met.

In response to questions and comments from Representative Proctor, Mr. Mather stated that the certificate of need limits the scope or ability for expansion for a facility but emergency exemptions can be granted. He stated that preferential treatment for expansion is not granted to existing licensed facilities with a certificate of need.

In response to questions and comments from Representative Burke, Ms. Daniel stated that the state health plan is adopted through regulation, need calculations are done within the state health plan, data surveys are conducted annually to determine the number of services provided by each facility in each area, and an update to the state health plan is statutorily required to be adopted each year after a period for public comments. Mr. Mather stated that there is no requirement for a facility to obtain a certificate of need to close a facility, but there are notification requirements.

In response to questions and comments from Senator Douglas, Mr. Mather stated that Kentucky Medicaid does not have a specific metric that measures quality of care but does rely heavily on Center for Medicaid and Medicare Services (CMS) metrics to measure quality of care. Ms.

Daniel stated that in accordance with case state law, an applicant seeking government dispensation bares the burden of proof that they qualify for it. There is a separate office of hearing officers in the Ombudsmen's Office, who go through specialized law judge training to become hearing officers.

In response to questions and comments from Representative Witten, Ms. Daniel stated that there may or may not be a formula for the number of beds in a facility for each category of service in the state health plan.

Adjournment

There being no further business, the meeting was adjourned at 11:59 AM.

CERTIFICATE OF NEED TASK FORCE Minutes of the 2nd Meeting of the 2023 Interim July 17, 2023

Call to Order and Roll Call

The second meeting of the Certificate of Need Task Force was held on July 17, 2023, at 10:30 AM in Room 171 of the Capitol Annex. Representative Russell Webber, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Russell Webber, Co-Chair; Senator Donald Douglas, Co-Chair; Senator Karen Berg, Senator Stephen Meredith, Senator John Schickel, Representative Lindsey Burke, Representative Daniel Elliott, Representative Marianne Proctor, and Representative Susan Witten.

Guests: Senator Gex Williams; Betsy Johnson,

President, Executive Director, Kentucky Association of Health Care Facilities; Tim Veno, President, LeadingAge Kentucky; Evan Reinhardt, Executive Director, Kentucky Home Care Association; Liz Fowler, Chief Executive Officer, Bluegrass Care Navigators; David Cook, Chief Executive Officer, Hosparus; Nancy Galvagni, President, Kentucky Hospital Association; Jim Musser, Senior Vice President, Policy and Government Relations, Kentucky Hospital Association; and Judy Taylor, Kentucky Ambulance Providers.

LRC Staff: DeeAnn Wenk, CSA, Logan Bush, and Becky Lancaster.

Approval of Minutes

A motion to approve the minutes of the June 19, 2023, meeting was made by Senator Schickel, seconded by Senator Meredith, and approved by voice vote.

Nursing Facilities

Betsy Johnson, President, Executive Director, Kentucky Association of Health Care Facilities (KAHCF), discussed the types of long-term facilities that are subject to certificate of need. She gave policy reasons for certificate of need and provided examples of other states' certificate of need laws.

Tim Veno, President, LeadingAge Kentucky, discussed the implementation of certificate of need as a tool, the fragile infrastructure of nursing facilities, and gave support for the legislators to review all data and testimony regarding certificate of need.

In response to questions and comments from Senator Berg, Mr. Veno stated that the Cabinet for Health and Family Services (CHFS) does an annual inventory of the census of available beds with payor sources. Ms. Johnson stated that the data from the annual inventory of available beds is broken down by county. Mr. Veno stated that with lower census data, he has not heard of access problems for Medicaid, Medicare, or private-pay patients in long-term care facilities.

Home Health Agencies

Evan Reinhardt, Executive Director, Kentucky Home Care Association (KHCA), discussed home health agency types, the certificate of need determination methodology, the market space and unstable industry of home health, the differences between the Kentucky and Indiana certificate of need programs, solutions to maintain the certificate of need, and the desired increase in reimbursement rates for home health.

In response to questions and comments from Representative Webber, Mr. Reinhardt stated that employee turnover is high due to the inability to pay competitive wages for staff, low Medicaid reimbursement rates, and the sometimes stressful interpersonal nature of the job.

In response to questions and comments from Representative Proctor, Mr. Reinhardt stated that home health agencies utilize standard quality metrics.

In response to questions and comments from Senator Meredith, Mr. Reinhardt stated that costs to deliver home health services are fixed. He stated there is a two-tiered system for private pay and Medicaid

or Medicare patients but some agencies also operate a safety net model at a loss for more acute patients. He stated that delivering more services in the home or community as opposed to a brick-and-mortar facilities would reduce the cost of healthcare.

In response to questions and comments from Senator Douglas, Mr. Reinhardt stated that home health operators cover the entire state, there are certificate of need holders in each county, and that home health operators deliver services in the patient's home. He stated that a licensed provider is restricted to a specific county, the amount that agencies can pay staff is fixed, and the certificate of need review process evaluates the home health provider saturation in the market to reduce competition for staff.

In response to questions and comments from Senator Berg, Mr. Reinhardt stated that the Office of Inspector General released data that shows there are counties with an adequate number of home health agencies but an inadequate number of home health staff. He stated that most home health patients have Medicaid or Medicare and the home health industry does not rely disproportionately on private pay patients for resources.

In response to questions and comments from Representative Witten, Mr. Reinhardt stated that there are home health patients ready for services but not enough staff to deliver the services needed. He stated that KHCA is working on staff recruitment, retention, and coordination of existing staff.

In response to questions and comments from Senator Schickel, Mr. Reinhardt explained that provider licensure and certificate of need govern two different processes.

In response to questions and comments from Representative Burke, Mr. Reinhardt stated that the removal of the certificate of need in Indiana has not negatively impacted hospice services, hospital services, and nursing home services because the industries are much larger in Kentucky. He stated that it takes approximately 48 hours for a patient to access nursing home care and it may take weeks or months to access home and community-based services. KHCA's goal is for patients to have access to home and community-based services within 48 hours.

Hospice Services

David Cook, Chief Executive Officer, Hosparus, discussed specific aspects of care unique to hospice care, and the critical benefit of hospice. Liz Fowler, Chief Executive Officer, Bluegrass Care Navigators, discussed the need for certificate of need to help prevent fraud, abuse, and profiteering in hospice care. Mr. Cook discussed the role of certificate of need in hospice care to keep costs low by maintaining a high standard of quality and integrity, the daily rates set by the federal government, and the lower quality of care found in states when the certificate of need laws are removed.

In response to questions and comments from Senator Berg, Ms. Fowler stated that the proliferation of private equity companies buying private medical practices to increase profit margins is a problem. Mr. Cook stated many patients do not know about all the services that are a part of the robust hospice services.

In response to questions and comments from

Representative Proctor, Ms. Fowler stated that there are many quality measures that hospice is federally required to report and Kentucky continually out performs the national average on many. Mr. Cook stated that people in crisis often do not know about all the services provided by hospice, therefore any services provided seems positive to them.

In response to questions and comments from Senator Meredith, Ms. Fowler stated that a strong certificate of need encourages hospices to admit patients at the right time to decrease spending.

Hospitals, Health Services, and Equipment

Nancy Galvagni, President, Kentucky Hospital Association, discussed the context and importance of the certificate of need for healthcare access and safety, Medicaid's and Medicare's lack of federal payments to fully pay for the coverage of treatments requiring cost shifting by hospitals, how a certificate of need ensures continuity of care, the two levels of certificate of need review, proposals for changes to the certificate of need, and the services that should continue using the formal certificate of need review process.

In response to questions and comments from Senator Meredith, Ms. Galvagni stated that Kentucky has one of the highest numbers of licensed hospital beds per 1,000 population, ahead of Ohio and Indiana, and that reducing administrative costs would decrease the costs of healthcare and the burnout of the workforce.

In response to questions and comments from Representative Proctor, Ms. Galvagni stated that the Northern Kentucky region is a part of the Cincinnati metropolitan statistical area with multiple hospitals and adequate access for people in that area. She stated that the St. Elizabeth Hospital is a safety net provider, one of the largest Medicaid providers in Kentucky.

In response to questions and comments from Senator Douglas, Ms. Galvagni stated that there is not a higher reimbursement rate to hospitals with a certificate of need, Kentucky is the 43rd lowest paid state by Medicare, hospital reimbursement rates are almost entirely government set, a certificate of need does not cover physician care, and the burden of regulation on physicians from the federal government is driving physicians out of private practice.

In response to questions and comments from Senator Berg, Ms. Galvagni stated that rural hospitals must be financially sound to attract physicians and the certificate of need provides stability to hospitals to recruit and retain staff and physicians.

Adjournment

There being no further business, the meeting was adjourned at 12:15 PM.

CERTIFICATE OF NEED TASK FORCE Minutes of the 5th Meeting of the 2023 Interim October 19, 2023

Call to Order and Roll Call

The fifth meeting of the Certificate of Need Task Force was held on October 19, 2023, at 11:00 AM in Room 171 of the Capitol Annex. Senator Donald

Douglas, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Russell Webber Co-Chair; Senator Donald Douglas Co-Chair; Senators Karen Berg, David P. Givens, Stephen Meredith, and John Schickel; Representatives Lindsey Burke, and Marianne Proctor.

Guests: Representative Marianne Proctor; Dr. Mark Schroer; Carol Dwyer, RN; Jim Duke, Vice President, Kentucky Ambulance Providers Association; Allana Oak, DO, Lead Physician, Laborist Group, Director, Family Medicine Obstetric Fellowship, Co-Site Director, MS3, OB/GYN Clerkship, University of Kentucky, College of Medicine, Northern Kentucky Campus; Dr. Aaron Crum, Chief Marketing Officer, Pikeville Regional Medical Center; Russ Ranallo, Chief Financial Officer, Owensboro Health; and Nancy Galvagni, President, Kentucky Hospital Association.

LRC Staff: DeeAnn Wenk, CSA, Logan Bush, and Becky Lancaster.

Approval of Minutes

A motion to approve the minutes of the September 18, 2023, meeting was made by Representative Webber, seconded by Representative Burke, and approved by voice vote.

Effects of Certificate of Need on Healthcare Workers

Representative Marianne Proctor discussed the goals not reached by certificate of need, federal groups that support the repeal of certificate of need repeal, the negative impact of certificate of need on rural and urban hospitals, the need for more healthcare facilities, and related legislation in other states.

Dr. Mark Schroer discussed the benefits of repealing certificate of need, the need for data driven health policy, and the need to deliver better healthcare in rural areas.

Carol Dwyer, RN, discussed her employment experience as a registered nurse working in various hospitals, her personal experiences, and difficulties as a caregiver to her husband and mother including dealing with multiple hospitals due to certificate of need.

In response to questions and comments from Senator Schickel, Dr. Schroer stated that he had issues with his own non-compete clause in 2004 and practiced out-of-state until 2008.

In response to questions and comments from Senator Berg, Dr. Schroer stated that his non-compete clause did not relate to the certificate of need laws but was a barrier to healthcare.

Ambulance Providers and Certificate of Need

Jim Duke, Vice President, Kentucky Ambulance Providers Association, discussed the delivery of local emergency medical services (EMS), the cost of readiness for EMS providers, how the change of the certificate of need process would negatively impact local EMS providers, and the partnership between local governments and local EMS providers.

In response to questions and comments from Senator Meredith, Mr. Duke stated that his EMS

providers service Ohio County with six ambulances and 32 people, EMS providers may travel up to 40 minutes across Ohio County on an emergency response, there are approximately 4,000 EMS runs in the county per year, and that there are difficulties with staff retention.

In response to questions and comments from Representative Proctor, Mr. Duke stated that there are very few states that regulate ambulance services with a certificate of need and that there are many ambulance services are close to closure.

Birthing Centers Concerns

Nancy Galvagni, President, Kentucky Hospital Association, discussed the study completed by Ascendient on the effects of Kentucky's certificate of need program on healthcare services versus states without certificate of need laws, including the lower net price per inpatient discharge, a lower life expectancy rate, and a reduction of healthcare services in rural areas. She discussed the specific impacts to Kentucky healthcare if certificate of need laws are repealed.

Russ Ranallo, Chief Financial Officer, Owensboro Health, discussed the 2007 Pennsylvania Health Care Cost Containment Council study after a repeal of certificate of need laws. The study compared the number of facility types, cost shifting by payors comparisons, the increased charge levels, and charges billed to patients prior to and after the certificate of need law repeal.

Dr. Aaron Crum, Chief Marketing Officer, Pikeville Regional Medical Center, discussed the removal of free-standing birth centers from the certificate of need laws, the aspect of maternal choice for delivery, the safeguards provided by the certificate of need laws, the lack of availability to transport patients in rural areas, and the financial aspect of malpractice insurance and staffing challenges that hinder financial gain for hospitals.

Allana Oak, DO, Lead Physician, Laborist Group, Director, Family Medicine, Obstetric Fellowship, Co-Site Director, MS3, OB/GYN Clerkship, University of Kentucky, College of Medicine, Northern Kentucky Campus, discussed her experiences with out-of-hospital delivery patients, and various recommendations for birthing centers to be included in new legislation.

In response to questions and comments from Representative Proctor, Dr. Crum stated that the present certificate of need laws for free-standing birthing centers ensure safety and that if free-standing birthing centers are removed from the certificate of need process there needs to be specific requirements.

Adjournment

There being no further business, the meeting was adjourned at 12:33 P.M.

INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND WORKFORCE INVESTMENT

Minutes of the 2nd Meeting
of the 2023 Interim
July 31, 2023

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Economic Development and Workforce Investment was held on Monday, July 31, 2023, at 9:00 AM, in Room 149 of the Capitol Annex. Representative Russell Webber, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Max Wise, Co-Chair; Representative Russell Webber, Co-Chair; Senators Gary Boswell, Shelley Funke Frommeyer, Jason Howell, Robby Mills, Reginald Thomas, Phillip Wheeler, and Mike Wilson; Representatives Shane Baker, Jared Bauman, Josh Branscum, Steve Bratcher, Josh Calloway, Al Gentry, Thomas Huff, Kevin Jackson, Kim King, Matt Lockett, Phillip Pratt, Scott Sharp, and Timmy Truett.

Guests: Charles Aull, Executive Director, Kentucky Chamber of Commerce Center for Policy and Research.

LRC Staff: Janine Coy, Helen McArthur, Crystal Thompson, and Sasche Allen.

Approval of Minutes

A motion to approve the minutes of the June 22, 2023 meeting was made by

Senator Wise, seconded by Senator Boswell, and approved by voice vote.

Kentucky Labor Market Update

Dr. Charles Aull presented a summary of the state's current labor market with analyses of recent and long-term trends with comparisons to other states, structural factors shaping the labor market, and public policy considerations. Workforce participation in the Commonwealth remains below pre-pandemic levels with the state ranking the seventh lowest in the nation. Employer demand for workers remains elevated and continues to outpace worker availability. Competition for workers among states will likely intensify due to demographic challenges. Industries across the state with the highest demand include professional and business services; health care and social assistance; accommodation and food service; retail trade; state and local government; and manufacturing, warehousing, and utilities. State public policy will play a key role in the state's economic success. Examples given of proactive state policy solutions included a competitive tax environment for workers, abundant access to affordable quality childcare, work focused reentry support for those leaving incarceration, unique benefit packages through incentives and public-private partnerships, reducing the prevalence of substance use disorders by facilitating employment for individuals in recovery, connecting individuals in high unemployment areas to jobs, state financial aid programs, and optimizing underutilized populations.

Answering questions from Senator Howell, Dr. Aull explained that information provided regarding industries with the highest demand based on national job openings was obtained from the Bureau of Labor Statistics. Professional and business services include legal services, human resource services, administrative services, among others. These positions more than likely require some type of postsecondary education. In response to a follow up question, he provided additional information on reshoring and foreign direct investment.

Responding to questions from Senator Wheeler, he discussed the need for dual income households as opposed to one income households that were more common in the past which has increased the need for child care. Answering a follow up question, Dr. Aull said he believes that international migration has abundant benefits.

Addressing a question from Representative Webber, Dr. Aull expressed the need for a more streamlined process for individuals opening child care facilities including family child care homes and onsite employer child care.

Replying to questions from Representative King, he said there are numerous factors that make southeastern states attractive including a robust business and tax environment.

Answering a question from Representative Calloway, Dr. Aull confirmed that the Chamber is not directly involved with establishing the administrative regulations for the certification of recovery residences that were proposed in 23 RS HB 248.

Responding to a question from Representative Jackson, he discussed some of the reasons Tennessee may be experiencing higher workforce levels than the Commonwealth including its competitive tax environment and tourism.

Addressing Senator Funke Frommeyer, Dr. Aull elaborated on regional approaches to economic development and talent attraction.

Replying to concerns expressed by Senator Boswell, he stated the Chamber supports legal immigration and more simplified immigration processes.

Answering questions from Senator Mills, Dr. Aull discussed the global challenge of low birth rates and possible solutions including increased child care availability and a state child tax credit. Financial issues are often cited as a barrier to having children.

Responding to an inquiry from Senator Thomas, Dr. Aull explained that he would need to study the causation between higher minimum wages and workforce participation to fully analyze the benefit of raising the minimum wage. Answering a follow up, he elaborated on targeting state financial aid programs to respond to workforce needs and demand.

Addressing observations made by Representative Pratt, he examined how the economy has changed due to the pandemic and the effects on the workforce.

In response to a follow up question from Senator Mills, Dr. Aull said the total number of jobs filled and the total number of individuals employed varies depending on the method in which the data was collected.

There being no further business before the committee, the meeting adjourned at 10:43 a.m.

INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND WORKFORCE INVESTMENT

Minutes of the 5th Meeting of the 2023 Interim
October 26, 2023

Call to Order and Roll Call

The fifth meeting of the Interim Joint Committee on Economic Development and Workforce Investment was held on October 26, 2023, at 9:00 AM in Room 149 of the Capitol Annex. Senator Max Wise, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Russell Webber Co-Chair; Senator Max Wise Co-Chair; Senators Shelley Funke Frommeyer, Jason Howell, Robby Mills, Brandon J. Storm, Reginald Thomas, Phillip Wheeler, and Mike Wilson; Representatives Shane Baker, Jared Bauman, Josh Branscum, Steve Bratcher, Josh Calloway, Daniel Elliott, Al Gentry, Mark Hart, Kevin Jackson, Kim King, Matt Lockett, Phillip Pratt, Rachel Roarx, Scott Sharp, and Ashley Tackett Laferty.

Guests: Jeff Noel, Secretary, Cabinet for Economic Development; Katie Smith, Deputy Secretary, Cabinet for Economic Development; Matt Wingate, General Counsel, Cabinet for Economic Development; Nancy Cox, Ph.D., Vice President and Dean, Land-Grant Engagement Office, University of Kentucky Martin-Gatton College of Agriculture, Food and Environment; Seth DeBolt, Ph.D., Director, James B. Beam Institute for Kentucky Spirits, University of Kentucky Martin-Gatton College of Agriculture, Food and Environment; and Kyle Wilson, CEO, BoomKY.

LRC Staff: Janine Coy, Helen McArthur, Eric Rodenberg, Crystal Thompson, and Sasche Allen.

Approval of Minutes

A motion to approve the minutes of the September 28, 2023, meeting was made by Senator Funke Frommeyer, seconded by Representative Webber, and approved by voice vote.

Cabinet for Economic Development Update

Secretary Noel gave an update on the Cabinet for Economic Development's business development activities, strategy, and the Kentucky Product Development Initiative (KPDII). Over the past two years, more than 34,000 new full-time jobs have been announced; average hourly wage has increased to \$26.78; there have been \$21.7 billion of investments; and two of the largest economic development projects, in the state's history, were announced. In addition, more than 900 new jobs were added by startups; 170 startups were launched; and \$190 million of private capital was raised by startups. Secretary Noel discussed the electric vehicle industry and investments announced across the state such as Washington Penn Plastic and Safran Landing Systems.

The Cabinet's strategy for economic development includes prioritizing its core traditional existing industries, which include automotive, metals, logistics, agriculture, plastics, and medica. The strategy includes building upon insights from engagement with diverse

stakeholders and in-depth analytics. The Cabinet has consulted with McKinsey and Company to complete a full blueprint development plan that will be presented to the appropriate legislative committee. Secretary Noel provided an overview of the KPDI program that was established with the passage of 2022 Regular Session HB 745 and allocation of \$100 million.

Answering a question from Senator Wise, Secretary Noel confirmed the Cabinet collaborates with the Education and Labor Cabinet and detailed the routine partnership.

Responding to concerns expressed by Senator Wheeler, Secretary Noel discussed the electric vehicle industry and economic development in the eastern part of the state. Current guidelines do not permit the Cabinet to utilize a regional economic development approach, but recommendations will be given in the Cabinet's full blueprint development plan. He said other questions asked could be directed to the Energy and Environment Cabinet and the Governor's Office.

Addressing remarks made by Senator Wilson, Secretary Noel agreed that community relations play a key role in economic development and spoke about collaborating with companies on creative solutions to ensure employers have a skilled workforce.

Replying to Representative Jackson, Secretary Noel gave additional details about the partnership with McKinsey and Company. The Cabinet is also utilizing the expertise of the Kentucky Chamber of Commerce and the Kentucky Association of Manufacturers to complete the full strategic plan. He believes local economic developers can play a more active role in workforce recruitment and development.

Answering a question from Representative Sharp, Secretary Noel stated that many companies are adopting practices and strategies that are more environmentally conscious and discussed the Environmental, Social, and Governance (ESG) business philosophy. He discussed the importance of coal production and opportunities in Eastern Kentucky.

Responding to Representative Branscum, Deputy Secretary Katie Smith detailed the Letter of Intent process for the KDPI program. The letter of intent is not an application and is not required to complete for applicants.

Addressing comments made by Senator Funke Frommeyer about her district, Secretary Noel said CED travels throughout the state to hold community meeting to encourage applicants for the KDPI program.

Replying to remarks made by Senator Mills, Secretary Noel referred to a comment made during his presentation and said companies across the country are relocating their corporate headquarter offices. However, 51 percent have either remained in their immediate community or relocated to another part of the respective state. The remaining 49 percent of companies are relocating to states that have a more attractive workforce climate.

In response to concerns expressed by Representative Bauman, the Secretary reiterated that the Cabinet is in the process of completing its strategic plan. The Cabinet will be transparent when measuring and reporting its progress to the General

Assembly. He said he was not at liberty to discuss the total cost of consulting services acquired from McKinsey and Company, but through allocation of funds, the Cabinet did not need to request any new funding for the services.

Answering questions from Representative Roarx, Secretary Noel discussed the role wage growth plays in the Cabinet's strategic plan.

Bourbon Brings Jobs: Workforce Training and Spirits Innovation

Nancy Cox, Vice President and Dean, Land-Grant Engagement Office, University of Kentucky's Martin-Gatton College of Agriculture, Food and Environment, and Seth DeBolt, Director of the James B. Beam Institute for Kentucky Spirits, provided an update on the Institute for Kentucky Spirits, a partnership between the University of Kentucky's Martin-Gatton College of Agriculture, Food and Environment and Beam Suntory. The institute is dedicated to the advancement of the bourbon industry through workforce programming, scientific discovery, and industry partnerships. Although construction of the institute on the University of Kentucky's campus began in 2021, the first courses were launched in 2012. Dr. DeBolt discussed the institute's state of the art facilities, educational programming, workforce training and industry engagement, research partnership models, and research being conducting that focuses on barrel quality.

Responding to Senator Wise, Dr. Cox confirmed that the institute's funding is comprised of a routine allocation from the state, private industry donations, and grant funds. Answering a follow up question, Dr. DeBolt stated the institute has an average enrollment growth of 30 to 60 percent per year.

Creating Local Startups and Opening Innovation Hubs Across KY

Kyle Wilson, CEO of BoomKY, detailed his company's efforts to partner with all Kentucky school districts to provide year-round curriculum to young entrepreneurs. BoomKY has partnered with school districts, community innovation hubs, and local area development districts to retain and retrain local workers, create more local innovation hubs, launch more startups, and provide resources for existing startups. The company is on target to help launch 60 startups in 2023. Mr. Wilson discussed the BoomKY curriculum, the Young Entrepreneur's Show (Y.E.S.), fellowship opportunities, a partnership with Western Kentucky University's Innovative Center, and future goals of BoomKY.

Addressing Senator Funke Frommeyer, Mr. Wilson stated BoomKY is a 501(c)(3) nonprofit organization and does not have a partnership with the Cabinet of Economic Development. In response to a follow up question, he discussed partnerships with school districts and reaching children early on for career exploration.

Responding to Representative King, Mr. Wilson said BoomKY startups can be a service, product, or software and discussed specific startups.

Answering questions from Representative Roarx, he stated BoomKY's curriculum is detailed online

and listed specific courses related to topics such as US patents and taxation.

Replying to Senator Wise, Mr. Wilson said BoomKY has had limited interaction with any state cabinet.

Adjournment

There being no further business before the committee, the meeting adjourned at 10:48 a.m.

INTERIM JOINT COMMITTEE ON EDUCATION

Minutes of the 1st Meeting of the 2023 Interim

June 6, 2023

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Education was held on June 6, 2023, at 11:00 AM in Room 154 of the Capitol Annex. Representative James Tipton, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative James Tipton, Co-Chair; Senator Stephen West, Co-Chair; Senator Danny Carroll, Senator Shelley Funke Frommeyer, Senator David P. Givens, Senator Jimmy Higdon, Senator Stephen Meredith, Senator Gerald A. Neal, Senator Robert Stivers, Senator Reginald Thomas, Senator Lindsey Tichenor, Senator Gex Williams, Senator Mike Wilson, Senator Max Wise, Representative Shane Baker, Representative Jared Bauman, Representative Tina Bojanowski, Representative George Brown Jr., Representative Jennifer Decker, Representative Kevin Jackson, Representative Scott Lewis, Representative Candy Massaroni, Representative Bobby McCool, Representative Felicia Rabourn, Representative Steve Rawlings, Representative Josie Raymond, Representative Steve Riley, Representative Killian Timoney, Representative Timmy Truett, Representative Russell Webber, and Representative Lisa Willner.

Guests: Dr. Jim Flynn, Executive Director, Kentucky Association of School Superintendents; Dr. Lu Young, Chair, Kentucky Board of Education; Rhonda Sims, Associate Commissioner, Office of Assessment and Accountability, KDE; Dr. Jennifer Stafford, Director, Division of Assessment and Accountability Support, KDE.

LRC Staff: Jo Carole Ellis, Joshua Collins, and Maurya Allen.

KERA - Where We Started, Where We've Been, and Where We Can Go

Dr. Jim Flynn, Executive Director, Kentucky Association of School Superintendents, gave a brief presentation on the history of the Kentucky Education Reform Act (KERA), which was passed in 1990. The law held schools accountable for student performance through content and performance assessments while also striving to equalize funding across districts with the SEEK formula. Other focuses of the KERA legislation were local control through school-based decision making (SBDM) councils and locally-elected school boards. Dr. Flynn presented

three major disruptors to KERA's reform efforts: the federal No Child Left Behind law, the 2008 recession, and the COVID-19 pandemic. He discussed the many iterations of high stakes assessment and accountability systems including the Kentucky Instructional Results Information System (KIRIS), the Commonwealth Accountability Testing System (CATS), Unbridled Learning, Kentucky Performance Rating for Educational Progress (KPREP), and the Kentucky Summative Assessments (KSA). This led to a discussion of policy barriers regarding assessment and accountability as identified by district personnel.

Dr. Flynn presented the approaches being taken by other states, which include replacing traditional graduation requirements with deeper forms of assessment such as capstones, portfolios, and learning defenses. This innovative assessment strategy is being used by some districts in Kentucky already. Dr. Flynn proposed several recommendations for further consideration by the General Assembly including ways to reduce the state's summative assessment footprint within federal requirements, reexamining the state's approach to funding, reorienting educator preparation and professional development around student-centered learning, and the creation of innovative education resources to catalog and share best practices among districts.

Representative Bojanowski commented that one of the primary reasons she ran for office was to address the accountability system. There are three main challenges with the system as it currently exists. First, it doesn't reflect actual learning in the classroom because the results do not get back to the teachers until well after the students are moved on and teachers have no input on the questions being asked. Second, the tests are very expensive with over \$10 million spent on the process, plus being costly in time spent to administer and score the assessments. Finally, analysis has shown that district scores can be predicted based on the community's education and poverty levels. In addition to the required state testing, many districts give mid-year tests to determine how well students will do on the state tests which just compounds the amount of time spent on testing versus education. She sincerely hoped the discussion today would lead to the General Assembly taking action to reform the assessment system.

Senator Stivers reflected on the legacy of KIRIS, which he said was very expensive and flawed. In his opinion, high stakes accountability, with an appropriate assessment, is the right way to go.

However, there is yet to be an appropriate tool for assessment. Dr. Flynn said the inception of KERA and high stakes accountability did jump start our educational system and moved Kentucky from the bottom of rankings to the middle of the pack. Superintendents don't shy away from assessments and accountability, but we now have an opportunity to look at an integrated approach to state assessments that measure what we value and include more comprehensive instruction. He stressed the importance of a local component but said more data is needed for broad evaluations of the return on investment.

Assessment and Accountability Overview

Rhonda Sims, Associate Commissioner, Office of Assessment and Accountability, Kentucky Department of Education (KDE) began the presentation on Kentucky's assessment and accountability system with an overview of the changes in the system from 2018 to the present. A handout given to members compared the federal and state assessment requirements to illustrate how the state has crafted the system, detailed in KRS 158.6453, to comply with the federal requirements of the Every Student Succeeds Act. The Kentucky assessments align with federal requirements apart from a college admissions exam, which Kentucky requires of all 11th grade students. Ms. Sims explained that the assessments given to students must meet certain federal technical benchmarks in order to be accepted.

Dr. Jennifer Stafford, Director, Division of Assessment and Accountability Support, KDE, explained how multiple indicators for school success are required to be measured to meet federal standards. KDE is currently working with US Dept of Education to get full approval of the consolidated state plan, but there have been difficulties with how the change component is calculated regarding the state assessment of mathematics. KDE has implemented some revision to the measures used for graduation rate to better align with federal requirements.

Academic indicators must have more weight than non-academic indicators (such as school safety and environment) although these are still valuable to assess and include on school performance reports. Dr. Stafford explained that among the federal requirements, schools scoring below set percentage points must be identified for comprehensive support and improvement (CSI), targeted support and improvement (TSI), and additional targeted support and improvement (ATSI). Kentucky reports performance, status, and change results at various levels. The reporting system is still in development and will be published online so that parents, educators, legislators, and the general public will have easy access to the information.

Ms. Sims shared some data from before and after the COVID-19 pandemic to illustrate the impact of the pandemic, as well as how schools appear to be recovering as illustrated in a rebound in ACT scores in all subjects except mathematics. The percentage of students performing at proficient/distinguished levels in all subjects was discussed.

In response to a question from Chair Tipton, Ms. Sims said that weights for each indicator are 51 percent for reading and math scores in elementary and middle schools combined with the scores for English language learning performance for elementary and middle schools. The weight is also 51 percent for those scores combined with graduation rate for high schools. The federal focus is on reading and mathematics, while the KERA view had been broader.

Chair Tipton expressed concern about the impact of students who intentionally rate the school badly on the school safety and climate assessment or leading of students by administrators to improve their scores in that assessment. Ms. Sims responded that the weight for that assessment is four percent, and it would be

completely inappropriate for administrators to lead students. If anyone believes that that kind of behavior has occurred, she encouraged them to report it to KDE legal counsel. Additionally, the items asked of students are publicly posted and results are aggregated and de-identified before returned to schools.

Responding to questions from Representative Bojanowski, Ms. Sims said the assessments have been on computer for several years now, although the option is available for special needs students to choose a paper exam and students with the most severe disabilities are given only paper assessments. Rep. Bojanowski is grateful that as some students needing accommodation do not do well on the computer assessments because of the need to scroll and transcribe their work, especially in mathematics. Regarding Georgia's state plan, Ms. Sims answered that their system is still being evaluated by the US Department of Education, but Kentucky is watching closely to see the results.

Representative Bojanowski commented that it is impossible to meet a goal for every student to be proficient and distinguished if the tests are designed to have a bell curve. Ms. Sims said the assessment is criterion referenced so theoretically the cut scores are established to allow for even below average students to achieve progress toward proficiency. Dr. Stafford added that the cut scores will theoretically allow for students to achieve proficiency, or demonstrate progress, in a way that a norm referenced test would not.

In response to a question from Representative Willner, Ms. Sims said the current testing plan does not require anything that is not required by state or federal law, and the state statutes are evolutions of what was put in place under KERA and the desire to have a well-rounded student. At one time, practical living and art were included in state assessments but are no longer because they are not required by federal guidelines.

In response to a question from Representative Truett, Ms. Sims described proficiency as performance on grade level in specific content areas. Descriptions of what is proficiency are in the state standards and not necessarily directly related to national percentiles because the tests are not norm referenced. The only time the data is converted to percentiles is when scoring whole school districts and aggregating scores. Representative Truett thanked her for that explanation but also wanted to be sure it was clarified that in many cases proficiency is the 70th percentile and that is intentionally hard to attain. In response to a follow-up question, Ms. Sims said the change in terminology from "growth" to "change" in the indicators was a direct result of Senate Bill 158 (2020 Regular Session) defining change as the difference between the prior year and the current year status score.

Responding to a question from Representative Rabourn, Ms. Sims said state assessment data for 2020 and 2021 was not included in the slides as they were not comparable with other scores due to the lack of testing during the pandemic. However, the data that was able to be collected has been made publicly available and can be provided to the members. In response to a follow-up question, Ms. Sims said as

educators, the staff at KDE want all students to be successful, and data on the number of students being promoted with failing scores would come from the Office of Teaching and Learning.

In response to a question from Senator Givens, Ms. Sims said the impact of the pandemic was very evident and recovery has taken longer in some subjects versus others. Additionally, the standards for science were in place longer, while others were much newer and teachers need additional support to get students caught up while also implementing relatively new standards and assessments. Senator Givens stated that these scores are a barometer letting us know that we need to keep a weather eye on things to make sure we are moving in the right direction.

In response to a question from Representative Raymond, Ms. Sims said there is a statutory requirement that assessments are taken in the last 14 instructional days and scoring takes a long time because the constructive response portions must be hand scored. It also takes time to train scorers and to process all the assessments; however, the department has been working to improve this process so that results are available to schools as soon as possible at the start of the next school year.

In response to a question from Representative Jackson, Ms. Sims said the assessment tool was phased out in social studies immediately following the pandemic and this delayed the ability of teachers to have a test tool to prepare students for. The tests for other subjects were the same as they were pre-pandemic and that made it easier to keep the scores stable as teachers already knew what the assessments would look like and how to prepare students for them.

Responding to a question from Senator Higdon, Ms. Sims said it might be possible to do something to address public perception of the percentage cut-offs through state law, but that the percentages are a requirement of the federal law and must be identified.

Dr. Lou Young, Chair, Kentucky Board of Education, resumed the presentation by discussing the future of the assessment and accountability system represented in the United We Learn initiative. United We Learn is a vision for the future of public education built around three pillars: creating a more vibrant experience for every student, encouraging innovation in schools (especially as it relates to assessment), and collaboration with communities. The initiative brings together educators, families, students, community members, business leaders, and policymakers to support schools and create authentic learning experiences for all students. To do this, the United We Learn Council was created to support inclusive state and local co-creation and facilitate local ownership of solutions that further the three pillars of the initiative. Local Learning Laboratories (L3) have also been created in districts across the state to develop and test innovative approaches to assessment and accountability that reflect local communities. Dr. Young highlighted feedback from L3 schools and invited Mr. Mike Hesketh, President, Superb IPC, to speak to his experience with the portrait of a learner program in Shelby County.

Mr. Hesketh said the portrait of a learner program was developed to evaluate the durable skills that are

not assessed on traditional exams but have real impact on the workforce. It was such a rewarding experience to help students learn not only how to be successful but also how to fail and build confidence. The student showcases are aligned to career pathways, such as welding, and have resulted in job offers thanks to the positive impression left on community partners who attend.

Dr. Young concluded saying the portrait of a learner program, and other similar initiatives, take a new view of assessment to go beyond a snapshot of a child to reflect what communities need to do to cultivate learning and move beyond command and control to systems of shared trust and partnership.

Responding to a question from Senator Thomas, Dr. Young said schools are leveraging the portrait of a learner to make sure that essential durable skills are always part of every subject and therefore do not expressly need to be tested because they are baked into all the coursework.

In response to a question from Representative Decker, Mr. Hesketh said recordings have been made of some showcase defenses at Shelby County and can be shared with the committee. One of the greatest challenges to getting the L3 program adopted was lack of understanding about the program and concerns about whether it would be meaningful. He said it is also challenging to get adequately trained teachers because the program changes a lot of the fundamentals of teaching, and they are not familiar with the different approach.

Responding to a question from Senator Funke Frommeyer, Mr. Hesketh said he could only speak to Shelby County, and the school board there is very engaged and willing to innovate. It would understandably be more difficult to implement this style of program in a larger district or one with a less engaged school board. Dr. Young said that over 100 districts have developed a portrait of a learner template. Engaging community business partners is critical as it will establish a positive feedback loop to improve local economies and workforces.

Adjournment

Chair Tipton thanked the presenters and reiterated that the Commonwealth needs to figure out a better way forward for education. With no further business to come before the committee, the meeting adjourned at 1:08 pm.

INTERIM JOINT COMMITTEE ON EDUCATION

Minutes of the Second Meeting of the 2023 Interim July 18, 2023

Call to Order and Roll Call

The second meeting of the Interim Joint Committee on Education was held on July 18, 2023, at 11:00 a.m. in Room 154 of the Capitol Annex. Senator Stephen West, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative James Tipton, Co-

Chair; Senator Stephen West, Co-Chair; Senator Danny Carroll, Senator Shelley Funke Frommeyer, Senator Stephen Meredith, Senator Gerald A. Neal, Senator Gex Williams, Senator Mike Wilson, Senator Max Wise, Representative Jared Bauman, Representative Tina Bojanowski, Representative George Brown Jr., Representative Kevin Jackson, Representative Scott Lewis, Representative Candy Massaroni, Representative Bobby McCool, Representative Steve Rawlings, Representative Josie Raymond, Representative Steve Riley, Representative Killian Timoney, Representative Timmy Truett, Representative Russell Webber, Representative Lisa Willner.

Guests: Hunter Moore, CEO, Plasma Games; Will Hodges, Superintendent, Green County Schools; Ben Davenport, Principal, Green County High School; Dr. Corinne Murphy, Dean, College of Education and Behavioral Sciences, Western Kentucky University; Jennifer Smith, Legislative Liaison, Western Kentucky University; Wes Bradley, Superintendent, Nelson County Schools; Dr. Karen Lee, Director, District Grants and Programs, Nelson County Schools; Dr. Rhonda Caldwell, Executive Director, Kentucky Association of School Administrators; Dr. David Meinshein, Superintendent, Livingston County Schools; Priscilla Keller, Teacher, Livingston County Schools; and Mr. Jim Allen, Vice Chairman, RW Baird Corporation

LRC Staff: Yvette Perry, Joshua Collins, and Maurya Allen.

Approval of Minutes - June 6, 2023

Following introduction of special guests, including Representative Jackson's grandson, Brooks Henry Jackson, a rising 3rd grader at Cumberland Trace Elementary, Senator Neal made a motion to approve the minutes of the June 6, 2023, meeting. The motion was seconded by Representative Timoney and passed by voice vote.

Chemistry Education and Career Pathways in Kentucky

Hunter Moore, CEO, Plasma Games, said he founded Plasma Games to help the United States better compete in science education and increase the number of individuals attaining careers in science. Chemistry jobs are a high growth, high need industry and have a high impact on local economy. There is a need to increase both the number of students entering the chemistry field as well as the number of qualified chemistry teachers. Current teachers reported that to succeed with science education, students need to be engaged with the material and have context and meaning. To help teachers achieve these goals, Plasma Games developed a 3D game platform that embeds science content rather than simple gamification of quizzes. Additionally, the game includes career pathways information as in-game character backstory, which are regionally specific and reflect gender and racial diversity, so more students can see themselves reflected in the game and believe that the same career pathways are accessible to them. Mr. Moore then briefly demonstrated the game for the committee and discussed the awards that the game has received in global edu-game rankings. In addition to

chemistry, the game incorporates elements of other sciences including physics and engineering. Teachers are provided with additional resources to expand the learning outside of the game and all teachers who participated in a pilot study asked to continue using the game in their classrooms.

In response to a question from Chair West, Mr. Moore said the game covers middle school and high school physical science standards. Some schools have piloted the game in younger classes and have been able to accelerate learning for some students.

In response to a question from Representative Bojanowski, Mr. Moore said there is not a demo version currently available online, but any teacher who would like to demo the game can reach out for access.

Responding to a question from Representative Tipton, Mr. Moore said the game allows for students to review concepts at their own pace. Many states are either using the game in schools or beginning the process of piloting the game in classrooms. Representative Tipton said that KDE is currently going through an RFP process to evaluate the usage of this game, or one like it, in Kentucky.

In response to a question from Senator Wise, Mr. Moore said the budget request presented in the materials is lower than the budget allocation from other states and represents a significant discount. He is looking forward to the discussions surrounding the RFP process with KDE.

Responding to a question from Senator Funke Frommeyer, Mr. Moore said he was unable to address the budget allocation currently. Representative Tipton said the current budget allocation is from ARPA sources to pilot the program and any future allocation would need to come from other sources.

Grow Your Own Programs in Kentucky

Presenting two different local grow your own programs throughout the Commonwealth were, Will Hodges, Superintendent, Green County Schools; Ben Davenport, Principal, Green County High School; Dr. Corinne Murphy, Dean of the College of Education and Behavioral Sciences, Western Kentucky University; Dr. Susan Keesey, Director of the School of Teacher Education, Western Kentucky University; Dr. Karen Lee, Director of Community Centered Programs, Nelson County Schools; and Wes Bradley, Superintendent, Nelson County Schools.

Mr. Hodges said there is a need to increase the number of teachers, especially following the pandemic, and his district strove to keep the program simple but provide results. They have three foundational principles for the program: building relationships, creating relevance, and having rigor. The first relationship they built was with a postsecondary partner, Campbellsville University. Another critical component was the leadership of local teacher, Courtney Mooney, who was driven to create the program and ensure its success. To date, the program has created a “good problem” in that more qualified candidates have been created than there are positions within the county.

To create relevance in the program, the district has elevated the issue of teacher shortages within the community and incentivized local students to become

a part of the program. The teaching and learning pathway is promoted to students as young as 5th grade and the local school board has incorporated the grow your own program into district’s strategic plan. Monetary incentives for the program come from a future educators’ scholarship program funded by the Morris and Leona Ingram \$1 million memorial endowment. Annually students can apply for and receive up to \$10,000 in scholarship funds to further their education as teachers. Approximately 20 students participate in the program annually, pursue teaching degrees from local postsecondary institutions, and upon certification many are returning to the community looking to be teachers in the district.

Another style of grow your own program being developed is an apprenticeship model at Nelson County in partnership with Western Kentucky University. Dr. Murphy explained how the K-12 teacher apprenticeship program was piloted in Tennessee last year through a special request to the US Department of Labor. The approved pilot resulted in a partnership between Austin Peay and local school districts. The Tennessee model had positives and negatives, a significant one being that there are shortages in more than classroom teachers. Taking other staff, such as instructional aides, into the teaching profession further deepened shortages in other areas. Nelson County and WKU developed their apprenticeship program with an aim to create net gains and teachers who have strong desire to teach within the local community. Apprentices are paid employees within the district and participate in structured on-the-job learning. The program includes the US Department of Labor work process, dual credit coursework, university coursework, and student teaching. Partners included preK-12 school districts, the university educator preparation program, the Kentucky Career and Technical College System (KCTCS), and the new Kentucky Office of Employer and Apprenticeship Services (OEAS). Dr. Murphy gave an extensive overview of the pathway and the many steps that potential students would follow to go from middle school students to fully certified teachers two years after high school graduation.

Current funding for the apprenticeship program comes from unfilled teaching assistant positions, but that is not sustainable because the apprentices cannot be full-time teaching assistants. Other sources of funding must be found to pay the required wages for an apprenticeship as required by the US Department of Labor. Also, not every school has the necessary master teacher mentors or funding to retain mentors. Universities will also have to examine their curriculum delivery model as not every university is capable of digital delivery of teacher preparation curriculum as is required in this model. Western Kentucky University has applied for grants and other funding to expand the program to other districts and the program continues to expand.

Mr. Bradley said he is grateful for the individuals in his district who have worked to bring the apprenticeship model into reality, especially Dr. Karen Lee. Dr. Lee spoke briefly about the process to get approval from the US Department of Labor to expand the apprenticeship models that were existing to create a teacher apprenticeship program. It was critically

important to create academic rigor within the program so the resulting teachers would be prepared to enter classrooms. Students are given the opportunity to see themselves as a teacher and achieve a career that they previously felt was unattainable. Mr. Bradley said this is a common-sense approach to addressing teacher shortages that is achievable on a local level.

Representative Bojanowski said a system where students do all their college work during high school may not allow kids time to be kids, which is concerning. She then asked the panel which subject matter area had the most critical shortages of applicants. In response, Mr. Bradley said the highest need in his district is for science teachers, but there are teacher shortages in all areas and pre-date the pandemic.

In response to a question from Chair West, Dr. Murphy said the current funding source is a three-year \$2 million grant from the US Department of Education for a work-based program which the apprenticeship program qualified for. It does not require a local funding match. Other federal grants may be available in the future, and may require a state or university funding match. Dr. Lee said the grants are highly competitive and never guaranteed.

Responding to a question from Senator Wise, Mr. Hodges said there are very few vacancies but the highest demand in his district is in career and technical education and those openings are frequently filled by individuals who go through alternative certification pathways. Dr. Lee said there is also a difficulty getting qualified teachers for the apprenticeship program itself, as it requires bringing in new hires strictly to teach the apprentices in high school.

In response to a question from Representative Tipton, Dr. Murphy said the standards for coursework in education are already quite high, and they are even higher for the apprentices. They are working and learning simultaneously. The university has held local apprenticeship fairs to share the success of the existing program and expand it into other districts. As a highly customizable model, it will look different in each district but will maintain the same academic rigor. Drawing down additional funding will require more discussion with the federal government and it will be a lengthy process.

Senator Neal said it will take investment from the state to show commitment to fixing the serious need experienced by districts across the commonwealth

In response to a question from Senator Williams, Mr. Bradley said the current structure is for students to receive wages but some of those wages are invested back into the program to cover their tuition. However, this results in less than a sustainable wage for many students and more investment may be necessary to continue to incentivize student participation. Dr. Murphy said all the partners have skin in the game currently as it is a critical issue at all levels.

In response to a question from Chair West, Mr. Bradley said there are choices that individuals make and there is not parity between student teachers and apprentices. Additionally, student teachers are only receiving six months of classroom experience while the apprentices receive many years of experience through the program. Dr. Murphy said that other surrounding states do pay student teachers, and she has campaigned for that to change in Kentucky. In

her opinion, student teaching is a critical component of learning for prospective teachers and student teachers should be paid for the critical role they play in teaching.

Coalition to Sustain the Education Profession

The Coalition to Sustain the Education Profession includes educators, parents, legislators, and other community partners and began work last fall to make a series of recommendations for legislative actions that could be used to address teacher retention. Dr. Caldwell presented the preliminary recommendations in a summary document, choosing to highlight three in the presentation. First, around teacher compensation, it is necessary to ensure that every educator receives a living wage. Second, they recommended establishing a statewide mentorship program named K-NET, expanding the GoTeachKY program to all districts, and creating a tenure review committee. Third, they recommended an educator stabilization fund to ensure the state can attract and retain high quality teachers in high demand subject areas.

Mr. Jim Allen, Vice Chairman, RW Baird Corporation, spoke to the creation of the Baird Teacher Recognition awards for teachers within JCPS and as a private company it would be difficult to sustain a business if it experienced the same turnover rate currently impacting the teaching profession. He said compensation is a big part of the conversation and necessary for any company to recruit and retain talent. There is no silver bullet, it will take addressing quality of life and preparation among other approaches, but compensation is a good starting place. He also advocated for student teaching stipends, as have many university deans who have seen a decline in the number of candidates applying to teacher education programs.

Dr. David Meinshein, Superintendent, Livingston County Schools, said in reflecting on his new role as a member of the Murray State University Board of Regents, it has been tremendous to see the growth around Murray as a result of the investment in the university as a teaching college 100 years ago to today. Teacher turnover rate has accelerated over the last few years and fewer new candidates are entering the pipeline. Education is essential for economic development and students need to be able to enter the workforce as well-prepared employees. Many states are tackling this issue by addressing salaries, primarily by setting minimum salary levels well higher than our existing average starting salary. Nate Jebesen, Principal, Shelby County Schools, said there has been a high turnover rate in his school this year and no applicants from traditional educator programs. Additionally, applicants are being emergency certified or are individuals coming from another teaching role or career pathway, which is not sustainable. Shortages among teachers also extend to substitutes and the need to ask teachers to sacrifice planning and professional development periods to cover other classes. Priscilla Keller, teacher, Livingston County Schools, spoke to the reasons that existing teachers choose to leave the classroom including being priced out of the classroom and needing better work-life balance. Dr. Meinshein spoke briefly in closing to the need to renew the K-NET and bonuses to attract teachers in

low performance and critical need schools.

Representative Willner thanked the presenters for their insights and for focusing on including teacher voices. It was helpful to have concrete recommendations that can be used as a foundation for legislation.

Representative Timoney said the number of applicants per opening is the important metric that is often overlooked, because for 1,200 openings there need to be many thousands of applicants.

In response to a question from Representative Bauman, Dr. Caldwell said the recommendation for the starting salary to be set at \$45,000 was based on conversations among all the partners and the reality of the finances in many school districts that could not take on anything higher as an unfunded mandate. The end goal should be much higher, but a starting point had to be reasonably attainable at this time.

Adjournment

With no further business to come before the committee the meeting adjourned at 1:05 p.m. The next meeting of the committee will be Tuesday, August 1, 2023.

INTERIM JOINT COMMITTEE ON EDUCATION

Minutes of the Fifth Meeting of the 2023 Interim October 17, 2023

Call to Order and Roll Call

The fifth meeting of the Interim Joint Committee on Education was held on October 17, 2023, at 11:00 AM in Room 154 of the Capitol Annex. Representative James Tipton, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen West Co-Chair; Representative James Tipton Co-Chair; Senators Danny Carroll, Shelley Funke Frommeyer, David P. Givens, Stephen Meredith, Gerald A. Neal, Reginald Thomas, Lindsey Tichenor, Gex Williams, Mike Wilson, and Max Wise; Representatives Shane Baker, Jared Bauman, Tina Bojanowski, George Brown Jr., Emily Callaway, Jennifer Decker, Kevin Jackson, Candy Massaroni, Bobby McCool, Felicia Rabourn, Steve Rawlings, Josie Raymond, Steve Riley, Killian Timoney, Timmy Truett, and Russell Webber.

Guests: Allison Mefford, Executive Director, Kentucky Association of Gifted Education; Austin Carver, PhD., Director of Data Architecture, Samtec, Oldham County; Dr. Julia Link Roberts, Mahurin Professor of Gifted Studies, Western Kentucky University; Robin Kinney, Interim Commissioner, Kentucky Department of Education; Dr. Marty Park, Chief Digital Officer, Office of Education Technology; Micki Ray, Chief Academic Officer, Office of Teaching and Learning; Matt Ross, Executive Advisor, Office of Finance and Operations; Keith Haynes, Superintendent, Cloverport Independent School District; Tim Bobrowski, Executive Director, KYVA; Sallie Johnson, Principal, KYVA; Chay Ritter, Division Director, Division of District Support;

Dr. Matthew Courtney, Policy Advisor, Office of Continuous Improvement and Support; Joey Kilburn, Director of Pupil Personnel, Simpson County School District; Marci Prater, Director of Pupil Personnel, Boyd County School District; Todd Davis, Director, Division of Educator Preparation and Certification; Elly Gilbert, Assistant Director, Division of Educator Recruitment & Development; and Justin Edwards, Education Administration Program Consultant, Division of Educator Recruitment & Development

LRC Staff: Yvette Perry, Lauren Busch, Joshua Collins, Peter Wright, and Maurya Allen.

Chair Tipton asked the committee to pause for a moment of silence in memory of Judy Thomas. He also welcomed new committee analyst, Peter Wright. Representative Timoney shared a brief comment on education and the formation of an informal working group focusing on teacher retention. Senator Meredith welcomed Superintendent Haynes from Cloverport Independent School District.

Approval of Minutes

Senator West made a motion to approve the minutes of the September 19, 2023, meeting. The motion was seconded by Senator Tichenor and approved by voice vote.

Gifted Education Means Economic Development in Kentucky

Allison Mefford, Executive Director, Kentucky Association of Gifted Education (KAGE); Austin Carver, Ph.D., Director of Data Architecture, Samtec; and Dr. Julia Link Roberts, Mahurin Professor of Gifted Studies, Western Kentucky University, discussed the importance of gifted education. Ms. Mefford spoke about KAGE's role as advocate for bringing gifted education to students all across the state. Gifted students are a natural resource that must be invested in to help them meet their potential to be the next generation of business leaders, entrepreneurs, and skilled workers. Investment must also be made in gifted education teachers who identify gifted students and help them grow. Ms. Mefford introduced several gifted students; Madison Pigeon, Kate Hastings, Anastasia Hall, and Willow Hall, who came to meet with legislators and advocate for gifted education.

Mr. Carver spoke to his personal experience as a student in gifted education courses and how his gifted teachers were able to keep him engaged in coursework when traditional lessons became boring. Today, he brings his own experiences to work on the board of KAGE in advocating for expanded opportunities to nurture gifted students.

Dr. Roberts shared the story of a student, Skyler, and a gifted resource teacher, Ms. Osbourne. Skyler is a child of a single-parent household and has aspirations to attend MIT, but plans to come back to Kentucky upon graduation. He is thankful to the teachers who provide him the opportunities to expand his learning through gifted education and gifted camps at WKU. His gifted resource teacher, Ms. Osbourne, was the instrumental adult in his school who was able to help Skyler apply for the grants and gifted education experiences that would otherwise be outside his reach.

Ms. Mefford closed their presentation by saying that currently Kentucky does not offer enough

advanced and gifted education for students and educators to meet the economic development and workforce demands necessary to prosper in the future.

Responding to a question from Representative Timoney, Mr. Carver said he has a master's in physics and a PhD in engineering. He has considered becoming an adjunct professor, he and several of his peers at UofL looked at a degree in physics as being a pathway to teaching science in school.

In response to a question from Senator Tichenor, Dr. Roberts said the funding for gifted education remained steady for approximately three decades and only received a significant boost in the last budget cycle. There was previously a cap on the amount of funding available to schools and has been raised to allow larger districts to draw down additional funding for gifted education.

In response to a question from Senator Funke Frommeyer, Dr. Roberts said the Governor's schools and their funding are separate from the funding for gifted education.

Introduction of Interim Commissioner

Robin Kinney, Interim Commissioner, Kentucky Department of Education (KDE), was present via Zoom. She was named interim on September 30 by the Kentucky Board of Education (KBE). Her mission is to keep KDE moving forward while a search for a new commissioner is underway. She previously served as the Associate Commissioner for Finance and has worked with many legislators and school districts on facilities needs and financing. She is not an educator, but there are many high-quality educators in the department that will help guide Kentucky forward during this period. She looks forward to working with the General Assembly.

In response to a question from Chair Tipton, Commissioner Kinney said there is a two-week review period for summative assessment data to ensure data accuracy but the data will be made publicly available on October 31.

Responding to a question from Senator Thomas, Commissioner Kinney said she anticipated an eight-month search period. There has been an RFP extended to bring on a firm to assist in the search and they hope to bring in a candidate as soon as possible.

Responding to a question from Representative Rawlings, Commissioner Kinney said as an attorney she respects the law and will lead KDE in implementing the laws passed by the General Assembly while keeping with federal requirements. Regarding academics versus social issues, the focus will be on academics, but the schools have an obligation to support the whole child including social, emotional, and mental preparedness for excellence.

In response to a question from Senator Wise, Commissioner Kinney said that in keeping with the executive branch, there were flexible schedule options that allowed employees to commute as long as they were in their primary workstation a minimum number of days per week. Different employees however have different needs so some are on-site more often. The expectation is and will remain that high quality service is provided to all the educators, parents, and students. She does not foresee making any sweeping changes to policy during her tenure as interim.

Virtual Academies

Micki Ray, Chief Academic Officer, Office of Teaching and Learning, KDE; Matt Ross, Executive Advisor, Office of Finance and Operations; and Dr. Marty Park, Chief Digital Officer, Office of Education Technology, KDE, discussed education technology and the value of virtual instruction. Dr. Park said Kentucky has provided an opportunity for remote learning for approximately two decades. During the pandemic, and in other smaller emergency situations, virtual instruction was greatly expanded. However, there has always been an online education experience needed on a permanent basis for select learners. Approximately 1.8 percent of students rely on this kind of education and Kentucky was one of the first states to recognize the need for and launch a virtual school. The pilot program was successful and approximately 700 students participated on an annual basis from 2000 to 2012. Kentucky was a pioneer in bringing internet to all school districts and made a similarly impactful strategic decision in 2012 to transition to supporting school districts in local development of online course delivery.

The department launched a new administrative regulation this year, effective in 2024, that will create a strong foundation for virtual learning in Kentucky. Full-time virtual enrollment is significantly different from the emergency/supplemental enrollment model. Based on current structures, districts can implement their online/virtual programs in many ways including single district enrollment or multi-district consortium-like approaches. Dr. Park shared a comparison of the virtual options in Kentucky to the options in neighboring states of West Virginia, Ohio, Indiana, and Tennessee. The regulation has robust language within it that makes state-level approval of virtual providers unnecessary. The overwhelming majority of students enrolled in the full-time virtual academies are high school students, primarily juniors and seniors.

Mr. Ross discussed the regulation with the members by section. Access to extracurricular activities will be addressed within the regulation and the district policy for virtual instruction needs. Students with an IEP or Section 504 plan can be placed on virtual instruction, if they are placed by an ARC team. Class sizes must also comply with the statutory and regulatory standards of physical classrooms.

Ms. Ray spoke to curriculum and instructional alignment standards as specified in Section 9 of the regulation. This ensures that the instruction provided virtually meets the Kentucky Academic Standards (KAS). Progress monitoring and transition plans out of virtual learning are also required of school virtual academies so that students and families can be aware of where students are and if additional supports are needed. Dr. Park said that the department works closely with districts to develop virtual academies and provide personalized education opportunities for all students.

In response to a question from Chair Tipton, Dr. Park said this will be the first year of a specific program designation for virtual schools and it will be important to track data for these students and the success of the programs going forward. Only one school currently has a 'managed school' virtual school option and it is serving as a pilot for the state.

Responding to a question from Representative Bojanowski, Mr. Ross said a student who attends a virtual school outside their district of residence counts toward the average daily attendance of the virtual school, and therefore will be factored into the SEEK calculations for the school district housing the virtual school in the next school year.

In response to a question from Senator West, Dr. Park said approximately 1.8 percent of students in Kentucky participate in virtual instruction, and projections show that as many as 3 percent may participate based on current trends.

Responding to a question from Representative Timoney, Dr. Park said schools that participate in virtual schools get the opportunity to name and brand their schools. Cloverport Independent Schools chose to name theirs the Kentucky Virtual Academy. Regarding SEEK funding, both Dr. Park and Mr. Ross said they believe that students with disabilities must be provided services by the virtual school and therefore the SEEK funding goes to the school that is providing the services, but they will reach out to the office of special education at the department to get the best answer regarding SEEK for special education services.

Responding to a question from Representative Baker, Dr. Park said individuals choose to go with a virtual option due to a variety of reasons including participation in high level sports, supporting mental health, and high achievement. The programs are voluntary and offer ultimate school choice to families.

In response to a question from Senator Givens, Ms. Ray said the department has developed instructional tools for local educators to evaluate online learning against the KAS rubrics. There is also a process for districts to have outside evaluations done by approved evaluators. All statutory requirements must be met by virtual schools in the same way as physical schools. Local superintendents select the instructional resources, with KDE's support. They also have the authority to repeal a virtual school option if it is deemed to no longer meet the requirements.

Representative Truett spoke to the need to have adequate guardrails for students who may be experiencing abuse at home and there is no teacher with a duty to report who can see them on a daily basis.

In response to a question from Representative Rabourn, Dr. Park said that many virtual schools implement the same interval assessments as are given to in-person students. Additionally, students who participate in full-time virtual schools must participate in-person on the state assessments. Schools have been very innovative in their implementation of that requirement. School district and program leaders are watching their enrollment and assessment data closely to ensure that their programs are successful.

Responding to a question from Senator Williams, Dr. Park explained that performance-based schools are only allowed for grades 5-12. Districts only get funding for those programs when students successfully complete those programs. The new regulation introduces a mechanism that bases funding on an in-seat attendance formula. This creates an opportunity for schools who wish to have a virtual program for grades K-4. In response to additional

questions, Dr. Park said the Kentucky High School Athletics Association (KHSAA) does sponsor e-sports and KDE works with them on the implementation of those regulations as well.

In response to a question from Senator Tichenor, Dr. Park said it will be a future goal to have the assessment data of virtual students to compare to traditional students. Local schools do perform that data analysis, it just is not currently being collected and analyzed at a state level.

Responding to a question from Senator Thomas, Dr. Park said safe and responsible use of AI is a key part of guidelines being created by KDE at this time. Generative AI can help teachers work smarter, not harder, but there are lengthy policy discussions that need to be had to ensure safety. Student use of AI is harder to assess and in-person students are facing the same challenges regarding AI as virtual learners. The department wants to ensure that people remain at the center of education, regardless of the proliferation of AI.

In response to a question from Senator Carroll, Dr. Park said homebound students can be served through virtual learning. However, the continuation of learning is the primary target and for a short-term situation, a traditional homebound instruction model may be more appropriate. A longer-term situation may prompt the consideration of a virtual option, as that allows the student to feel more connected. There is an opportunity for more rigorous and high-quality instruction sometimes from virtual instruction than traditional homebound models.

Responding to a question from Representative Callaway, Dr. Park said the programs offered by public schools are tailored to meet the needs of both students and educators. Some educators step forward to be strictly online educators. While many schools attempted a dual role for teachers during the pandemic, that is not considered best practice. Schools have been able to utilize expert instructors from across the nation via virtual instruction for their students when an expert is not locally available.

Individuals from Cloverport Independent Schools spoke to the development of the Kentucky Virtual Academy (KYVA). Dr. Bobrowski said he was part of the early process of virtual instruction in Kentucky and the acceleration of innovation during the pandemic. Students today are used to the online world and the many streams of information that are part of their daily experience. KYVA is a K-12 academy that offers curriculum and instruction aligned to KAS. There is a focus on college and career readiness with wrap-around services of counseling, academic supports, and extracurricular opportunities.

Ms. Johnson said it is an exciting opportunity to provide live virtual instruction daily through KYVA. There are breakout rooms for collaborative working and small groups. There are systems in place for assisting students who need additional supports. Electives, enrichments, and remediation courses are provided virtually and connect students with opportunities from instructors from all over the nation. Data is constantly available to staff to identify and address any issues as they arise. Students are required to come in-person for state assessments and students are held to the same standards as in-person

instruction.

Asynchronous instruction is available for students to do assignments and virtual clubs are provided, as are e-sports, to enhance instruction with extracurriculars. In-person, regionalized programs are being piloted for students to encourage socialization among students who may otherwise not feel as connected. Ms. Johnson shared images of what instruction looks like and demonstrated the interface for students.

In response to a question from Chair Tipton, Mr. Haynes said the district figures the SEEK amount that is equivalent to the average daily attendance for the students enrolled in the virtual academy, and transfers 97 percent of that to Stride KY to operate the academy. The other 3 percent is kept by the Cloverport Board of Education for services rendered by the district. Because the program is new, SEEK payments will be in arrears as they are only just starting to participate in an attendance-based model and SEEK is always based on the previous year's attendance information.

Responding to a question from Representative Bojanowski, Ms. Johnson said there is a special programs manager who organizes ARC meetings and IEPs. The school has a meeting early in the enrollment process to inform parents of services offered. They also have special education instructors who do instruction for classes of students with special needs and who co-teach with general instruction instructors to support general classwork and lead breakout sessions as needed.

In response to a question from Senator Williams, Mr. Haynes said KYVA is a very desirable model for teachers who thrive in the online environment. Ms. Johnson said she cannot speak to the percentage of teachers who choose to teach virtually. It is not any easier to be a virtual teacher, it is just as much work as in-person educating. Some teachers were entertaining leaving the profession due to struggles with in-person behavior issues, but found an opportunity to continue teaching through virtual instruction. Also, all the instructors are experienced educators and Kentucky certified.

Responding to an additional question from Chair Tipton, Mr. Haynes said the teachers are employed by Stride KY, not the district, and do not contribute to the teacher retirement system.

In response to a question from Representative Raymond, Mr. Haynes said they do not have specific residency data with them but will provide it to the committee. Ms. Johnson said the class loads are meant to be kept small, and currently KDE is working with Cloverport to get into classroom ratio compliance. There is a 75 percent attendance rate, but that is sometimes a problem with parents not understanding how to accurately be counted present in the system. Anna Schultz, Vice President, K-12, said the starting salary is between \$45,000-50,000 and the majority of the SEEK money that is received is invested back into the school, paying salaries, purchasing curriculum, and providing other school-based services.

Absenteeism and Truancy

Matt Ross, Executive Advisor, Office of Finance and Operations; Keith Haynes, Superintendent, Cloverport Independent School District; Tim Bobrowski, Executive Director, KYVA; Sallie

Johnson, Principal, KYVA; Chay Ritter, Division Director, Division of District Support; Dr. Matthew Courtney, Policy Advisor, Office of Continuous Improvement and Support; Joey Kilburn, Director of Pupil Personnel, Simpson County School District; Marci Prater, Director of Pupil Personnel, Boyd County School District presented an in-depth view of absenteeism and truancy. Mr. Ritter said the data on chronic absenteeism presented in their report was collected by KDE and truancy is defined differently for different age groups. Dr. Courtney said KDE provides many tools to schools to identify and address chronic absenteeism. They are available within the Infinite Campus portal and are highly accurate at predicting which students are at risk of chronic absenteeism.

Mr. Kilburn spoke to the impact the pandemic had on attendance and continues to have on good attendance. Students in 3rd or 4th grade have experienced school under the pandemic and have learned habits that place less importance on attendance. Motivation to attend school has also been impacted by the pandemic because some students lost their reason for being at school. Ms. Prater studied chronic absenteeism across the state and compared the data from eastern and western regions of the state. Regardless of the area of the state, there was an average of 2 percent loss in average daily attendance post-pandemic. Truancy also rose by an average of 8 percent across the state.

Mr. Kilburn said schools have made an effort to address chronic absenteeism through various routes, but one of the most effective has been informing parents who may not have realized their students had missed so many days. Focus on culture and climate is also effective. He works to reward students who are doing the right thing and empowering student leaders. Making school a place where the students want to be and feel safe encourages them to attend. They also encourage students to find purpose in school whether that is in the classroom, an extracurricular activity, or a CTE opportunity. Schools need to find ways to reach out to students who missed opportunities to connect and find their passion during the pandemic, especially students from disadvantaged families and those who face other barriers.

Chair Tipton thanked the presenters for their efforts and being on the ground in schools daily.

In response to a question from Senator Tichenor, Mr. Kilburn said the graduation requirements are based on credits and each school handles the impact of absenteeism on credit recovery differently. Ms. Prater said schools begin making interventions when students are identified as chronically absent to find avenues to credit recovery and graduation.

HB 319 Update

Chair Tipton announced that there was not time for the House Bill 319 update presentation and it would be held for a future meeting.

Adjournment

With no further business to come before the committee, the meeting adjourned at 1:40 pm.

INTERIM JOINT COMMITTEE ON FAMILIES AND CHILDREN

Minutes of the 2nd Meeting
of the 2023 Interim
July 25, 2023

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Families and Children was held on Tuesday, July 25, 2023, at 1:00 PM, in Room 149 of the Capitol Annex. Senator Danny Carroll, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Danny Carroll, Co-Chair; Representative Samara Heavrin, Co-Chair; Senators Julie Raque Adams, Greg Elkins, Denise Harper Angel, Amanda Mays Bledsoe, Stephen Meredith, Lindsey Tichenor, Robin L. Webb, Whitney Westerfield, and Max Wise; Representatives Shane Baker, Kim Banta, Jennifer Decker, Stephanie Dietz, Daniel Elliott, Ken Fleming, Jim Gooch Jr., Marianne Proctor, Josie Raymond, Steve Riley, Lisa Willner, and Nick Wilson.

Guests: Andrea Day, Division of Child Care Director; Laura Begin, Assistant to the Commissioner, Department for Community Based Services, Cabinet for Health & Family Services; Twila Burdette, Director; Danielle Marler, Assistant Director, Rockcastle Hospital Child Development Center; Kimberly Bowling, Owner & Director, Bright Beginnings Child Care; Todd Trapp, Director, Division of Family Support, Department for Community Based Services, Cabinet for Health & Family Services; Adam Mather, Executive Director; and Kara Daniel, Deputy Executive Director, Office of Inspector General, Cabinet for Health & Family Services.

LRC Staff: Ben Payne, Logan Bush, Samir Nasir, and DJ Burns.

Approval of Minutes

A motion to approve the June 21, 2023, minutes was made by Senator Meredith, seconded by Representative Heavrin, and approved by a voice vote.

Discussion of Federal and State Child Care Funding in the Commonwealth

Andrea Day, director, Division of Child Care, Cabinet for Health & Family Services (CHFS), discussed federal child care funding received through American Rescue Plan Act funds and the distribution of those funds throughout the commonwealth including sustainability payments. She discussed Child Care Assistance Program (CCAP) participation, child care employee income exclusion through CCAP, and the transitional CCAP program.

In response to questions and comments from Senator Carroll, Ms. Day stated that she believes CHFS is prepared to submit proposals to the General Assembly to help grow the number of child care slots available within the state. She stated the cabinet has noticed the perception of child care needs to be changed within the state from child care is expensive to it is a necessity for the development of children.

In response to questions and comments from Senator Mays Bledsoe, Ms. Day stated that the sustainability payments end in September 2023 and discretionary funds do not end until September 2024.

In response to questions and comments from Representative Heavrin, Ms. Day stated that CHFS is still considering funding the sustainability payments through the current budget year. She stated that one of the requirements of the startup grant was owners had to participate in a class to help strengthen business practices.

In response to questions and comments from Representative Willner, Ms. Day stated that as soon as a decision has been made regarding funding the sustainability payments providers will be notified.

In response to questions and comments from Representative Raymond, Ms. Day stated that the decision regarding the sustainability payments is at the cabinet level and she is not included in those conversations.

In response to questions and comments from Senator Raque Adams, Ms. Day stated that she does not have any legislative proposal at this time, but CHFS has been paying background check fees and other administrative fees to help providers.

In response to questions and comments from Senator Meredith, Ms. Day stated that 60 percent of the counties in the state are considered child care deserts. That statistic is based on the number of children verses the number of available slots within a county. She stated for a child care employee to qualify for the income exclusion CCAP program the employee must have verifiable employment with a regulated child care provider and meet the minimum 20 hours per week of work hours. She stated that the transitional CCAP program will end in September 2024 and CHFS is looking into other funding options.

Child Care Provider and Educator Perspectives on Access to and Utilization of Federal and State Child Care Funding

Twilla Burdette, director, Rockcastle Hospital Child Development Center, discussed how the center has used the funding provided through the sustainability payments, participation in the CCAP program, and employees taking advantage of the scholarship program to obtain their child development associate degree. Danielle Marler, assistant director, Rockcastle Hospital Child Development Center, discussed her personal participation in the child care employee income exclusion part of CCAP and how the program has benefited her family.

In response to questions and comments from Senator Carroll, Ms. Burdette stated that she has met with the CFO of the hospital and when the sustainability funds end, the center will not be able to continue with some programs offered from those payments, but will be able to continue the \$13 an hour minimum for employees of the center.

In response to questions and comments from Senator Meredith, Ms. Burdette stated that the hospital opened the center 14 years ago and she has been the director since it opened. She stated the center is goaled towards employee retention by providing stable child care while the parents are working.

Kimberly Bowling, owner and director, Bright

Beginnings Child Care, discussed how her center has used the grants and sustainability payments to benefit their employees and centers. She discussed taking advantage of using therapists to come to the center for speech and occupational therapy for children.

In response to questions and comments from Senator Carroll, Ms. Bowling stated that both centers are in Prestonsburg. She and her co-owner have not had conversations to develop a plan if these sustainability payments end.

Status Report Update on the 2023 DCBS Community Services Block Grant

Todd Trapp, director, Division of Family Support, Department for Community Based Services, Cabinet for Health & Family Services, discussed a status report update on the 2023 DCBS Community Services Block Grant. He discussed the programs that are funded through the block grant and the partnerships CHFS has with outside agencies to provide those programs to the public.

Public Hearing on the DCBS Community Services Block Grant Preliminary Plan for FYs 24 and 25

Todd Trapp, director, Division of Family Support, Department for Community Based Services, Cabinet for Health & Family Services, discussed the preliminary plan for FFY 24 and 25 of the DCBS Community Services Block Grant. A motion to approve the preliminary plan was made by Senator Webb, seconded by Representative Heavrin, and approved by a voice vote.

Consideration of Referred Administrative Regulations

The following referred administrative regulations were on the agenda for consideration.

902 KAR 020:480 Proposed - Assisted living communities.

The administrative regulation 902 KAR 020:480 was placed on the agenda with an agency amendment. Adam Mather, executive director; Kara Daniel, deputy executive director, Office of Inspector General, Cabinet for Health & Family Services, explained the agency amendment. A motion to accept the agency amendment was made by Senator Meredith, seconded by Representative Heavrin, and approved by a voice vote. The agency amendment was accepted by the committee.

922 KAR 001:100 Proposed - Public agency adoptions.

922 KAR 001:330 Proposed - Child protective services.

The administrative regulations above have been reviewed by the committee.

Adjournment

There being no further business, the meeting was adjourned at 2:31 PM.

INTERIM JOINT COMMITTEE ON FAMILIES AND CHILDREN

Minutes of the 5th Meeting of the 2023 Interim

October 25, 2023

Call to Order and Roll Call

The 5th meeting of the Interim Joint Committee on Families and Children was held on October 25, 2023, at 1:00 PM in Room 149 of the Capitol Annex. Representative Samara Heavrin, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Danny Carroll Co-Chair; Representative Samara Heavrin Co-Chair; Senators Julie Raque Adams, Greg Elkins, Rick Girdler, Amanda Mays Bledsoe, Stephen Meredith, Lindsey Tichenor, and Max Wise; Representatives Shane Baker, Kim Banta, Mike Clines, Jennifer Decker, Stephanie Dietz, Daniel Elliott, Ken Fleming, Jim Gooch Jr., Marianne Proctor, Josie Raymond, Steve Riley, Rachel Roarx, and Nick Wilson.

Guests: Leila Salisbury, Executive Director, Kentucky Center for Grieving Children and Families; Katarina Salisbury, Senior, Lafayette High School; Destini Engle, District Mental Health Specialist, Fayette County Public Schools; Elizabeth Delaney, Owner and Operator, Borrowed Babies Daycare; Representative Mike Clines; Daris Freeman, Assistant Vice President, Legal Counsel, Unum Insurance; Charles Aull, Executive Director, Center for Policy and Research, Kentucky Chamber of Commerce; Eric Friedlander, Secretary, Cabinet for Health and Family Services; Lesa Dennis, Commissioner, Department for Community Based Services, Cabinet for Health and Family Services; Dr. Katie Marks, Commissioner, Department for Behavioral Health, Developmental and Intellectual Disabilities, Cabinet for Health and Family Services; Lisa Lee, Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services; Melanie Taylor, Director, Division of Protection and Permanency, Cabinet for Health and Family Services; Misty Sammons, Director, Division of Financial and Administrative Management, Cabinet for Health and Family Services; Mary Carpenter, Executive Advisor, Department for Community Based Services, Cabinet for Health and Family Services; Dr. Allen Brenzel, Clinical Director, Department for Behavioral Health, Developmental and Intellectual Disabilities, Cabinet for Health and Family Services; and Kelly Pullen, Executive Director, Aetna Better Health Sky Program.

LRC Staff: Ben Payne, Logan Bush, Samir Nasir, and Becky Lancaster.

Approval of Minutes

A motion was made to approve the September 27, 2023, minutes by Senator Raque Adams, seconded by Representative Fleming, and approved by a voice vote.

Grief Support for Children

Leila Salisbury, Executive Director, Kentucky Center for Grieving Children and Families, discussed the impact of opioids and substance related deaths

on children, long term effects of early death loss, educational impacts on bereaved children, and solutions including building a statewide resource. Katarina Salisbury, Senior, Lafayette High School, discussed her personal and educational struggles after losing her father to suicide at a young age. Destini Engle, District Mental Health Specialist, Fayette County Public Schools, discussed the Fayette County public schools (FCPS) pilot program for children who lost a parent or caregiver including demographic info, death type, and perceived stress, anxiety, and depression scale.

In response to questions and comments from Representative Roarx, Ms. Salisbury stated that grieving children and teens need support.

In response to questions and comments from Senator Raque Adams, Ms. Salisbury stated that through the Governor's Emergency Education Relief (GEER) fund, grief books were provided to public schools. Ms. Engle stated that through this GEER funding FCPS was able to buy books and other supplies to help grieving students.

In response to questions and comments from Senator Mays Bledsoe, Ms. Salisbury stated that the funding through the opioid abatement fund will allow funding for the next 18 months and they are looking to expand to other school district through other grant options.

In response to questions and comments from Representative Fleming, Ms. Salisbury stated that three students are trained in peer-to-peer support. The program is a peer led group with a facilitator supervising. Ms. Engle stated that as a facilitator, she sits in on each group and checks in on students to ensure they do not need a higher level of care, whether that be individual with herself or with an outside provider.

Child Care Center Operations

Elizabeth Delaney, Owner and Operator, Borrowed Babies Daycare, discussed the childcare crisis in Kentucky including hardships for new centers, the ending of American Rescue Plan Act (ARPA) funds ending in December 2023, and possible solutions to assist child care centers.

In response to questions and comments from Senator Carroll, Ms. Delaney stated she only has budget and net loss figures on her own centers, but could obtain information on other centers and provide that information to the committee members. She stated that continuing the sustainability payments would ensure centers would stay open.

In response to questions and comments from Representative Heavrin, Ms. Delaney stated that there are 50 new centers that were ineligible for the sustainability. She stated one of her solutions would provide \$5 million dollars in state funds to be distributed to those centers.

Voluntary Paid Family Leave Insurance for Kentucky Employers

Daris Freeman, Assistant Vice President, Legal Counsel, Unum Insurance, discussed the status of paid family and medical leave in each state and the National Council of Insurance Legislators (NCOIL) Promise for Life model. Charles Aull, Executive

Director, Center for Policy and Research, Kentucky Chamber of Commerce, discussed what it would mean to employers in Kentucky if the NCOIL model was enacted.

In response to questions and comments from Senator Mays Bledsoe, Mr. Aull stated that legislation would setup the framework pertaining to the number of weeks for leave and then each employer would be able to tailor the insurance to the needs of its employees.

In response to questions and comments from Representative Decker, Mr. Aull stated that many of the questions he has heard are about paid family and medical leave being a new concept and public policy.

Foster Care Placement Challenges

Eric Friedlander, Secretary, Cabinet for Health and Family Services, discussed receiving no responses from the Cabinet's request for proposal (RFP) for units to house high acuity youth who have been difficult to place. He provided background information on psychiatric residential treatment facilities (PRTF) I and II and information on therapeutic foster care.

Lesla Dennis, Commissioner, Department for Community Based Services, Cabinet for Health and Family Services, discussed different initiatives the Department for Community Based Services (DCBS) has created to help with difficult to place children including creating a state wide centralized office to discuss high acuity youth, creating a high acuity specialist in each of the nine service regions to help support staff, and working with providers to help expand capacity.

Dr. Katie Marks, Commissioner, Department for Behavioral Health, Developmental and Intellectual Disabilities, Cabinet for Health and Family Services, discussed the Department for Behavioral Health, Developmental and Intellectual Disabilities role in coordinating with other departments within the cabinet on finding placement for high acuity youth and building community partner capacity. Dr. Allen Brenzel, Clinical Director, Department for Behavioral Health, Developmental and Intellectual Disabilities, Cabinet for Health and Family Services, discussed the committee structure that was outlined in the RFP to providers.

In response to questions and comments from Representative Heavrin, Secretary Friedlander stated that the RFP received no responses due to the inclusion of a no reject no eject clause meaning if a child was referred to a facility that the facility had to take the child.

In response to questions and comments from Senator Carroll, Secretary Friedlander stated that he did not want to say yes to a state funded and ran facility, but if the cabinet cannot find placement for these high acuity youth it may be necessary.

In response to questions and comments from Representative Heavrin, Commissioner Dennis stated that there are 38 children in PRTF. Secretary Friedlander stated that the cabinet has had two PRTF apply for new licenses.

In response to questions and comments from Senator Raque Adams, Lisa Lee, Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services, stated that PRTF I rates

increased on October 1, 2023, from \$274 a day to \$500 a day and PRTF II rates are a tiered structure and increased from \$345-\$405 to \$600 a day and is now a flat rate. Kelly Pullen, Executive Director, Aetna Better Health Sky Program, stated that Aetna does not reimburse for therapeutic foster care, but they do reimburse for PRTF, acute in patient, and \$1,200 a day for out of state placement. Commissioner Dennis stated that the capacity to serve all children is not available in-state at this time. Secretary Friedlander stated that the cabinet is working with providers to build the continuum of care in Kentucky.

In response to questions and comments from Representative Dietz, Secretary Friedlander stated that this is a national problem and children in non-traditional placement are sleeping in beds and not on the floor of an office building. He stated that Aetna has brought additional providers to Kentucky to help with wrap around services in therapeutic foster care. Ms. Pullen stated that the provider will have the capacity for 200 beds in underserved areas in Kentucky.

In response to questions and comments from Representative Heavrin, Secretary Friedlander stated that PRTF II licensing began 7 to 8 years ago.

Consideration of Referred Administrative Regulations

201 KAR 023:160 Emergency

921 KAR 003:095 Proposed

921 KAR 003:020 Proposed

The administrative regulations, above, have been reviewed by the committee.

Adjournment

There being no further business, the meeting was adjourned at 2:47 PM.

INTERIM JOINT COMMITTEE ON HEALTH SERVICES

Minutes of the 1st Meeting of the 2023 Interim June 21, 2023

Call to Order and Roll Call

The first meeting of the Interim Joint Committee on Health Services was held on June 21, 2023, at 9:00 AM in Room 149 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; Senator Cassie Chambers Armstrong, Senator Karen Berg, Senator Danny Carroll, Senator Donald Douglas, Senator Greg Elkins, Senator Shelley Funke Frommeyer, Senator Michael J. Nemes, Senator Lindsey Tichenor, Representative Steve Bratcher, Representative Josh Bray, Representative Lindsey Burke, Representative Emily Callaway, Representative Deanna Frazier Gordon, Representative Ruth Ann Palumbo, Representative Rebecca Raymer, Representative Steve Riley, Representative Rachel Roarx, Representative Scott Sharp, Representative Russell Webber, Representative Lisa Willner, and Representative Susan Witten.

Guests: Eric Friedlander, Secretary, Cabinet

for Health and Family Services; Dr. Connie White, Deputy Commissioner, Department for Public Health, Cabinet for Health and Family Services; Veronica Judy-Cecil, Deputy Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services; Betsy Johnson, President, Executive Director, Kentucky Association of Health Care Facilities; Delanor Manson, MA, BSN, RN, Chief Executive Officer, Kentucky Nurses Association; and Patrick T. Padgett, Executive Vice President, Kentucky Medical Association.

LRC Staff: Chris Joffrion, Logan Bush, Samir Nasir, and Becky Lancaster.

Ending the Federal COVID-19 Public Health Emergency: Lessons Learned and Preparation for Possible Future Communicable Disease Outbreaks

Eric Friedlander, Secretary, Cabinet for Health and Family Services (CHFS), discussed naming Lesa Dennis as the new Commissioner of the Department for Community Based Services and Dr. Katie Marks as the new Commissioner of the Department for Behavioral Health, Developmental and Intellectual Disabilities, for the Cabinet for Health and Family Services.

Dr. Connie White, Deputy Commissioner, Department for Public Health, Cabinet for Health and Family Services, discussed grants, testing supports, treatments, and data collections, ending or transitioning to commercial channels in response to the end of the national COVID-19 public health emergency. She discussed system improvements, structural realignments, and investments that have endured beyond the public health emergency and the lessons learned by CHFS.

In response to questions and comments from Senator Meredith, Dr. White stated that in the future data collection will be more efficient and effective. Secretary Friedlander stated that CHFS will continue improving public health efforts.

In response to questions and comments from Representative Callaway, Dr. White stated that the grant for the health equity laboratory and disaster preparedness was extended. She discussed the health equity work group. Secretary Friedlander stated that future statewide response efforts would need to better redirect resources to counties that needed more assistance.

In response to the questions from Senator Chambers Armstrong, Secretary Friedlander stated that there are vaccine programs with the public health departments and federally qualified health centers. He stated there are issues with access to care while transitioning to commercial insurance. Dr. White stated that CHFS sent out communications from different organizations and worked with various organizations to better fund outreach.

In response to questions and comments from Senator Douglas, Secretary Friedlander stated that CHFS is working to improve the health exchange system, immunization outreach, and Kentucky All Schedule Prescription Electronic Reporting (KASPER) system. Dr. White stated that Kentucky Board of Medical Licensure's (KBML) and Kentucky Board of Nursing worked carefully with CHFS when sending out emails to providers.

The Department for Medicaid Services and the Impact of Ending the Federal COVID-19 Public Health Emergency

Veronica Judy-Cecil, Deputy Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services, discussed Kentucky Medicaid enrollment numbers during the COVID-19 public health emergency, renewal caseload distribution for the next year and specific renewal data regarding approvals and terminations for May of 2023. Eric Friedlander, Secretary, Cabinet for Health and Family Services, discussed active renewals completed for June and July of 2023, outreach to members, and total qualified health plan enrollments. Ms. Judy-Cecil discussed public health emergency flexibilities that have ended, that have been extended through the public health emergency unwinding, and those that are permanently implemented. Secretary Friedlander discussed the enhanced federal match phase down. Ms. Judy-Cecil provided public health emergency resources that include plans and reports.

In response to questions and comments from Senator Meredith, Secretary Friedlander stated that the third-party liability piece was reported to see how many members had converted to commercial insurance and that there could be more done to reduce the number of Medicaid beneficiaries. He stated that CHFS has made changes for specific providers with a program to reimburse hospitals at the average commercial rates.

In response to questions and comments from Senator Berg, Secretary Friedlander stated that if CHFS follows the trajectory of the first month without reenrollments, approximately 300,000 people will no longer be covered by Kentucky Medicaid. Ms. Judy-Cecil stated that the case mix is different across the 12 months, CHFS has prioritized populations differently during the unwinding period, and a member's circumstances could change during the reporting timeframe. Secretary Friedlander stated that CHFS works with university partners to inform and inquire regarding graduate study programs.

In response to questions and comments from Senator Funke Frommeyer, Secretary Friedlander stated that renewal caseload distribution numbers are a projection of the members with confirmed eligibility. He stated that it will take many areas of government to work together to transition more members to living wage jobs with private insurance. Ms. Judy-Cecil stated that

House Bill 7 was implemented and every Medicaid member has the opportunity for job training.

In response to questions and comments from Senator Douglas, Secretary Friedlander stated that there are Medicaid members that have disabilities in the waiver programs who would be permanent members. He stated that approximately 27 percent of Medicaid members would be transitioning out of Medicaid with a third-party insurance.

Consideration of Referred Administrative Regulations

The following referred administrative regulations were placed on the agenda for consideration:

201 KAR 002:380 Proposed - Board authorized

protocols.

201 KAR 005:002 Proposed - Board administration and optometric practice.

201 KAR 020:411 Proposed - Sexual Assault Nurse Examiner Program standards and credential requirements.

201 KAR 020:472 Proposed - Initial approval for dialysis technician training programs. 201 KAR 020:476 Proposed - Dialysis technician credentialing requirements for initial credentialing, renewal, and reinstatement.

201 KAR 022:170 Proposed - Physical Therapy Compact Commission.

202 KAR 007:201 Proposed - Emergency medical responders. 202 KAR 007:301 Proposed - Emergency medical technician.

202 KAR 007:330 Proposed - Advanced emergency medical technician. 202 KAR 007:401 Proposed - Paramedics.

202 KAR 007:601 Proposed - Training, education, and continuing education.

902 KAR 020:470 Proposed - Kentucky heart attack response and treatment recognition process.

902 KAR 020:490 Emergency - Rural emergency hospitals. 902 KAR 020:490 Proposed - Rural emergency hospitals.

902 KAR 055:110 Proposed - Monitoring system for prescription controlled substances. 907 KAR 001:082 Proposed - Coverage provisions and requirements regarding rural health clinic services.

The listed administrative regulations were reviewed by the committee.

State of the Healthcare Industry: The Impact of COVID-19 and Anticipated Challenges in the Post-COVID Era

Betsy Johnson, President, Executive Director, Kentucky Association of Health Care Facilities, discussed changes in health care sector employment from February 2020 to December 2022, the impending federal staffing mandate, and the Medicaid rate adjustment essential for healthcare facilities in financial distress.

Patrick T. Padgett, Executive Vice President, Kentucky Medical Association (KMA), discussed the Kentucky physician workforce decline from 2019 to 2022, the economic impact of physicians, results of a KMA physician wellbeing study, the administrative burden of prior authorizations on providers, and solutions to support physicians and their wellness.

Delanor Manson, MA, BSN, RN, Chief Executive Officer, Kentucky Nurses Association (KNA), discussed the pre-pandemic nursing shortage and challenges, KNA's response to the pandemic, efforts to support communities in need, the number and locations of testing site clinics, lessoning sessions to identify concerns and provide accurate information, staffing and recruitment of volunteers for large vaccine clinics, and the need to focus on encouraging healthcare staff retention.

In response to questions and comments from Senator Tichenor, Mr. Padgett stated that KMA has not specifically surveyed the 590 physicians that have left the profession in Kentucky. KMA does reach out to physicians that complete residency in Kentucky then leave the state. He stated that for physicians,

opening a new practice is very difficult.

In response to questions and comments from Senator Funke Frommeyer, Ms. Manson stated that KNA completed 60 lessoning sessions to answer COVID-19 questions for the community. She stated that the Centers for Disease Control and Prevention (CDC) and the Kentucky Department for Public Health is responsible for disseminating public information for better decisions regarding vaccines.

Adjournment

There being no further business, the meeting was adjourned at 11:01 AM.

INTERIM JOINT COMMITTEE ON HEALTH SERVICES

Minutes of the 2nd Meeting of the 2023 Interim

July 24, 2023

Call to Order and Roll Call

The second meeting of the Interim Joint Committee on Health Services was held on July 24, 2023, at 1:00 PM in Room 149 of the Capitol Annex. Representative Kimberly Poore Moser, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Kimberly Poore Moser, Co-Chair; Senator Stephen Meredith, Co-Chair; Senator Julie Raque Adams, Senator Karen Berg, Senator Donald Douglas, Senator Greg Elkins, Senator Michael J. Nemes, Senator Lindsey Tichenor, Senator Max Wise, Representative Danny Bentley, Representative Steve Bratcher, Representative Ryan Dotson, Representative Robert Duvall, Representative Deanna Frazier Gordon, Representative Amy Neighbors, Representative Ruth Ann Palumbo, Representative Rebecca Raymer, Representative Steve Riley, Representative Rachel Roarx, Representative Scott Sharp, Representative Russell Webber, Representative Lisa Willner, and Representative Susan Witten.

Guests: Phillip Burnett Jr., Commissioner, Kentucky State Police; Christy Burch, Chief Executive Officer, The Ion Center for Violence Prevention; Rick Wurth, Chief Executive Officer, Children's Home of Northern Kentucky Behavioral Health; Julie Raia, Chief Strategy Officer, Children's Home of Northern Kentucky Behavioral Health; Christopher 2X, Executive Director, 2X Game Changers Organization; Keith Miller, MD, Trauma Surgeon, University of Louisville; Christopher Jones, MD, Transplant Surgeon, University of Louisville; Sherri Craig, Market Vice President, External Relations, CHI Saint Joseph Health; Demetria Blair, Violence Prevention Manager, Lexington, CHI Saint Joseph Health; Jara Burkhart, Violence Prevention Coordinator, London, CHI Saint Joseph Health; Brian Hill, Violence Prevention Manager, Berea, CHI Saint Joseph Health; Kelly Jenkins, Director, Kentucky Board of Nursing; and Jeffrey Prather, General Counsel, Kentucky Board of Nursing.

LRC Staff: DeeAnn Wenk, CSA, Chris Joffrion, Logan Bush, and Becky Lancaster.

Approval of Minutes

A motion to approve the minutes of the June 21, 2023, meeting was made by Senator Meredith, seconded by Senator Douglas, and approved by voice vote.

Overview of Violence in Kentucky

Colonel Phillip Burnett Jr., Commissioner, Kentucky State Police (KSP), discussed the various reporting systems used in the annual Crime in Kentucky Report, the reduction in the number of homicides and other offenses, tracking crimes using fire arms, the largest categories of arrests, the various partnerships that work with the KSP, the plans to recruit and retain more KSP officers, and other victim and community advocacy programs.

In response to questions and comments from Representative Moser, Commissioner Burnett stated that close to half of the KSP officers have completed crisis intervention technique training.

In response to questions and comments from Representative Witten, Commissioner Burnett stated that it is difficult for KSP to track recidivism for violent crimes, but that he could follow up with more in-depth information regarding recidivism.

In response to questions and comments from Representative Palumbo, Commissioner Burnett stated that incest or statutory rape are labeled as not forceable rape but consensual rape.

In response to questions and comments from Representative Sharp, Commissioner Burnett stated that the Angel Initiative is working well for KSP, is actively promoted online and by the KSP troopers, and it would benefit the community if other entities use the program.

In response to questions and comments from Senator Meredith, Commissioner Burnett stated that the legislature's continued support to allow KSP to be competitive in pay would help with recruitment and retention of troopers.

In response to questions and comments from Representative Webber, Commissioner Burnett stated that the category for consensual rape by incest is labeled by the Federal Bureau of Investigation (FBI) for recording statistics and the increase in bribery charges may be due to multiple charges for one offender.

In response to questions and comments from Senator Berg, Commissioner Burnett stated that cybercrimes are included in other offenses and KSP will consider expanding the arrest categories for more specific data regarding cybercrimes.

In response to questions and comments from Representative Dotson, Commissioner Burnett stated that the combination of holding people accountable and getting people treatment reduces drug crimes.

In response to questions and comments from Representative Roarx, Commissioner Burnett stated that typically the KSP victim advocates with reach out to victims to offer services through various programs but victims can also reach out to the advocates.

In response to questions and comments from Representative Willner, Commissioner Burnett stated that KSP has data if a firearm was present in the crime but not if it was involved in the crime.

Violence Prevention Initiatives

The Ion Center for Violence Prevention

Christy Burch, Chief Executive Officer, The Ion Center for Violence Prevention, Childhood Services and Early Intervention, discussed power-based personal violence, intervention services at emergency shelters, outreach programs, the five keys of engaging in prevention, and the Green Dot Program.

In response to questions and comments from Representative Moser, Ms. Burch stated that businesses typically pay for the trainings but free trainings are offered for the Green Dot cities.

In response to questions and comments from Senator Douglas, Ms. Burch stated that early steps to preventing abuse are helping people understand what healthy relationships look like and it is possible to be an active bystander which can safely intervene. She stated that the ION Center has a middle school program provided by rape crisis centers to help children understand how they can help to prevent abuse at home, school, or in the community.

In response to questions and comments from Senator Berg, Ms. Burch stated that primary prevention starts with knowing everyone is a bystander, having skills and tools to be active bystanders, and recognizing high risk situations to intervene early.

Childhood Services and Early Intervention

Rick Wurth, Chief Executive Officer, Children's Home of Northern Kentucky (CHNK), Behavioral Health, discussed CHNK's four-pronged approach to early intervention services for long-term favorable results, the Sanctuary Model for trauma informed care, and moving trauma services upstream in collaboration with community partners across healthcare, education, and judicial systems.

Julie Raia, Chief Strategy Officer, CHNK, discussed the use of evidence-based practices, expanding access to mental health services, health professional shortages that exacerbate barriers to accessing services, and the five-year expansion plan for CHNK to close the gap in available services.

In response to questions and comments from Senator Adams, Ms. Raia stated that CHNK received an increase in the residential treatment rates for youth that are wards of the state and some of the outpatient services only received a slight increase. Mr. Wurth stated that the improvements are not due to Medicaid reimbursement rates but to private donors that fund CHNK's work.

In response to questions and comments from Representative Willner, Mr. Wurth stated that the Northern Kentucky public school systems are the largest customers using the four-pronged approach as CHNK expands access to services related to addiction for students and parents.

In response to questions and comments from Senator Wise, Mr. Wurth stated that CHNK has not discussed or collaborated with the Kentucky Center for School Safety but will contact the center.

Community Violence Prevention

Christopher 2X, Executive Director, 2X Game Changers Organization, discussed how the 2X Game Changers Organization is geared towards children that are impacted by violent shootings in the Louisville

Metro area, the Future Healers program, and the Planet Savers nature-based therapy project.

Keith Miller, MD, Trauma Surgeon, University of Louisville, discussed the loss of life due to COVID-19 compared to gun violence during the pandemic, the socio-ecological model relating to gun violence, the impact of an adverse childhood experience, the prevention-intervention continuum, and the Future Healers model.

Christopher Jones, MD, Transplant Surgeon, University of Louisville, discussed his role in the Future Healers program, parents' roles, and outcomes of the program. Christopher 2X discussed the need to work on various behavioral issues observed in children who have witnessed violent activities and the expansion of the program to Vanderbilt University in Nashville, Tennessee.

In response to questions and comments from Senator Douglas, Christopher 2X stated that the Future Healers programs wants children who live in challenging areas to be acquainted with health sciences at the earliest age possible.

CHI Saint Joseph Health

Sherri Craig, Market Vice President, External Relations, CHI Saint Joseph Health, discussed the mission, vision, and service area of CHI Saint Joseph Health, social determinants of health, and grant-funded programs to address and prevent violence.

Jara Burkhart, Violence Prevention Coordinator, London, CHI Saint Joseph Health, discussed the purpose, achievements, funding of the Nurturing Children Program in London, and the implementation of a Safe Haven Baby Box in Corbin.

Demetria Blair, Violence Prevention Manager, Lexington, CHI Saint Joseph Health, discussed the objectives, strategies, programs, and partners of the Safer Neighborhoods Initiative in Lexington.

Brian Hill, Violence Prevention Manager, Berea, CHI Saint Joseph Health, discussed the areas of focus and main strategies of the violence prevention programs implemented in the middle and high schools in Madison County. Ms. Craig discussed the Green Dot program emphasis in Nelson County schools.

Consideration of Referred Administrative Regulations

The following referred administrative regulations were placed on the agenda for consideration:

040 KAR 009:010 Proposed - General application procedure. 040 KAR 009:010 Emergency - General application procedure.

040 KAR 009:020 Proposed - Local government application procedure. 040 KAR 009:020 Emergency - Local government application procedure. 201 KAR 005:055 Proposed - Telehealth.

201 KAR 008:533 Proposed - Licensure of dentists.

201 KAR 008:563 Proposed - Licensure of dental hygienists.

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

201 KAR 020:390 Proposed - Nursing Incentive Scholarship Fund.

201 KAR 020:478 Proposed - Dialysis technician scope of practice, discipline, and miscellaneous requirements.

900 KAR 005:020 Emergency - State Health Plan for facilities and services. 900 KAR 006:075 Emergency - Certificate of need nonsubstantive review.

900 KAR 014:010 Emergency - Essential personal care visitor programs; visitation guidelines. 902 KAR 055:015 Emergency - Schedules of controlled substances.

The listed administrative regulations were reviewed by the committee.

Kelly Jenkins, Director, Kentucky Board of Nursing (KBN), testified about the implementation of implicit bias training by 201 KAR 020:215.

In response to questions and comments from Representative Moser, Ms. Jenkins stated that the Kentucky Nursing Association's implicit training program is not endorsed by the KBN and that the KBN would not take a nurses license away for not completing a continuing education (CE) training, but that notices are sent about incomplete CEs after the board's CE audit.

Jeffrey Prather, General Counsel, Kentucky Board of Nursing, stated that the implicit bias training is required to be completed one time and that no comments or issues were brought up during the time for public comment on the administrative regulation.

In response to questions and comments from Senator Meredith, Mr. Prather stated that the KBN is reviewing 201 KAR 020:215 to make changes and plans to file the amended version by September and that he will take the concerns of the committee to the KBN.

Adjournment

There being no further business, the meeting was adjourned at 3:14 PM.

INTERIM JOINT COMMITTEE ON HEALTH SERVICES

Minutes of the 5th Meeting of the 2023 Interim
October 25, 2023

Call to Order and Roll Call

The fifth meeting of the Interim Joint Committee on Health Services was held on October 25, 2023, at 9:00 AM in Room 149 of the Capitol Annex. Representative Kimberly Poore Moser, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith Co-Chair; Representative Kimberly Poore Moser Co-Chair; Senators Julie Raque Adams, Cassie Chambers Armstrong, Karen Berg, Danny Carroll, Donald Douglas, Greg Elkins, Shelley Funke Frommeyer, Michael J. Nemes, Lindsey Tichenor, and Max Wise; Representatives Steve Bratcher, Lindsey Burke, Emily Callaway, Ryan Dotson, Robert Duvall, Deanna Frazier Gordon, Jacob Justice, Amy Neighbors, Ruth Ann Palumbo, Rebecca Raymer, Steve Riley, Rachel Roarx, Russell Webber, and Susan Witten.

Guests: Frances J. Feltner, DNP, MSN, RN,

FAAN, Director, University of Kentucky Center of Excellence in Rural Health; Matt Coleman, MSM, Director, Kentucky Office of Rural Health; Sara Jo Best, President, Kentucky Health Departments Association, Director, Lincoln Trail District Health Department; Scott Lockard, Advocacy Co-Chair, Kentucky Health Departments Association, Director, Kentucky River District Health Department; Connor Rose, Senior Director, State Affairs, Pharmaceutical Care Management Association; and Robert McCarron, DO, Associate Dean, Continuing Medical Education, Director, Train New Trainers Primary Care Psychiatry Fellowship, Irvine Medical Center, University of California

LRC Staff: DeeAnn Wenk, CSA, Chris Joffrion, Logan Bush, Samir Nasir, and Becky Lancaster.

Approval of Minutes

A motion to approve the minutes of the September 27, 2023, meeting was made by Senator Meredith, seconded by Senator Douglas, and approved by voice vote.

Healthcare Worker Loan Relief Program of the Commonwealth

Frances J. Feltner, DNP, MSN, RN, FAAN, Director, University of Kentucky Center of Excellence in Rural Health and Matt Coleman, MSM Director, Kentucky Office of Rural Health, discussed the different parameters of physicians calculated in the workforce study. They provided statistics related to primary care physicians regarding provider-to-population ratios in various regions, years of licensed practice, distribution of physicians by county, and the net loss of physicians over a five-year period. Ms. Feltner discussed the workforce study information regarding registered nurses and advanced practice registered nurses and dentists.

Mr. Coleman, discussed the federal and state loan repayment opportunities for Kentucky providers, challenges for both programs that have turned into achievements, additional profession's covered with new funding, and accomplishments of the Kentucky State Loan Repayment Program (KSLRP) from 2003 to 2022. Ms. Feltner discussed the Healthcare Worker Loan Relief Program of the Commonwealth (HWLRPC) awards for 2023 and the update to the application process. Mr. Coleman discussed the number of KSLRP and HWLRPC awards by county, the number of applications under review, and the future plans for the KSLRP and HWLRPC funds.

In response to questions and comments from Representative Moser, Ms. Feltner stated that loan repayment programs have reporting requirements and time obligations the loan must be repaid if the loan repayment program contract is broken. Mr. Coleman stated that the federal grading system for a health provider shortage area (HPSA) designation is added to the overall review score for program eligibility. Ms. Feltner stated that physicians in the program ensure compliance with the loan requirements.

In response to questions and comments from Senator Meredith, Ms. Feltner stated that licensure data provides the number of full-time physicians practicing and that the contractual time for the state repayment loan program is two years. Mr. Coleman

stated that the federal program reviewed the past 70 recipients and found 80 percent remain at the same practice. Ms. Feltner stated that the disparity between the number of rural versus urban providers is due to pay and amenities in urban areas.

In response to questions and comments from Representative Roarx, Mr. Coleman stated that there are many partners that help promote the loan repayment programs, but that the programs also reach out to specific professional area partners if needs arise. Ms. Feltner stated that she goes to dental and medical schools to speak to the potential graduates and she would like to also speak at high schools about the loan repayment programs. Mr. Coleman stated that historically the biggest barrier for employer participation has been the match money. Mental health facilities have a hard time providing a money match for the loan repayments, but there has been a push to look into additional sources of funding for the match for employers unable to raise the funds.

In response to questions and comments from Senator Carroll, Ms. Feltner stated that neurology is not a professional specialty that is considered under the federal loan repayment program, but can be considered in the state program as an identified special interest. Mr. Coleman stated that there has not been any contact with managed care organizations to assist in match funding but he will look into that option.

In response to questions and comments from Senator Douglas, Mr. Coleman stated that there are different HPSAs for each provider type and that every county is a mental health HPSA. Ms. Feltner stated that they do not have data that states why physicians who participated in the program that are leaving Kentucky.

In response to questions and comments from Senator Wise, Ms. Feltner stated that there are mobile dental clinics in Eastern and Western Kentucky, many dental providers are not taking new Medicaid patients, and Medicaid does not reimburse enough to cover the cost of dental cleanings.

In response to questions and comments from Representative Callaway, Ms. Feltner stated that the federal guidelines require a 2-year time period for loan repayment, providers can reapply for an additional 2-year loan repayment, and tracking of physicians is not required after the contract is completed. Mr. Coleman stated that loan participants are not required to pay into the loan match and they must continue to pay the required amount to their loan provider.

In response to questions and comments from Senator Tichenor, Ms. Feltner stated that the Delta region is in the western part of Kentucky and providers working in a nonprofit practice can apply for the loan repayment programs.

Train New Trainers Program: University of California Irvine Psychiatry Fellowship Program for Primary Care Physicians

Robert McCarron, DO, Associate Dean, Continuing Medical Education, Director, Train New Trainers Primary Care Psychiatry Fellowship, Irvine Medical Center, University of California, discussed the problem with the prevalence of psychiatric disorders in adults and children, the large number of psychiatrists over the age of 55 years of age looking

at retirement, the provision of behavioral healthcare related to the setting of the service, primary care psychiatry training issues, the need to expand innovative education for behavioral care delivery, and the importance of integrated behavioral care curriculum. He gave an overview of the program's topics, staff, fellows, partners, preliminary outcomes, research outcomes, and prescription pattern outcomes.

In response to questions and comments from Representative Moser, Dr. McCarron stated that he is hopeful contractual issues for a Kentucky pilot program will move forward and that the pilot program would train six providers with scholarships for two additional providers, with a January start date.

In response to questions and comments from Senator Funke Frommeyer, Dr. McCarron stated that the program has a focus on provider wellness relating to nutrition and mindfulness.

Public Health Department Transformation: Update

Sara Jo Best, President, Kentucky Health Departments Association (KHDA), Director, Lincoln Trail District Health Department, discussed KHDA's three core focus areas, local health priorities, a timeline of the public health transformation progress from 2019 to 2023, difficulty of maintaining staffing levels, focus on foundational services, and the Health Access Nurturing Development Services (HANDS) program's impact and funding.

Scott Lockard, Advocacy Co-Chair, Kentucky Health Departments Association, Director, Kentucky River District Health Department, discussed KHDA's support in communities during emergencies and disasters, data driven decision outcomes, investments into local health departments' infrastructure improvements, national recognition of Kentucky's public health transformation, and public health transformation funding requests for 2024 and 2025.

In response to questions and comments from Representative Burke, Mr. Lockard stated that, if asked, local health departments will bring together community members to identify issues, solutions, and find common paths to move forward together.

In response to questions and comments from Representative Bratcher, Ms. Best stated that to provide the harm reduction syringe service program, the local health department must have approval from the board of health, the county fiscal court, and the city council in the county of operations. Hardin County has not been able to obtain all approvals and there are benefits to the programs having local approvals.

In response to questions and comments from Representative Roarx, Mr. Lockard stated that allowing Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits on mobile orders would be a federal decision and that during the pandemic, virtual, telephone, and online certifications were processed with some counties having 100 percent participation rates.

In response to questions and comments from Senator Tichenor, Ms. Best stated that, based on availability, local health departments are able to receive and offer the COVID-19 vaccine, and local health departments are required to give risk and benefit information to patients for any vaccine.

Consideration of Referred Administrative Regulations

The following referred administrative regulations were placed on the agenda for consideration:

201 KAR 002:076 Proposed - Compounding.

202 KAR 007:555 Proposed - Ground agencies.

900 KAR 006:080 Emergency - Certificate of Need emergency circumstances.

902 KAR 020:500 Proposed - Medical reserve corps.

902 KAR 055:015 Proposed - Schedules of controlled substances.

907 KAR 001:025 Proposed - Payment for services provided by an intermediate care facility for individuals with an intellectual disability, a dually-licensed pediatric facility, an institution for mental diseases, or a nursing facility with an all-inclusive rate unit.

The listed administrative regulations were reviewed by the committee.

In response to questions and comments from Representative Callaway, Representative Moser stated that in regards to 902 KAR 055:015, she has spoken to representatives from the Cabinet for Health and Family Services (CHFS), all are in favor of designating tianeptine as a Schedule 1 controlled substance statewide with enforcement by CHFS.

The Role of Pharmacy Benefit Managers

Connor Rose, Senior Director, State Affairs, Pharmaceutical Care Management Association, discussed the definition and services of a pharmacy benefit manager (PBM), members of the Pharmaceutical Care Management Association, typical PBM clients, process for the request for proposal, statistics showing that employers are satisfied with their PBM, white-bagging policies that help reduce out-of-pocket costs to consumers, and that he has not seen data showing less healthcare spending in West Virginia due to legislation regulating PBMs.

In response to questions and comments from Representative Moser, Mr. Rose stated that the PBM industry is not opposed to transparency, however there are different variations of transparency that are approved to make sure that the transparency measures do not release proprietary information. Some PBMs are owned by insurer and are vertically integrated to provide value and lower cost to consumers.

In response to questions and comments from Representative Webber, Mr. Rose stated that coverage of drugs for diabetic or weight loss patients is up to insurance plans and that many pharmacies use pharmacy services administrative organizations to negotiate with PBMs for reimbursement rates.

In response to questions and comments from Senator Berg, Mr. Rose stated that he would look into information regarding patient satisfaction level with their PBM and that patients benefit from stable cost-sharing and stable premiums.

Adjournment

There being no further business, the meeting was adjourned at 11:24 PM.

KENTUCKY HEALTH & HUMAN SERVICES DELIVERY SYSTEM TASK FORCE

Minutes of the 1st Meeting of the 2023 Interim
June 5, 2023

Call to Order and Roll Call

The first meeting of the Kentucky Health & Human Services Delivery System Task Force was held on June 5, 2023, at 3:00 PM 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 David Meade, Co-Chair; Senator Julie Raque Adams, Senator Denise Harper Angel, Senator Amanda Mays Bledsoe, Representative Amy Neighbors, and Representative Sarah Stalker.

Guests: Eric Friedlander, Secretary; Carrie Banahan, Deputy Secretary; Lisa Lee, Commissioner, Department for Medicaid Services; Dr. Steven Stack, Commissioner, Department for Public Health; and Lesa Dennis, Acting Commissioner, Department for Community Based Services, Cabinet for Health & Family Services.

LRC Staff: Samir Nasir, Logan Bush, and DJ Burns.

Review of the Charge of the Task Force and Introduction of Members

Senator Meredith discussed the jurisdiction of the task force and welcomed members. He stated the task force was created to examine the Cabinet for Health & Family Services (CHFS) and look for new ways to operate the vast departments within CHFS.

Review of 2022 CHFS Reorganization Task Force's Final Report and Resulting SB 48

Senator Meredith discussed the 2022 CHFS Reorganization Task Force's recommendations and the inclusion of the recommendations within 23 RS SB 48, which passed and became law.

Assessment of the Impact of 23 RS SB 48 on the Cabinet for Health & Family Services

Eric Friedlander, Secretary, Cabinet for Health & Family Services discussed the implementation of the changes made within the Cabinet from the passage of 23 RS SB 48. He stated the cabinet is creating transition documents to ensure nothing is missed when these transitions take place to other areas of state government.

In response to questions and comments from Representative Stalker, Secretary Friedlander stated that the cabinet is in charge of court ordered child support payments when it comes to transferring the payments from non custodial parent to custodial parent. He stated that the collection of child support arrears is behind.

In response to questions and comments from Representative Meade, Secretary Friedlander stated that the system used for child support is a DOS system and that the cabinet is working to update that

computer system to a newer one. He stated this update will make it easier when it comes time to transfer the department to the Attorney General's office, and all memorandum of understandings should transfer as well.

Assessment by the Cabinet of Health & Family Services on the Impact of Ending the Federal Covid-19 Emergency

Eric Friedlander discussed Medicaid enrollment during the public health emergency (PHE), caseload distribution, and renewal data as of May 31, 2023. Lisa Lee, Commissioner, Department for Medicaid Services, Cabinet for Health & Family Services, discussed the ending of the PHEs impact on Medicaid flexibilities, the federal match phase down process, and KY PHE website resources. Dr. Steven Stack, Commissioner, Department for Public Health, Cabinet for Health & Family Services, discussed the impacts of the end of the PHE on the Department for Public Health. Lesa Dennis, Acting Commissioner, Department for Community Based Services, Cabinet for Health & Family Services, discussed the impacts to child care and child welfare the ending of the PHE has had.

In response to questions and comments from Senator Meredith, Secretary Friedlander stated that it is hard to speculate the projection of Medicaid membership in the coming year. He stated the cabinet is looking into the renewal process and how many members are moving to private insurance and that there are many factors at play when it comes to the budget for Medicaid. After the conclusion of the PHE, he expects the Medicaid membership numbers to be lower than during the PHE. Commissioner Lee stated that all directed payments for providers have a quality measurement on them as well as a withhold payment for managed care organizations if the quality isn't met.

In response to questions and comments from Senator Mays Bledsoe, Secretary Friedlander stated that the difference in caseload from month to month is because people come into the system at different times of the year, especially around open enrollment periods. Carrie Banahan, Deputy Secretary, Cabinet for Health & Family Services, stated that during the qualified health plan open enrollment in November and December, the cabinet strategically lowered the renewal caseload to account for the new applicants during those times.

In response to questions and comments from Representative Stalker, Commissioner Lee stated that within the renewal system the cabinet has access to various data sources such as income tax information, state wage index, and birth and death certificates. She stated the system will ping all of those data points and if they match the eligibility then the member will not be required to submit that information for renewal.

In response to questions and comments from Senator Meredith, Dr. Stack stated that the public health transformation funding given in the previous budget has helped fund local health departments core programs. He stated that the PHE consumed the local health departments focus during the pandemic but also made it apparent that each local leader is the chief health strategist for their jurisdiction. He stated Covid-19 was unprecedented in the fact there was no

testing or vaccines developed for it and based on the new structures created from the pandemic he believes if an outbreak were to occur with a known disease, KY would be better equipped to handle it. Secretary Friedlander stated that the Covid-19 pandemic will be studied for twenty years, that decisions made in the moment were both right and wrong and hopefully we learn from those decisions and apply those to any future PHEs.

In response to questions and comments from Senator Mays Bledsoe, Secretary Friedlander stated that during the next budget discussion, the cabinet needs to look at funding for child care.

In response to questions and comments from Representative Stalker, Commissioner Lee stated that beginning in July the national fingerprint-based background checks will be implemented for caregivers, facility, and state agency staff. She stated the cabinet has been working to make the process of background checks quicker and more efficient. Secretary Friedlander stated that the CARES system has no flexibility within those processes.

Next Steps for the Task Force

Senator Meredith discussed the jurisdiction and invited members to reach out to himself or Co- Chair Meade with any suggestions for future topics of discussion.

Adjournment

There being no further business, the meeting was adjourned at 4:40 PM.

KENTUCKY HEALTH & HUMAN SERVICES DELIVERY SYSTEM TASK FORCE

Minutes of the 2nd Meeting

of the 2023 Interim

July 24, 2023

Call to Order and Roll Call

The 2nd meeting of the Kentucky Health & Human Services Delivery System Task Force was held on Monday, July 24, 2023, at 3:00 PM, in Room 171 of the Capitol Annex. Representative David Meade, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative David Meade, Co-Chair; Senators Julie Raque Adams, Denise Harper Angel, and Amanda Mays Bledsoe; Representatives Samara Heavrin, Kimberly Poore Moser, Amy Neighbors, and Sarah Stalker.

Guests: Eric Friedlander, Secretary; Lesa Dennis, Commissioner, Department for Community Based Services; Melanie Taylor, Director, Division of Protection and Permanency; Lisa Lee, Commissioner, Department for Medicaid Services; Mary Carpenter, Executive Advisor, Department for Community Based Services; Allen Brenzel, Clinical Director, Department for Behavioral Health, Developmental & Intellectual Disabilities; Katie Marks, Commissioner, Department for Behavioral Health, Developmental

& Intellectual Disabilities; Wesley Duke, Executive Director, Office of Legal Services, Cabinet for Health & Family Services; Andrea Bruns, State Director/CEO, The KY CASA Network; Melynda Jamison, Executive Director, CASA of Lexington; Rachel Bingham, Director, Office of Statewide Programs, Administrative Office of the Courts; Eddie Slone, Executive Director; and John Holder, Board Chair, KY Board of Emergency Medical Services.

LRC Staff: Samir Nasir, Logan Bush, and DJ Burns.

Approval of Minutes

A motion to approve the June 5, 2023, minutes was made by Senator Raque Adams, seconded by Representative Heavrin, and approved by a voice vote.

Update on Child Welfare

Eric Friedlander, Secretary, Cabinet for Health and Family Services (CHFS), discussed recent news articles pertaining to children placed with CHFS and the need to house those children within state offices while placement is being found. He discussed the reasoning behind these decisions and remedies CHFS is pursuing so this does not happen in the future.

In response to questions and comments from Representative Meade, Secretary Friedlander stated that CHFS is looking into increasing reimbursements rates for psychiatric residential treatment facilities (PRTF) to help support providers. Lesa Dennis, Commissioner, Department for Community Based Services, Cabinet for Health and Family Services, stated that most of the youth who stay in a state office, only do so for 1 to 2 days, but there have been a few cases where a child is required to stay longer. She stated that CHFS has partnered with local YMCAs for use of their facilities for showers when a child is staying at a state office awaiting placement. Secretary Friedlander stated that this trend started in rural areas of the state, but has expanded recently into more urban areas. Commissioner Dennis stated that hotels are used when available, but state offices are more secure and safe.

In response to questions and comments from Senator Raque Adams, Commissioner Dennis stated that employees get paid overtime and a shift premium of \$5 an hour. Melanie Taylor, Director, Division of Protection and Permanency, Department for Community Based Services, Cabinet for Health & Family Services, stated that therapeutic foster care facilities are at 50 percent capacity and the cases that are staying in state office buildings are cases that those facilities feel they are not equipped to care for. Secretary Friedlander stated that raising the single case rate has not had the effect CHFS had hoped for and they are looking into other options to open more placement facilities. He stated CHFS has placed every child but one.

In response to questions and comments from Representative Heavrin, Secretary Friedlander stated that CHFS makes referrals to PRTF's and those facilities can reject those referrals based on if the facility is not equipped for the child's needs.

In response to questions and comments from Representative Stalker, Commissioner Dennis stated

that most of the cases are children with behavioral or intellectual needs, adoption disruption cases, and juvenile justice records. Representative Stalker asked for demographics of the cases that CHFS is housing in state offices, Allen Brenzel, Clinical Director, Department for Behavioral Health, Developmental & Intellectual Disabilities, Cabinet for Health & Family Services, responded.

In response to questions and comments from Representative Meade, Ms. Taylor stated that she could not speculate on the number of foster homes within the state, but could get the information and send it to the task force. Lisa Lee, Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services, stated that Medicaid behavioral health fee schedule is tied to the KY Medicare fee schedule, when Medicare's schedule changes, the Medicaid rate follows. Secretary Friedlander stated that there was a reduction for a brief period, but the Medicaid rate was adjusted to reflect the higher rate before the reduction of Medicare.

Melynda Jamison, Executive Director, CASA of Lexington, discussed the role of a CASA volunteer, how CASA works a case with DCBS and guardian ad litem, and trends in child abuse and neglect cases. Andrea Bruns, State Director/CEO, The KY CASA Network, discussed the KY CASA network, recommendations for improvement of the CASA system, and budget requests for fiscal year 2025 - 2026.

In response to questions and comments from Representative Meade, Ms. Bruns stated that once a judge appoints a Court Appointed Special Advocate (CASA) worker in a case, it is required for all parties to work with that CASA worker. She stated not all cases are appointed CASA workers as it depends on the county and the availability of a volunteer. Ms. Jamison stated that Indiana uses CASA volunteers more widely throughout the state because children do not receive a lawyer, which is different from the system Kentucky uses. She stated she would like to work towards getting all 120 counties fully covered by CASA, but that will take time and extra funding.

In response to questions and comments from Senator Mays Bledsoe, Ms. Jamison stated that in the past ten years CASA has grown from one percent coverage to ten percent.

In response to questions and comments from Representative Stalker, Ms. Bruns stated that Indiana has a system setup for some fees to be collected by CASA but that is not across the board. She stated she fears a paid advocacy model is more biased than an unpaid one. Ms. Jamison stated that CASA of Lexington started a program last year to assist with volunteers' gas to help cover the cost of the transportation.

Rachel Bingham, Director, Office of Statewide Programs, Administrative Office of the Courts, discussed the administrative office of the court's role in child welfare and partners they collaborate with.

Implementation of 23 RS HJR 38

John Holder, Board Chair, KY Board of Emergency Medical Services, discussed the implementation of 23 RS HJR 38 and the change in reimbursement for emergency medical services administering treatment

in place as well as the benefits of it.

In response to questions and comment from Representative Moser, Mr. Holder stated that treatment in place is done by the medical direction of a physician and there are liability concerns.

In response to questions and comments from Senator Mays Bledsoe, Mr. Holder stated that currently there is 8 to 10 community paramedicine pilot programs throughout the state.

DMS Report on Implementation of 23 RS HJR 38

Lisa Lee, Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services, discussed the implementation of 23 RS HJR 38 including the increase in reimbursement rates for ambulance services, alternate destinations, and the new behavioral health crisis transport provider type.

Adjournment

There being no further business, the meeting was adjourned at 4:55 PM.

KENTUCKY HEALTH & HUMAN SERVICES DELIVERY SYSTEM TASK FORCE

Minutes of the 5th Meeting of the 2023 Interim

October 16, 2023

Call to Order and Roll Call

The 5th meeting of the Kentucky Health & Human Services Delivery System Task Force was held on October 16, 2023, at 2:00 PM in Room 171 of the Capitol Annex.

Representative David Meade, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith Co-Chair; Representative David Meade Co-Chair; Senators Shelley Funke Frommeyer, and Amanda Mays Bledsoe; Representatives Kimberly Poore Moser, and Amy Neighbors.

Guests: Eric Friedlander, Secretary, Cabinet for Health & Family Services; Lesa Dennis,

Commissioner, Department for Community Based Services, Cabinet for Health & Family

Services; Todd Trapp, Director, Division of Family Support, Department for Community Based Services, Cabinet for Health & Family Services; Tatiana Rose; and Amanda Nichols.

LRC Staff: Samir Nasir and DJ Burns.

APPROVAL OF MINUTES

A motion to approve the September 26, 2023, minutes was made by Senator Meredith, seconded by Representative Moser, and approved by a voice vote.

DISCUSSION OF PUBLIC ASSISTANCE BENEFITS AND APPLICATION PROCESSING

Eric Friedlander, Secretary, Cabinet for Health & Family Services (CHFS), discussed the increase in support service tasks for Department of Community Based Services (DCBS) employees and the training of new staff members contributing to the increase is

tasks.

Lesa Dennis, Commissioner, Department for Community Based Services, Cabinet for

Health & Family Services, discussed the contributing factors in the increase in tasks for DCBS employees including the Public Health Emergency (PHE) unwinding and an increase of average daily tasks of approximately 360 and the transition from local to statewide distribution of tasks.

In response to questions and comments from Representative Moser, Secretary Friedlander stated that CHFS has had a personnel cap since 2017 for state funded positions within the cabinet and except for the Office of the Inspector General, the agency has met the personnel cap. Commissioner Dennis stated that the workflow of the contract staff within TEKsystems does limit the types of issues they can solve, in cases where a client needs to be transferred to a DCBS worker, there may be duplication in restating information to a different employee. Mr. Trapp stated that the TEK staff work from a list of tasks and some duplication can occur down the line with other employees. Secretary Friedlander stated that some TEK staff have been transitioned to full time DCBS employees. Mr. Trapp stated that TEKsystems staff is only processing Medicaid renewal cases. Secretary Friedlander stated that Kentucky has an integrated eligibility and enrollment system which works 90 percent of the time to streamline the process.

In response to questions and comments from Senator Meredith, Secretary Friedlander stated that he is unsure how long the statewide processing will be in effect, as it depends on how quickly the backlog in bigger counties takes to bring current. Commissioner Dennis stated that the locality premium for Jefferson County is given based on the influx of non-English speaking clients and the number of in-person clients the office helps daily. Secretary Friedlander stated that the Jefferson County waiting area has two floors and both floors are full daily. Secretary Friedlander stated that he hopes when the backlog is caught up that Jefferson and Fayette counties will no longer be behind as they have been in the past. He stated that Conduent has been helpful with wait times on the phones. Commissioner Dennis stated that some of the frustrations with DCBS employees and Conduent come from clients being transferred to a DCBS employee and having to restate all their information. She stated DCBS is constantly asking for feedback from front line employees on what is working and what isn't. Mr. Trapp stated that there are monthly tracking report meetings with Conduent on call volume and transfers to DCBS to help learn and change processes to better assist clients faster. Commissioner Dennis stated that CHFS is currently looking into other vendors for the KYNECT system. Secretary Friedlander stated that he hopes to be current in the backlog by February 2024.

Tatiana Rose discussed her personal experiences with her son on home and community based waivers and technical issues she has had.

Amanda Nichols, Department for Community Based Services, Cabinet for Health & Family Services, discussed employee morale within DCBS.

In response to questions and comments from Representative Neighbors, Secretary Friedlander stated that he could get the information on complaints

received since implementing the state wide processing.

In response to questions and comments from Representative Moser, Secretary Friedlander stated that the cabinet has increased the psychiatric residential treatment facilities (PRTF) rates to help with the placement of children in CHFS care. He stated that three children across the state are staying in state offices without placement.

In response to questions and comments from Senator Meredith, Secretary Friedlander stated that he is happy to discuss a hybrid model for Jefferson County cases to help bring the backlog current.

In response to questions and comments from Senator Funke Frommeyer, Secretary Friedlander stated that CHFS is always looking for families to provide foster care.

Adjournment

There being no further business, the meeting was adjourned at 3:21 PM.

INVESTMENTS IN INFORMATION TECHNOLOGY IMPROVEMENT & MODERNIZATION PROJECTS OVERSIGHT BOARD

Minutes

October 10, 2023

Call to Order and Roll Call

The second meeting of the Investments in Information Technology Improvement & Modernization Projects Oversight Board was held on October 10, 2023, at 11:00 AM in Room 129 of the Capitol Annex. Representative Pratt, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Gex Williams Co-Chair; Representative Phillip Pratt Co-Chair; Senator Max Wise; Representative John Hodgson.

Guests: Charles Byers, KY Court of Justice, Chief Information Officer; Jennifer Harp, Executive Director, Office of Application Technology Services; Chris Lindsay, Executive Director, Office of Technology Services; Kenneth Jones, Deputy Executive Director, Office of Technology Services; and Jorden Jones, Executive Director, Office of Legislative Services.

LRC Staff: Jennifer Hays, Adam Johnson, Sarah Watts, and Jennifer Smith.

Approval of Minutes of the September 12, 2023 Meeting

Upon motion by Representative Hodgson and second by Senator Williams, the minutes from the September meeting were approved without objection.

Discussion with the Administrative Office of the Courts

Charles Byers, Chief Information Officer, provided an overview of areas supported within the judicial branch, some that are not necessarily viewed as information technology. These areas included background checks, printshop, court services, courtroom recording, training, and continued

education. The Office of the Courts goes beyond the traditional information technology shop.

Mr. Byers gave a breakdown of the judicial branch's technology budget, which totaled \$36.1 million. The general fund being \$30.2 million while the restricted funds stood at \$5.9 million. Currently, the only project active is the continuing e-court program. The e-court program was initially funded by House Bill 238 during the 2011 Regular Session. During the 2022 Regular Session, House Bill 244 added funding to help complete the e-court project.

Mr. Byers stated that some positions are unable to utilize remote work, but there are other positions that are well suited for it. He has noticed that remote work has helped reduce cost of travel for their department. Also, there has been a reduction in turnover, and that saves time and money in re-training.

Mr. Byers testified that the chief justice created committees and subcommittees to provide oversight and transparency on the various e-court programs. He ended the presentation by stating funding is still needed to complete the e-court project and added they still have technical debt.

Responding to a question from Senator Williams, Mr. Byers stated that the agency is currently drafting a proposal for outside vendors for security and storage. It seems to be more sustainable to contract from outside considering the difficulty to attract and retain technical talent.

Responding to a question from Representative Pratt, Mr. Byers stated that they use the same security measures with remote work as in office. There is multi-authentication, encrypted data, and very sensitive data is not sent or used on remote or personal devices by the courts.

Discussion with the Cabinet for Health & Family Services (CHFS)

Jennifer Harp, Executive Director, Office of Application Technology Services, stated that CHFS provides in-house support for all applications, and COT provides a vendor oversight. All technology security is in-house as well. The Medicaid application is vendor supported, but CHFS has ownership. CHFS partners with COT for desktop support, server storage, printer services, etc. The technology budget is part of the overall cabinet budget. Ms. Harp stated that some of the applications are funded by federal grants.

The cabinet is in the process of moving all services to an in-house managed cloud based system. CHFS currently uses an alternate storage data center, and they work closely with COT for data recovery. COT is responsible for cyber security with an annual cost to the department. The Office of Application Technology Services has an inhouse security team that maintains COT policies and requirements.

Ms. Harp stated the office utilizes remote work, and staff come to the office as needed. The ability to work from home has been significant in retaining and hiring staff. Additional funding would enable them to look at more innovative modernization, and continue to improve on the processes of the department's applications.

Responding to a question from Representative Hodgson, Ms. Harp said CHFS has a legacy system for child support with the attorney general's office.

The system is on the mainframe, and has been a capital project for a long period of time. They are working on modernizing the system. Approval was received to improve the child support system in the last budget session.

Responding to a question from Representative Pratt, Ms. Harp stated that CHFS's technology budget is included in the overall cabinet budget.

Discussion with the Education & Labor Cabinet

Chris Lindsay, Executive Director, said the Education Cabinet's merger with the Labor and Workforce Development Cabinet included unemployment insurance, which means they oversee many different applications such as; workers claim's, unemployment insurance, OSHA, vocational rehab, etc. The information technology budget and maintenance budget are included within the Education and Labor Cabinet's budget. Capital projects are requested outside of the standard operating budget. The unemployment system is hosted at COT. The department uses AWS phone systems, which is vendor managed through Amazon Solutions, and is cloud-based. The call center application began during the pandemic, and they have continued to build on that. Mr. Lindsay stated that the department finds it cost effective. They use the alternate data center, and participate in COT disaster recovery exercises. Their systems are backed up daily, stored, and managed by COT.

Responding to a question from Senator Williams, Mr. Lindsay stated the AWS phone system was a recommendation from COT when the pandemic began. Additionally, staff work three days in the office and remote work the remaining two days.

Responding to a question from Representative Hodgson, Mr. Lindsay stated an open procurement is ongoing, and that is all the information that can be shared.

Representative Pratt addressed Mr. Lindsay by saying, part of the process is we need a budget from your department so we know your technology needs.

Responding to a question from Representative Pratt, Mr. Lindsay said the call center staff answers calls all day long.

Responding to a question from Senator Wise, Mr. Lindsay stated that the call center is in Kentucky, not out of state.

Responding to a question from Senator Williams, Mr. Lindsay said statistics for the call center calls are available. The process is the same as amazon services.

Correspondence Submitted by the Legislative Research Commission

Representative Pratt announced to the committee that the Legislative Research Commission response to the technology questions can be found in their packet.

Adjournment

With no further business to come before the board, the meeting was adjourned at 12:05 p.m.

JUVENILE JUSTICE OVERSIGHT COUNCIL

Minutes

June 20, 2023

Call to Order and Roll Call

The third meeting of the Juvenile Justice Oversight Council was held on June 20, 2023, at 1:00 PM in Room 154 of the Capitol Annex. Senator Whitney Westerfield, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Whitney Westerfield, non voting Co-Chair; Representative Daniel Elliott, Senator Danny Carroll, Senator Robin L. Webb, Representative Keturah Herron, Rachel Bingham for Katie Comstock, Lesa Dennis, Jason Glass, Katie Marks, Vicki Reed, Paula Garner, and Steven Gold.

Guests: Devine Carama, Director; Larry Johnson, Community Outreach Coordinator; Kenneth Payne, Community Response Advocate; Tyler Scott, Mayor's Chief of Staff; Kevin Atkins, Chief Development Officer; Cortney Downs, MSSW, Chief Equity Officer, Kentucky Youth Advocates; and Shannon Moody, PhD, MSSW, Chief Policy & Strategy Officer, Kentucky Youth Advocates

LRC Staff: Matt Trebelhorn and Brett Gillispie.

The meeting was conducted jointly with the Commission on Race and Access to Opportunity.

ONE Lexington

Devine Carama, Director; Larry Johnson, Community Outreach Coordinator; Kenneth Payne, Community Response Advocate; and Tyler Scott, Mayor's Chief of Staff; Kevin Atkins, Chief Development Officer presented to the Commission regarding ONE Lexington. Devine Carama introduced ONE Lexington and its mission. ONE Lexington was founded in 2017 by Lexington's then-mayor Jim Gray in response to gun violence, and was revived by current mayor Linda Gorton. Its goal is to leverage government resources and community partnerships to reduce gun violence amongst youth and young adults ages 13 to 29. In order to achieve this goal, ONE Lexington has facilitated cooperation between the urban-county government, Fayette County Public Schools (FCPS), the criminal justice system, law enforcement, the local faith-based and non-profit sectors, and other community members across Lexington. With input from the community, ONE Lexington adopted the Prevention, Intervention, Enforcement, and Re-entry (PIER) model as a strategy for its work.

Director Carama stated that, as of June 2022, Lexington had suffered 24 homicides to that point in the year, while that number has been reduced to nine as of June 2023 as ONE Lexington has continued its involvement in the community. Furthermore, Lexington had suffered 69 nonfatal shootings as of June in 2022, while that number was reduced to 30 as of June 2023.

Director Carama said that the goal of the prevention stage in PIER is to prevent incidents of gun violence from occurring by treating the underlying causes such as food insecurity, mental health issues,

trauma, and the destruction of the family structure. One of the ways that they are addressing these issues is through the It Takes a Village mentoring program in cooperation with Fayette County Public Schools. The schools identify at-risk students who are then assigned a mentor who engages in weekly sessions. Additionally, ONE Lexington maintains a grant program which helps provide funding to grassroots organizations that are working to address critical issues in the community.

Director Carama stated that the majority of ONE Lexington's resources have been focused on the intervention stage of the PIER model, which focuses on the organization's response to gun violence that has already occurred. ONE Lexington has undertaken weekly violence intervention team meetings consisting of the police department, non-profits working in street outreach, FCPS, the University of Kentucky Trauma Center, and other community partners to discuss incidents and coordinate responses. Director Carama emphasized that ONE Lexington's crisis response focuses on both fatal and non-fatal shootings. Additionally, ONE Lexington engages in youth mediation through the Fayette County school system in order to resolve conflicts in a safe and healthy manner.

Director Carama said that ONE Lexington does not have any enforcement capabilities. However, they work to bridge the gaps of generational mistrust between communities of color and the police department. ONE Lexington works to recruit police officers into its mentoring program in order to facilitate this change.

Director Carama said that they are attempting to aid in the difficulties that are experienced during reentry by formerly incarcerated persons who have difficulty finding work and are in many ways disenfranchised. ONE Lexington is partnering with Goodwill Ignite to help provide second chance opportunities to young people reentering society. Additionally, ONE Lexington is working to encourage alternative sentencing programs for young offenders.

Senator Westerfield asked what assistance ONE Lexington believes is most needed from the government for Kentucky's at-risk youth. Director Carama answered that youth need trauma-informed care approaches and access to affordable mental healthcare.

Senator Westerfield asked who is represented on ONE Lexington's weekly gun violence intervention team. Director Carama stated that anyone needed to provide context for a shooting incident, including prosecutors, UK Trauma Center, and FCPS are usually involved. Mr. Johnson added that law enforcement and the Lexington Rescue Mission are involved and help provide resources.

Senator Westerfield asked how ONE Lexington prevents shootings that are retaliatory in nature. Director Carama said that 90 percent of the students that ONE Lexington works with have already been impacted by gun violence, and that focusing on mentoring and untreated trauma is key. Additionally, he said that the amount of firearms in the possession of juveniles is shocking. Mr. Johnson added that ONE Lexington has a crisis response team that works directly with the impacted neighborhood in the

aftermath of a shooting and that Mayor Gorton has been meeting directly with the mothers of victims in order to build relationships.

Representative Kulkarni asked ONE Lexington to expand on the youth mediation program and its effectiveness. Director Carama said that the individuals who work as crisis response advocates typically serve as youth mediators, and that the mediators have been given extensive training in conflict resolution. The mediation is conducted in concert with the families and school administration. The mediators have a variety of experiences with the local community and the justice system that they are able to utilize to reach the youth involved in these conflicts.

Representative Herron remarked that her proposed commonwealth Office of Safe Communities seems similar in function to ONE Lexington's model. She asked what resources from the General Assembly could benefit ONE Lexington and whether ONE Lexington is involved in healing from gun injury. Director Carama said that ONE Lexington encourages families to process generational trauma as well as personal trauma from gun violence by breaking the stigma of mental health and trauma support in the Black community. Additionally, they are seeking partnerships with health practitioners of color to work in the community and provide space for youth to share and discuss their experiences with gun violence. He added that community members have expressed concern about taxes on neighborhood shelters that have made it difficult for them to operate their community engagement activities. He went on to say that ONE Lexington has also allocated significant funding to victim services and would appreciate support from the General Assembly in these efforts as well as providing access and funding for grassroots activist organizations. He suggested the creation of a mental health collective to increase access for at-risk families who can't afford care. Finally, he reiterated the ease of access to firearms for at-risk youth.

Mr. Johnson added as a follow-up that ONE Lexington trained 150 community stakeholders in mindfulness in order to encourage self-care for both at-risk youth and the individuals that work with them. He also said that ONE Lexington holds grieving sessions for young people who have lost loved ones to gun violence as well as COVID-19.

Representative Brown asked ONE Lexington to expand on their activities concerning employment and job training for young people and re-entry assistance. Director Carama reiterated that community partnerships are important to address these issues. ONE Lexington addresses employment issues with youth involved in their mentorship program. Representative Brown added that youth mentorship resources should be expanded to younger students. Mr. Scott said that the mayor's office is getting ready to launch a Second Chance Academy program by bringing professionals to talk to incarcerated persons nearing their release dates and provide them with job readiness training and assistance in order to help them transition back into the workforce.

Representative Heavrin said that it is important for policy makers to discuss access to after school community programs for students and emphasized the importance of the urban-rural divide in Kentucky.

She asked what ONE Lexington believes is their greatest hurdle to success. Mr. Payne said that doing community engagement work requires the mentality of a long-term investment in the community.

Senator Webb asked that the General Assembly be kept informed on the process and success of the upcoming Second Chance Academy program.

Representative Timoney stated that middle school-aged students are often settling into the decisions and behavioral patterns that will affect their futures. Director Carama said that even third and fourth graders are making those decisions.

Representative Timoney asked what can be done about the snitch culture in schools that pressures students into not providing information on murders of fellow students. Director

Carama said that the culture is perpetuated by the environment that the students live in, and that students do not know the difference between being a snitch and being a witness to a crime. Mr. Scott added that ONE Lexington's work with law enforcement is critically important to addressing this issue, but that it must be conducted in a way that doesn't undermine the community's trust in ONE Lexington.

Senator Givens thanked ONE Lexington for presenting and said that staff would connect with them regarding the question of taxation, the Commission on Race and Access to Opportunity would investigate how the General Assembly can facilitate ONE Lexington's employment and job-training efforts, and added that ONE Lexington should connect with KY STATS to provide further study and information into local issues.

Senator Westerfield added that mental health resources and after school programs should be a budget focus for the Commonwealth of Kentucky.

Kentucky Youth Advocates

Cortney Downs, MSSW, Chief Equity Officer, Kentucky Youth Advocates and Shannon Moody, PhD, MSSW, Chief Policy & Strategy Officer, Kentucky Youth Advocates presented to the Commission regarding disparities within the juvenile justice system and equity in youth diversion programs. Dr. Moody stated that Kentucky Youth Advocates (KYA) is focused on advocating for systemic change for all Kentucky children by bringing research and data to policy makers.

Ms. Downs commented on the work done by legislators, the Administrative Office of the Courts (AOC), and other critical stakeholders around reforming Kentucky's juvenile justice system.

Ms. Downs stated that while Black youth represent 11 percent of Kentucky's youth population, they represented 22 percent of juvenile complaints filed in Kentucky in 2022. Additionally, while multiracial youth represented 2 percent of Kentucky's youth population, 8 percent of juvenile complaints filed in 2022 were filed against multiracial youth, and that these figures have been relatively consistent since 2017. Hispanic youth represented 6 percent of both Kentucky's general youth population and juvenile complaints filed, and white students represented 81 percent of Kentucky's youth population and 63 percent of complaints filed. She added that the total number of complaints has been reduced significantly

in the last ten years due to juvenile justice reforms, but that racial disparities have persisted. She went on to highlight the racial disparities in the detention at intake of juveniles, stating that there is a clear overrepresentation of Black youth at about three times their representation in the general population.

Ms. Downs said that Kentucky has done an excellent job of implementing diversion for juveniles, but that racial disparities have persisted despite the overall decline in complaints not diverted.

Black youth made up 16 percent of complaints diverted but 30 percent of complaints not diverted. She added that a 2021 Arizona study found that Black, Hispanic, and Native American youth were far less likely to have their cases diverted than their white counterparts and were far more likely to have negative comments made in their case files.

Senator Westerfield asked if the Arizona study considered the administrator of the assessment of the youths' cases. Ms. Downs answered that she did not know but would be able to find out.

Ms. Downs stated that Black youth are disproportionately more likely to be sentenced or transferred to adult court than their white counterparts, with Black youth representing 39 percent of cases detained and 52 percent of referrals, compared to 46 percent of detentions and 31 percent of referrals for white youth. Youth of color represent nearly 70 percent of referrals to adult court in Kentucky. She added that three zip codes in Louisville are the source of approximately one-third of all commitments to the Department of Juvenile Justice, which have disproportionally high rates of systemic factors such as intimate partner violence, out of school suspension, and adult incarceration, as well as high rates of food and housing insecurity.

Additionally, chronic health issues are overrepresented in these zip codes. She recommended that these systemic factors be addressed in order to reduce the amount of youth becoming justice involved. She also stated that a second-look commission is being formed in Tennessee to investigate juvenile justice and she would be willing to find and provide information on its findings.

Senator Berg observed that some counties are arresting and incarcerating Black youth at an even higher rate than the state's average and asked if the counties were aware of that. Rachel Bingham replied that AOC makes that data available to communities, but that the actual number of cases should be taken into account. She added that AOC has observed a slight uptick in the arrest and sentencing of Hispanic youth.

Ms. Downs stated that more than 3,500 youth involved with the Department of Juvenile Justice have been diagnosed with a disability.

Ms. Downs said that since 2017, the overall diversion success rate in Kentucky has been between 80 percent and 90 percent, and the recidivism rate has been in a steady decline since 2016. Senator Givens pointed out the decrease in the raw number of cases along with the high diversion success rate. Ms. Downs added that research has shown that diversion holds youth accountable for their behavior without resorting to legal sanctions or incarceration, and that multiple studies have shown that diversion can

be more effective for most young people than going through a formal court process.

Senator Neal asked how KYA defines success for youth diversion programs. Rachel Bingham stated that success is defined as increasing opportunities for youth and preventing anti-social behaviors in addition to compliance. She clarified that the basic indicator is whether the youth become justice-involved again.

Representative Herron asked which specific zip codes in Louisville were the sources of the abnormally high number of juvenile complaints. Ms. Downs answered that the three zip codes are 40210, 40211, and 40212.

Steve Gold stated that Henderson County does not have a lot of resources within the county, and that he believes that their diversion programs would have a greater impact with additional resources. He added that he has seen diversions labeled successful when there has been a repeat offense, and asked whether there should be more attempts at diversions in the case of a repeat offense. Ms. Downs answered that being able to connect with kids and ensure that they are getting the resources that they need is important to a successful diversion program. She added that lack of resources is a problem across the state and that repeat offenses involve a variety of issues, and that cases should be examined for more diversion options.

Ms. Bingham said that changing the trajectory of children's behavior requires patience and compromise. She added that court-designated workers are dependent on community assistance to be effective.

Senator Webb said that she has worked with a juvenile who told her that they had benefited from being involved with the Department of Juvenile Justice. She added that every case is different, and she is an advocate for flexibility for local judges and prosecutors.

Senator Neal said that judgements are subjective, and that policy makers need to be careful about blanket statements regarding prosecutorial overrides.

Christina Weeter asked whether disabilities were a factor in youth incarceration. Ms. Bingham stated that the 3,500 was the number of disabled youth at intake and may not be representative of the number or percentage of disabled youth who are actually incarcerated. She added that she would be able to make that data available.

Senator Givens asked if a youth's disability status is influential to a judge's decision regarding their sentencing. Ms. Bingham answered that it is.

Adjournment

There being no other business, the meeting adjourned at 3:15 p.m.

JUVENILE JUSTICE OVERSIGHT COUNCIL Minutes

July 21, 2023

Call to Order and Roll Call

The 4th meeting of the Juvenile Justice Oversight Council was held on July 21, 2023, at 11:00 AM in Room 171 of the Capitol Annex. Senator Whitney

Westerfield, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Whitney Westerfield, non voting Co-Chair; Representative Daniel Elliott, Senator Danny Carroll, Senator Robin L. Webb, Representative Kevin D. Bratcher, Representative Keturah Herron, Rachel Bingham for Katie Comstock, Lesa Dennis, Christina Weeter for Jason Glass, Kerry Harvey, Katie Marks, Damon Preston, Vicki Reed, John Adams, and Steven Gold.

Guests: Rebecca Norton, Budget Director, Kentucky Justice & Public Safety Cabinet; Myrissa Ritter, Human Resources Branch Manager, Kentucky Justice and Public Safety Cabinet; Jamaal Crawford, Regional Director - Midwest, Ashley Randall, Lexington Program Director, Youth Advocate Programs; Cal Karey, Cure Violence Site Manager, Youth Build Louisville.

LRC Staff: Joshua Shelepak, Matt Trebelhorn, and Brett Gillispie.

Approval of Minutes

A motion was made by Rachel Bingham, seconded by Chairman Elliott, and the minutes of the meetings on May 26 and June 20 were approved by voice vote.

Department of Juvenile Justice Update

Rebecca Norton, Budget Director, Kentucky Justice and Public Safety Cabinet; Myrissa Ritter, Human Resources Branch Manager, Kentucky Justice and Public Safety Cabinet, provided updates on staffing and hiring for the Department of Juvenile Justice (DJJ). Ms. Ritter outlined recent developments in DJJ personnel and recruitment. DJJ has increased staff in its detention centers from 146 officers, in January, to 183. She testified that there are still difficulties with hiring staff within urban facilities, such as Campbell and Jefferson Counties. Recruitment efforts have included hiring a marketing company to develop social media and other internet venues, and has participated in college and regional job fairs. Senate Bill 162 has also provided the youth worker -R program, and a limited time initiative to allow workers who had resigned to rejoin DJJ, which has brought back 10 experienced workers.

In response to a question from Senator Westerfield, Ms. Norton asked for clarification on the community workers to be included, and agreed to provide data on salaries.

In response to a question from Rep. Bratcher, Ms. Norton replied that the trooper -R program has not yet had time to get started, but that letters have been sent to retirees to solicit interest.

In response to a question from Representative Elliott, Ms. Norton responded that entry level social services workers start at just over \$45,000 per year and entry level youth workers start at just over \$41,000. Representative Elliott asked whether there is a staff shortage in youth workers similar to what is seen in detention, and the witnesses agreed to provide information on the question.

In response to a question from Commissioner Marks, Ms. Norton said that while DJJ did not yet

have much data on retention rates, as the latest pay increases have not been in effect for very long, the department was developing a historical look at retention rates to attempt to put current trends in context.

Responding to a question from Damon Preston, Ms. Norton said that current difficulties with regional placement are from a combination of factors, including low staffing levels and the limitations of the brick and mortar facilities. She added that SB 162 provided funding for a consultant to analyze facilities and make recommendations. Secretary Harvey added that regional placement, as required by SB 162, is a very different system than anything that has previously been done in Kentucky.

Agency Updates

Senator Westerfield examined a report provided by the Administrative Office of the Courts, regarding attendance at FAIR team meetings, and noted that law enforcement, county attorneys, and DPA, had the lowest attendance.

In response, Damon Preston noted that according to the report, DPA and county attorneys had both shown improvement in their attendance. He explained that DPA is under staffing pressure and due to the way youth are detained across the state, DPA attorneys can have clients in multiple facilities across the state, making it difficult to meet with clients and meet other responsibilities, such as FAIR teams or drug courts, where the client's liberty is not at stake.

Responding to the same question, Steve Gold noted that prosecutors also face high caseloads, and the statutory requirement to attend FAIR team meetings needs to be taken seriously.

Senator Westerfield asked DPA, county attorneys, law enforcement, DCBS, CHFS, and RIACs -- the groups with the lowest attendance rates -- what needs to be done to improve attendance.

Senator Carroll stated that many in law enforcement do not buy in to the FAIR team process, and asked if law enforcement was consulted in creating the process.

Senator Westerfield responded that law enforcement had a role in the conversation, but has not provided significant input over the ensuing decade.

In response to a question from Damon Preston, Rachel Bingham said that the FAIR teams themselves decide who the law enforcement representative on the team should be, and Senator Webb suggested that there should be a more formal process for determining that member.

Senator Webb also suggested that the private defense bar should be represented on the FAIR team.

Steve Gold pointed out some significant differences between drug court and a FAIR team; while drug court is a judicially-supervised diversion program for folks who are already in court, the FAIR team is not led by a judge, and is an attempt to avoid bringing a case to court. In response, Senator Westerfield pointed out that when SB 200 was drafted, the judges did not want to convene or lead the FAIR team to discuss pre-court cases, but that like drug court, the FAIR team is a multi-disciplinary team convened to help the person succeed.

In response to a question from Chairman Elliott,

Rachel Bingham agreed to provide information on failed diversions and common reasons for that failure.

Youth Advocate Programs, Inc.

Jamaal Crawford, Regional Director - Midwest, and Ashley Randall, Lexington Program Director, discussed the programs offered by Youth Advocate Programs (YAP) in Kentucky.

Mr. Crawford began by describing YAP as a high-impact social change non-profit that provides community-based alternatives to youth incarceration. Nationally, they provide services to over 17,800 families annually in more than 100 communities. YAP currently provides services in 34 states plus DC, and will expand to two more states by the end of the year. YAP serves the highest need of young people and families who are most at risk of out of home placement, working with kids who are coming out of secure settings, such as youth detention facilities, as well as working with kids who have violence within their communities.

The full presentation prepared by YAP is available in committee materials.

In response to a question from Senator Westerfield, Ms. Randall explained that when YAP hires its advocates, it looks at lived experience as well as academic credentials, and provides trainings on a variety of subjects.

In response to a question from Rachel Bingham, Mr. Crawford said that YAP always operates through contracts with local agencies, whether through schools, juvenile justice agencies, or child welfare agencies.

In response to a question from Representative Herron, Mr. Crawford said that YAP follows up with kids for a year after leaving the program, with check-ins at 3, 6, and 12 months, to determine the overall success rate for its participants.

In response to a question from Damon Preston, Mr. Crawford said that the current six offices will expand to offer services in surrounding counties.

Youth Build Louisville

Cal Karey, Cure Violence Site Manager, described Youth Build Louisville as a group that champions young adults to be great citizens so they can build sustainable communities. Youth Build Louisville has operated in Smoketown for 22 years, providing young people with career ladders, high school diplomas, and certifications. Youth Build Louisville also serves young people through its Cure Violence program, which has violence interrupters and outreach workers working directly in the Smoketown neighborhood to address the pandemic of gun violence in Louisville.

The materials distributed by Mr. Karey are available in meeting materials.

In response to a question from Commissioner Marks, Mr. Karey said that it would improve prevention for substance use disorder to reduce stigma around mental health, have more mental health providers that look more like the population that needs the services, and having more mental health services providers in Jefferson County.

In response to a question from Senator Westerfield, Christina Weeter said that there are not enough mental health providers being trained, generally, and not

enough providers of color.

In response to a question from Christina Weeter, Mr. Karey said that many things are driving the increase in the suicide rate among black youth, in the neighborhoods where Youth Build Louisville works, including high rates of trauma and a lack of youth services.

Adjournment

The Juvenile Justice Oversight Council adjourned at 1:06 PM.

JUVENILE JUSTICE OVERSIGHT COUNCIL

Minutes of the 6th Meeting

of the 2023 Interim

October 31, 2023

Call to Order and Roll Call

The sixth meeting of the Juvenile Justice Oversight Council was at 10 a.m. Tuesday, October 31, 2023, in Room 171 of the Capitol Annex. Senator Whitney Westerfield, chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Whitney Westerfield, non-voting co-chair; Representative Daniel Elliott, non-voting co-chair; Senators Danny Carroll, and Robin L. Webb; Representatives Kevin D. Bratcher, and Keturah Herron; John Adams, Katie Comstock, Lesa Dennis, Paula Garner, Steve Gold, Mona Womack for Kerry Harvey, Katie Marks, Damon Preston, Vicki Reed, and Tyra Walker.

Guests: Paul Witten, Kentucky Lions; Laura Kareem, Supervisor, Juvenile Post-Disposition Branch, Department of Public Advocacy; Beth McMahon, Division Director, Post-Trial Division, Department of Public Advocacy; Judge John Adams, 3rd Judicial District.

LRC Staff: Roberta Kiser, Matt Trebelhorn, Brett Gillispie, and Robert Wright.

Approval of Minutes

A motion was made by Representative Elliot and seconded by Representative Bratcher to approve the minutes of the September 15, 2023, meeting. Minutes were approved by voice vote without objection.

Agency Updates

No member agencies had updates to share.

Lions Quest

Paul Witten, Kentucky Lions, outlined the history and mission of Lions Quest. It is a service organization dedicated to the goal of encouraging comprehensive youth development to help children grow in a positive direction, free from the dangers of drugs and violence, and able to make positive decisions. Mr. Witten detailed Lions Quest curriculum and where it has been rolled out in Kentucky.

In response to a question from Representative Elliot, Mr. Witten stated the 16-week program occurs after school. Mr. Witten clarified that this program has

also been adopted by the Larue County Public School Board and integrated into its curriculum.

In response to a question from Mr. Gold, Mr. Witten stated that there are plans to roll out a Lions Quest program in Henderson County.

In response to a question from Mr. Preston, Mr. Witten stated juveniles are assigned to Lions Quest by a judge.

In response to a question from Ms. Marks, Mr. Witten stated the effectiveness of the program in high-risk populations is being evaluated. Nicole Matia, education program specialist, provided further anecdotal examples of the effectiveness of the pilot program in Alabama.

Post-Disposition Proceedings

Laura Karem, Department of Public Advocacy (DPA) Supervisor, Juvenile Post-Disposition Branch, and Beth McMahon, DPA Post-Trial Division Director, presented on DPA's Juvenile Post-Disposition branch and post-disposition proceedings. Ms. McMahon outlined the creation of the Juvenile Post-Disposition Branch (JPDB) from a federal consent decree. Ms. Karem outlined the responsibilities of attorneys employed by the JPDB.

In response to questions from Senator Westerfield, Ms. Karem and Mr. Preston agreed to provide information regarding disposition outcomes for juveniles following their age 18 hearing. Ms. Karem stated that housing is the biggest gap in re-entry planning and education is the biggest gap for overall care. Ms. Karem stated that capacity issues lead to juveniles being given priority in terms of treatment.

In response to a question from Representative Herron, Ms. McMahon spoke about education being the biggest gap for JPDB juveniles in terms of overall care.

Perspectives on Overrides

Judge John Adams, 3rd Judicial District, and Beth McMahon, DPA Post-Trial Division Director, discussed judicial overrides. Judge Adams discussed Senate Bill 200's effect and how it reduced the size of juvenile court dockets. Judge Adams added that he prefers to call overrides "judicial considerations."

In response to a question from Senator Westerfield, Judge Adams agreed with Senator Westerfield that not all jurisdictions look at overrides as so-called "judicial considerations."

In response to a request from Senator Westerfield, Mr. Preston agreed to provide information regarding the number of overrides by county. Judge Adams also agreed to provide Christian County courts' memorandum of understanding.

Adjournment

There being no further business, the Juvenile Justice Oversight Council adjourned at 11:06 a.m.

INTERIM JOINT COMMITTEE ON JUDICIARY

Minutes of the 2nd Meeting of the 2023 Interim July 20, 2023

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Judiciary was held on Thursday, July 20, 2023, at 11:00 AM, in Room 149 of the Capitol Annex. Senator Whitney Westerfield, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Whitney Westerfield, Co-Chair; Representative Daniel Elliott, Co-Chair; Senators Karen Berg, Matthew Deneen, Gerald A. Neal, John Schickel, Brandon J. Storm, Johnnie Turner, and Phillip Wheeler; Representatives Kim Banta, John Blanton, Kevin D. Bratcher, Lindsey Burke, Stephanie Dietz, Patrick Flannery, Keturah Herron, Nima Kulkarni, Savannah Maddox, Kimberly Poore Moser, Jason Nemes, Jason Petrie, Steve Rawlings, Scott Sharp, and Nick Wilson.

Guests: Rodney Moore, Human Resources Director, Justice and Public Safety Cabinet; Rebecca Norton, Budge Director, Justice and Public Safety Cabinet; Myrissa Ritter, Human Resources Branch Manager Recruitment, Justice and Public Safety Cabinet; Josh Crawford, Director of Criminal Justice Initiatives, Georgia Center for Opportunity; Amanda Hall, Dream.org; John Bowman, Kentucky State Director, Dream.org; Jesse Kelley, Clean Slate Initiative; Adam Haley, Director of Policy and Strategy, Goodwill Industries of Kentucky; Alaina Sweasy; James Sweasy; B. Scott West, Deputy Public Advocate, Department of Public Advocacy; Laura Karem, Juvenile Post-Disposition Branch Supervisor, Department of Public Advocacy; Melanie Low, General Counsel, Department of Public Advocacy; Leah Boggs, General Counsel, Justice and Public Safety Cabinet; Amy Barker, Staff Attorney, Justice and Public Safety Cabinet; William Codell, Staff Attorney, Justice and Public Safety Cabinet; and Julie Ward, Circuit Judge, 17th Judicial Circuit.

LRC Staff: Roberta Kiser, Matt Trebelhorn, Randall Roof, Stacy Byrns Taulbee, Joshua Shelepak, and Elizabeth Hardy.

A motion was made by Co-Chair Elliott and seconded by Senator Storm to approve the minutes of the June 8, 2023, meeting. Minutes were approved by voice vote without objection.

Department of Juvenile Justice (DJJ) Staffing Update

Rodney Moore discussed the implementation of several provisions under Senate Bill 162 from the 2023 Session, specifically the development of a limited duration program to allow former employees to return to their previous employment classification and the creation of a Youth Worker-R program, which have been very successful in securing experienced correctional officers that were able to start work immediately. The increase in salaries provided by Senate Bill 162 has also had a positive

impact on recruiting both officers and service and support positions. Mr. Moore discussed goals of the department and in response to a question from Senator Westerfield agreed to provide information regarding the staff to detained youth ratio, as well as what additional funding may be indicated to retain community personnel.

Rebecca Norton stated that the department is hopeful the internship program for college students that is offered will result in an increase in full-time staffing as well.

In response to a question from Senator Berg, Mr. Moore stated that applicants were required to have a high school diploma and pass a background check, however they also receive applications from college graduates who want to advance at DJJ.

In response to a question from Representative Nemes, Mr. Moore advised that disciplinary action has been taken in response to the incident at the Adair County facility, including suspensions and termination of employment.

In response to a question from Representative Moser, Mr. Moore agreed to provide information regarding changes in training of DJJ staff and information regarding mental health assessments and treatment.

Senator Schickel expressed concern over the lack of a detention facility in northern Kentucky. Mr. Moore responded that northern Kentucky was a priority area but recruitment of workers is difficult.

In response to an inquiry from Representative Kulkarni, Mr. Moore agreed to provide information regarding the turnover rate of workers noting there has been less turnover since the salary adjustments.

Representative Banta reiterated a request for information regarding training, which Mr. Moore agreed to provide.

In response to comments from Representative Burke, Mr. Moore stated that the department puts the same emphasis on recruiting on the community side as on the detention side. Senator Westerfield requested the specific amount that is needed to move the community side employees up to the same threshold also be provided.

In response to a request from Representative Petrie, Mr. Moore agreed to provide the targeted number of employees and the costs associated with meeting that target as well as trends regarding hiring and retention.

Consideration of 505 KAR 001:140 Proposed

Mr. Codell advised the committee that the administrative regulation under review amends various policies including those relating to the separation of males and females and the transfer of youth based on the security needs and staffing bed capacity. In response to a question from Senator Westerfield, Ms. Boggs stated some amendments address the use of tasers and pepper spray and restraints during transport. Training has been provided as new security measures have been implemented.

In response to a question from Senator Schickel, Ms. Boggs stated there was no requirement in the proposed regulation that requires separate buildings for males and females.

In response to a question from Senator Turner,

Ms. Boggs stated that a written record is made when a taser or pepper spray is used.

In response to a question from Representative Herron relating to a report she had received regarding the transfer of a female juvenile four times over the previous weekend, Ms. Boggs stated that this regulation does not address transportation other than security during transportation.

Scott West discussed concerns the Department of Public Advocacy (DPA) has with the proposed regulation not incorporating the language in the law, particularly as it relates to regionalization of placements and facilities. He discussed the effects of a child being placed in a facility far from the child's home not only on the child but also on the representation DPA is called upon to provide. Laura Karem further discussed the difficulties DPA is experiencing regarding representation based upon the current physical placements and stated that deregionalization drives disparities.

Senator Westerfield expressed his concern regarding the striking of the word "regional" from the proposed regulation and concern that the removal of other provisions affects placements near community services and families.

In response to a question from Representative Bratcher, Ms. Karem stated that the information DPA is providing is current.

In response to a question from Senator Schickel, Mr. West stated that in his opinion the regulation should track the language of the statute relating to regionalization.

In response to a question from Senator Turner, Ms. Karem confirmed that the examples DPA has presented do not include children that are represented by private attorneys. Senator Westerfield discussed issues with remote communication between a lawyer and client. In response to an additional question from Senator Turner, Mr. West expressed concerns about confidentiality and security with remote communications. Ms. Karem discussed information that may not be obtained with remote communications.

In response to a question from Senator Westerfield, the Justice and Public Safety Cabinet agreed to defer the regulation and work on an amended proposal. This action was approved by voice vote with no objection.

Expungement

Representative Moser stated that she was presenting this matter to discuss and explore some options for automation of record clearing for individuals who have served their sentences for low-level, non-violent convictions without changing the waiting period or judicial or prosecutorial discretion under the current expungement laws.

Josh Crawford stated that the criminal justice system works best when there is accountability and redemption. He stated Representative Moser's proposal does not change who is eligible for expungement. It changes the process by which an eligible individual expunges the records. Research shows that having a job reduces recidivism and expungement increases job prospects and wages.

Amanda Hall related her personal experiences to the committee and stated that when businesses across Kentucky are struggling to find qualified and ready-

to-work employees, formerly incarcerated individuals are one of the biggest areas of untapped talent. Increased employment and wages result in more tax revenue for the state, and stable employment remains one of the best public safety tools.

Alaina Sweasy related her personal experiences to the committee including the costs associated with obtaining an expungement. She discussed the positive impact removing barriers to expungement has on setting children up for success.

John Bowman related his personal experiences and spoke in favor of second chances at life. He stated there were thousands of Kentuckians like him who have turned their lives around and are productive members of society again but often face denial of certain career opportunities and even the ability to volunteer at schools where their children attend. Navigating the process of expungement or having the financial resources to obtain expungement hold many people back from obtaining expungement.

James Sweasy related his personal experiences and discussed how the proposed legislation would help people of limited financial means secure expungement.

Jesse Kelley stated that she engages in national advocacy for expungement and discussed other states that have implemented plans similar to this proposal. She explained the process in general terms stating that the plan should be specific to Kentucky requirements. She stated that approximately 500,000 individuals could benefit from this plan in Kentucky.

In response to a question from Representative Elliott, Ms. Kelley stated that currently a petition would need to be filed in Kentucky to remove a charge that was dismissed or that resulted in an acquittal.

In response to a question from Representative Dietz, Ms. Kelley stated that a sentence is not deemed completed in Kentucky unless all fines, fees, and restitution have been paid.

Judge Ward stated there was insufficient time left in the meeting to relate her concerns and asked to return at a later time.

In response to a previous question from Senator Schickel, Ms. Kelley clarified what records are retained for prosecutors that could be given to judges if needed in a future sentencing hearing. Representative Moser responded that small business owners retain the ability to hire only those individuals that they choose to hire.

There being no further business, the meeting adjourned at 1:00 p.m.

INTERIM JOINT COMMITTEE ON JUDICIARY

Minutes of the 5th Meeting of

the 2023 Interim

October 13, 2023

Call to Order and Roll Call

The 5th meeting of the Interim Joint Committee on Judiciary was held on Friday, October 13, 2023, at 2:00 p.m., in Room 149 of the Capitol Annex. Representative Daniel Elliott, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Whitney Westerfield, Co-Chair; Representative Daniel Elliott, Co-Chair; Senators Karen Berg, Danny Carroll, Matthew Deneen, Gerald A. Neal, John Schickel, Brandon J. Storm, and Johnnie Turner; Representatives Kim Banta, Kevin D. Bratcher, Josh Bray, Lindsey Burke, Jennifer Decker, Stephanie Dietz, Patrick Flannery, Keturah Herron, Nima Kulkarni, Kimberly Poore Moser, Jason Nemes, Jason Petrie, Steve Rawlings, Pamela Stevenson, and Nick Wilson.

Guests: Jacquelyn Gwinn-Villaroel, Chief of Police, Louisville Metro Police Department; Phillip Burnett, Jr., Commissioner, Kentucky State Police; Ashley Spence, DNA Justice Project; Louis Kelly, Commonwealth's Attorney, 54th Judicial Circuit; Melanie Lowe, General Counsel, Department of Public Advocacy; John T. McGarvey, Esquire, Uniform Law Commission; and Trish McAllister, Esquire.

LRC Staff: Roberta Kiser, Matt Trebelhorn, Randall Roof, Stacy Byrns Taulbee, Joshua Shelepak, Elizabeth Hardy, and Robert Wright.

A motion was made by Senator Schickel and seconded by Senator Storm to approve the minutes of the September 21, 2023, meeting. Minutes were approved by voice vote without objection.

2022 Crime in Kentucky Report

Jacquelyn Gwinn-Villaroel, Chief of Police, Louisville Metro Police Department and Phillip Burnett, Jr., Commissioner, Kentucky State Police testified regarding the reported discrepancy in crime statistics reported by LMPD for the 2022 Crime in Kentucky Report.

In response to questions from Representative Elliot, Commissioner Burnett stated that crime statistics for 2022 are slated to be updated when the 2023 Crime in Kentucky Report is released. Chief Gwinn-Villaroel stated that LMPD did submit their data correctly and that the discrepancy was the result of a digital reporting system error.

In response to questions from Senator Westerfield, Chief Gwinn-Villaroel discussed the Mark43 record management system used by LMPD and explained how LMPD's reporting system shares data with KSP's reporting system, KY OPS. Chief Gwinn-Villaroel also stated that LMPD and KSP have reconciled the discrepancy between statistics and confirmed that LMPD submitted the correct numbers.

In response to questions from Senator Carroll, Commissioner Burnett stated KSP discovered the discrepancy after the investigative report was released. Commissioner Burnett also stated there was no communication between KSP and LMPD regarding LMPD's switch to the Mark43 reporting software, because it was not deemed an issue. Commissioner Burnett also stated KSP is only a repository for crime statistics and that they do not analyze crime reports when compiling the Crime in Kentucky Report. Chief Gwinn-Villaroel restated the discrepancy was a technical error and that monthly reports are being commissioned to verify statistics. Commissioner Burnett also stated that there is no statutory regulation for police organizations to use KY OPS. Chief Gwinn-Villaroel stated LMPD does not use KY OPS because Mark43 offers LMPD more in their day-to-

day operations.

In response to questions from Representative Bratcher, Commissioner Burnett stated KSP is responsible for its crime data, but is only a repository for crime data from other police organizations. Commissioner Burnett also stated the discrepancy would have been discovered internally, if the investigative report had not discovered it.

In response to questions from Senator Deneen, Chief Gwinn-Villaroel stated LMPD was on-boarding the Mark43 reporting software before she was hired, and discussed her experience with the Mark43 software. Commissioner Burnett stated that there are four police organizations that do not use KY OPS, including LMPD. Commissioner Burnett stated he does not know what reporting system the other three police organizations use.

Rapid DNA and DNA Evidence

Representative Patrick Flannery, House District 96, stated he wished to give the committee an overview of what Rapid DNA technology is and how it is used by the federal government and other states.

Ashley Spence, DNA Justice Project, shared her experience as a victim of sexual violence and outlined the purpose of her organization. She outlined Rapid DNA technology and procedures that are used to match an arrestee's DNA to open cases, how Rapid DNA technology has been rolled out in other states, and how it is used to reduce crime.

Melanie Lowe, General Counsel, Department of Public Advocacy, discussed her experience with DNA evidence in her position as General Counsel for the Department of Public Advocacy.

In response to a question from Senator Berg, Ms. Spence stated that if an arrestee is found not guilty, their DNA is expunged from national databases. Ms. Spence also stated that some states have automatic expungement, while others require a letter requesting expungement.

In response to questions from Senator Carroll, Representative Flannery confirmed that any match in a national database from an arrestee must be followed up with a second test. Representative Flannery also stated he was unsure if there was a report with the statistics of DNA swabs upon felony conviction. Ms. Spence stated that there are no other long-standing legal challenges to Rapid DNA. Ms. Lowe explained why technicians must be certified to take a DNA swab from an arrestee.

Transfer on Death Deed

Representative Steve Rawlings, House District 66, John T. McGarvey, Uniform Law Commission, and Trish McAllister presented a proposed bill with two parts, the first being transfer on death deeds that permit a property owner to designate a beneficiary who will automatically inherit the property upon the owner's death, avoiding probate, and the second being the phasing out of the inheritance tax for deaths occurring on or after July 1, 2024.

Mr. McGarvey presented background information on transfer on death deeds. Ms. McAllister presented information on the transfer on death deeds legislation that Texas passed in 2014.

In response to a question from Senator Turner, Mr. McGarvey stated that this legislation includes provisions to include real property and listed property, like automobiles.

In response to a question from Representative Flannery, Mr. McGarvey was not sure if the proposal required an affidavit of death to be filed with a decedent's county clerk's office regarding automobiles.

In response to questions from Senator Storm, Mr. McGarvey stated that other states that have passed similar legislation have not encountered issues with obtaining title insurance. Representative Rawlings stated that they have only worked with Texas officials regarding this legislation.

In response to a question from Representative Burke, Representative Rawlings stated he would be amenable to adjusting the inheritance tax portion of the bill.

In response to a question from Senator Berg, Representative Rawlings stated he did not know what amount of revenue the state would lose if this bill was law, but that those calculations would be done. Representative Rawlings stated that Kentucky is one of only six states that have an inheritance tax.

Adjournment

There being no further business, the meeting adjourned at 3:54 p.m.

TASK FORCE ON LOCAL GOVERNMENT ANNEXATION

Minutes of the Fourth Meeting of the 2023 Interim

October 27, 2023

Call to Order and Roll Call

The fourth meeting of the Task Force on Local Government Annexation was held on October 27, 2023, at 1:00 PM in Room 169 of the Capitol Annex. Senator Robby Mills, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Jonathan Dixon Co-Chair; Senator Robby Mills Co-Chair; Senators Michael J. Nemes, Phillip Wheeler, and David Yates; Representatives Randy Bridges, Beverly Chester-Burton, and Michael Meredith.

Guests: J.D. Chaney, Executive Director and CEO of the Kentucky League of Cities.

LRC Staff: Mark Mitchell, Christopher Jacovitch, and Logan Schaaf.

Approval of Minutes

Upon the motion of Representative Bridges, seconded by Representative Chester-Burton, the minutes from the September 29, 2023, meeting were approved.

Kentucky League of Cities' Perspective on Annexation

J.D. Chaney, Executive Director and CEO of the Kentucky League of Cities (KLC), stated that a study from 2018, published in The Economist,

showed that cities that are unable to annex territory are poorer, more segregated, have less growth, and have lower bond ratings among other things. Overall, annexations and growing cities are a benefit to both cities and counties. Annexation is an important part of advancing economic development in Kentucky.

The primary issue is not annexation but county tax revenues, and that annexation changes would come at the expense of cities. There are more pressing issues that local governments should address together.

Sixty percent of the population and 75 percent of the economic activity occurs in cities, but cities represent 3.6 percent of the state's geographical area. Expansion has been intentional and conservative concerning growth for the most part. Primarily, the opinion of property owners will determine whether an annexation will go forward. These decisions are not haphazard, but are judicious, because annexation results in the provision of services in new areas.

Kentucky annexation law puts property owners' rights at the forefront through annexation. Ninety-two percent of all annexations were done at the property owner's request. Non-consensual annexations are a much more difficult process that requires waiting periods, the ability to petition in opposition, etc. Property owners have many reasons for desiring annexations, including more services, such as police and fire, and the coverage for planning and zoning.

City boundaries are often not aesthetically pleasing, but this can occur due to natural growth, geographic and other natural boundaries, and other reasons. Mr. Chaney referenced several fast-growing cities throughout the country that have shapes that are not compact or geometrical. This "ugliness" shows that these cities have not been limited regarding annexation, but this has benefited their ability to grow in terms of population and in economic development. City governments are not static, and change based on population changes. Property owners have the controlling interest in how their property is used and should be able to determine if they want to be annexed.

Kentucky law does not permit the annexation of barren land, without a plan for development in order to reach desirable areas. Territory must have concrete developability at the time the annexation is commenced. The shape of cities should be considered contextually on a case-by-case basis, and usually the property owners desires determine the shape. Mr. Chaney listed several examples where corridor annexations were explained by the desire to increase services in the area.

Most annexations provide revenue benefits even to counties even where occupational taxes do not stack. Mr. Chaney provided a hypothetical example, where a city expends resources in an annexed area to develop the property, which leads to higher property valuations and increased property tax revenue for the city and county. These increases can be larger enough to offset or even outpace the tax revenue lost by the county from prior occupational and insurance premium taxes. The county reaps these rewards without any investment of its own in the property. Mr. Chaney pointed to real examples of this situation, where development of residential areas following annexation by a city resulted in tenfold or greater

increases in property values and property tax revenue for the county.

The perspective of city tax payers should be considered and the services that they receive from both cities and counties. All city residents pay property taxes to both cities and counties, and ensure that all residents are paying the same for the base level county services. Some counties have lowered their property tax rates below the compensating rate or failed to use the 4 percent increase permitted by statute. The compounding effect of these decisions result in large losses in revenue for counties that have made those decisions.

Mr. Chaney pointed to Daviess County which has lowered its property tax rate below the compensating rate, and resulted in a \$2.1 million dollar loss in revenue. Madison County had also lost out on \$900,000 in revenue due to not taking the four percent increase over the previous five years. This is not meant to cast aspersions on the counties, but it is important because the annexation changes contemplated by the counties are an effort to take revenue from the cities which it can use to spur growth and investments. Counties that have not made hard decisions on property tax rates should not be able to make that up by taking tax revenue from cities.

KLC has several proposed ways to reach a resolution.

An amendment to the Kentucky Constitution that would open the options for city revenue generations.

Jail reform that will relieve the severe burden jails place on county budgets.

A limited reprieve from the recall provisions of HB 44 to allow counties that have relatively low property tax rates due to prior decisions concerning the compensating rate, to make up ground over a short period.

A revenue hold-harmless calculation for annexations that would determine revenue loss due to an annexation offset by the benefits received by the county due to increased property tax revenue.

A limited exception to occupational tax crediting in newly annexed areas, where a county has provided investment in the area.

Strengthen property owners' rights concerning non-consensual annexations by allowing petitions to defeat an annexation without the need for the issue to go to the ballot.

Amend the statute of limitations by reducing the time to challenge, while expanding legal standing to additional parties that may challenge an annexation.

Clarify ownership of city utility infrastructure.

Mr. Chaney stated that he hoped to work with his colleagues in KACo to bring reasonable proposals by the next meeting. Annexation is critical for allowing cities to prosper and grow and important for allowing the state to grow.

In response to a question from Senator Wheeler, Mr. Chaney stated that all fifty states are different regarding annexation and that KLC would not be supportive of any proposal that would require cities to receive permission from counties to annex territory. The examples of other cities were meant to demonstrate that cities are often "not pretty" and are constantly changing and growing.

In response to another question from Senator

Wheeler, Mr. Chaney stated that courts have already considered the rational basis for the 30,000-population distinction regarding occupational license crediting. Mr. Chaney provided a case citation and quoted from the opinion which held there was a rational basis for the classification.

In response to a question from Senator Nemes, Mr. Chaney stated that the increases in population and GDP due to annexations comes from a combination of taking territory where that population/activity already existed and from investing in undeveloped property. Cities that do not have the ability to annex, end up poorer and see declines in population.

In response to a question from Representative Chester-Burton, Mr. Chaney stated that services provided by cities during annexation include utilities, but that often in the case of industrial development, cities provide development incentives that do not result in revenue for many years, but provide jobs.

In response to a question from Representative Chester-Burton, Mr. Chaney stated that during annexation residents can choose whether the city will take over fire service from a fire district, but this does not result in indebtedness for the fire districts.

In response to a question from Senator Wheeler, Mr. Chaney stated that the crediting statute is very complicated, but that KLC would have issues with stacking in areas that were already a part of municipalities. Mr. Chaney stated that removing the population threshold may be politically difficult because it would result in millions of dollars in tax increases, if stacking were allowed to occur. KLC would be open to allowing stacking for future annexed territory where cost sharing between the city and county occurs.

In response to a question from Representative Bridges, Mr. Chaney stated that the bill which established the taskforce was not a moratorium on annexations and merely required some notice be provided to the counties. Multiple annexations have occurred since the bill was passed, and KLC withdrew its objections because it did not halt the ability of cities to annex. Cities have provided the necessary notice, and the system seems to be working.

In response to a question from Representative Bridges, Mr. Chaney stated that concerning fire services in islands of non-annexed territory within a city, that those services and others are frequently provided by the city without those areas contributing via taxes.

In response to a question from Representative Bridges, Mr. Chaney stated that cities would be opposed to revenue sharing or stacking unless there has been cost sharing by the counties.

Representative Bridges stated that he would encourage cities and counties to work together, rather than seeing it as an effort to require cities to seek permission. He hopes that KLC and KACo could work together to bring a solution to the legislature.

Representative Meredith stated that jail costs, pension costs, limited revenue options under the Kentucky Constitution, and offset provisions, are not the fault of cities or counties, but were things that occurred in the distant past. This has created conflict between cities and counties, but both organizations have shown a strong willingness to work together to

fix this issue.

Representative Dixon thanked all the involved parties for their participation with the task force.

Senator Mills announced that the next meeting was scheduled for November 17, 2023. There being no further business, the meeting was adjourned at 1:15 p.m.

INTERIM JOINT COMMITTEE ON LICENSING, OCCUPATIONS, AND ADMINISTRATIVE REGULATIONS Minutes of the 2nd Meeting

of the 2023 Interim

July 31, 2023

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Licensing, Occupations, and Administrative Regulations was held on Monday, July 31, 2023, at 11:00 AM, in Room 154 of the Capitol Annex. Representative Matthew Koch, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator John Schickel, Co-Chair; Representative Matthew Koch, Co-Chair; Senators Julie Raque Adams, Donald Douglas, Denise Harper Angel, Jimmy Higdon, Jason Howell, Amanda Mays Bledsoe, Christian McDaniel, Michael J. Nemes, Damon Thayer, and Reginald Thomas; Representatives Kim Banta, Kevin D. Bratcher, Emily Callaway, Mike Clines, Jonathan Dixon, Daniel Fister, Patrick Flannery, Al Gentry, Samara Heavrin, Keturah Herron, Thomas Huff, Kevin Jackson, Michael Meredith, Ruth Ann Palumbo, Phillip Pratt, Tom Smith, and Killian Timoney.

Guests: Shannon Stiglitz, Senior Vice President, Government Affairs, Kentucky Retail Federation; Ahmed Young, Director of Public and Government Affairs, Walmart; Kyle Elliott, PLS, Executive Director; Donald Pedigo, Chair, Kentucky State Board for Licensure for Professional Engineers and Land Surveyors; Ben Shinabery, PLS, Kentucky Professional Surveyors; State Senator Robin Webb; Wayne Needham, President and Certified Equine Dental Provider, International Association of Equine Dentistry; Michelle Shane, Dr. John Park, Ernie Martinez, and Phil Prater, Kentucky Board of Veterinary Examiners; John-Mark Hack, Thoroughbred; Mark Litkenhus, Lawrenceburg; Rachel Ball, Paint Lick; and Mike Stone, Executive Director, Kentucky Council on Problem Gambling.

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

Approval of June 22, 2023, Meeting Minutes

Representative Banta motioned to approve the June 22, 2023, meeting minutes and Senator Douglas seconded the motion. Motion carried and the minutes were approved by voice vote.

Alcohol Delivery and License Quota

Ms. Stiglitz, Senior Vice President, Government Affairs, said the Kentucky Retail Federation, is seeking to exempt alcoholic beverage delivery

vehicles from displaying the name and license number of the retail licensee. Any retailer transporting alcoholic beverages does so in a vehicle marked in conformity with the administrative regulations of the board. She noted this has become more of an issue since the passage of cocktails to go during the Covid-19 pandemic and all delivery drivers were not required to display a physical signage on the outside of the vehicle. Uniform requirements across the board are essential for the safety of the drivers as well as the logistics of how retailers are utilizing delivery partners to deliver alcohol to the consumer. There will be strict adherence to laws concerning checking identification and not selling to consumers under the age of 21.

Mr. Ahmed Young, Director of Public and Government Affairs, Walmart, said Walmart's emphasizes that its drivers deliver all products in a safe, secure, and transparent environment in accordance with all laws of the Commonwealth of Kentucky. Alcohol should always be delivered to the appropriate consumer, and drivers should always have correct identification and be able to show it quickly.

According to Ms. Stiglitz, there are not enough quota retail package licenses for business applicants in Lexington. The Kentucky Retail Federation is not requesting removal of the quota from statute, but the demand is growing for retail package licenses among retailers and restaurants. The Kentucky League of Cities is amicable to amending the statute to allow for any city, county, or merged government to request an increase in quota retail package licensing. Current statute states that a city must have a quota on retail package licenses if it is located within a dry county.

The Kentucky Retail Federation is supportive of all entities expanding to allow alcohol, such as florist shops offering champagne and nail salons serving wine to customers. The limit of one license per 2,300 residents was established based on traditional quota retail package licensees. Lexington retailers want more opportunities to obtain these licenses; however, this problem is not unique to Lexington.

Senator Higdon said a common-sense approach to fixing the issue would be to redefine what a retail package license is, and have businesses reapply for the license. He does not agree with increasing quotas for businesses whose primary sales are not alcohol. Ms. Stiglitz said the number of license quotas were created based on liquor stores. The Kentucky Retail Federation is open to all options and hopes to find consensus with all entities and the General Assembly prior to the legislative session in January 2024.

Land Surveyors

Kyle Elliott, PLS, Executive Director, Kentucky State Board for Licensure for Professional Engineers and Land Surveyors, said in the early 2000s the Board of Licensure, along with the Kentucky Association of Professional Surveyors, the Kentucky Society of Professional Engineers, and the American Council of Engineering Companies began the process of moving away from an experience-only route to becoming a licensed land surveyor. In 2005, by another act of the General Assembly, Kentucky began requiring a four-year degree to become licensed as a professional land surveyor. Kentucky was decades behind other states,

taking this action.

A six-year sunset period allowed those who had already begun the experience-only path to still become licensed. That sunset period ended in June 2011. The board and the three professional societies knew there would be a downward trend in surveying licensing for about ten years. In 2019, prior to the pandemic, surveying licensing in Kentucky began an upward trend that continues to this day. In 2005, when the four-year degree requirement was first enacted, Kentucky had 1,031 licensed land surveyors. In 2011, when the experience-only route to licensure ended, Kentucky had 956 licensed land surveyors. Today, Kentucky has 1,442 licensed land surveyors. That is an almost 40% increase in licensed professional land surveyors compared to 2005, and a 66% increase from 2011. Kentucky still needs more professional land surveyors.

So far this year, Kentucky has 34 individuals registered to take the Fundamentals of Surveying exam, which is the first of two national exams a surveyor must take to become licensed. There are 24 individuals registered to take the Principles and Practice of Surveying exam, the second of the two national exams. Kentucky has not had this many surveying exam registrations in over a decade.

Mr. Elliott said a four-year degree in surveying and a two-year degree in surveying will almost always teach the same core surveying competencies. A two-year degree focuses on training practitioners for an industry standard. In addition, the four year degree at a university prepares individuals with soft skills like communication, professional responsibility and ethics, societal awareness, business and financial consequences of land surveying practice, and awareness for the need for lifelong learning. Because job experiences can be so different, it is unwise to assume that lengthening the experience requirements, like House Bill 151 proposed, will make up for the difference of a two-year degree.

Since Kentucky moved to the four-year degree requirements for land surveying licensing, the pass rates on the national surveying exams have moved from the 30 to 40 percent range to the 70 to 80 percent range. Kentucky's licensed land surveyors' numbers are up and increasing, the surveying exam registrations are up, and the pass rates for Kentuckians taking the surveying exams have more than doubled since the four-year degree requirement. For all these reasons, the Kentucky State Board of Licensure for Professional Engineers and Land Surveyors is opposed to regressing to a two-year degree path for surveying licensure.

Chairman Koch said farmers waiting long periods and absorbing expensive costs to obtain a land surveyor led to the need for a discussion. John-Mark Hack, Chief Strategy Officer, Thoroughbred, said as an employer of land surveyors, it is not in anyone's interest to derogate the profession. The biggest threat could be the lack of folks entering the profession. Kentucky is short on professional land surveyors and more land surveyor licensure flexibility is needed. One barrier can be the high costs of earning a four-year degree for some surveyors. Pathways need to be sought for men and women to obtain their license based on real world experiences and not dependent

on the burden and cost of a four-year college degree.

Responding to questions from Senator Nemes, Ben Shinabery, Kentucky Professional Land Surveyors, said the four-year degree provides for a competent professional and technical abilities that may not have been needed 20 years ago in the land surveyor profession. The equipment necessary to perform the job is precise and run by software and hardware that provides for precise measurement. The job encompasses more than the skills training in a two-year degree. The required technological skills correlate to a four-year degree regardless of whether the person has passed the land surveyor exam.

Mr. Hack noted that he is not a professional land surveyor, but the compromise offered in the 2023 legislative session included the six-year apprenticeship in addition to the two-year college requirement. He believes the soft skills needed to perform the job can be obtained through the apprenticeship and observation of professional licensed surveyors.

Responding to a question from Representative Dixon regarding success in the

profession through real life experience, Mr. Elliott said the four-year degree helps provide public speaking skills which are necessary for speeches at planning commissions, legislative committees, and zoning and adjustment boards. Representative Dixon and Chairman Koch indicated that college is a great resource for some people, but they do not believe it translates to a surveyor having better communication or business skills. Representative Dixon said a college education does not have more value than real world on-the-job experience and does not believe it improves public speaking skills.

Responding to questions from Senator Higdon regarding the policies in surrounding states concerning land surveyors, Mr. Elliott said Illinois, Indiana, and Ohio require a four-year degree for land surveyors. West Virginia uses the experience-only pathway. Kentucky only allows out-of-state surveyors with a Kentucky license to work in the state. There is a reciprocity agreement to grant a Kentucky license.

Responding to questions from Senator Howell regarding apprenticeship and changes in the industry, Mr. Shinabery said apprenticeship is offered by surveyors who see it as a priority for hiring students who are interested in a professional licensure track. The Kentucky Professional Surveyors also provide students with tuition assistance in some cases because an educated individual is more well-rounded. Field and office experience is also provided prior to students obtaining their license. There are no customized public speaking classes offered, but four-year degrees require general public speaking courses.

Responding to a question from Representative Meredith, Donald Pedigo, Chair, Kentucky State Board for Licensure for Professional Engineers and Land Surveyors, said two and four-year degrees can have the same curricula requirements. Mr. Elliott said the pandemic did not diminish the need for land surveyors as people realized they wanted to add fences to their property while sitting out on their porches. Representative Meredith said there was a shortage of land surveyors before the COVID-19 pandemic and said it can take six to eight weeks to get a land surveyor to a customer's property. He learned more

in real world work experiences than he did receiving his bachelor's degree in college, and wants flexibility in addressing the land surveyor shortage in order to better serve constituents' needs.

Responding to a question from Senator Douglas, Mr. Elliott said continued professional development is required for surveyors and engineers. Land surveyors must receive 8 hours per year of professional development, while engineers receive 15 hours per year.

Representative Clines said it is a very challenging time to require a four-year degree to become a land surveyor. Pathways, credentials, and experience all can provide flexibility in achieving the license and ending the critical shortage of land surveyors.

Veterinarian Allied Health

Chairman Koch said House Bill 167 that was passed in the 2023 Regular Session of the General Assembly modernized veterinarian licensure in Kentucky and mandated licensure for the professions of veterinary medicine, ensuring public protection for animal owners across Kentucky.

Senator Webb said equine dentistry is important for the health and protection of all horses across the Commonwealth. She discussed the large animal veterinary shortage and how it affects rural animal owners. Equine dentistry needs to be reclassified as routine animal husbandry, and an avenue provided to legally work in Kentucky. Horse owners need the right to choose their preferred practitioner.

Wayne Needham, President and Certified Equine Dental Provider, International Association of Equine Dentistry, showed the committee a PowerPoint that demonstrates the need for horse equine dentistry. Kentucky has 72 out of 120 counties with a large animal veterinary shortage. The American Association of Equine Practitioners reports six percent of the annual 4,000 veterinary graduates pursue equine practice, and 50 percent leave within five years. There are 240 new equine vets annually in the United States. The trend is 60 equine vets retire annually and 24 quit treating horses. Most equine vets are too busy or dislike performing equine dental examinations, and this gives little hope for rural Kentucky.

Justin Talip, Certified Equine Dental Provider, said equine dentistry is a basic, routine, and accepted animal husbandry practice. Unless an extraction is required, the procedure is safe and painless. Kentucky equine dentistry falls under the definition of veterinary medicine. No training or performance standards are required or accepted. There are an estimated 50-75 equine dental providers in Kentucky. Dentistry is safe and veterinary board complaints involving animal harm during dentistry are almost nonexistent in Kentucky.

Responding to a question from Senator Bledsoe about sedation and teeth cleaning in horses, Mr. Needham said Oklahoma and Texas go through the veterinarian for sedation and can do this at the vet clinic. Senator Webb said the Veterinary Modernization Act also allows for telehealth appointments, which can be beneficial for resolving these issues. Mr. Needham said sedation and drug policies stay the same, but they want to ensure that the procedures remain legal.

Responding to questions from Chairman Koch,

Mr. Talip said there are equine dental schools in Virginia, Texas, and Idaho. Equine dentists are licensed in Texas the same as a veterinarian and are regulated by the Texas Veterinary Board. They are supervised and continuing education credits are required. Senator Webb said the Kentucky Veterinary Board needs to look at other state models and is looking for input from all entities on the issue on best practices.

Dr. John Park, Equine Veterinarian, Kentucky Board of Vet Examiners, and Michelle Shane, Executive Director, Kentucky Board of Veterinary Examiners, concurred that protection of horses and the public is of utmost importance. Ms. Shane said there needs to be an avenue of recourse when problems arise outside of the scope and expertise of the equine dentist. A big concern of veterinarians remains drug access and transportation, but they are open to finding a legal path forward.

Dr. Park said the modernization of the Veterinary Practice Act was instrumental in the equine industry. He said the infrastructure is in place for the Allied Health Professional and the board is willing to address all the issues and find a solution amicable to all parties. Sedation is an important procedure for providing a thorough oral exam of the horse and providing an accurate diagnosis. The board remains committed to the protection of the animal and citizens' rights, but stressed there needs to be regulation, accountability, and fairness. Chairman Koch said there is agreement between the groups and they should start there and build upon that moving forward.

Public Services for Problem and Addicted Gambling

Mike Stone, Executive Director, Kentucky Council on Problem Gambling, addressed the committee on behalf of the council, a 501(c)(3) non-profit organization whose mission is to increase awareness of problem gambling, promote prevention and research, and advocate for the availability of treatment. He expressed gratitude for the General Assembly including language in House Bill 551 to establish a publicly funded problem and addicted gambling awareness, education, prevention, and treatment program in Kentucky. The council has advocated for such a program for more than 20 years. Kentucky joins 42 other states and districts, as well as the rest of the world, in the recognition of disordered gambling as an important public health issue.

Mr. Stone said a publicly funded program to address problem and addicted gambling is needed. Research by academics and the latest statistics by the survey firm IPSOS showed that 78 percent of Kentucky adults gambled over the past year, an equivalent to 3.2 million Kentucky citizens. As many as 165,000 Kentucky adults exhibit problem gambling traits, and as many as 64,000 have a gambling addiction. Using a median of \$9,000 that academic research indicates is the average annual social cost per addicted gambler, Kentucky's addicted gambler cost is \$576 million.

In Kentucky, a stigma is attached to problem and addicted gambling. People are fearful of self-identifying due to embarrassment, and often gambling addiction is seen as a hidden addiction. State recognition will drive public awareness and increase messaging by the gambling industry. The hope is,

as with other states, this will increase demand for services to help individuals recover from the addiction and recognize the warning signs and avoid problems.

It is a false narrative that awareness of the problem of addicted gambling and providing services for problem and addicted gamblers will decrease gambling participation, thus harming gambling businesses and lowering the revenue accruing to the state. This has not happened in other jurisdictions, and a self-exclusion policy or system such as in Indiana and Ohio is recommended for Kentucky. Kentucky can adopt the many best-practice initiatives from other states and countries as it forms its problem and addicted gambling programs.

Mr. Stone said the council does have some concerns. One is diversion of resources to other addiction prevention and treatment programs. House Bill 551 did not specify the funds raised are solely to address gambling problems and addictions. Clearly, it was the General Assembly's intent, but history from other states shows funds purportedly earmarked for problem gambling services were diverted to other uses. The council asks for General Assembly oversight on this issue.

Secondly, a concern is offering problem and addicted gambling services before the awareness, education, prevention, and treatment infrastructure is ready for the influx of individuals seeking services. The council has volunteered to use its accrued grants and donations to pay for counselor training prior to the public program's implementation. They can also seek certifications as gambling counselors by the International Gambling Counselor Certification Board.

The final concern is cost. House Bill 551 is projected to raise \$500,000 for problem and gambling services. Research provided by the National Association of Administrators of Disordered Gambling Services reports the average expenditure on problem and addicted gambling services among the 42 states and jurisdictions with publicly funded programs is 28 cents per capita. Using U.S. Census Bureau data, it computes to \$1.2 million for Kentucky. The council stands by the total per capita number because of the need for youth services.

House Bill 551 provides a critical and significant first step to funding Kentucky's first treatment program of problem and addicted gambling. Examples from other states show the demand for services soon will eclipse the funds available. It is recommended that when additional funding is directed to the program, all legally sanctioned gambling in Kentucky should share in the cost of the program. Each gambling entity contributes to the problem and should share in the cost.

Representative Meredith said the emergency regulations promulgated by the Kentucky Horse Racing Commission include self-exclusion language. The intent of the bill was to utilize the funds for problem gambling, and he hopes the committee will continue to look for other funds and believes it could be a shared cost from other forms of gaming across the state.

Responding to a question from Representative Gentry, Mr. Stone said other states and Canada are providing successful problem gambling

treatment programs for their citizens. He mentioned Massachusetts, Connecticut, and New York as good examples of established programs with best practices to draw from in Kentucky. Representative Gentry is an advocate for expanded gaming and providing a program to treat problem gambling.

Adjournment

With no further business before the committee, the meeting adjourned at 12:25 p.m.

INTERIM JOINT COMMITTEE ON LICENSING, OCCUPATIONS, AND ADMINISTRATIVE REGULATIONS

Minutes of the 5th Meeting of the 2023

Interim

October 16, 2023

Call to Order and Roll Call

The 5th meeting of the Interim Joint Committee on Licensing, Occupations, and Administrative Regulations was held on October 16, 2023, at 11:00 AM in Room 154 of the Capitol Annex. Senator John Schickel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Matthew Koch Co-Chair; Senator John Schickel Co-Chair; Senators Donald Douglas, Amanda Mays Bledsoe, Damon Thayer, and Reginald Thomas; Representatives Kim Banta, Kevin D. Bratcher, Emily Callaway, Mike Clines, Daniel Fister, Patrick Flannery, Al Gentry, Keturah Herron, Thomas Huff, Nima Kulkarni, Ruth Ann Palumbo, Phillip Pratt, Tom Smith, and Killian Timoney.

Guests: Shelly Funke Frommeyer, State Senator; Jason Nemes, State Representative; Mary Kathryn DeLodder, Director, Kentucky Birth Coalition; Nancy Galvagni, President, Kentucky Hospital Association; Dan Goulson, MD, Vice President of Medical Affairs, St. Joseph Hospital; and Allana Oak, MD, St. Elizabeth Healthcare; Sydney Shaffer, American Lung Association Student Advocate, Scott County; Griffin Nemeth, Youth Advisory Board Coordinator, #ICANendthetrend, University of Kentucky; Anthony Weaver, MD, Internist (Retired), Former Associate Professor, Internal Medicine, University of Kentucky College of Medicine; Jack Mazurak, Director of Governmental & Regulatory Affairs; Chris Nolan, Legislative Consultant, Kentucky Distillers' Association; Gex Williams, State Senator; Alison Depenbrock, Owner, Kentucky River Tours, Frankfort; and Ryan Underwood, American Association of Marriage and Family Therapy.

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

Approval of September 28, 2023, Minutes

Representative Flannery motioned to approve the minutes and Senator Douglas seconded the motion. Motion carried and the minutes were approved by voice vote.

Freestanding Birth Centers

Senator Funke Frommeyer, Representative Nemes, and Mary Kathryn DeLodder explained the proposed legislation relating to freestanding birth centers. The centers are small health care facilities, separate from a hospital, and utilized for childbirth while using a midwifery and wellness model. Centers are staffed by licensed and qualified staff who care for healthy women with healthy pregnancies, and are equipped to provide routine care and initiate emergency procedures. Freestanding birth centers are integrated into the healthcare system, work with qualified obstetric/pediatric consultants, and have a relationship with a hospital that provides acute obstetric care.

Ms. DeLodder said families travel out-of-state to utilize freestanding birth centers in Indiana, West Virginia, and Tennessee. Kentucky is one of only eight states that does not have a birth center. Statistically, birth centers achieve better outcomes than hospitals on quality measures such as Cesarean rate for low-risk women, elective delivery prior to 39 weeks, and breastfeeding. The centers use fewer medical interventions, which saves health dollars and reduces the risk of complications.

Freestanding birth centers can be a substantial savings for Medicaid. The Strong Start for Newborns and Mothers program shows a savings of about \$2,000 per birth at birth centers. While birth centers are not hospitals, the centers do not compete with hospitals. Midwifery care is the exclusive model of birth centers. Eighty-five percent of pregnancies are low-risk and do not need expensive medical interventions in a hospital. Birth centers are relatively small (usually 2-4 beds) and are essentially outpatient. Patients typically spend less than 24 hours at the center.

Representative Nemes noted that this legislation passed the House Licensing, Occupations, and Administrative Regulations Committee last session 18-0, with two pass votes. He feels the legislation is much improved after implementing changes from the Kentucky Hospital Association and other parties. He argued that market protectionism could be the reason why there is still opposition to the bill.

Senator Funke Frommeyer said Senate Bill 67 had bipartisan support last session. The bill passed out of the Senate Licensing, Occupations, and Administrative Regulations Committee with nine yea votes and two no votes. Adjustments were made, including reducing bed size and addressing malpractice insurance issues.

Responding to a question from Chairman Schickel, Senator Funke Frommeyer said stakeholders have met and changes have been made to the bill since last session. Chairman Schickel appreciates all the stakeholders' patience in getting the legislation passed.

Responding to a question from Representative Bratcher regarding why the legislation has not passed, Senator Thayer said it did not have the votes necessary to pass in the Senate last session.

Responding to a question from Representative Flannery, Senator Funke Frommeyer said the midwives would need to answer how many Cesarean (C-section) births are typically required, as hospitals are the only facilities equipped to provide C-section

births. Ms. DeLodder said Kentucky has a 30 percent C-section rate, which is high, but she would get him an exact figure.

Responding to a question from Representative Flannery, Representative Nemes said home births are legal in Kentucky, and freestanding birth centers would be safer than home births. Representative Flannery expressed concern about the health and well-being of mother and child and being able to transfer to a hospital should an emergency arise. Representative Flannery requested statistics on how often surgical intervention is necessary in childbirths.

Responding to a question from Senator Mays Bledsoe regarding the relationship between the birth centers and hospitals, Ms. DeLodder said the bill requires the birth centers to be accredited, and have transfer plans in place to the hospital when needed. The accreditation establishes that birth centers have written policies and procedures for preplanned obstetric/pediatric consultations, transport services, and obstetric and newborn care in licensed hospitals. The number of hospitals that will have a transportation agreement is not identified in the accreditation or the bill. The Cabinet for Health and Family Services could address the transportation issue further through administrative regulations.

Nancy Galvagni, President, Kentucky Hospital Association; Dan Goulson, MD, Vice President of Medical Affairs, St. Joseph Hospital; and Allana Oak, MD, St. Elizabeth Healthcare, spoke in opposition to the legislation. Ms. Galvagni is not opposed to birth centers, but recommends locating them close to a hospital. Hospitals are equipped to deal with critical issues, such as hemorrhaging of the mother. The bill does not require a transportation agreement between the birth center and the hospital. It also removes birth centers from the certificate of need, weakening the licensing agreements and jeopardizing the health of mothers and babies.

Dr. Oak is not anti-birth centers or midwives. She feels the bill does not provide a safety net for mothers and babies. Highly integrated agreements should be in place between hospitals and birth centers as catastrophic events can and do occur during childbirth. She noted that babies are two times more likely to die during childbirth outside of a hospital.

Dr. Goulson said time is critical if something goes wrong during birth. Consequences can arise within minutes and time can be an issue in a hospital if a fetus becomes distressed. He encouraged the committee to keep time and safety in the forefront of any freestanding birth center legislation.

Responding to a question from Chairman Schickel regarding parent birthing options, Dr. Oak said patients can have home births geographically anywhere in Kentucky. She wants to ensure the safety of mothers and babies for mothers who are high-risk. She supports low-risk mothers having their babies in birth centers.

T-21 Minimum Sales Age Enforcement

Sydney Shaffer, American Lung Association Student Advocate, Scott County, and Griffin Nemeth, Youth Advisory Board Coordinator, University of Kentucky, spoke on the dangers and consequences of children becoming addicted to nicotine and

the growing number of children using electronic cigarettes or other electronic vapor products. Ms. Shaffer brought awareness to local elected officials and other community figures to help develop policies to protect kids from nicotine addiction and related diseases. While federal and state law prohibit the sales of nicotine to youth under 21 years old, 23.6 percent of Kentucky kids report being sold nicotine products directly from stores. Kentucky laws need to be enforced and noncompliant stores should face consequences.

Mr. Nemeth said the #iCANendthetrend movement at the University of Kentucky is a peer-to-peer tobacco prevention education program designed to encourage young people to not use vape products. College facilitators travel across Kentucky to elementary, middle, and high schools to educate students on the social and financial effects of vaping. The Kentucky youth e-cigarette rate among high schoolers has surpassed the national rate of adult cigarette usage. He attributed the higher statistics to social media advertisements to young people and Kentucky retailers not following the law. Enforcement agencies must identify stores and conduct annual compliance checks to ensure that there are no sales to underage individuals. For those entities that refuse to comply with Tobacco 21 laws, stiff penalties must be enforced. The efforts of adjacent states such as Indiana, Ohio, and West Virginia to combat youth nicotine access have worked.

Anthony Weaver, University of Kentucky Medicine, said nicotine harms developing brains and the electronic cigarettes and vape products have dangerous chemicals in them, including weed killer, antifreeze, heavy metals, and nicotine. He noted long-term effects are not yet known, but there is very likely to be significant long-term consequences to using these products. Enforcement of the Tobacco 21 law is essential to protecting our children's health.

Responding to a question from Chairman Schickel, Dr. Weaver said Delta-8 THC is a form of cannabis that can be put into an e-cigarette. However, his focus is nicotine e-cigarettes, which comprise 99 percent of the products. There is confusion if the Delta-8 e-cigarettes are legal to sell to the public as they are made with two different substances.

Co-Chair Koch congratulated Ms. Shaffer on her presentation. He encouraged her and other students to stay involved and keep up the good work.

Representative Timoney said vaping among youth is out of control. He said schools are struggling to monitor vape product usage among students. Vaping at school has become as much of a problem in the classroom as cell phone usage.

Responding to a question from Representative Timoney, Mr. Nemeth said many parents understand their children are using these products, but they do not know how to properly address the issue. Parents are looking to teachers and administrators for guidance on how to handle the vaping issue. Dr. Weaver reminded the committee that children are addicted to nicotine, and would likely try to get the products without parent's permission. Representative Timoney concluded that the vaping products are a Pandora's box, and nicotine will lead to other things as it is easily exchangeable within the device. Parents should

be reinforced to take charge of their children and set clear rules and consequences.

Responding to a question from Senator Mays Bledsoe regarding expansion of the University of Kentucky peer-to-peer program, Mr. Nemeth said expansion is the goal, but the difficulty in expanding the program is finding people willing to educate and advocate against the products.

Senator Mays Bledsoe said children are selling e-cigarettes laced with hard drugs, such as fentanyl, on Snapchat and other social media outlets. She said it is very easy for kids to hide vaping as it has no smell.

Senator Douglas said the Delta-8 THC is a dangerous isomer. The Kentucky General Assembly will need to address the Delta-8 THC issue, as the Ohio legislature did in the past couple of years by banning isomers in cannabinoids. He noted many vaping products are produced outside of the United States with no clear designation of the chemicals in them.

Kentucky Distillers' Association

Jack Mazurak, Director of Governmental & Regulatory Affairs, and Chris Nolan, Legislative Consultant, Kentucky Distillers' Association (KDA), testified that bourbon is doing well in Kentucky. Distilleries are operating or being constructed in 41 counties. Bourbon's rising success the last decade has been supported and propelled by legislation authorizing new privileges, ensuring competition, and strengthening responsibility initiatives.

Kentucky Distillers' Association's top legislative priority is limited self-distribution for craft distilleries with a Class B distiller's license. It is vitally important that craft distilleries be able to self-distribute a limited amount of their products as they are building their brand and getting started. The sales through limited distribution would bridge the gap until they become a Class A licensee and attract wholesalers. Bourbon is working with the beer and wine producers on an agreement, and hopes to bring an agreed solution to the session standing committees.

Mr. Nolan said the General Assembly passed the most impactful vintage spirits law in 2017, making Kentucky the premier tourism destination for the best bourbon libraries in America. Visitors can sample vintage bourbons released over the years that will never be crafted again in the same way. Adjustments to the law need to be made, such as linking this privilege to a separate license, increasing reporting for more transparency, creating an educational training component, and addressing penalties for violations.

Co-Chair Koch supports the self-distribution for craft distilleries. He said it is important for new start-up businesses to be able to move their product and not rely on others to distribute.

Senator Thayer supports both measures, as the limited self-distribution and the vintage spirits act remove artificial barriers to free enterprise. He said the language needs to be clear in statute so the ABC Board has no problem with interpretation and enforcement. He urged the Kentucky Distillers' Association to find bill sponsors for both items and get them introduced early in the 2024 Regular Session.

Responding to a question from Representative Banta, Mr. Nolan said their proposals do not hinder

retailers from getting bourbon and adds no more restrictions. Retailers should have easier access to bourbon products, while adding transparency to existing laws so that everyone can see product movement.

Representative Palumbo supports all legislation to help Kentucky's signature industry and urged her colleagues to support the measures.

Mr. Mazurak said the ABC is currently required to destroy spirits that are confiscated once legal proceedings are exhausted. He suggested 2024 legislation to allow the ABC Board to auction off spirits for charity rather than destroying them.

Mr. Nolan said parity needs to be addressed for the new Ready To Drink (RTD) cocktails in both taxes and purchase access. Kentucky taxes RTDs on the base alcohol content, whether it is malt, wine, or spirits. The spirits pay a much a higher tax rate, and the KDA is requesting parity in this area. The KDA also supports sales of spirit-based RTDs in the same places as beer and wine products, such as grocery and convenience stores.

Riverboat Alcohol Sales

Senator Williams said his proposed legislation will allow an alcohol license on riverboats to serve 40 passengers instead of 100 on navigable waters in or adjacent to Kentucky. This change promotes economic development on the Kentucky River. He said Kentucky River Tours has difficulty obtaining 100 person boats due to the lock size on the Kentucky river. Alison Depenbrock, Captain, Kentucky River Tours, Frankfort, said the Kentucky River is a gem and she is proud to provide tours for out-of-state and local customers. Bourbon tastings on the water are very popular with her clients, and experiencing the bourbon trail by boat provides a unique experience to learn about the Kentucky river's influence on the history of bourbon.

Responding to a question from Senator Douglas, Ms. Depenbrock said the Kentucky river locks are made for smaller barges which are 150 feet long, while the Ohio River has much bigger locks that can accommodate big paddle boats. Chairman Schickel noted for the record that the Alcoholic Beverage Control (ABC) Board was contacted about the meeting, but were not in attendance.

Marriage and Family Therapists

Ryan Underwood, private citizen presenting for his father, Tom Underwood, said marriage and family therapists play a part in keeping families together. Marriage and family therapy is solution-focused and designed with an end in mind. Therapy is relatively brief, about 12 sessions, and has specific and attainable therapeutic goals.

Mr. Underwood said marriage and family therapists treat a wide range of serious, clinical problems, including depression, marital problems, anxiety, individual psychological problems, and child-parent problems. Many counties have a severe mental health provider shortage. A licensure compact with other states will ease the entry of qualified therapists moving to Kentucky, and increase access to therapy. Kentucky has adopted licensing compacts for license portability for experienced mental health counselors

and psychologists. A licensure compact would ensure commitment to public protection, and require that any out-of-state therapist looking to obtain licensure in Kentucky must be in good standing with a valid and unrestricted license in another state or territory. The licensure compact will not cost Kentucky anything and will provide a small increase in revenue as out-of-state therapists will be required to pay full licensure fees to practice in Kentucky.

Chairman Schickel said marriage and family therapists need to provide the committee specific language to review. He said Kentucky is a sovereign state and that needs to be balanced with the convenience offered by an interstate compact.

Adjournment

With no further business before the committee, the meeting adjourned at 12:10 p.m.

INTERIM JOINT COMMITTEE ON LOCAL GOVERNMENT

Minutes of the 1st Meeting of the 2023

Interim

June 20, 2023

Call to Order and Roll Call

The first meeting of the Interim Joint Committee on Local Government was held on June 20, 2023, at 9:00 AM in Room 154 of the Capitol Annex. Senator Robby Mills, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robby Mills, Co-Chair; Representative Randy Bridges, Co-Chair; Senator Karen Berg, Senator Greg Elkins, Senator Denise Harper Angel, Senator Christian McDaniel, Senator Michael J. Nemes, Senator Damon Thayer, Senator Phillip Wheeler, Senator Gex Williams, Representative Adam Bowling, Representative Josh Bray, Representative George Brown Jr., Representative Beverly Chester-Burton, Representative Steven Doan, Representative Deanna Frazier Gordon, Representative Chris Freeland, Representative Mary Beth Imes, Representative Matt Lockett, Representative Michael Meredith, Representative Marianne Proctor, Representative Rebecca Raymer, Representative Brandon Reed, Representative Sarah Stalker, and Representative Walker Thomas.

Guests: Representative John Hodgson, 36th House District; Bruce Roberts, Deputy Executive Director, Ricky King, Board Chair, and Brenda Goddard, Finance Officer, Kentucky Fire Commission; and Pam Duncan, General Counsel, and Hannah Rivera, Chief of Staff, Board & Government Liaison, Kentucky Community & Technical College System.

LRC Staff: Mark Mitchell, Joe Pinczewski-Lee, Christopher Jacovitch, and Cheryl Walters.

Discussion of the Duties, Organization, and Fiscal Resources and Expenditures of the Kentucky Fire Commission

Mr. Bruce Roberts, Deputy Executive Director of the Kentucky Fire Commission, said that the Kentucky Fire Commission opened its new office in Bourbon

County in November, 2020, under the direction of its new director, Larry Potter. Mr. Roberts noted the history of the Kentucky Fire Commission which began in the 1970s after the Kentucky General Assembly passed legislation creating it as the Commonwealth of Kentucky Commission on Fire Protection Personnel Standards and Education. Its purpose was to train and provide incentives to professional firefighters, among other charges, and was funded by the insurance premium surcharge. The General Assembly renamed the Commission to the Fire Commission in 2000, and placed it administratively under the Kentucky Community and Technical College System (KCTCS).

The Fire Commission represents 51 paid departments; 617 volunteer departments; 100 combination departments; 4,114 professional firefighters; and 13,632 volunteer firefighters. The types of fire departments include those formed under KRS Chapter 95, which are city fire departments; KRS Chapter 67, which are county fire departments; KRS Chapter 75, which are taxing districts; and KRS Chapter 273, which are nonprofit volunteer fire departments.

The Fire Commission itself consists of 14 members with three nonvoting members and an ex-officio member. It consists of 23 offices in Paris, and has 60 full-time employees, as well as 450 part-time instructors and personnel spread over 15 districts statewide. The commission also operates the Fire Academy of Kentucky.

The Fire Commission's budget for the year is \$53 million. It receives money from the insurance premium surcharge and state general fund budget allocations. With that money, the largest expenditure categories include incentives and pension; state aid; the Fire Academy of Kentucky; mobile facilities; training initiatives; and workers compensation.

The Fire Commission runs several programs including state aid for volunteer fire departments; the junior firefighter program, which is a recruitment program; and the health and wellness program which provides cleaning services for turnout gear and fitness equipment, as well as other purchases.

Grants comprise a significant portion of the Fire Commission's mission. Since 2013, the Fire Commission has provided over \$14 million in equipment grants to fire departments, and since 1984, the Fire Commission has provided \$15 million in training facility grants.

Anyone interested in becoming a fulltime career firefighter must take the candidate physical ability test (CPAT). In FY 2023, the Fire Commission administered 1,157 tests, with 64 percent of those taking the test passing. The CPAT is a national standard.

There are 15 state fire rescue training district offices in Kentucky, spread over two regions that provide training for each fire department within their area. While 20 hours of training are required, the commission is providing 21 hours. Fire departments contact their local training coordinator, and the commission provides the training at the fire department.

The Fire Commission maintains a vehicle fleet for training that includes prop trailers and trucks. The trailers are mobile and designed to bring the training

opportunities to local fire departments.

In FY 2022, the Fire Commission's State Fire Rescue Training program conducted 6,520 classes for 86,544 students. It provided training for 85 percent of the fire departments in the Commonwealth.

The Fire Academy of Kentucky is a new initiative provided by the commission located in Greenville. The academy is designed to be like the police academy in Richmond. It is a voluntary program for fire departments to send their recruits to for standardized training instead of the fire department conducting their training. This is provided by the fire commission for free. It has graduated two classes and is anticipating the third class this fall.

The Fire Commission will soon be recognized as the 17th college of the Kentucky Community and Technical College System.

Ms. Hanna Rivera, Chief of Staff, Board and Government Liaison with KCTCS noted the similar educational missions of the commission and KCTCS. She noted the different administrative architectures of the two groups. The commission uses KCTCS's legal and human resources departments. She further noted potential General Assembly policy considerations directed toward KCTCS and potentially the commission, and affirmed KCTCS's dedication at completing its mission.

In response to a question from Representative Meredith, Ms. Brenda Goddard, Director of Finance for the Fire Commission, said that there is a separate line item for the Fire Academy set at \$700,000. Actual costs for the first two classes were around \$200,000 per class. At present, absent possible expansions in the future, there should be no issue with financial impacts to the other budget items for which the commission is responsible.

Representative Meredith expressed his hope that career path training would not be adversely affected by the emphasis on recruit training.

Mr. Roberts said the Commission was dedicated to training career and volunteer firefighters.

Ms. Pam Duncan, General Counsel, KCTCS said that the 17th college concept is designed to assist with career path training issues. Human resources capabilities with KCTCS would promote flexibility in hiring individuals to fill vacancies in career training.

In response to a question from Representative Hodgson, Mr. Roberts said that the best way for Chapter 75 fire districts to communicate with the public regarding decisions that can have a financial impact on taxpayers, is for the district to send out a notice with the tax bill apprising the taxpayers of the district's efforts. If the district has a website, then information could be placed on it for informational purposes.

In response to a question from Representative Thomas, Mr. Roberts said that representatives of the commission have already reached out to representatives of the upcoming Urban Search and Rescue program offering their training services.

In response to a question from Senator Wheeler, Mr. Roberts said that recruitment and retention is a national concern among fire departments. People do not have time to volunteer their services anymore. The Junior Firefighter Program will hopefully assist in career recruitment. The commission is making

additional efforts toward recruiting.

Mr. Ricky King, Chair of the Fire Commission, added that his county is communicating with high school students offering educational opportunities in conjunction with KCTCS, if they agree to work for the fire department.

Ms. Rivera noted that the Work Ready Kentucky Scholarship funded by the General Assembly provides 60 hours for a KCTCS associates degree for the top five high pay and high demand sectors set by the Kentucky Workforce Innovation Board. Adding firefighting to the sectors is a possibility.

In response to a question from Co-Chair Bridges, Mr. Roberts said that many of the individuals taking and passing the CPAT are recruits for a fire department. Others take it prospectively in anticipation of being hired either in Kentucky or in another state. Many career firefighters stay with the career for a few years. Service contracts providing for an agreed to number of years of employment are not uncommon.

In response to a question from Senator Berg, Mr. Roberts said that salaries are variable depending on the locality and the certifications the individual possesses. A firefighter can start from \$25,000 a year. A firefighter EMT could start at \$75,000 to \$80,000. In Eastern Kentucky a firefighter could start at \$21,000 or more a year and in Jefferson County, a firefighter could start at \$65,000 or more a year.

In response to another question from Senator Berg, Mr. Roberts said that females do seek CPAT certification and a good rate achieves certification, but that hiring is up to the department itself. Two females have participated successfully in the Fire Academy so far.

Representatives from the Fire Commission shared a video presentation relating to the Fire Academy to the members.

In response to a question from Representative Stalker, Mr. Roberts said that the minimum age to participate in the Junior Firefighter Program is 15, but to be a volunteer firefighter, state statutes require a minimum age of 18. To be a volunteer firefighter an individual must have 115 hours of training within a two-year period, with 20 hours of training yearly after that. Many Junior Firefighter participants already have enough hours to become a certified firefighter upon high school graduation. Career firefighters must have 300 hours in their first year and 100 hours of yearly training afterwards. There are schools in Jefferson County that provide work-study opportunities for fire service. Mr. King noted that his county also provided those opportunities.

Senator Mills announced the next meeting of the committee would be on July 24th.

There being no further business, the meeting was adjourned at 10:20 a.m.

INTERIM JOINT COMMITTEE ON LOCAL GOVERNMENT Minutes of the 2nd Meeting of the 2023 Interim July 24, 2023

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Local Government was held on Monday, July 24, 2023, at 9:00 AM, in Room 154 of the Capitol Annex. Representative Randy Bridges, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robby Mills, Co-Chair; Representative Randy Bridges, Co-Chair; Senators Karen Berg, Greg Elkins, Denise Harper Angel, Amanda Mays Bledsoe, Christian McDaniel, Michael J. Nemes, Brandon J. Storm, Damon Thayer, and Gex Williams; Representatives Danny Bentley, Josh Bray, George Brown Jr., Beverly Chester-Burton, Steven Doan, Deanna Frazier Gordon, Mary Beth Imes, Matt Lockett, Michael Meredith, Marianne Proctor, Rebecca Raymer, Brandon Reed, Sarah Stalker, and Walker Thomas.

Guests: Representative John Hodgson, 36th House District; Melissa Klink, Department of Revenue; John Hord, Department of Insurance; Larry Klein and Scott Hall, Kentucky Occupational License Association; J. D. Chaney and Michele Hill, Kentucky League of Cities; Jim Henderson, Kentucky Association of Counties; Todd Ruckel and Matt Wireman, Kentucky County Judge/Executives Association; and J.C. Young, Kentucky Magistrates and Commissioners Association.

LRC Staff: Mark Mitchell, Joe Pinczewski-Lee, Christopher Jacovitch, and Cheryl Walters.

Approval of Minutes

Upon the motion of Representative Lockett, seconded by Representative Thomas, the minutes from the June 20, 2023, meeting were approved.

Chairman Bridges recognized Joe Pinczewski-Lee, LRC Staff, on his pending retirement.

Discussion of Local Government Revenue Sources and Budgeting Processes

Ms. Melissa Klink, Director of the Division of Local Support, Department of Revenue, gave an overview of property tax collection. The property tax calendar is set by statute, and involves the duties of three officers: property valuation administrators (PVAs), sheriffs, and county clerks. PVAs assess the property and submit tax bills to the sheriff. The sheriff collects the taxes and transfers delinquent tax bills to the county clerk. The county clerk advertises delinquent tax bills, registers third party purchasers, and conducts tax bill sale.

Regarding recapitulation of the real property tax roll, the PVA compiles a summary of real property tax roll changes, which includes a record of homestead exemptions, deferred assessments, and additions and deletions. All counties, school districts, and local governments receive a certification of equalized assessment. Once certifications are received, tax rates

can be set. The grand total collected by local officials for 2021 was \$3,247,380,839.

In response to a question from Senator Harper Angel, Ms. Klink stated that the real estate backlogs are settled at the county court of appeals and are handled quickly. Some of the bigger businesses' issues can take longer.

In response to a question from Senator McDaniel, Ms. Klink said the PVA is allowed to utilize the aerial technology available to assist in making assessments.

Mr. John Hord, Insurance Program Manager with the Department of Insurance (DOI), discussed Local Government Premium Taxes (LGPT). The total LGPT reported for all jurisdictions for 2022 was \$413,412,943.15. A local government may impose and collect license fees or taxes upon insurance companies for the privilege of engaging in the business of insurance. The insurance company may "passthrough" the tax to the policy holder.

Taxes are enacted through local ordinance. Local jurisdictions set the tax percentage rate and a minimum rate may be imposed. Taxes are based on fiscal year, and new or amended rates go into effect July 1. Local governments must notify DOI at least 100 days prior to July 1st (March 23) of the enactment of an ordinance or any change in an existing ordinance. DOI notifies insurers 85 days prior to July 1st of any changes. Taxes are imposed on risks located within the local government's corporate limits. A physical address must be used to determine the location of the risk. Zip codes and post office boxes may not be used to determine tax liability. An insurance company/surplus lines broker shall use a Verified Risk Location vendor or program during the calendar year if more than 2,000 total policies are issued and renewed by the insurance company/surplus lines broker in Kentucky in the preceding calendar year.

Quarterly payment of tax is due 30 days after the end of the calendar quarter. Payment is remitted separately to each local government by an insurer or surplus lines broker. Payments are submitted on quarterly reporting forms. These forms accompany the payment. An annual reconciliation must be filed with the local government and DOI by March 31 of each year. Forms must be submitted electronically to DOI and mailed to the local jurisdiction.

An offset applies within 9 counties where both the city and the county charge an LGPT. The city tax is credited to the county tax. Three counties and four cities that levied the LGPT prior to 1990 are grandfathered and the offset does not apply. Both receive the full amount of their LGPT.

In response to a question from Representative Bridges, Mr. Hord replied that tax collection is based on actual premiums collected in the calendar quarter.

Mr. Larry Klein, Tax Compliance Officer with the City of Crestview Hills, and a past president of the Kentucky Occupational License Association (KOLA), and Mr. Scott Hall, Revenue Director of the Georgetown-Scott County Revenue Commission (GSCRC), and a past president of KOLA, discussed occupational license taxes. Mr. Klein told the committee that according to the Kentucky League of Cities (KLC) and the Kentucky Association of Counties (KACo), the occupational license tax is the number one revenue source for cities and

counties. Business tax assessed on activity within the Commonwealth is from gross receipts, net profit tax, and annual flat fees. Payroll withholding tax on wages earned in the Commonwealth is always assessed on gross wages of employee. Cities, counties, and school boards determine which tax type and tax rates are best for their communities. Some dual/multi tax jurisdictions exist and have a centralized collection point from which the taxes are then distributed to the appropriate jurisdiction.

Mr. Klein proceeded to detail the City of Crestview Hills's occupational tax collections. Crestview Hills is one of 15 cities in the Kenton County Multi-Tax Jurisdiction system, which was formed by a mutual agreement. The system has worked well for its 25 years of existence.

Mr. Hall told the committee that the GSCRC collected occupational license taxes on the reported net profits of businesses with business activity in Scott County and the gross wages of employees working in Scott County. Payroll taxes are collected via employers or their payroll providers who withhold the tax from their employees' gross wages and remit that tax revenue to GSCRC. Net profit and payroll taxes are collected for three different taxing jurisdictions—The City of Georgetown, the Scott County Fiscal Court, and the Scott County Board of Education.

An independent external audit is conducted every year for the GSCRC. The GSCRC has a high rate of return on its services.

Mr. Hall proceeded to detail the occupational license taxes collected in Scott County.

Senator Thayer noted that the Georgetown Scott County Revenue Commission was created by a bill that he sponsored in 2004.

Senator Thayer commented that he was concerned about the huge increase in property assessments by the PVA in consideration of the money brought in by the occupational license tax, in that the county may end up collecting considerably more money than it needs.

In response to a question from Senator Williams, Mr. Hall said there are clear jurisdictional lines on who collects taxes from people working remotely from home. Existing legislation allows jurisdictions to share collection information with each other to ensure proper jurisdictional collections.

In response to a question from Senator McDaniel, Mr. Hall stated that rather than switching to a centralized state level collection model, keeping collections at the local level will allow for collaboration with the businesses and allow for the most control at the local level. Mr. Klein added that businesses would prefer to deal with local persons they know and who know them when issues arise rather than persons with which they have no relationship.

In response to a question from Senator Bledsoe, Mr. Hall stated that KOLA and the jurisdictions it represents do not follow national policy regarding remote working; they adhere to state law. Senator Bledsoe noted that other states are following national policy regarding remote working. Other states' policies can have impacts on local taxing jurisdictions' incomes. Kentucky should be aware of these effects when setting policy.

Mr. Jim Henderson, Executive Director of KACo discussed county revenue sources. The total county

revenue in FY 2022, excluding Jefferson and Fayette Counties, was \$2.2 billion. FY 2022 was somewhat skewed by ARPA funds, with almost \$320 million received in the second round. Nearly \$1 billion in revenue was from either state or federal sources. Forty four percent of all revenue received by counties in FY 2022 came from a state or federal allocation making counties reliant on those revenue sources.

Eighty-eight percent of all county tax revenues came from three revenue sources—property, occupational license, and insurance premium taxes. But there are several counties that do not have all three or even two of the three, so for several counties, the three major taxes account for different percentages of the county income. For example, 84 counties have an occupational license tax, and 47 counties have levied insurance premium taxes. In counties over 30,000, there are different rules with caps on the occupational tax. In several counties, there is a revenue loss when annexation occurs. In almost all 47 counties that levy insurance premium taxes, the county loses all revenue in the city when annexation occurs.

The breakdown of county tax revenue is as follows: payroll tax—44 percent at \$373 million; property tax—34 percent at \$290 million; insurance premium tax—9.4 percent at nearly \$80 million; and other sources—12 percent at \$100 million. County differences can affect which taxes are relied upon and which are not. Examples of other sources are 911 surcharge fees at \$22.5 million; real estate transfer tax at \$20.8 million; bank franchise tax at \$17.6 million; and transient room tax at \$9 million which is for tourism only. Most revenue from other taxes has a restricted use.

Mr. J.D. Chaney, Executive Director/CEO of KLC, discussed city revenue sources and the city budgetary process. Kentucky cities collect revenue through the implementation of taxes and fees: property taxes equal 25 percent of total city revenue, occupational/business taxes—59 percent, insurance premiums—14 percent, and tourism—2 percent. Kentucky cities are limited in their ability to collect revenues. Total tax revenue and other revenues collected in FY 2021 was \$2,043,182,893. Kentucky cities also collect bank deposit franchise fees, alcoholic beverage licenses and regulatory fees, hotel transient room taxes, restaurant taxes, franchise fees, and user fees. Total taxes and other revenues collected for FY 2021 was \$152,895,832. These taxes and fees bring in relatively little revenue compared to the other three sources.

Senator Nemes commented that city home rule should be called “home rule with oversight.” Mr. Chaney said that was a fair point.

Mr. Chaney provided a description of how cities budget and expend moneys. Each city must adopt an annual budget by ordinance. City budgets must appropriate for a single fiscal year that runs from July 1 to June 30. City budgets must balance. Expenditures cannot exceed revenues for the fiscal year. Cities that fail to adopt a budget by July 1, continue to operate under the previous fiscal year budget as if it has been readopted. The executive authority of the city must prepare and propose the budget to the city legislative body at least 30 days prior to July 1. The budget message must include a description of the

governmental goals fixed by the budget proposal and an explanation of important features of the activities anticipated in the proposed budget. The final form and detail of the budget ordinance is completely within the discretion of the legislative body. Budget ordinances must have two readings and must be published to become effective. Budget ordinances can be amended at any time by ordinance. Once adopted, administration of the budget is the responsibility of the executive authority of the city or the city manager in cities that operate under the city manager form of government. Operating statements containing budgetary comparisons for each governmental fund must be submitted to the legislative body at least quarterly. The accounting system utilized, must conform to state law and Governmental Accounting Standards Board standards. City funds can only be spent in accordance with the adopted budget ordinance. Any contracts that exceed the budget appropriations are void.

Mr. Todd Ruckel, Executive Director of the Kentucky County Judge/Executives Association (KCJEA), and Magoffin County Judge/Executive Matt Wireman, presented a county budget overview. Mr. Ruckel cited FY 22 county budget amounts: 52 counties have less than \$10 million in budgets; 7 counties have budgets of \$10 million to \$19.99 million; the budget in 21 counties is \$20 million to \$39.99 million; and 10 counties have budgets of more than \$40 million.

The timeline for county budget preparation provides that by January 15, the fee office budgets should be approved. By April 1, the proposed jail budget should be submitted to fiscal court. The entire county budget should be submitted to fiscal court by May 1. The first reading of proposed budget should be made, and a public hearing for proposed use of County Road Aid and Local Government Economic Assistance funds should be held by June 1. And by July 1, the second reading of proposed budget should occur, and the budget ordinance should be published for the new fiscal year.

Judge Wireman discussed Magoffin County's budget for Fiscal Year 24. The total budget is \$7,624,014.53. Funds within the budget include: general, road, jail, LGEA, economic development project, forestry, solid waste/recycling, and 911, among others.

Mr. Chaney reported municipal expenditures, which are primarily in three functions: salaries and wages, general operations, and capital outlays which comprise equipment and construction. Statewide, salaries and wages, not including fringe benefits, accounted for \$1.3 billion in Fiscal Year 21. On average, it, plus benefits, equates to 75 percent of a city's budget. Total municipal expenditures for FY 21 from salaries and wages, general operations, and capital outlay were \$4,529,119,759. Total pension/benefit expenditures for FY 21 were \$635,893,717.

Mr. Chaney detailed some of these expenditure categories among five cities: Henderson, Paducah, Brownsville, Lexington, Coal Run Village, and Berea.

Mr. Henderson discussed county expenditures. The two largest expenditures in the average county budget are jails and roads. Total jail fund expenditures for FY 22 were \$322 million, with about \$125 million

being supplemented by the county’s general fund. Total road fund expenditures were \$355.7 million, with counties supplementing their road funds from the general fund with \$93 million. Mr. Henderson noted additional county expenditures.

Representative Bridges encouraged members to reach out to the organizations that presented information if they have any questions. He then announced that the next meeting of the committee would be August 24 at the State Fair.

There being no further business, the meeting was adjourned at 10:50 a.m.

**INTERIM JOINT COMMITTEE ON
LOCAL GOVERNMENT**
Minutes of the Fifth Meeting of the 2023

Interim
October 24, 2023

Call to Order and Roll Call

The fifth meeting of the Interim Joint Committee on Local Government was held on October 24, 2023, at 9:00 AM in Room 154 of the Capitol Annex. Senator Robby Mills, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Randy Bridges Co-Chair; Senator Robby Mills Co-Chair; Senators Cassie Chambers Armstrong, Greg Elkins, Amanda Mays Bledsoe, Christian McDaniel, Michael J. Nemes, Damon Thayer, and Gex Williams; Representatives Adam Bowling, Josh Bray, George Brown Jr., Beverly Chester-Burton, Deanna Frazier Gordon, Jacob Justice, Matt Lockett, Michael Meredith, Marianne Proctor, Rebecca Raymer, Brandon Reed, Sarah Stalker, and Walker Thomas.

Guests: Tammy Vernon and David Gibson, Department for Local Government; Bruce Roberts and Chuck Bonta, Kentucky Fire Commission.

LRC Staff: Christopher Jacovitch, Jessica Zeh, and Cheryl Walters.

Approval of Minutes

Upon the motion of Representative Lockett, seconded by Representative Thomas, the minutes from the September 26, 2023, meeting were approved.

Discussion of Special Purpose Governmental Entity Reports

Tammy Vernon, Cities and Special Districts Branch Manager with the Department for Local Department (DLG), said that Special Purpose Governmental Entity Reports (SPGEs) are independent political subdivisions of the state, which are government entities, that exercise less than statewide jurisdiction and are organized for the purpose of performing specific services within limited boundaries. A few examples include libraries, tourism, and extensions.

DLG’s statutory responsibility is to create and maintain an online central registry, reporting and public access portals, and to monitor compliance by tracking status changes when notified, prepare statutorily required reports, and activate

noncompliance procedures.

The new SPGE automated system project start date was January 1, 2021, with the estimated project end date of December 31, 2024. The project is on schedule. There are two versions—task compliances, which includes registration and budget submissions; and audit compliance, which includes requirements and submissions. Releases one and two were completed November 19, 2021 to January 31, 2022, which is currently in production. Data from the previous system is now incorporated into the new system.

Ms. Vernon discussed the dates for the various releases relative to the automated system. She noted auditing, dissolution, lost records, and other features of the various releases.

Ms. Vernon said that regarding the LRC Compliance Report, data is updated as of October 18, 2023. Compliance is based on all active SPGEs. The Audit Feature is complete except for the District Type—Municipal Utilities. In April 2023, the first phase of the public portal went live.

Ms. Vernon noted the various statuses of the actual SPGEs that are used in the public portal and provided brief explanations of them.

Overall SPGE compliance with KRS Chapter 65A DLG reporting is at 90.70 percent. There are 1,278 SPGEs that are active and compliant. There are 131 SPGEs that are noncompliant.

By examining districts by type, DLG can determine which categories of districts need additional training, which DLG is tasked with by statute.

DLG has never been able to determine audit compliance because it was difficult to determine what the actual audit requirements were. Now that capability exists with the new program. Overall audit compliance is at 71.89 percent, with 1,013 that are compliant, and 396 that are non-compliant.

Senator Thayer commented that SPGEs have not always been transparent. Legislation was passed to require SPGEs to report. Any district that has taxing authority should be held accountable to the public. He added that SPGE board members should be elected rather than appointed.

Bruce Roberts, Deputy Executive Director, and Chuck Bonta, Training Records and Compliance Specialist, Kentucky Fire Commission, discussed fire department compliance reporting. Mr. Bonta noted that it has been found to be more feasible to visit the fire departments in person. At the time of the submitted report, 31 of 35 fire departments were compliant, equating to 89 percent of the total—three are working to submit, and one is pending merger due to inactivity.

The average revenues based on year-end actuals from the 2023 form was \$1.9 million. The average revenues based on current year estimates from the 2023 form was \$54,286.

There are 766 total fire departments in the state, which include: 20 Chapter 67 that are county fire departments; 110 Chapter 75 fire taxing districts; 195 Chapter 95 city fire departments; 437 Chapter 273 fire departments reporting to the Fire Commission that are reviewed annually under KRS 95A.055; and four others, such as those based at airports or military installations.

There were 647 reviews completed for FY23, which was switched from the calendar year. There have been 11 in-house investigations relating to training records issues and needing administrative guidance; two referred to the Kentucky State Police, one of which was subject to a grand jury indictment and one still under investigation; and three referred to the State Auditor/Attorney General, one awaiting a grand jury hearing and two pending an investigation.

Senator Mills commented that it was encouraging to hear that the fire departments are visited.

Consideration of Referred Administrative Regulation

Senator Mills noted that 202 KAR 002:020 had been referred to the committee and asked for any comment from the membership.

Senator Mills announced that the last meeting of the interim would be November 6, 2023. There being no further business, the meeting was adjourned at 9:30 a.m.

**LOTTERY TRUST FUND TASK
FORCE**
Minutes of the 1st Meeting of the 2023

Interim
June 8, 2023

Call to Order and Roll Call

The 1st meeting of the Lottery Trust Fund Task Force was held on June 8, 2023, at 3:00 PM in Room 171 of the Capitol Annex. Senator Matthew Deneen, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Matthew Deneen, Co-Chair; Representative Bobby McCool, Co-Chair; Senator Gary Boswell, Senator Gerald A. Neal, Senator Lindsey Tichenor, Senator Mike Wilson, Representative Daniel Grossberg, Representative Steve Rawlings, Representative Steve Riley, and Representative Killian Timoney.

Guests: Becky Gilpatrick, Director of Student Aid Services, Kentucky Higher Education Assistance Authority (KHEAA); and Diana Barber, Interim Executive Director, Kentucky Higher Education Assistance Authority (KHEAA).

LRC Staff: Cynthia Brown, Joshua Collins, Katy Jenkins, Haley Webb, Justin Smith, and Mariah Derringer-Lackey.

Presentation on the Overview of KHEAA and Programs

Ms. Diana Barber, Interim Executive Director, Kentucky Higher Education Assistance Authority, and Ms. Becky Gilpatrick, Director of Student Aid, Kentucky Higher Education Assistance Authority (KHEAA) provided a presentation and testimony on the aid available with KHEAA for students. The different types of aid covered were: Kentucky Educational Excellence Scholarship (KEES), College Access Program (CAP), Kentucky Tuition Grant (KTG), Work Ready KY Scholarship, Dual Credit Scholarship, Work Ready Dual Credit Scholarship, Kentucky National Guard Tuition Award, and the

Teacher Scholarship. Several other student aid programs were discussed such as Early Childhood Development Scholarship, Innovative Scholarship Pilot Program, Veterinary Contract Spaces, Optometry Scholarship, Early Graduation Scholarship Certificate, Osteopathic Medicine Scholarship, and the Coal County Scholarship for Pharmacy Students.

Discussion of each type of aid typically included qualifications for the aid, award amounts, legislative history, and disbursement activity.

The presentation reviewed what the future of state funded aid programs might look like. One graph showed that enrollment levels are returning to pre COVID-19 numbers. Testimony covered changes in the Free Application for Federal Student Aid (FAFSA) that may affect the number of students eligible for state aid programs.

In response to Representative Timoney, Ms. Gilpatrick confirmed that the base award KEES amount, based on GPA, has not been increased since the program began in 1998.

In response to Senator Boswell, Ms. Gilpatrick commented that middle to upper middle-class families would qualify for KEES. KEES would be the aid that could be guaranteed. Ms. Gilpatrick mentioned if the student was attending a private university, the student could receive the Kentucky Tuition Grant (KTG).

In response to Representative McCool, Ms. Gilpatrick clarified that the Work Ready award amount is based on the Kentucky Community and Technical College System (KCTCS) rate. There are four-year universities that participate in the program, but the award would be based on KCTCS, so the student may have to find other aid to cover other costs.

In response to Representative McCool, Ms. Gilpatrick said the amount of tuition covered by the Work Ready KY Scholarship depended on the number of hours the student was enrolled. A full-time student would receive approximately \$4,800 for the year. Ms. Gilpatrick gave the example of Eastern Kentucky University (EKU). If EKU's tuition was \$8,000 a year, the student would need additional aid to cover the remaining balance of approximately \$3,000, that Work Ready would not cover.

In response to Representative Timoney, Ms. Gilpatrick clarified that there is not redundancy between the coverage of KEES and the Work Ready KY Scholarship because the KEES reimbursement is not tied to the high demand work sectors. KEES looks at the students in registered apprenticeship programs. The most recent change to KEES could tie to the high demand work sectors but it allows the small proprietary schools into the program. Schools that are not able to participate on the normal college pathway.

In response to Representative Timoney, Ms. Gilpatrick explained that the top five areas for the Work Ready KY Scholarship are designated by the Kentucky Workforce Innovation Board.

In response to Senator Deneen, Ms. Gilpatrick clarified that Work Ready KY Scholarships do not fund summer terms because there is not enough money.

In response to Representative McCool, Ms. Gilpatrick commented that having several credit hours from dual credit courses does not hurt the student from a financial aid perspective. Ms. Gilpatrick

mentioned caution in terms of dual credit were more academic reasons. In that some dual credit courses do not always transfer the way a student thinks it will. She gave the example the student could take dual credit courses and begin their college career with only needing to take courses related to their major, which requires some planning.

In response to Representative Grossberg, Ms. Gilpatrick explained the change to the award amount for the Early Childhood Development Scholarship to not exceed University of Kentucky's tuition rate, came when the federal funding entered. She testified that KHEAA worked with the Cabinet for Health and Family Services and the Governor's office to determine the rate of the award amount.

In response to Representative Timoney, Ms. Gilpatrick explained that the Veterinary Contract Spaces scholarship does not specify what field of specialty the student is going in, nor does it require the student to return to Kentucky after completing the program. She thought when the legislation was developed Auburn had statistics showing a high rate of students who return to Kentucky, so the veterinarians did not want to put strings on the scholarship. Ms. Gilpatrick is part of the Department of Agriculture's work group looking at the large animal veterinarian shortage.

In response to Representative Rawlings, Ms. Gilpatrick clarified that homeschool students can receive KEES money now for their ACT score, but they do not receive a KEES award based on GPA. Homeschool students are also able to participate in the Dual Credit program.

Co-chair Deneen announced the next meeting will be Thursday, July 20, at 3 p.m.

Adjournment

The meeting adjourned at 4:04 p.m.

LOTTERY TRUST FUND TASK FORCE

Minutes of the 2nd Meeting of the 2023 Interim July 20, 2023

Call to Order and Roll Call

The 2nd meeting of the Lottery Trust Fund Task Force was held on Thursday, July 20, 2023, at 3:00 PM, in Room 171 of the Capitol Annex. Representative Bobby McCool, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Matthew Deneen, Co-Chair; Representative Bobby McCool, Co-Chair; Senators Gary Boswell, Lindsey Tichenor, and Mike Wilson; Representatives Daniel Grossberg, Steve Rawlings, Steve Riley, and Killian Timoney.

Guests: Dr. Aaron Thompson, President, Council on Postsecondary Education; Travis Muncie, Executive Director of Data, Research and Advanced Analytics, Council on Postsecondary Education; Representative James Tipton, House District 53; Mary Harville, President and Chief Executive Office, Kentucky Lottery Corporation; Jennifer Luhrs,

Vice President, General Counsel, Kentucky Lottery Corporation; Maggie Garrison, Vice President, Chief Financial Officer, Kentucky Lottery Corporation; Diana Barber, Interim Executive Director, Kentucky Higher Education Assistance Authority; and Becky Gilpatrick, Director of Student Aid, Kentucky Higher Education Assistance Authority.

LRC Staff: Joshua Collins, Cynthia Brown, Katy Jenkins, Haley Webb, Justin Smith, and Mariah Derringer-Lackey

Approval of the Minutes

On a motion from Senator Boswell, a second from Representative Timoney, the minutes from the June 8, 2023, meeting were approved.

Recognition of Special Guests

Representative Riley recognized his son, Kevin.

Council on Postsecondary Education

Dr. Aaron Thompson, President, Council on Postsecondary Education, and Travis Muncie, Executive Director of Data, Research and Advanced Analytics, Council on Postsecondary Education (CPE), gave a presentation that discussed the overview of the council's goals, statistics on enrollment and tuition trends, main sources of financial aid, reviewed facts, and offered strategies for improving unmet need.

In response to Representative McCool, Mr. Muncie explained the different data sources CPE uses for research and would share the exact regions CPE analyzes with the committee. CPE typically uses the area development districts because it is easier to compare to data received from the Census Bureau.

In response to Representative Grossberg, Mr. Muncie said the first-generation college applicant is a population set CPE follows closely but was not portrayed in the presentation. CPE gathers this information either from the Free Application for Federal Student Aid (FAFSA) or the Student Financial Aid profile which lists the mother and father's highest level of education. Dr. Thompson added there is a correlation between the father's education and family income. This can be the biggest predictor of a person going to college.

In response to Representative Grossberg, Mr. Muncie discussed how institutions are held accountable. If the institution does not meet targets set by CPE, the institution can be stopped from providing new programs and receiving funds. Dr. Thompson discussed the performance funding model.

In response to Representative Grossberg about graduation rates, Dr. Thompson answered there are multiple targets, and it depends on the population of students and type of institution. To help raise retention rates, CPE requires that an institution with a student having a 2.50 grade point average (GPA), must provide wraparound services to help increase that student's GPA.

In response to Representative Riley, Dr. Thompson gave his opinion on what could be done to change how people think about the definition of college. CPE is focused on encouraging universities to connect employers with students, allowing a student to know what job opportunities are available.

Mr. Muncie explained there are no current published research studies; however, it is a dataset CPE observes.

In response to Representative Tipton about tuition increases, Dr. Thompson confirmed that around 2009, CPE began to approve all tuition increases.

In response to Representative Tipton, Mr. Muncie confirmed that the net cost data included all sources of aid: federal, state, and institutional. Representative Tipton made several comments about the coordination of advising and counseling for services, and offering wraparound services for transfer or non-traditional students. Dr. Thompson responded with his thoughts about financial aid, how to think about it more creatively, and how to align it with policy.

In response to Senator Boswell regarding the effect of single parent homes, Dr. Thompson responded that the more education someone has, there is less of a chance children will be born out of wedlock. Dr. Thompson thought Kentucky had done a pretty good job of increasing the minority participation, but hadn't done enough for low-income participation.

In response to Senator Boswell regarding diversity, Mr. Muncie said when looking at equity and diversity, it should be put in a Kentucky context. He believed it was subgroups of the population where the support mechanisms are not the same and what strategies can be utilized to create the support needed.

Kentucky Lottery Corporation

Mary Harville, President and Chief Executive Office, Kentucky Lottery Corporation; Jennifer Luhrs, Vice President, General Counsel, Kentucky Lottery Corporation; and Maggie Garrison, Vice President, Chief Financial Officer, Kentucky Lottery Corporation, provided a presentation on the mission, operational background, information on the money from ticket sells allocated by the lottery, the payments to the state of Kentucky, and the strategic plan to continue the lottery.

In response to Senator Wilson regarding the \$1 billion jackpot, Ms. Harville explained 50 percent of every ticket sale stays with the state.

In response to Senator Wilson, Ms. Harville clarified that each state participating contributes to the jackpot according to the state's respective sales.

In response to Senator Wilson regarding the percentages for the lottery, Ms. Garrison confirmed that it is not set in statute but is based on the mix of games offered, the payout, and what games the players are gravitating toward.

In response to Senator Tichenor regarding statistics, Ms. Harville confirmed the Lottery Corporation does have some demographic information of players but it is difficult to track unless a focus group is compiled. In general, the average player is age 35-54 at the traditional retailer outlet, and approximately 65 percent have some college education.

In response to Senator Boswell regarding vendor expense, Ms. Garrison explained vendor expense was located other direct costs portion of the pie chart, and the vendor partnership compensations are based on a percentage of sales.

In response to Senator Boswell regarding increased volume in sales, Ms. Garrison explained the trends are seasonality, and not necessarily based around a certain time during the month.

In response to Senator Deneen regarding strategic planning and the recent passage of sports betting, Ms. Harville explained the Lottery Corporation will not be implementing or regulating sports wagering but will monitor how sports wagering impacts the lottery.

Kentucky Higher Education Assistance Authority

Diana Barber, Interim Executive Director, Kentucky Higher Education Assistance Authority, and Becky Gilpatrick, Director of Student Aid, Kentucky Higher Education Assistance Authority (KHEAA), discussed the allocation of lottery revenue to various KHEAA programs. Graphs were presented to show different undergraduate tuition rates and how it has increased. Ms. Gilpatrick discussed what KHEAA's options are when the funds are exhausted.

In response to Representative McCool regarding reserves, Ms. Gilpatrick confirmed that each program's statute allows appropriations to move forward.

In response to Representative McCool regarding percentages for funds appropriated to KHEAA programs, Ms. Gilpatrick explained the budget process and that KHEAA does not determine the percentages.

Representative Tipton requested KHEAA send information regarding the amount in the reserve accounts.

In response to Representative Tipton regarding the increase in the College Access Program (CAP), Ms. Gilpatrick confirmed KHEAA has funded all the students who applied in the last three years.

In response to Representative Tipton regarding the passage of 2023 Regular Session SB 54, Ms. Gilpatrick explained there are not issues from a funding perspective, but it does make it harder to explain how the Kentucky Educational Excellence Scholarship (KEES) works.

In response to Representative Tipton regarding the 2023 Regular Session SB 24, Ms. Gilpatrick explained that students who attend non-certified private or home schools can receive KEES monies for an ACT score but not for the GPA base award. She believed KHEAA did a financial analysis on the bill, but did not recall what the numbers were.

In response to Senator Deneen, Ms. Gilpatrick confirmed the KEES base reward amount of \$2,500 has not been increased since the program began.

In response to Senator Deneen regarding the Work Ready KY Scholarship funding, Ms. Gilpatrick explained how the program is developed; and other financial aid is applied prior to the Work Ready KY scholarship. She mentioned possibly looking at income levels of the recipients because students who receive the full scholarship, do not receive other aid, which could indicate upper- and middle-class income families.

In response to Representative Timoney, Ms. Gilpatrick explained that KHEAA does not have any research on the completion of certificates or degree work. She clarified that KHEAA's programs are focused on college access. The KEES program does have renewal components such as GPA and is one of the few that tracks the student through college.

In response to Representative Timoney, Ms. Gilpatrick confirmed that the veterinarian, optometry, and teacher scholarships are in statute. Representative Timoney made comments about being focused on

getting a return on our investments.

In response to Senator Deneen, Ms. Garrison, Kentucky Lottery Corporation, explained what determines the percentages. The biggest distribution goes back to the players in the form of prizes, and that allotment is determined by what the players are gravitating toward. She also discussed the budgeting process.

The meeting adjourned at 4:51 p.m.

LOTTERY TRUST FUND TASK FORCE

Minutes of the 5th Meeting of the 2023

Interim
October 19, 2023

Call to Order and Roll Call

The 5th meeting of the Lottery Trust Fund Task Force was held on October 19, 2023, at 3:00 PM in Room 171 of the Capitol Annex. Representative Bobby McCool, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Matthew Deneen Co-Chair; Representative Bobby McCool Co-Chair; Senators Gerald A. Neal, and Lindsey Tichenor; Representatives Daniel Grossberg, Steve Rawlings, Steve Riley, and Killian Timoney.

Guests: Kim Dolan, Vice President of Government Relations, Communications and Outreach, Kentucky Higher Education Assistance Authority; Casi Benedict, Director of Outreach Services, Kentucky Higher Education Assistance Authority; Keith Ritchie, Assistant Director of Outreach Services, Kentucky Higher Education Assistance Authority; Dr. Matt Berry, Executive Director, Kentucky Center for Statistics; Dr. Beth Kelly, Research Director, Kentucky Center for Statistics.

LRC Staff: Cynthia Brown, Joshua Collins, Katy Jenkins, Haley Webb, Justin Smith, and Mariah Derringer-Lackey.

Approval of the minutes from the September 21, 2023, meeting

On a motion from Representative Timoney, second from Senator Deneen, the minutes from the September 21, 2023, meeting were approved.

KHEAA Outreach Programs

Kim Dolan, Vice President of Government Relations, Communications and Outreach, Kentucky Higher Education Assistance Authority; Casi Benedict, Director of Outreach Services, Kentucky Higher Education Assistance Authority; and Keith Ritchie, Assistant Director of Outreach Services, Kentucky Higher Education Assistance Authority (KHEAA) discussed the different outreach services provided by KHEAA. Information covered the following programs: regional counselors, College Info Road Show, Kentucky College Coaches, FAFSA Completion Support, and Kentucky Goes to College campaigns and initiatives. Also discussed was the social media outreach as well as the online and print publications available.

Representative McCool thanked the representatives for their presentation and commented on how passionate the representatives were.

In response to Representative McCool, Ms. Dolan discussed the different services provided to reach adult learners and KHEAA's partnership with Adult Education.

In response to Senator Deneen, Mr. Ritchie clarified information about the College Info Road Show. The College Info Road Show traveled to different areas of the state and provided 15 exhibits. An example of an exhibit was the State Fair in Louisville.

In response to Senator Deneen, Ms. Benedict clarified information about the Kentucky College Coaches. By December, approximately 3,000 college access professionals will be trained by KHEAA.

In response to Senator Deneen, Ms. Dolan discussed how the workshops or programs covers all of the state aid available to students. Information was provided about how workshops can be customized to fit the student audience, such as a focused workshop on a technical program or career path.

In response to Senator Neal, Mr. Ritchie provided information on the Kentucky College Coaches program and the core group students. He described the process of identifying the core group students.

KYSTATS Work Ready Scholarship Data

Dr. Matt Berry, Executive Director, Kentucky Center for Statistics; and Dr. Beth Kelly, Research Director, Kentucky Center for Statistics (KYSTATS), provided a presentation, graphs, and analysis on Work Ready Kentucky scholarship (WRKS) data. The first portion of graphs compares Work Ready Kentucky scholarship recipients against a comparable postsecondary enrollee group and examines adult learners, enrollment, gender, race, and Pell recipient participation. The second portion of graphs contains the same comparison group and examines enrollment, employment, and median earnings.

In response to Representative Timoney, Dr. Berry explained several occupations are combined to create the categories of the workforce sectors.

In response to Senator Neal, Dr. Berry indicted that additional research would be needed to explain the results shown in the graphs. The results were data, and an analysis of the causes of the results had not been done.

In response to Representative McCool, Dr. Berry explained some qualifications of the WRKS depends on the academic program. He was not certain that some trainings would qualify for the scholarship.

Next meeting announcement.

Representative McCool announced the next meeting will be Thursday, November 2 at 3 p.m.

Adjournment

The committee adjourned at 4:07 p.m.

MULTIMODAL FREIGHT TRANSPORTATION SYSTEM IMPROVEMENT TASK FORCE Minutes of the 1st Meeting of the 2023

Interim
July 18, 2023

Call to Order and Roll Call

The 1st meeting of the Multimodal Freight Transportation System Improvement Task Force was held on July 18, 2023, at 3:00 PM in Room 149 of the Capitol Annex. Representative Suzanne Miles, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Suzanne Miles, Co-Chair; Senator Jason Howell, Co-Chair; Senator Cassie Chambers Armstrong, Senator Jimmy Higdon, Senator Johnnie Turner, Representative John Blanton, Representative Chris Freeland, and Representative Tom Smith.

Guests: Jeremy Edgeworth, Freight, Rail and Waterways Coordinator, Division of Planning, Kentucky Transportation Cabinet (KYTC); Jeff Noel, Secretary, Cabinet for Economic Development (CED); Katie Smith, Deputy Secretary, Commissioner, Department for Financial Services, CED; and Matthew Wingate, General Counsel, CED.

LRC Staff: Ashley Nash, John Snyder, Dana Fugazi, and Christina Williams.

Multimodal Freight Transportation System Improvement Study

Jeremy Edgeworth, Freight, Rail and Waterways Coordinator, Division of Planning, KYTC briefed the task force on the Multimodal Freight Transportation System Improvement Study, which began in 2020. In 2018, the governor challenged the state transportation community to find ways to better utilize Kentucky waterways. The Kentucky Association of Riverports drafted the framework for a new study to address the challenge and approached leadership of KYTC, which served as project manager for the study on behalf of the public riverports. The study entailed two rounds of site visits to Kentucky's public riverports, three virtual statewide summits, a series of technical memoranda, and a final report. The study assessed the waterborne commerce markets in Kentucky, the current state of Kentucky's riverports, and potential future directions for riverport investment in the Commonwealth. The study provides an understanding of today's waterborne commerce markets, the role public riverports play in future economic development, and the potential benefits of investing in Kentucky's public riverport infrastructure.

In addition to KYTC's consultant team, a wide range of local, state, and federal partners advised on the study including the Kentucky Economic Development Cabinet (CED), Kentucky Department of Agriculture, Kentucky Association of Riverports, the US Department of Transportation (USDOT) Maritime Administration, USDOT Federal Highway Administration, US Army Corps of Engineers, and the Kentucky Transportation Center. It should be noted

that despite the involvement of several state agencies, the report and recommendations do not represent an official position of the KYTC or the administration.

Kentucky has 1,662 miles of inland waterways, 1,020 of which are commercially navigable, ranking Kentucky fourth in the nation. Kentucky is surrounded on three sides by the commercially navigable rivers of the Mississippi, Ohio, and Big Sandy River, and also there are the Tennessee, Cumberland, Green, and Licking Rivers that are able to move freight. Kentucky's geographic location provides great advantages in being at the center of a vast inland waterways network and at the confluence of several critical inland waterway routes.

Kentucky waterways are supported by ten public riverports, seven active ports, and three ports at differing stages of development. They range in size from smaller agricultural hubs providing fertilizer and gathering the grain of the local farmer, to large players in the world aluminum markets being listed on the London Metal Exchange. The riverports move heavy steel coils on and off the river for manufacturing and provide warehousing and distribution. These ports provide critical connections moving goods on and off the rivers. Kentucky's public riverports are supplemented by over 160 privately owned terminals that provide many of the same services as our public riverports moving goods on and off the rivers, but often are developed for a single commodity.

To help move freight on and off the waterways, Kentucky public ports and private terminals connect to a network of over 2,600 miles of rail throughout the state. Kentucky serves as an important hub connecting five Class I railroads in the western part of the state, while a network of Class II and Class III railroads fill in the gaps to efficiently move freight within the state.

Kentucky's rail network provides access to the greater markets outside of Kentucky to places like Chicago, New Orleans, and ports on the East Coast. The first and last mile connection of the state's freight network rests on the public road network. Kentucky has over 80,000 public road miles that provide those critical first and last mile connections. And while the state's public and private ports can reach into the large metropolises of the eastern portion of the United States' using this road network, often the impact of the public and private ports is more regional.

While every Kentucky community may not be adjacent to a river or have a riverport, all of Kentucky benefits from the efficiency of waterborne transportation. One 15 barge tow and towboat moves the freight equivalent of six locomotives with 216 railcars or 1,050 semis and tractor trailers. Looking specifically at the freight moved by waterways in Kentucky in 2018, 89 million tons of freight, valued at \$18 billion, moved on Kentucky's inland waterways, the equivalent of 3.5 million trucks annually added to our roadway network without the contribution of the waterways. About 79 percent of Kentucky's waterborne trade (by tonnage) is exchanged with trading partners outside of the Commonwealth.

Kentucky waterways and public and private ports support more than just the river borne commerce. The jet fuel that powers the US hubs for DHL, UPS, and Amazon Prime Air are all delivered by barge. Manufactured at the Marathon Catlettsburg Refinery,

the jet fuel is transported down the Ohio River to Cincinnati. Pipelines then deliver the fuel to the Cincinnati Airport, which is the US hub for DHL and the new hub for Amazon Prime Air. The jet fuel then travels further down the Ohio River to Louisville where pipelines deliver the jet fuel to the Louisville Airport, which is the worldwide air hub for UPS.

The riverports represent an opportunity to affordably move a significant tonnage of freight across a wide range of commodities. While the market for waterborne coal is declining in Kentucky, other commodities are growing with newly locating businesses to Kentucky, representing potential future markets for public riverports. Approximately 19 percent of Kentucky's freight tonnage moves by water, but this only makes up three percent of the value. This is largely due to the nature of the commodities moved. Waterways tend to move heavier, yet less valuable cargo, due to the lower cost to move goods by water. The top inland waterways commodities by weight were coal, lignite, coal coke (sand, gravel, shells, clay, salt and slag), and petroleum products. By value, the top inland waterways commodities were basic chemicals used in consumer products including appliances, toys, cosmetics, gasoline, and coal. Kentucky is bordered by states that share access to the same inland waterway systems. These states compete with Kentucky for customers, tenants, federal funding, and often their port facilities are just minutes across the river from Kentucky facilities. These states provide financial assistance to their public ports to maintain and upgrade facilities and infrastructure to retain long standing tenants or attract new users. Overall, Kentucky's long standing waterborne commerce markets in coal, fossil fuels, and minerals have declined at a rate faster than the nation as a whole.

Moreover, the waterborne commerce markets are projected to shift even more away from these long-standing commodities. The changes highlight the importance of modernizing Kentucky's public riverports to compete for new, more diverse markets.

Plastics, rubber, and chemicals, as well as food and livestock are growing markets for waterborne commerce in Kentucky. While these markets are smaller than today's mineral and fossil fuel markets, they are rapidly growing and public riverports are already working to keep up. From 2018 to 2045, it is projected that waterborne trade will increase by 23 percent, food and kindred products by 144 percent, and agriculture and livestock products by 81 percent.

One critical component of the study was the assessment of the public port infrastructure and identifying needs. The study identified that in 2020, Kentucky's riverports had a backlog of \$12.3 million in unmet needs to simply get the existing infrastructure into a state of good repair and continue business as normal. The ports also identified additional modernization and expansion needs to successfully compete for business and serve new markets. To upgrade Kentucky's ports that were constructed in the 1960s and 1970s to modern operational efficiency would require an additional \$51.6 million and to upgrade the public riverports to attract new markets and expand capacity would require an additional \$158 million. All told, the 2020 total investment need was

\$222 million and with current inflation, these figures would be much higher. The study recommended a one-time injection of funds to allow the ports to address their most pressing preservation needs followed by a dedicated stream of funding to address on-going preservation, but also the ability to use state funds to match available federal funds to modernize and expand. Several of the state's public ports have been successful at receiving federal grant funds to preserve their existing infrastructure, but often the local match is a hinderance to applicants.

Kentucky faces a critical choice of whether to invest in modernizing the public riverports and their capacity to handle a new and increasingly diverse market, or see waterborne commerce play less of a role in Kentucky's economy. Kentucky is also able to choose the degree to which its business attraction and economic development strategies will play in building markets for highly efficient waterborne transportation. Investing in the state's public riverports will create benefits to Kentucky's economy far exceeding the costs. Kentucky's ports, inland waterways, and inland waterway dependent industries currently support nearly 110,000 jobs. This equates to \$5.9 billion in personal income, \$12 billion in gross state product, and \$30.7 billion in total output. This gives rise to more than \$1.2 billion in state and local tax revenue.

Ohio's Maritime Assistance Grant Program was just increased, by their legislature, from \$12 million to over \$20 million annually. Missouri annually allocates \$12 million from their state funds for public riverports, but they recently infused an additional \$30 million in Fiscal Year (FY) 2023 from their allocation of federal American Rescue Plan Act (ARPA) funds. Illinois annual grant program for their public port's totals \$150 million, with \$40 million alone dedicated to build a new port in Cairo, Illinois, very close to Paducah's Riverport.

The final riverport study and all supporting materials have been posted on the KYTC website at <https://transportation.ky.gov/MultimodalFreight/Pages/Kentucky-Riverports,-Highway-and-Rail-Freight-Study.aspx>. Kentuckians For Better Transportation and Kentucky Association of Riverports are working on specific funding request amounts.

Mr. Edgeworth updated the task force on the state's federally required freight plan, which was officially approved by the Federal Highway Administration on May 3, 2023. The freight plan covers all modes including road, rail, river, air, and even pipeline freight. The plan includes an inventory of Multimodal Freight networks including highways, waterways, rail, pipelines, and air cargo. The freight plan also looked at goals and performance measures, current conditions, key industries and supply chains, freight trends and challenges, freight system needs, policy and strategic recommendations and most importantly, a freight investment plan.

Mr. Edgeworth added the update to the Kentucky Statewide Rail Plan is just beginning. Last completed in 2015, the state's update will bring Kentucky's rail plan into compliance with the Federal Railroad Administration's updated guidelines for a state rail plan. This update mainly focuses on an inventory of the rail system in the state, passenger and freight

rail facilities, rail tonnages, available funding, and rail safety and security. KYTC has partnered with Kentucky's railroads to expand the scope of the Rail Plan update to include a more in-depth look at rail infrastructure needs, rail bottlenecks and connectivity, rail bridge conditions, tie conditions, rail industry forecast and growth opportunities, rail line preservation needs, etc. This expanded and updated rail plan would help the state railroads as they seek federal grant opportunities to improve their infrastructure by having their needs reflected in the state's rail plan.

In response to a question asked by Co-Chair Howell, Mr. Edgeworth stated the freight plan does evaluate air cargo and air cargo volumes, however, it does not look at suggestions for improving or increasing air cargo. The Department of Aviation handles that separately. In response to a follow-up question concerning other surrounding state investments, Mr. Edgeworth stated he believes Missouri's investment has been long-standing, but the injection of ARPA funds was a new addition to their funding levels. Ohio's investment amount has increased in the last five or six years, as they have increased from an investment of \$10 million to \$20 million. Mr.

Edgeworth stated Illinois has always had a significant amount of funding for their ports. Currently, Illinois has \$150 million invested and they have allocated \$40 million for a new port in Cairo, Illinois. In response to a request made by Co-Chair Howell, Mr. Edgeworth stated he will investigate how much these states have invested in the past and if these funding levels are one-time dollars or ongoing investments.

In response to a question asked by Co-Chair Howell, Mr. Edgeworth stated all of Kentucky's riverports are economic engines, but he does not have information concerning the economic impact other state's investments have had on their riverports.

In response to a question asked by Representative Blanton, Mr. Edgeworth stated he does not have information regarding the relationship of investment and economic outcomes for other states, in comparison with Kentucky's investment and economic outcomes. He stated he assumes the other states are producing more products and likely bringing in different tenants due to the ability to have newer infrastructure at their ports.

In response to a question asked by Representative Smith, Mr. Edgeworth stated they did not study bringing customs offices to Kentucky, but several of Kentucky's public ports are foreign trade zones or they operate as sub zones.

In response to a question asked by Senator Chambers-Armstrong, Mr. Edgeworth stated when tenants are considering riverport locations, they now have increased demands. Some of those demands might include increased water supply or internet connectivity demands. He added that the Eddyville Riverport just completed a project to help bring better internet so the riverport can attract tenants. Mr. Edgeworth stated tenants may be put off by riverports that were built in the 1960's and 1970's and require an upgrade in the facility before locating there. Some ports were designed for coal or other commodities,

and new and different commodities are being shipped. Some commodities such as liquid fertilizers require tank farms. If the riverports do not have those, they are likely to lose that tenant unless those were built to be able to move those commodities.

In response to a question asked by Co-Chair Howell, Mr. Edgeworth stated several of the private ports are set up more for single commodities shipments, such as coal or grain, for a specific company.

Return on Investment Issues in regard to the Improvement Study

Jeff Noel, Secretary, CED; Katie Smith, Deputy Secretary, Commissioner, Department for Financial Services, CED; and Matthew Wingate, General Counsel, CED, briefed the task force on the CED's role and involvement in multimodal forms of transportation and in the Improvement Study. Secretary Noel indicated companies look for six key factors when they decide where to expand or relocate: supply chain issues, workforce availability, risk management analysis, site reliance, the overall cost of the environment, and incentives available. He stated multimodal transportation plays a role in each one of these factors in terms of the decision a company will make. Each of the multimodal transportation modes have interdependencies upon each other, as well as interdependencies on other market factors. Because of this, price advantages can come with these diverse supply chains. Cost environment is oftentimes driven by companies being reliant upon a certain mode of transportation, or they use alternative modes to leverage the best price point in terms of their contracts. Secretary Noel highlighted the advantages of Kentucky's geographical location given great interstate, rail, and riverport access.

Multimodal transportation is critically important for Kentucky's core industries of agriculture, automotive, metals, plastics, and aerospace. The goods that industries are shipping, as well as the forms of transportation used for shipping, are changing, and Kentucky must adapt to these changes to ensure that the Commonwealth is competitive and prosperous in the future.

Secretary Noel commended the General Assembly on the enactment of 2023 Regular Session House Bill 9 which helped development in many areas, including multimodal transportation.

Current trends are insisting a call for multiple modes of transportation to more efficiently move goods to the consumer. Companies have varying needs based on whether they are shipping high-value or high-volume products. All of these interdependencies are driving decisions companies must make concerning multimodal transportation. Additionally, these varied forms of transportation help foster other industries related to shipping such as warehousing and production. A good strategy can bring in more suppliers. Kentucky needs a plan to avoid uncertainty, as uncertainty can drive away potential businesses. This issue can be resolved with the collection and utilization of data and information.

Secretary Noel highlighted the newly established Kentucky Product Development Initiative (KPDI), which provides pilot project funding. Through this program, Pratt Paper, which provides 341 jobs,

is now located in Henderson. The \$400 million investment and accessibility to multimodal forms of transportation were critical in attracting this type of employer. Worthington Steel is another example of a business that wanted optionality to different forms of transportation and did not want to rely solely on one form. Worthington refused to locate a facility without access to multiple forms of transportation due to moving high value large products.

Secretary Noel stated there is an abundance of distribution and logistics centers dispersed throughout the state. Those facilities should be evaluated to see which, if any, have access to more forms of transportation. Once the Brent Spence Bridge is completed, it will expand the efficiency of Kentucky's transportation moving forward. He stressed the need for further study in the economic development area to better attract more business.

The CED is currently constructing a strategic roadmap for entrepreneurialism, expanding innovation, and growing new and existing industry leaders and is ready to collaborate with multiple organizations across the Commonwealth to guide Kentucky forward. This strategic plan will directly relate to the types of companies CED wants to attract to take advantage of Kentucky's advantages through water, rail, and other forms of transport. The focus is on protecting the core industries as these industries are what drive the state. There is also a goal of strategically extending the core industries as supply chain and geo-political issues cause disruption, as well as moving beyond the core industries.

Secretary Noel highlighted the impact of the automotive sector on the state's economy, and the critical role the supply chain plays in that industry. Similarly, the more than 530 internationally owned facilities, from 33 nations, employing more than 114,000 workers are heavily dependent on a robust multimodal transportation system.

Secretary Noel provided four examples of when multimodal transportation is beneficial: long-distance shipping due to the cost savings that intermodal offers; high freight volume shippers, due to the capacity advantage and freight efficiency; non-urgent shipments, since intermodal transit times are typically slower than straight truck transportation; and shipping high-value freight, due to intermodal transportation providing increased safety advantages by reducing the chances of theft, accidents, or damage.

Secretary Noel provided facts and figures to illustrate how Kentucky fares with robust road infrastructure, air cargo, internet access, highways, rail, and riverports. Specific to rail users and foreign import clients, railroads have intermodal terminals in Kentucky and the surrounding region that connect to most of the major seaports in the US. Kentucky's waterways link to the Great Lakes, Canada, Mexico and South American markets. There are three global air-cargo hubs UPS, DHL and Amazon, with Kentucky ranking 2nd nationally in air cargo by landed weight. six commercial airports, and over 50 regional airports. There are over 20 interstates and parkways throughout the state, and 2,895 miles of railroad, including 2,579 miles of freight rail. Kentucky has 1,020 miles of commercially navigable waterways, and ten riverports. The Olmsted Lock (West of Paducah)

is the nation's busiest lock with 73 million tons of cargo passing through annually. There has also been several major investments in bridge and highway improvements in the Commonwealth. Kentucky was the first state to build an open-access fiber optic cable network in every county. The state has among the lowest industrial electric rates in the nation (U.S. Energy Information Administration.) Kentucky is ranked 5th nationally in manufacturing gross domestic product (GDP) as a share of total GDP (US Bureau for Economic Analysis). Twelve and a half percent of Kentucky's workforce is in the manufacturing sector, compared to 8.1 percent nationally. There are 616 distribution and logistics-related facilities employing 91,800 people in Kentucky.

Secretary Noel reiterated Kentucky has core industries that move large items, and the planning for multi-modal investments should occur off of the foundation of success in Kentucky's job growth. Kentucky is a national leader in foreign direct investment, which relies upon logistics. Transportation advantages are the great equalizer for business locations when needed. Multi-modal transport options are a key business driver, and an attraction for the retention of talent.

In a response to a question asked by Co-Chair Howell concerning the relevance of river, rail, and roads in new business development, Secretary Noel stated it is not easy to broadly quantify the relevance. He stated an analysis could be broken down for the individual modes and that information could be provided from less of a holistic approach, and more of an individual basis. He added interdependencies of the supply chain is a major aspect of the relevance. Another aspect would involve evaluating data as a procurement officer or thinking for a company in terms of logistics. He stated there has to be a way of calculating these interdependencies.

In response to a question asked by Co-Chair Howell, Secretary Noel stated companies still need to see that full serviceability is available to them with multimodal transportation and port improvements. He added it is important to not only understand Kentucky's private riverports but to understand shared riverport opportunities with adjacent states on the same waterway. He added there are several companies that would not be in Kentucky if it were not for river, rail, and road transport availability. In response to a follow-up question asked by Co-Chair Howell, Secretary Noel stated it is the intention for the plan to study integration of Kentucky's various modes of transportation to identify where the state is weak or particularly strong in any area. He added good information should come of KYTC's and CED's studies. The third leg that this study will be focused on is questioning what kinds of companies and targeted industries Kentucky can attract if the state acquires more knowledge and continues to grow.

In response to a question asked by Co-Chair Howell, Secretary Noel stated optionality is the best way in which we can show to a company, regardless of which mode they chose, or even if they want to utilize multimodal transport. Optionality means better efficiency, better pricing, and not being obligated to one or two service providers only. Those multimodal forms of transportation are what gives Kentucky an

efficiency play in space to help support existing as well as new companies.

In response to a question asked by Representative Smith concerning looking at the big picture in utilizing federal funding for infrastructure buildout or improvement, Secretary Noel stated he believes it is important to look at the big picture, because if not, something may be missed.

However, he stated data is what drives determining what is reasonable and feasible, and then after that is identified, application for grant funds can begin. He added he believes going after the funding before identifying a plan could be a mistake. He added he believes having those big visions become a reality involves collaborative input from businesses to understand feasibility. The vision should not be stifled; however, it should be tempered around what is learned and then efforts should be shaped around that. He reiterated time and resources are short, therefore prioritization is a critical factor.

Adjournment

With no further questions to come before the task force, Chair Miles adjourned the meeting at 4:15 P.M.

MULTIMODAL FREIGHT TRANSPORTATION SYSTEM IMPROVEMENT TASK FORCE Minutes of the Third Meeting of the 2023 Interim

October 17, 2023

Call to Order and Roll Call

The third meeting of the Multimodal Freight Transportation System Improvement Task Force was held on October 17, 2023, at 3:00 PM in Room 149 of the Capitol Annex. Representative Suzanne Miles, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jason Howell Co-Chair; Representative Suzanne Miles Co-Chair; Senators Cassie Chambers Armstrong, Jimmy Higdon, Brandon J. Storm, and Johnnie Turner; Representatives Chris Freeland, Tom Smith, and Ashley Tackett Laferty.

Guests: Miguel A. Zamora II, Vice President, Louisville Riverport Authority; Dan Mann, Executive Director, Louisville Regional Airport Authority; Seth Cutter, Vice President of Public Affairs, Cincinnati/Northern Kentucky International Airport/CVG; William Downey, Chairman, Kentucky Railroad Association; Derek Sublette, Assistant Vice President, Government Relations, Norfolk Southern

LRC Staff: John Snyder, Ashley Nash, Dana Fugazzi, and Christina Williams.

Approval of the August 1, 2023 minutes

The minutes from the Task Force's August 1, 2023 meeting were approved.

Recognition and Moment of Silence for Judy Taylor.

Chair Miles recognized the passing of Ms. Judy Taylor. Ms. Taylor was a long-time lobbyist who blazed many trails for women in the legislative arena. A moment of silence was held in her honor.

Foreign-Trade Zone Issues Related to Riverports

Miguel A. Zamora II, Vice President, Louisville Riverport Authority briefed the task force on the Louisville Riverport Authority and foreign-trade zones issues related to riverports. The Louisville Riverport Authority was established by Kentucky Revised Statute (KRS) in 1965 as a quasi-governmental organization, and was established as Foreign-Trade Zone 29 by the Foreign-Trade Zones Board in 1977.

The Foreign-Trade Zone Act (FTZ) was passed in 1934 with the purpose to expedite and encourage international commerce. It was part of an effort to revitalize trade after the Smoot Hawley Tariff Act of 1930 and the Great Depression.

A foreign-trade zone is a secure area located in or adjacent to a U.S. Customs and Border Protection (CBP) port of entry, and is legally outside U.S. customs territory for customs duty purposes when active. The goods within the foreign-trade zones are part of international commerce. It is only when the goods leave the FTZ and enter the commerce of the U.S., that normal tariff and customs duty regulations apply.

The Foreign-Trade Zones Act created the Foreign-Trade Zones Board and the U.S. Customs and Border Protection which oversees the grantees such as Louisville's FTZ 29. The Foreign-Trade Zones Board is comprised of the Secretary of Commerce and the Secretary of Treasury. The board issues grants to establish, expand, operate, and maintain FTZs and regulations to establish and operate zones. The Foreign-Trade Zones staff prepare an annual report of FTZ activity for congress on the impact on the U.S. economy.

The CBP oversees and supervises each zone project which shall be adjacent to a CBP port of entry and either 60 miles or a one-hour drive from the port. For Kentucky those ports of entry include: Louisville, which serves central Kentucky and Southern Indiana; a port at Erlanger, which services northern Kentucky and southern Ohio; and the port of Henderson which services southern Indiana and western Kentucky. Two out-of-state ports of entry serving the Commonwealth is at Nashville, Tennessee which serves new zone project in Warren County, Kentucky, and Charleston, West Virginia adjacent to Ashland, Kentucky.

With a zone project, the goods arrive in the U.S. and move into a zone territory with no duties are paid. Duties are paid when the goods move into the U.S. commerce. If the goods are exported or moved to another FTZ for further processing, payment of customs duty is deferred. Duties could be eliminated if the goods were exported or placed into another zone.

Foreign-trade zones are used as an economic development tool to attract jobs and site selection advantages. The zones are a best practice requirement for participation in certain commodity exchanges.

Foreign-Trade Zone 29 in Louisville includes 20 operators at over 27 sites located throughout Kentucky, and has a 25 county alternate site framework service area. Between \$10 million and \$25 million in merchandise was received and \$750 million to \$1 billion in goods were exported in Kentucky's foreign trade zones. In 2022, there were between 26,000

and 27,000 people directly employed by Kentucky's foreign-trade zones.

Customs ability to respond to zone projects is becoming more challenging, because CBP requiring resources to be diverted to other places. It is not uncommon for inland ports of entry to have their officers reassigned to a border, for immigration and homeland security issues. It has impacted the ports abilities to support zone projects. More officers are needed at the Henderson and Nashville ports due to an increase in interested operations that would like to use the zone program.

The Foreign-Trade Zone Act exempts an operator from any and all local ad valorem taxes which is a challenge for Kentucky. Before the board will designate a zone project, the operator has to either get a letter of non-objection from each of the affected tax entities in the location, or has to agree to forego taking advantage of that tax exemption.

Air Perspectives and Concerns

Dan Mann, Executive Director, Louisville Regional Airport Authority, Louisville Muhammad Ali International Airport (SDF); and Seth Cutter, Vice President of Public Affairs, Cincinnati/Northern Kentucky International Airport (CVG) briefed the task force on their respective airports and the concerns regarding multimodal transportation. Three new airline carriers are now offering service at Louisville Muhammad Ali International Airport (SDF); Breeze, Spirit, and Sun Country airlines. Five routes have also been added at SDF including routes to Boston, San Francisco, Fort Myers, and Minneapolis.

The next airfield investment for SDF will cost approximately \$216.85 million, with \$156 million of that being a five-year capital improvement program; \$6.7 million dedicated to a northwest quad development and taxiway A connector; a taxiway L extension with two phases for a combined total of \$26.7 million; \$12.65 million for runway and taxiway pavement rehab; and lastly phase one of taxiway B reconstruction for \$14.8 million. There will also be a passenger facility improvement made costing approximately \$196.9 million. From 2024-2028, approximately \$173 million worth of passenger facility improvements are being planned for, including a Transportation Security Administration (TSA) security checkpoint expansion of \$44 million; post security improvements and a SDF microgrid costing \$49 million; and exterior terminal enhancements of \$80 million.

Mr. Mann stated SDF's growth would not have happened without being partnered with United Parcel Service (UPS) as a cargo operator. UPS is now investing \$220 million in a new hangar at SDF.

The Louisville Renaissance Zone Corporation's Renaissance South Business Park. includes 680 acres, 13 businesses, 6.7 million under roof square footage, and employs over 3,200 employees. The Kentucky Economic Development Finance Authority (KEDFA) stated it was the most successful TIF district they have had. The Renaissance South Business Park supports UPS's cargo operations and has produced many jobs.

The three major commercial airlines in Kentucky, SDF, CVG, and Bluegrass Airport (LEX), are self-sustaining, tax generating, and job creating airports,

that collectively support more than 134,000 jobs with a combined economic impact of \$21.6 billion per year. Prior to 2020, just under 15 million passengers were served at the three major airports, with over \$480 million tax revenues produced by the airports annually.

In response to a question asked by Co-Chair Jason Howell, Mr. Mann stated Minor Lane Elementary School, in the center of the Renaissance South Business Park, was at that location when it was a residential area and has stayed. The Louisville Regional Airport Authority and SDF have developed a close relationship with the school and have provided materials including robots for their science lab, books, and a reading program.

In response to a question asked by Co-Chair Howell, Mr. Mann stated air service to places people want to travel to is imperative to business growth. Flights to Boston from SDF were vital from a medical supply standpoint, as that flight path was the largest unserved market at the time. Mr. Mann added the addition of the low-cost carriers is also vital because it forces competition with the mainline airlines, which results in lower airfares and better options to grow business. Also, the addition of remote workers has now shown an increased need for more air service to be offered to various locations.

In response to a question asked by Co-Chair Howell, Mr. Mann stated belly cargo at SDF and UPS work together and benefit each other instead of being in competition with one another.

Seth Cutter stated that CVG served 7.6 million passengers in 2022, and is the 7th largest cargo airport in North America, with over 16,000 employees on campus. There are now over 50 non-stop destinations offered at CVG, and approximately 12,000 to 15,000 passengers are going through TSA checkpoints daily. Mr. Cutter stated Breeze and Sun Country airlines have been added at CVG as well as flights to Alaska with service to Seattle, and British Airways has been added.

Between 2015 and 2022, cargo volume grew more than 146 percent. The DHL hub contributed to that growth having its second largest global super hub. Contributing to the cargo growth is the Amazon hub at CVG, which is a \$1.5 billion investment by Amazon. FEAM Aero added a maintenance hangar facility at an investment of \$19 million and is working on a new \$40 million three-bay hanger on CVG's campus. CVG has become the contract manager for the grantee of Foreign-Trade Zones 46 and 47, both Cincinnati's and Northern Kentucky's trade zone.

In response to a question asked by Chairman Suzanne Miles concerning how the airports are ranked nationally on the transportation of freight, Mr. Cutter stated the airport relies on the users who are transporting freight to self-report, and those numbers reported are based on cargo tonnage, which are then broken down by month and yearly averages. Based on a global trade group's rankings, Louisville is ranked fifth globally and CVG is fourteenth in freight tonnage.

In response to a question asked by Representative Tom Smith, regarding using smaller regional airports as part of the supply chain, Mr. Cutter stated that while it is unlikely that carriers would build additional large-

scale operations, the future of advanced air mobility at general aviation airports means they will play an important role in the movement of goods and people.

Representative Ashley Tackett Laferty echoed Representative Smith's statements and added that several investments have been made in eastern Kentucky to roads and water recently, and workforce is available in eastern Kentucky as well, and encouraged the use of those regional facilities also. Chair Miles encouraged the use of Owensboro facilities as well.

Railroad Perspectives and Concerns

William Downey, Chairman, Kentucky Railroad Association; and Derek Sublette, Assistant Vice President, Government Relations, Norfolk Southern discussed railroad perspectives and concerns in regard to multimodal transportation. Mr. Downey stated the rail network in Kentucky is comprised of both class one and short line railroads. The primary class one carriers being Norfolk Southern and CSX, and short line and regional railroads being RJ Corman in Paducah and Louisville.

Mr. Downey discussed Kentucky Freight Rail and Safety Improvement Program (KFRSIP), which is a way to invest in preservation and maintenance of railroads, expansion, industrial access, and economic development and the development of the Kentucky Federal Freight Fund which is a program to assist communities, authorities, railroads, and riverports seeking federal grant opportunities for rail infrastructure projects.

Mr. Downey stated one way rail is truly multimodal is that even though rail competes with the trucking industry, it also partners with it. Transloading is the process of transferring the load of products from one mode of transportation to another, specifically between trucks and railcars. There are multiple transloading facilities across Kentucky. Mr. Downey stated a new transload yard in Frankfort is being developed that will allow for freight to stay on rail to Frankfort and only trucked the last few miles to its destination.

Mr. Sublette stated rail intermodal is growing and added that some of railway's biggest customers are in the trucking industry. Since the transition from hauling coal to the use of different kinds of fuel, the railroad industry has had to reinvent itself and one of the ways that this has been accomplished is through the growth of the intermodal network. Norfolk Southern is proud of its intermodal network and have two intermodal facilities in Kentucky, in Georgetown and in Louisville.

Mr. Downey gave information on Kentucky carload data. Over 366,000 carloads originated in Kentucky in 2021, which equates to over a million trucks that are being moved via Kentucky's railroads and are not traveling on Kentucky highways creating wear and tear, and emissions into the environment. Mr. Downey stated there is roughly a three to one ratio between trucks to the amount of freight that rail can haul per carload.

The annual investment in Kentucky railroads is over \$160 million in rail infrastructure, which includes maintenance and rehabilitation, and capital expenditures. Investments in Paducah and Louisville railroads were \$29 million for projects from the

Federal Rail Administration through the United States Department of Transportation, and Tennessean Railroad was awarded \$7.37 million in Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant funds to revitalize infrastructure in Tennessee and Kentucky. However, the majority of those funds are being spent in Tennessee due to Kentucky not participating in federal match of 30% for the grant.

Kentucky is able to take advantage of the Kentucky Rail Crossing Improvement Program (KRCI), \$1.6 million annually, which is limited to grade crossing repairs and improvements. Approximately \$350,000 of those funds went towards the needs assessment study that is currently underway.

Several states were highlighted (Ohio, Tennessee, Indiana, Virginia, North Carolina and Pennsylvania) that are leaders in the type of funding programs that make significant investment into the freight rail networks. Mr. Sublette highlighted some funding programs taking place in Indiana as well as programs in Tennessee, Pennsylvania, and North Carolina.

In conclusion, Mr. Downey reiterated the importance of the development of the KFRSIP and Kentucky Federal Freight Fund programs and stated it would be a missed opportunity if freight dollars were not obtained after the passage of the federal infrastructure law. Kentucky would need to match some of the funds in order to be awarded those grants to support multimodal transportation networks in Kentucky.

In response to a question asked by Representative Tackett Laferty concerning railroad spurs, Mr. Sublette stated Norfolk Southern has an industrial development department and a marketing department and if a smaller company would like to ship a small amount of rail cars per week, they would need to get in touch with those departments and a conversation could possibly be facilitated on how to get a rail spur if rail service is possible. Norfolk Southern is knowledgeable about their customer base so there are preexisting relationships with larger customers already put in place. Rail operators are brought into the conversation with the Cabinet for Economic Development or local economic developers when they are looking to attract a new industry if rail is required. It is sometimes desirable for a company to have rail as an option as it helps make things more competitive from a freight movement standpoint. Both local and state entities collaborate on attracting new business and if existing or new businesses need rail but are not directly related to a rail spur, transloading is available to help make it cost effective for the end-user.

Representative Smith stated he believes the future of eastern Kentucky is in rail, and any areas that are laying dormant that can be used would be beneficial to the rail industry and the state.

Chairman Miles requested information be provided to show how rail is structured differently from other modes of transport. Mr. Sublette stated railroads do not fall under state workers compensation laws, they have railroad retirement, and are privately owned. Mr. Downey added that railroads are federally regulated through the Federal Rail Administration for safety and compliance, and on the commerce side they are regulated through the Surface Transportation Board (STB) which is formerly the Interstate

Commerce Commission. The STB regulates all economic activity at the federal level.

Adjournment

With no further business to come before the task force, Chairman Miles adjourned the meeting at 4:40 P.M.

INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENERGY

Minutes of the 1st Meeting of the 2023 Interim June 8, 2023

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Natural Resources and Energy was held on June 8, 2023, at 1:00 PM in Room 154 of the Capitol Annex. Representative Jim Gooch Jr., Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Jim Gooch Jr., Co-Chair; Senator Brandon Smith, Co-Chair; Senator Cassie Chambers Armstrong, Senator Robby Mills, Senator John Schickel, Senator Adrienne Southworth, Senator Johnnie Turner, Senator Robin L. Webb, Senator Gex Williams, Representative Jared Bauman, Representative John Blanton, Representative Adam Bowling, Representative Randy Bridges, Representative Lindsey Burke, Representative Beverly Chester-Burton, Representative Patrick Flannery, Representative Al Gentry, Representative Daniel Grossberg, Representative DJ Johnson, Representative Suzanne Miles, Representative Tom Smith, Representative Bill Wesley, and Representative Richard White.

Guests: Cindy Wiseman, President and Chief Operating Officer, Kentucky Power; and Amy Elliott, External Affairs Manager, Kentucky Power.

LRC Staff: Stefan Kasacavage, Kayla Carroway, Tanya Monsanto, Rachel Hartley, and Emily Wiley.

Referred Administrative Regulations

Chair Gooch provided a brief overview of the administrative regulations on the agenda.

301 KAR 004:110 Proposed - Administration of drugs to wildlife.

301 KAR 002:090 Proposed - Means by which migratory game birds may be taken. 301 KAR 002:015 Proposed - Feeding of wildlife.

301 KAR 005:022 Proposed - License, tag, and permit fees.

301 KAR 005:020 Proposed - License agent requirements and responsibilities. 301 KAR 005:010 Proposed - License agent applications and agreements.

301 KAR 005:001 Proposed - Definitions for 301 KAR Chapter 5. 301 KAR 002:300 Proposed - Black bear seasons and requirements. 301 KAR 002:144 Proposed - Fall wild turkey hunting.

301 KAR 003:120 Proposed - Commercial nuisance wildlife control.

301 KAR 002:245 Proposed - Wanton waste and disposal of big game and upland game birds.

Discussion of the Cancellation of the Proposed Sale of Kentucky Power from American Electric Power to Liberty Utilities

Amy Elliott thanked the members for working with Kentucky Power to pass 23RS SB192 to allow for the securitization of certain utility regulatory assets, which will save Kentucky Power customers money.

Cindy Wiseman stated that, two years ago, Kentucky Power's parent company, American Electric Power (AEP), announced a strategic review of Kentucky Power. This review resulted in the initiation of the sale process of Kentucky Power from AEP to Liberty Utilities. On April 17, 2023, Kentucky Power and Liberty Utilities announced a mutual agreement to terminate the proposed sale. There was no single reason for termination, except for how long the sale was taking for approval. Ms. Wiseman stated that Kentucky Power is still dedicated to their customers and service region.

Ms. Wiseman stated that, since 2008, Kentucky Power has lost over 11,400 customers and experienced a 26 percent overall reduction in sales. She stated that this decrease trends with population loss in the region. The cost to serve is higher, due to fewer customers per square mile and line mile. Customers of Kentucky Power are also using more electricity than the national average. Kentucky Power is acutely aware of the challenging circumstances.

Ms. Wiseman stated that Kentucky Power's short-term strategies for helping their customers with rising energy costs include: securitizing a large portion of their rate base, focus on low-income programs, and community support. Ms. Elliott stated that Kentucky Power is working to change bill due dates from 15 to 21 days. Kentucky Power will file a rate review this summer and will file their securitization application on the effective date for 2023RS SB192, which is June 29, 2023. There are two benefits through securitization to customers, which include reduction of financing costs and spread of costs over a longer period of time.

In response to Chair Gooch, Ms. Elliott stated that Kentucky Power was not insured for natural disaster losses when Kentucky was affected by flooding and ice storms. Ms. Wiseman stated that utilities are normally not insured for acts of nature.

Ms. Wiseman stated that Kentucky Power's long-term strategies include: economic development, energy efficiency, and partnering to improve the region. Ms. Elliott stated that Kentucky Power revamped its economic development efforts in 2012. Efforts have been focused on site and building development, workforce training, and supporting regional economic development organizations. Kentucky Power spends \$800,000 per year on economic development. The company's economic development team has responded to 20 requests for information (RFIs) totaling \$17 billion in investments. Kentucky Power's hope is that some of the RFIs will come to fruition.

Ms. Wiseman stated that eastern Kentucky needs extreme improvements in weatherization and efficiency. The average customer for Kentucky Power uses 1,300 kilowatt-hours of electricity per month. Kentucky Power recently completed a market study to reintroduce Targeted Energy Efficiency programs.

Kentucky Power is dedicated to the eastern Kentucky region and plans to improve reliability and safety for customers and employees.

In response to Chair Gooch, Ms. Wiseman stated that Kentucky Power has lost about 11,000 customers in 15 years and sales are down by 26 percent. She stated that some large load mining customers account for the loss. Regarding the percentage of power production in Kentucky, Ms. Wiseman stated that she did not know the exact percentage, but that Kentucky Power operates the roughly 300 MW Big Sandy Plant in Kentucky and has 50 percent ownership of the AEP Mitchell Plant, which is a coal fired plant in West Virginia, until 2028. The company also purchases least cost power in the market. Ms. Wiseman stated that Kentucky Power did not cut off any power to private customers during the winter of 2022. Ms. Elliott stated that there are a few industrial customers who participate in an interruptible service tariff, which caused those customers to lose power briefly. Ms. Wiseman stated that Kentucky Power is taking efforts to identify new generation sources.

In response to Chair Smith, Ms. Wiseman stated that Kentucky Power is filing a rate case at the end of June 2023. They are working to keep rates low, but usage rates are higher in eastern Kentucky than in other parts of the state, and the past two to three years, Kentucky Power has lost about 2,000 customers. Investments in infrastructure and diversification of their generation fleet are necessary to evolve.

In response to Chair Smith, Ms. Elliott stated that Kentucky Power sent out meter inspectors after the eastern Kentucky floods to prevent further billing of those properties affected. For properties that weren't identified, Kentucky Power was able to remedy bills for customers who contacted the company. Kentucky Power will remain with AEP for the foreseeable future.

In response to Representative Wesley, Ms. Wiseman stated that Kentucky Power has programs in place to support customers in need. Moving forward, the company is looking at low income assistance programs to expand its support. Ms. Elliott stated that there are customer service representatives to remedy individual concerns, if needed. Ms. Wiseman requested that legislators tell constituents to contact Kentucky Power if there are issues with services.

In response to Representative Burke, Ms. Wiseman stated that it may be possible to further provide assistance by marrying other public services with Kentucky Power to support their service region. Kentucky Power is considering the opportunity to utilize renewable resources such as solar power.

Chair Gooch stated the committee will be approving the block grant for the Low Income Home Energy Assistance Program (LIHEAP) at the next interim joint committee meeting on July 20, 2023.

In response to Senator Webb, Ms. Wiseman stated that there are challenges ahead of Kentucky Power. The company is doing their part in economic development and attempting to mitigate rates of electricity, but they cannot do it alone. There is a plan to add renewable energy and more natural gas to Kentucky Power's generation portfolio.

In response to Representative Flannery, Ms. Wiseman stated that she does not know how many

customers are not utilizing LIHEAP, that are qualified. The root issue is that there are not enough funds to support everyone that needs LIHEAP. Ms. Wiseman stated that Kentucky Power is not ready to expand to electric vehicles due to lack of infrastructure and demand.

In response to Chair Gooch, Ms. Wiseman stated that securing any power generation source is a lengthy and expensive process.

Adjournment

There being no further business, the meeting was adjourned.

INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENERGY

Minutes of the 2nd Meeting of the 2023

Interim

July 20, 2023

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Natural Resources and Energy was held on July 20, 2023, at 1:00 PM in Room 154 of the Capitol Annex. Senator Brandon Smith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Brandon Smith, Co-Chair; Representative Jim Gooch Jr., Co-Chair; Senator Cassie Chambers Armstrong, Senator Adrienne Southworth, Senator Johnnie Turner, Senator Robin L. Webb, Senator Phillip Wheeler, Senator Gex Williams, Representative Jared Bauman, Representative John Blanton, Representative Randy Bridges, Representative Lindsey Burke, Representative Myron Dossett, Representative Ryan Dotson, Representative Patrick Flannery, Representative Chris Fugate, Representative Daniel Grossberg, Representative DJ Johnson, Representative Bobby McCool, Representative Suzanne Miles, Representative Tom Smith, Representative Bill Wesley, Representative Richard White, and Representative Wade Williams.

Guests: Roger McCann, Executive Director, Community Action Kentucky, Inc.; Todd Trapp, Director, Division of Family Support, Department for Community Based Services, Cabinet for Health and Family Services; Tony Hatton, Commissioner, Department for Environmental Protection, Energy and Environment Cabinet; and Larry C. Taylor, Executive Advisor, Office of Legislative and Intergovernmental Affairs, Energy and Environment Cabinet.

LRC Staff: Stefan Kasacavage, Kayla Carroway, Tanya Monsanto, Rachel Hartley, and Emily Wiley.

Approval of minutes for the meeting of June 8, 2023

A motion to approve the minutes was made by Representative Fugate and seconded by Representative Dotson. The minutes were approved by voice vote.

Presentation and Public Hearing on the Low Income Home Energy Assistance Program (LIHEAP) Block Grant Application - Federal Fiscal Year 2024

Todd Trapp stated that Department for Community Based Services (DCBS) administers the Low Income Home Energy Assistance Program (LIHEAP) in partnership with Community Action Kentucky. LIHEAP was established in 1982 to meet home energy needs for low-income households. DCBS anticipates the federal funding for 2024 to be \$58 million. Less than 10 percent is used for administrative costs. Mr. Trapp provided an overview of the benefits of the LIHEAP program, which included bill payment, emergency assistance, and weatherization activities.

In response to Senator Smith, Mr. Trapp confirmed that bulk fuel is an option for utilizing LIHEAP funding by Kentucky citizens. Roger McCann stated that LIHEAP provides funding for electricity, natural gas, propane, coal, wood, and kerosene. A monetary payment is always made to the vendor for energy fuel purchases.

In response to Representative Blanton, Mr. McCann stated that it is important to ensure that benefits are being used by the person intended. For instance, a vendor must provide written documentation that propane has been delivered to the same address as the beneficiary and in-store vendors must verify identification of the recipient.

In response to Representative Burke, Mr. Trapp stated that he will provide the percentage of vendor vouchers versus direct payments to utility companies to the committee.

A motion was made to approve the Findings of Fact for the LIHEAP State Plan for Federal Fiscal Year 2024, including that the block grant application does meet the standards and criteria set out in KRS 45.353, by Representative Blanton and seconded by Representative Flannery. The motion passed by voice vote.

Discussion of Per- and Polyfluorinated Substances (PFAS) in Kentucky

Tony Hatton stated that Per- and Polyfluorinated Substances (PFAS) are compounds that are in commerce. PFAS are commonly referred to as “forever chemicals” or “emerging contaminants.” PFAS are a family of chemical compounds developed in the 1940s that have been widely used in consumer and industrial products, such as Teflon and Scotchgard, and aqueous film-forming foam (AFFF) for firefighting. The strong chemical bonds in PFAS materials make them very difficult to break apart and give them their heat and stick resistant properties.

States are taking different approaches to address this issue. Mr. Hatton stated that Kentucky has taken a measured strategy aimed towards public protection. The primary potential receptor issue for PFAS is ingestion through contaminated water, which is where the Department for Environmental Protection (DEP) has focused their efforts. There are pending federal PFAS guidelines that would affect the application of the Clean Water Act, Safe Drinking Water Act, Resource Conservation Recovery Act, and the State Superfund.

Mr. Hatton stated that the danger of PFAS comes when the chemical is released into the environment because PFAS migrates through groundwaters and accumulates in aquatic life.

In response to Senator Wheeler, Mr. Hatton stated that industrial processes are the major contributor to PFAS discharges. For example, if there is a large fire and only AFFF can extinguish it, AFFF will be utilized and can end up in waterways.

In response to Representative Smith, Mr. Hatton stated that industrial discharges into publicly-owned treatment works is a long-term common practice. There are 26 municipal landfills in Kentucky and 25 of those manage their leachate through discharges to publicly-owned treatment works. Landfills are currently accepting products that may contain PFAS, and their leachate is becoming an issue for those public-owned treatment works. The DEP is not looking at changing requirements for treatment facilities. The decision to reject leachate is a local decision.

In response to Representative Gooch, Mr. Hatton stated that AFFF is still legal for firefighting activity. Electric vehicles are outside of the DEP’s jurisdiction.

In response to Senator Chambers-Armstrong, Mr. Hatton stated the DEP is concerned about the sources of PFAS. PFOA and PFOS are the two most toxic PFAS compounds and are not widely manufactured or distributed. Standards for PFAS have not been set. Therefore, there isn’t an opportunity to control sources.

Senator Webb commended the work of the Energy and Environment Cabinet (EEC) for their continued efforts to educate the public about PFAS.

In response to Representative Burke, Mr. Hatton stated that there are processes and technologies that vendors have developed and will continue to develop for PFAS filtration models for homes. He encourages the public to utilize those opportunities.

Mr. Hatton provided potential costs to drinking water facilities. As one example, it will take roughly \$1 million in startup costs for the Leitchfield Facility to install Granular Activated Carbon to filter PFAS out of water. Water treatment facilities in Kentucky can utilize the State Revolving Fund (SRF) to fund construction projects, which has received \$115 million in 2024 requests to renovate or build new facilities, some of which may include PFAS treatment.

In 2019, the EEC studied 81 drinking water plants across Kentucky. The EEC has recently completed sampling at the remaining 113 drinking water plants in the state. Mr. Hatton shared a map of preliminary PFAS results and provided a list of likely and potential sources of PFAS in Kentucky’s environment. Mr. Taylor stated that many of the higher amounts of PFAS are along the Ohio River, meaning that Kentucky facilities may not be the source of PFAS water contamination. Mr. Hatton stated that the DEP has collected fish tissue from rivers and lakes across the state and all samples had traces of PFAS. In collaboration with the Department of Fish and Wildlife Resources, PFAS has been added to the fish consumption advisories that are currently established.

In response to Representative McCool, Mr. Hatton stated that, whenever a sample is taken, its respective facility will receive a report of the results.

In response to Representative Wesley, Mr. Hatton stated that dredging will not be able to help the PFAS issue. PFAS is soluble and stays in the water. Mr. Taylor stated that PFAS does not bind to organic

matter. Dredging could help if there is a concern about intake capacity of drinking water treatment facilities.

Referred Administrative Regulations

Chair Smith provided a brief overview of the administrative regulations on the agenda.

401 KAR 058:040 Proposed - Requirements for asbestos abatement entities. 301 KAR 002:222 Proposed - Waterfowl hunting requirements on public lands. 301 KAR 001:001 Proposed - Definitions for 301 KAR Chapter 1.

Adjournment

There being no further business, the meeting was adjourned.

INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENERGY

Minutes of the 5th Meeting of the 2023 Interim

October 19, 2023

Call to Order and Roll Call

The 5th meeting of the Interim Joint Committee on Natural Resources and Energy was held on October 19, 2023, at 1:00 PM in Room 154 of the Capitol Annex. Representative Jim Gooch Jr., Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Jim Gooch Jr. Co-Chair; Senator Brandon Smith Co-Chair; Senators Cassie Chambers Armstrong, Robby Mills, Adrienne Southworth, Johnnie Turner, Robin L. Webb, Phillip Wheeler, and Gex Williams; Representatives Jared Bauman, John Blanton, Adam Bowling, Randy Bridges, Lindsey Burke, Myron Dossett, Patrick Flannery, Chris Fugate, Al Gentry, Daniel Grossberg, DJ Johnson, Bobby McCool, Tom Smith, Bill Wesley, Richard White, and Wade Williams.

Guests: Dennis Hatfield, Director, Division of Oil and Gas, Energy and Environment Cabinet; Representative Richard Heath, District 2; and Rebecca Hartsough, Senior Policy Advisor, Babbage Cofounder.

LRC Staff: Stefan Kasacavage, Kayla Carroway, Tanya Monsanto, Rachel Hartley, and Emily Wiley.

Approval of minutes for the meeting of September 21, 2023

A motion to approve the minutes was made by Senator Smith and seconded by Representative Fugate. The minutes were approved by voice vote.

Update from the Energy and Environment Cabinet on the Orphan Oil and Gas Well Plugging Program

Dennis Hatfield stated that Congress passed the Bipartisan Infrastructure Law (BIL) in November 2021, which provided grant opportunities to plug orphan oil and gas wells. Kentucky applied in May 2022, and was awarded an initial grant amount of \$25 million beginning on October 1, 2022. Kentucky obligated 100 percent of the grant on September 25,

2023. Forty- three separate plugging packages were assembled for requests for proposal (RFP) solicitation through the Finance and Administration Cabinet to plug 635 orphan wells. The average cost to plug a well through the BIL Plugging Program has been about \$33,000. The BIL grant also required that states determine the amount of escaped methane emissions from orphan wells prevented by the plugging process. The Division of Oil and Gas (DOG) has partnered with the Kentucky Geological Survey to measure emissions from 100 sites and will utilize the data to provide statistical models.

Mr. Hatfield stated that there was concern about which contractors would receive the orphan well plugging projects. He indicated there are a total of 17 contractors, including many from Kentucky, who were able to participate in the program. Twenty-seven counties received well plugging project approval.

Kentucky's BIL Formula Plugging Grant eligibility is \$78.98 million. Formula Grant applications must be submitted in annual phases limited to \$25 million per year and will have numerous additional requirements beyond the initial grant. DOG is actively working on its application for Phase One of the Formula Grant in the amount of \$25 million to plug more orphan wells.

In response to Chair Gooch, Mr. Hatfield stated there are about 15,000 orphan wells in Kentucky.

In response to Representative Bauman, Mr. Hatfield stated that DOG submits their solicitations to the Finance and Administration Cabinet who then determines who receives a contract.

Senator Smith and Senator Mills commended DOG for the number of Kentucky-based contractors involved in the Plugging Program.

In response to Chair Gooch, Mr. Hatfield stated that 2022 Regular Session Senate Bill 315 required eligible well plugging projects be in separate contracts. This allowed for different size contractors to perform according to their scope of work, which resulted in the large number of Kentucky-based contractors within the Plugging Program.

In response to Senator Chambers Armstrong, Mr. Hatfield stated that there are 16 inspectors across Kentucky who are charged with inspecting active wells and identifying orphan wells. Many newly identified orphan wells are found by citizen reports. Orphan wells will continue to be found on oil and gas basins.

In response to Representative White, Mr. Hatfield stated that orphan wells are abandoned or no longer used for the purpose for which they were drilled.

The Kentucky GRANT Program Established by 2023 House Bill 9

Representative Heath stated that the Kentucky GRANT (Government Resources Accelerating Needed Transformation) Program's main goal is to leverage Kentucky tax dollars towards significant public projects that will revitalize communities. Kentucky is one of the top states affected by the economic downturn in the coal industry. The federal government has authorized funds to be used for programs aimed at economic and workforce development, infrastructure, substance use disorder

programs, site cleanups, science, technology, engineering, and mathematics (STEM) education, and housing. Challenges remain for local communities who want to capture this funding, including having to provide local matching and application complications. The GRANT Program addresses these problems by providing required matches for federal funding while tasking Area Development Districts (ADDs) and universities with providing technical assistance for applicants.

Since the 2023 Regular Session, Representative Heath has been working with Representative Petrie along with the Department of Local Government (DLG), ADDs, non-profits, and other stakeholders to share information about the opportunities that the GRANT Program can provide. Representatives Heath and Petrie have been meeting monthly with stakeholders to discuss state and federal updates and to promote further collaboration.

2023 Regular Session House Bill 9 was passed with a \$2 million appropriation. These funds were intended to provide the amount necessary for the DLG to establish the program. The DLG recently released the state match application in late August and has since received over 35 applications for matches to federal grants totaling \$25 million in projects.

Rebecca Hartsough stated that the federal government initially identified 25 regions of the United States, which are the hardest impacted by the downturns in the fossil fuel and coal industries. All counties in the 25 regions are designated as energy communities. Within that list, 21 Eastern Kentucky counties were listed with the second highest national priority, and 20 Western Kentucky counties received a sixth priority rating. Since the passage of 23 RS HB 9, those priority areas have been expanded due to the negative economic impact of breaks in the supply chain.

The initial \$38 billion in federal funding for energy communities has now risen to more than

\$600 billion. The goals of these funds are to upgrade infrastructure, clean up environmental damage, promote entrepreneurship, and support workforce development. Ms. Hartsough stated that large sources of this funding pool come from the BIL and the Inflation Reduction Act (IRA). As of June, \$4.1 billion in BIL funding has been announced for Kentucky to fund 202 specific projects. The website to access the clearinghouse for federal funding that is available for energy communities is, <https://energycommunities.gov/funding/>.

In response to Representative Flannery, Ms. Hartsough stated that Indiana, Ohio, West Virginia, Colorado, New Mexico, and Minnesota have developed matching grant programs like the GRANT Program. 23 RS HB 9 was developed to be as expansive as possible to allow for the broadest availability of state matches of federal project grants. Ms. Hartsough believes that there is still opportunity for large, transformational projects, despite the expansion of eligible energy communities in Kentucky.

In response to Senator Wheeler, Ms. Hartsough stated that despite the expansion of the energy communities map in Kentucky, the statistics that are specific to local communities are still relevant

regarding prioritization scoring for state matches.

In response to Representative Flannery, Ms. Hartsough stated that the expansion of the energy communities map primarily comes from counties' functions in logistical supply chains.

Senator Smith expressed his concerns regarding the expansion of the energy communities map.

Senator Webb expressed her concerns about the state match criteria and stated that scoring should be weighted on the impact of the decline of coal production in the community.

In response to Representative Smith, Ms. Hartsough confirmed that \$4.1 billion has been obligated for Kentucky. Representative Smith apologized to his constituents for supporting 23 RS HB 9, as his constituent counties were not listed as part of the initial 41 Kentucky counties identified as energy communities. Representative Heath stated that the 41 counties that were originally designated as energy communities were named by the federal government.

Ms. Hartsough stated that GRANT Program scoring criteria is open for discussion and the energy communities map will be revisited in May 2024.

In response to Representative White, Ms. Hartsough stated that the energy communities map was designated with priority ratings out of 25 geographical areas, which considered a multitude of factors. Counties that will be impacted more heavily than others will more than likely receive a higher priority regarding grant funding.

Senator Southworth stated that the General Assembly has the authority to set criteria for where state match funding is designated.

Ms. Hartsough stated that it is important for counties to be aware that they have been designated as energy communities and they are free to pursue active federal grants if the local match can be met.

Senator Webb stated that there may be a statutory conflict that could limit the ability of energy communities that were not previously identified as priority communities to gain access to state matching funds.

Reports Received - No Action Required

Chair Gooch acknowledged the receipt of Kentucky Department of Fish and Wildlife Resources' No Net Loss of Hunting Land Report, Report of the Audit of the Kentucky Heritage Land Conservation Fund Nature License Plate Fund, and Kentucky Wetland and Stream Fees-In-Lieu- Of Mitigation Program Annual Report. No action was required.

Referred Administrative Regulations - No Action Required

Chair Gooch provided a brief overview of the administrative regulations on the agenda.

301 KAR 001:410 Proposed - Taking of fish by nontraditional fishing methods. 301 KAR 001:201 Proposed - Taking of fish by traditional fishing methods.

Adjournment

There being no further business, the meeting was adjourned.

COMMISSION ON RACE & ACCESS TO OPPORTUNITY

Minutes

June 20, 2023

Call to Order and Roll Call

The first meeting of the Commission on Race & Access to Opportunity was held on June 20, 2023, at 1:00 PM in Room 154 of the Capitol Annex. Senator David P. Givens, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator David P. Givens, Co-Chair; Representative Killian Timoney, Co-Chair; Senator Karen Berg, Senator Gerald A. Neal, Senator Whitney Westerfield, Representative George Brown Jr., Representative Samara Heavrin, Representative Nima Kulkarni, James Coleman, and Erwin Roberts.

Guests: Devine Carama, Director; Larry Johnson, Community Outreach Coordinator; Kenneth Payne, Community Response Advocate; Tyler Scott, Mayor's Chief of Staff; Kevin Atkins, Chief Development Officer; Cortney Downs, MSSW, Chief Equity Officer, Kentucky Youth Advocates; and Shannon Moody, PhD, MSSW, Chief Policy & Strategy Officer, Kentucky Youth Advocates.

LRC Staff: Brandon White and Brett Gillispie.

The meeting was conducted jointly with the Juvenile Justice Oversight Council.

Senator Givens introduced new Commission on Race and Access to Opportunity member Jim Coleman, after thanking former member OJ Oleka for his service.

ONE Lexington

Devine Carama, Director; Larry Johnson, Community Outreach Coordinator; Kenneth Payne, Community Response Advocate; Tyler Scott, Mayor's Chief of Staff; and Kevin Atkins, Chief Development Officer presented to the Commission regarding ONE Lexington. Devine Carama introduced ONE Lexington and its mission. ONE Lexington was founded in 2017 by Lexington's then-mayor Jim Gray in response to gun violence, and was revived by current mayor Linda Gorton. Its goal is to leverage government resources and community partnerships to reduce gun violence amongst youth and young adults ages 13 to 29. In order to achieve this goal, ONE Lexington has facilitated cooperation between the urban-county government, Fayette County Public Schools (FCPS), the criminal justice system, law enforcement, the local faith-based and non-profit sectors, and other community members across Lexington. With input from the community, ONE Lexington adopted the Prevention, Intervention, Enforcement, and Re-entry (PIER) model as a strategy for its work.

Director Carama stated that, as of June 2022, Lexington had suffered 24 homicides to that point in the year, while that number has been reduced to nine as of June 2023 as ONE Lexington has continued its involvement in the community. Furthermore, Lexington had suffered 69 nonfatal shootings as of June in 2022, while that number was reduced to 30 as of June 2023.

Director Carama said that the goal of the

prevention stage in PIER is to prevent incidents of gun violence from occurring by treating the underlying causes such as food insecurity, mental health issues, trauma, and the destruction of the family structure. One of the ways that they are addressing these issues is through the It Takes a Village mentoring program in cooperation with Fayette County Public Schools. The schools identify at-risk students who are then assigned a mentor who engages in weekly sessions. Additionally, ONE Lexington maintains a grant program which helps provide funding to grassroots organizations that are working to address critical issues in the community.

Director Carama stated that the majority of ONE Lexington's resources have been focused on the intervention stage of the PIER model, which focuses on the organization's response to gun violence that has already occurred. ONE Lexington has undertaken weekly violence intervention team meetings consisting of the police department, non-profits working in street outreach, FCPS, the University of Kentucky Trauma Center, and other community partners to discuss incidents and coordinate responses. Director Carama emphasized that ONE Lexington's crisis response focuses on both fatal and non-fatal shootings. Additionally, ONE Lexington engages in youth mediation through the Fayette County school system in order to resolve conflicts in a safe and healthy manner.

Director Carama said that ONE Lexington does not have any enforcement capabilities. However, they work to bridge the gaps of generational mistrust between communities of color and the police department. ONE Lexington works to recruit police officers into its mentoring program in order to facilitate this change.

Director Carama said that they are attempting to aid in the difficulties that are experienced during reentry by formerly incarcerated persons who have difficulty finding work and are in many ways disenfranchised. ONE Lexington is partnering with Goodwill Ignite to help provide second chance opportunities to young people reentering society. Additionally, ONE Lexington is working to encourage alternative sentencing programs for young offenders.

Senator Westerfield asked what assistance ONE Lexington believes is most needed from the government for Kentucky's at-risk youth. Director Carama answered that youth need trauma-informed care approaches and access to affordable mental healthcare.

Senator Westerfield asked who is represented on ONE Lexington's weekly gun violence intervention team. Director Carama stated that anyone needed to provide context for a shooting incident, including prosecutors, UK Trauma Center, and FCPS are usually involved. Mr. Johnson added that law enforcement and the Lexington Rescue Mission are involved and help provide resources.

Senator Westerfield asked how ONE Lexington prevents shootings that are retaliatory in nature. Director Carama said that 90 percent of the students that ONE Lexington works with have already been impacted by gun violence, and that focusing on mentoring and untreated trauma is key. Additionally, the amount of firearms in the possession of juveniles

is shocking. Mr. Johnson added that ONE Lexington has a crisis response team that works directly with the impacted neighborhood in the aftermath of a shooting and that Mayor Gorton has been meeting directly with the mothers of victims in order to build relationships.

Representative Kulkarni asked ONE Lexington to expand on the youth mediation program and its effectiveness. Director Carama said that the individuals who work as crisis response advocates typically serve as youth mediators, and that the mediators have been given extensive training in conflict resolution. The mediation is conducted in connection with the families and school administration. The mediators have a variety of experiences with the local community and the justice system that they are able to utilize to reach the youth involved in these conflicts.

Representative Herron remarked that her proposed commonwealth Office of Safe Communities seems similar in function to ONE Lexington's model. She asked what resources from the General Assembly could benefit ONE Lexington and whether ONE Lexington is involved in healing from gun injury. Director Carama said that ONE Lexington encourages families to process generational trauma as well as personal trauma from gun violence by breaking the stigma of mental health and trauma support in the Black community. Additionally, they are seeking partnerships with health practitioners of color to work in the community and provide space for youth to share and discuss their experiences with gun violence. Community members have expressed concern about taxes on neighborhood shelters, that have made it difficult for them to operate their community engagement activities. He went on to say that ONE Lexington has also allocated significant funding to victim services and would appreciate support from the General Assembly in these efforts as well as providing access and funding for grassroots activist organizations. He suggested the creation of a mental health collective to increase access for at-risk families who can't afford care. Finally, he reiterated the ease of access to firearms for at-risk youth.

Mr. Johnson added as a follow-up that ONE Lexington trained 150 community stakeholders in mindfulness in order to encourage self-care for both at-risk youth and the individuals that work with them. He also said that ONE Lexington holds grieving sessions for young people who have lost loved ones to gun violence as well as COVID-19.

Representative Brown asked ONE Lexington to expand on their activities concerning employment and job training for young people and re-entry assistance. Director Carama reiterated that community partnerships are important to address these issues. ONE Lexington addresses employment issues with youth involved in their mentorship program. Representative Brown added that youth mentorship resources should be expanded to younger students. Mr. Scott said that the mayor's office is getting ready to launch a Second Chance Academy program by bringing professionals to talk to incarcerated persons nearing their release dates and provide them with job readiness training and assistance in order to help them transition back into the workforce.

Representative Heavrin said that it is important for policy makers to discuss access to after school

community programs for students and emphasized the importance of the urban-rural divide in Kentucky. She asked what ONE Lexington believes is their greatest hurdle to success. Mr. Payne said that doing community engagement work requires the mentality of a long-term investment in the community.

Senator Webb asked that the General Assembly be kept informed on the process and success of the upcoming Second Chance Academy program.

Representative Timoney stated that middle school-aged students are often settling into the decisions and behavioral patterns that will affect their futures. Director Carama said that even third and fourth graders are making those decisions.

Representative Timoney asked what can be done about the snitch culture in schools that pressures students into not providing information on murders of fellow students. Director Carama said that the culture is perpetuated by the environment that the students live in, and that students do not know the difference between being a snitch and being a witness to a crime. Mr. Scott added that ONE Lexington's work with law enforcement is critically important to addressing this issue, but that it must be conducted in a way that doesn't undermine the community's trust in ONE Lexington.

Senator Givens thanked ONE Lexington for presenting and said that staff would connect with them regarding the question of taxation, the Commission on Race and Access to Opportunity would investigate how the General Assembly can facilitate ONE Lexington's employment and job-training efforts, and added that ONE Lexington should connect with KY STATS to provide further study and information into local issues.

Senator Westerfield added that mental health resources and after school programs should be a budget focus for the Commonwealth of Kentucky.

Kentucky Youth Advocates

Cortney Downs, MSSW, Chief Equity Officer, Kentucky Youth Advocates and Shannon Moody, PhD, MSSW, Chief Policy & Strategy Officer, Kentucky Youth Advocates presented to the Commission regarding disparities within the juvenile justice system and equity in youth diversion programs. Dr. Moody stated that Kentucky Youth Advocates (KYA) is focused on advocating for systemic change for all Kentucky children by bringing research and data to policy makers.

Ms. Downs commented on the work done by legislators, the Administrative Office of the Courts (AOC), and other critical stakeholders around reforming Kentucky's juvenile justice system.

Ms. Downs stated that while Black youth represent 11 percent of Kentucky's youth population, they represented 22 percent of juvenile complaints filed in Kentucky in 2022. Additionally, while multiracial youth represented 2 percent of Kentucky's youth population, 8 percent of juvenile complaints filed in 2022 were filed against multiracial youth, and that these figures have been relatively consistent since 2017. Hispanic youth represented 6 percent of both Kentucky's general youth population and juvenile complaints filed, and white students represented 81 percent of Kentucky's youth population and 63

percent of complaints filed. She added that the total number of complaints has been reduced significantly in the last ten years due to juvenile justice reforms, but that racial disparities have persisted. She went on to highlight the racial disparities in the detention at intake of juveniles, stating that there is a clear overrepresentation of Black youth at about three times their representation in the general population.

Ms. Downs said that Kentucky has done an excellent job of implementing diversion for juveniles, but that racial disparities have persisted despite the overall decline in complaints not diverted.

Black youth made up 16 percent of complaints diverted but 30 percent of complaints not diverted. She added that a 2021 Arizona study found that Black, Hispanic, and Native American youth were far less likely to have their cases diverted than their white counterparts and were far more likely to have negative comments made in their case files.

Senator Westerfield asked if the Arizona study considered the administrator of the assessment of the youths' cases. Ms. Downs answered that she did not know but would be able to find out.

Ms. Downs stated that Black youth are disproportionately more likely to be sentenced or transferred to adult court than their white counterparts, with Black youth representing 39 percent of cases detained and 52 percent of referrals, compared to 46 percent of detentions and 31 percent of referrals for white youth. Youth of color represent nearly 70 percent of referrals to adult court in Kentucky. She added that three zip codes in Louisville are the source of approximately one-third of all commitments to the Department of Juvenile Justice, which have disproportionately high rates of systemic factors such as intimate partner violence, out of school suspension, and adult incarceration, as well as high rates of food and housing insecurity.

Additionally, chronic health issues are overrepresented in these zip codes. She recommended that these systemic factors be addressed in order to reduce the amount of youth becoming justice involved. She also stated that a second-look commission is being formed in Tennessee to investigate juvenile justice and she would be willing to find and provide information on its findings.

Senator Berg observed that some counties are arresting and incarcerating Black youth at an even higher rate than the state's average and asked if the counties were aware of that. Rachel Bingham replied that AOC makes that data available to communities, but that the actual number of cases should be taken into account. She added that AOC has observed a slight uptick in the arrest and sentencing of Hispanic youth.

Ms. Downs stated that more than 3,500 youth involved with the Department of Juvenile Justice have been diagnosed with a disability.

Ms. Downs said that since 2017, the overall diversion success rate in Kentucky has been between 80 percent and 90 percent, and the recidivism rate has been in a steady decline since 2016. Senator Givens pointed out the decrease in the raw number of cases along with the high diversion success rate. Ms. Downs added that research has shown that diversion holds youth accountable for their behavior without

resorting to legal sanctions or incarceration, and that multiple studies have shown that diversion can be more effective for most young people than going through a formal court process.

Senator Neal asked how KYA defines success for youth diversion programs. Ms. Bingham stated that success is defined as increasing opportunities for youth and preventing anti-social behaviors in addition to compliance. She clarified that the basic indicator is whether the youth become justice-involved again.

Representative Herron asked which specific zip codes in Louisville were the sources of the abnormally high number of juvenile complaints. Ms. Downs answered that the three zip codes are 40210, 40211, and 40212.

Steve Gold stated that Henderson County does not have a lot of resources within the county, and that he believes that their diversion programs would have a greater impact with additional resources. He added that he has seen diversions labeled successful when there has been a repeat offense, and asked whether there should be more attempts at diversions in the case of a repeat offense. Ms. Downs answered that being able to connect with kids and ensure that they are getting the resources that they need is important to a successful diversion program. She added that lack of resources is a problem across the state and that repeat offenses involve a variety of issues, and that cases should be examined for more diversion options.

Ms. Bingham said that changing the trajectory of children's behavior requires patience and compromise. She added that court-designated workers are dependent on community assistance to be effective.

Senator Webb said that she has worked with a juvenile who told her that they had benefited from being involved with the Department of Juvenile Justice. She added that every case is different, and she is an advocate for flexibility for local judges and prosecutors.

Senator Neal said that judgements are subjective, and that policy makers need to be careful about blanket statements regarding prosecutorial overrides.

Christina Weeter asked whether disabilities were a factor in youth incarceration. Ms. Bingham stated that the 3,500 was the number of disabled youth at intake and may not be representative of the number or percentage of disabled youth who are actually incarcerated. She added that she would be able to make that data available.

Senator Givens asked if a youth's disability status is influential to a judge's decision regarding their sentencing. Ms. Bingham answered that it is.

Adjournment

There being no other business, Chairman Givens adjourned the meeting at 3:15 p.m.

COMMISSION ON RACE & ACCESS TO OPPORTUNITY

Minutes

July 24, 2023

Call to Order and Roll Call

The 2nd meeting of the Commission on Race & Access to Opportunity was held on July 24, 2023, at 1:00 PM in Room 129 of the Capitol Annex. Representative Killian Timoney, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Killian Timoney, Co-Chair; Senator Gerald A. Neal, Senator Whitney Westerfield, Representative George Brown Jr., Representative Samara Heavrin, Representative Nima Kulkarni, and Erwin Roberts.

Guests: Jessica Fletcher, Marketing Analytics Director; Brian Mudrak, Senior Data Scientist, Visualization Lead; Logan Rupard, Senior Research & Legislative Analyst; Monique Rice, Computer Science Initiatives Director, Advance Kentucky; Terry Samuel, President, Kentucky Science & Technology Corporation; Dr. Sheri McGuffin, STEM Coordinator, Advance Kentucky; Maria Smith, CEO; Abby Whelan, Program Director; and Diane Clark, Grant Writer.

LRC Staff: Brandon White and Brett Gillispie.

Approval of Minutes

Representative Heavrin made a motion to approve the minutes from the June 20, 2023, meeting of the Commission on Race and Access to Opportunity. Senator Westerfield seconded the motion. A voice vote was taken, and the minutes were approved.

Kentucky Center for Statistics

Jessica Fletcher, Marketing Analytics Director; Brian Mudrak, Senior Data Scientist, Visualization Lead; Logan Rupard, Senior Research & Legislative Analyst presented a Kentucky demographics update from the Kentucky Center for Statistics (KYSTATS). KYSTATS was created by statute in 2013 and is funded by state and federal grant money in order to compile key data to be made available to Kentucky's policy leaders. It is nonpartisan in nature and does not provide any causality of the data that it provides nor any policy recommendations.

Mr. Rupard discussed the details of Kentucky's population changes from 2010 to 2020, changes in Kentucky's poverty rate, and Kentucky's inmate population. Mr. Mudrak discussed Kentucky's total K-12 enrollment demographics, K-12 discipline demographics, the current high school graduation rate, KEES Award disbursements, the number of dual credit scholarship awards, Work Ready scholarship awards, and postsecondary enrollment and completion rates. Mr.

Rupard then provided a workforce overview that included median income by race, labor force participation rate, and the unemployment rate by race.

Senator Westerfield asked the presenters to define a "completer." Mr. Mudrak responded that a completer is an individual who receives a degree at any level.

Representative Kulkarni asked the presenters to define "non-resident alien students." Mr. Mudrak replied that he would check and provide an official definition at a later date. Representative Kulkarni followed up by asking whether the increases in the proportion of minority students attending Kentucky schools were expected to continue. Mr. Rupard replied that it is impossible to make future predictions, but their presentation showed the demographic trends as they currently stand.

Representative Brown pointed out that Black school disciplinary rates are high and asked if there is a correlation between school discipline and employment rates. Mr. Mudrak responded that KYSTATS would be able to look into that, but that they could not use the data presented to the Commission to make that connection. Ms. Fletcher said that KYSTATS would contact LRC staff to follow up on workforce outcomes.

Chairman Timoney said that Kentucky's population has increased, but more children are not being born, and asked whether that population increase was due to economic factors. Ms. Fletcher replied that KYSTATS currently has limited data on birth rates in Kentucky, and that they would like to work with the Cabinet for Health and Family Services (CHFS) in order to compile more accurate demographic data on births in Kentucky.

Senator Neal asked whether KYSTATS provided raw numbers for the data that they presented to the Commission as well as percentages. Ms. Fletcher responded that they would be able to get him that information. Senator Neal followed up and asked whether there was value in presenting the data sets as percentages as opposed to raw numbers. Mr. Rupard responded that it allows them to provide a like to like comparison across demographic groups.

Mr. Rupard said that Kentucky's median income increased from \$41,724 in 2012 to \$55,573 in 2021, and that all demographics saw some level of increase within that time period.

Chairman Timoney asked if the median income numbers could be compared with the poverty rate as a reference point in the future, as well as the impact of inflation and changes in purchasing power. Mr. Rupard said that they would be able to provide that later.

Senator Westerfield asked the presenters to define "non-institutional." Mr. Rupard responded that it represents individuals who are not incarcerated or in a K-12 environment who may be able to look for work or are currently looking for work.

Representative Kulkarni asked if the unemployment rate included individuals who were able and available to work but not necessarily looking. Mr. Rupard replied that that it does not because they are not participating in the workforce. Representative Kulkarni asked if it would be possible to see the demographic breakdown of individuals dropping out of the labor force. Mr. Rupard responded that they would look into it. Ms. Fletcher added that KYSTATS has labor market information under its purview, including WORKR, the Kentucky Workforce Dashboard, and the Kentucky Future Skills Report.

Chairman Timoney asked how current the labor market information is. Ms. Fletcher said that WORKR

is updated quarterly and the Kentucky Future Skills Report is updated annually. Mr.

Mudrak added that the Kentucky Workforce Dashboard is updated annually.

Chairman Timoney asked if county level data is available on WORKR. Mr. Mudrak said that it is, and that WORKR provides data for workforce planning regions, as well.

Chairman Timoney thanked the presenters and asked if KYSTATS has a twitter page. Ms. Fletcher answered yes and that KYSTATS is available to the legislature for any of its needs.

Advance Kentucky - Computer Coding Initiative/Increasing Minority Participation

Monique Rice, Computer Science Initiatives Director, Advance Kentucky; Terry Samuel, President, Kentucky Science & Technology Corporation; and Dr. Sheri McGuffin, STEM Coordinator, Advance Kentucky presented on Advance Kentucky's Computer Coding Initiative. Advance Kentucky seeks to expand access to computer science education and increase minority participation in key computer science jobs available in Kentucky.

Ms. Rice said that there were approximately 5,088 computing jobs going unfilled in Kentucky as of 2022 that provided an average salary of \$74,833/year. However, there were only 706 computer science graduates from Kentucky's colleges and universities. She added that there are not enough students being produced in computer science to fill existing jobs in the field, much less any future jobs. Ms. Rice said that the racial and ethnic demographics of students participating in computer science courses is generally comparable to their proportion of the general population. She noted higher non-white participation in computer science in schools that are participants in Advance Kentucky's Computer Coding Initiative (CSI).

Ms. Rice said that CSI creates pathways for any certified teacher to receive approval to teach computer science or IT courses, provides professional learning for K-12 teachers through Advance Kentucky's partnerships, and assists school districts in developing a comprehensive K-12 computer science plan. Advance Kentucky's major partners include the Kentucky Department of Education's (KDE) Computer Science/IT Academy and Code.org. Dr. McGuffin added that other partners include CS for All, iCodeKY, Somerset Community College, the Expanding Computer Education Pathways Alliance, and CSTA Kentucky. Advance Kentucky and its partners provide both virtual and in-person educational opportunities for teachers.

Ms. Rice listed Code.org's nine policies to make computer science fundamental learning in schools and said that Kentucky has achieved seven of those, but in order to reach all nine, Kentucky would need to create programs at institutions of higher education to offer computer science to preservice teachers and require that all secondary schools offer computer science courses. Kentucky schools can opt into allowing computer science to satisfy a math or science K-12 credit. She also said that Code.org added a tenth policy recommendation to include a requirement for every student to take computer science in order to receive

a high school diploma, which Kentucky does not do.

Ms. Rice added that there is significant work to be done to reach gender equity in computer science, in which female students and workers are extremely underrepresented.

Ms. Rice recommended that Kentucky should adopt the three additional Code.org policy recommendations and encourage students from underrepresented groups to participate and complete computer science pathways by continuing to develop and modernize them in order to make them more attractive to students and recognizing Area Technology Centers (ATCs) that offer pathways and encouraging more ATCs to offer them. She added that Advance Kentucky is hosting a Coding at the Capitol event on Tuesday, September 19, 2023.

Representative Kulkarni expressed concern that low-level coding education is becoming obsolete due to artificial intelligence (AI), and asked if the courses being offered to students are preparing them for higher level coding and programming positions that will still require humans in the future. Ms. Rice said that the majority of the computer science curriculum offered to K-12 students concerns internet literacy and familiarity with AI, in addition to low level programming. Students are also learning how to create websites and videogames in order to teach computer science problem solving. Dr. McGuffin added that the computer science pathways cross over with the manufacturing and engineering pathways. Mr. Samuel added that students still need to learn basic coding and programming knowledge in order to advance to more complicated subjects.

Representative Kulkarni said that there is fierce competition in the computer science labor market between American students and workers and foreign students and workers who are coming to the United States, and she expressed an interest in following up with Advance Kentucky regarding workforce readiness. Ms. Rice said that workforce readiness is part of their outreach focus in order to encourage more Kentuckians to work in the field.

Senator Neal thanked the presenters and said that the presentation was excellent.

Mr. Roberts asked if there are other barriers facing Kentuckians to an education and career that they were aware of but had not mentioned in the presentation. Dr. McGuffin said that one of the issues that they've identified is the STEM Cliff, which represents the drop in interest and enthusiasm for STEM studies and careers among students, particularly female students, beginning around middle school. She added that broadband access for students and teachers in their homes is also an issue. Ms. Rice added that the COVID-19 pandemic helped reveal just how many Americans do not have reliable internet access, and that computer science should not be thought of as an elective course.

In response to a question from Representative Brown, Ms. Rice reiterated the need for access to computer science programs at every school in Kentucky. Dr. McGuffin added that most schools offer digital literacy courses, but the meaning of digital literacy has changed.

Representative Brown expressed an interest in requiring computer science as a graduation

requirement in Kentucky's K-12 schools.

Chairman Timoney said that the AI and cybersecurity fields are expanding and asked about access for elementary aged students. Ms. Rice said that they were unsure what and how much computer science is currently being taught in elementary schools.

Chairman Timoney said that Kentucky is experiencing manufacturing expansion, and that he would love to see the computer science labor pool for this expansion be homegrown.

Harbor House of Louisville

Maria Smith, CEO; Abby Whelan, Program Director; and Diane Clark, Grant Writer presented on Harbor House of Louisville. Harbor House of Louisville serves the disabled population in a variety of ways with an emphasis on workforce education. Ms. Clark said that Harbor House is a grassroots organization founded in 1992 by 11 parents of adults with intellectual and developmental disabilities. CEO Maria Smith has grown Harbor House to serve over 150 people currently.

Ms. Clark said that only 27 percent of disabled Kentuckians aged 25 to 65 are employed, as opposed to the average employment rate of 68 percent. Currently, Harbor House serves 28 zip codes, and the new center currently under construction will serve over 30 zip codes and more than 400 people daily across Jefferson, Bullitt, Oldham, and Shelby Counties.

Ms. Wheelan said that Harbor House provides services including Adult Day Training (ADT), Community Living Support (CLS), Personal Assistance (PA), respite care, teen life skills, transportation, Home-Sweet-Home Personal Service, bulk mail and fulfillment services, and supported employment. Harbor House's expansion will add an adult day health program, before and after school care; medical, dental, and spa services; a fitness center; hot meals prepared on site; expanded transportation services; a job apprenticeship program; music, dance, and art studios; a technology center; a child enrichment center; and extended stay respite care.

Ms. Smith said that Harbor House has an intergenerational vision to serve people of all ages and foster community between them. She said that the bulk mail and fulfillment center has become an excellent way for disabled individuals to not only make money but have a sense of community and satisfaction. Additionally, it gives them valuable job training that they can take out into the workforce after leaving Harbor House. Another Harbor House employment opportunity is its Home-Sweet-Home program, which nurtures intergenerational relationships by employing and training individuals with disabilities to provide in home service to seniors by performing activities such as light housekeeping and grocery shopping. She added that Harbor House will be adding an apprenticeship in its technology center and open it up to local businesses.

Ms. Smith extended an invitation for Commission members to tour Harbor House and invited the members to the ribbon cutting for Harbor House's new facility on September 22nd, a fundraising breakfast on August 17th, and a community open house in

November.

Ms. Clark recognized Representative Kulkarni for her leadership in Louisville and Frankfort. Senator Neal complimented the presenters and expressed an interest in touring Harbor House.

Representative Kulkarni thanked Chairman Timoney for allowing Harbor House onto this month's agenda and complimented Harbor House on the work that they are doing towards helping individuals with disabilities across all ages and socioeconomic statuses.

Adjournment

There being no further business, Chairman Timoney adjourned the meeting at 2:50 p.m.

COMMISSION ON RACE & ACCESS TO OPPORTUNITY

Minutes

October 24, 2023

Call to Order and Roll Call

The 5th meeting of the Commission on Race & Access to Opportunity was held on October 24, 2023, at 1:00 PM in Room 129 of the Capitol Annex. Senator David P. Givens, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator David P. Givens Co-Chair; Representative Killian Timoney Co-Chair; Senators Karen Berg, Gerald A. Neal, and Whitney Westerfield; Representatives George Brown Jr., and Samara Heavrin.

Guests: Representative Jason Nemes; Mary Kathryn DeLodder, Kentucky Birth Coalition; Meredith Strayhorn, Licensed Certified Professional Midwife; Liz McQuillen, Chief Policy Officer, Metro United Way; Shreeta Waldon, Executive Director, Kentucky Harm Reduction Coalition; Shameka Parrish-Wright, Executive Director, Vocal-KY; Bryan Hubbard, Chairman and Executive Director, Kentucky Opioid Abatement Advisory Commission
LRC Staff: Brandon White, and Brett Gillispie.

Chairman Givens introduced new member Kimberly Baird to the Commission. Ms. Baird is the Commonwealth's Attorney for Fayette County and the first Black woman to serve in that role.

Approval of August and September Minutes

Senator Westerfield moved to approve the minutes from the August and September meetings of the commission. The motion was seconded by Senator Berg and approved by a voice vote.

Birthing Centers

Representative Jason Nemes; Mary Kathryn DeLodder, Kentucky Birth Coalition; Meredith Strayhorn, Licensed Certified Professional Midwife; and Liz McQuillen, Chief Policy Officer, Metro United Way, presented to the commission on freestanding birthing centers.

Ms. DeLodder said that there have been no freestanding birth centers in Kentucky since the 1980s, legislation has been introduced in previous sessions by Representative Nemes and Senator Funke

Fromeyer seeking to streamline the licensure and construction process to encourage the construction of new birth centers.

Ms. Strayhorn said that freestanding birth centers are facilities other than hospitals that specialize in normal childbirth without common medical interventions. Birth centers typically have two or three beds and are only recommended for low risk pregnancies and labors. The centers provide prenatal and postpartum care to mothers that includes education on care for both their newborns and themselves. She added that the centers save clients an average of

\$1,000 per birth as opposed to a typical hospital birth, and that studies suggest mothers who utilize birth centers are at a lower risk of having to undergo a cesarian section.

Ms. Strayhorn said the community model utilized by birth centers can lower costs and increase positive outcomes for traditionally at-risk groups, particularly racial and ethnic minorities as well as low-income families. More mothers are choosing not to give birth in hospitals due to fears of exposure to diseases such as COVID-19 and concern over racial bias in the healthcare system. She added that black families, in particular, will often either delay care or not be given proper care due to racial bias in the medical industry, with maternal mortality for black women being two to four times higher than that of white women, and that black-owned birth centers will be able to address this issue by providing inclusive services and build trusting relationships with expectant mothers in Kentucky's black community.

Ms. McQuillen said that Metro United Way conducted a study on maternal and prenatal care and found that zip codes in Jefferson County that represented poorer and majority-black communities had lower rates of prenatal care than wealthier neighbors, with white mothers accessing prenatal care at greater rates than both black and Hispanic mothers. The study also found that some mothers struggled with a variety of issues including difficulty finding or accessing care, cost and insurance coverage as a barrier to care, and medical racism. Ms.

McQuillen added that expanding birth options available to women such as birth centers will help reduce Kentucky's maternal and infant mortality rate and help create thriving children, strong households, and equitable communities.

Senator Berg said that pregnancy needs to be considered a qualifying event by insurance providers and has personally experienced a pregnancy in which she was not covered by insurance.

In response to a question from Senator Berg, Ms. Strayhorn said that the Kentucky Birth Coalition's proposed regulations for freestanding birth centers provides for Medicaid reimbursements.

In response to a question from Chairman Givens, Ms. Strayhorn said that Frontier Nursing University in Versailles, currently educates nurse practitioners to become midwives, but that there are also midwives that are performing services through avenues not currently legal due, to the state ending the practice of issuing midwife certificates in 1975. Certified professional midwives are authorized to practice in Kentucky as of 2019.

In response to a question from Senator Berg,

Ms. Strayhorn said that there is not a requirement in the proposed legislation to require freestanding birth centers to service a certain number or percentage of Medicaid patients. In response to a follow-up question, Ms. Strayhorn said that centers need to be given the opportunity to open in order to serve Medicaid populations, and that existing birth centers in other states serve high numbers of Medicaid patients. Senator Berg expressed concern that birth centers would be opened with the goal of serving underserved women and not fulfill that purpose and expressed a desire for a guarantee in the proposed legislation that a certain percentage of the patients at each facility have to be Medicaid patients.

Kentucky Overdose Rates

Shreeta Waldon, Executive Director, Kentucky Harm Reduction Coalition; Shameka Parrish-Wright, Executive Director, Vocal-KY; and Bryan Hubbard, Chairman and Executive Director, Kentucky Opioid Abatement Advisory Commission, presented to the commission on overdose rates in Kentucky.

Mr. Hubbard said that the Kentucky Opioid Abatement Advisory Commission awards and monitors grants to deliver prevention, treatment, and recovery services to Kentuckians afflicted by opioid use disorder and any co-occurring issues. Mr. Hubbard gave an overview of funds awarded through a multi-state settlement. So far, funds have been awarded in two rounds of grants to dozens of community organizations, who have delivered a variety of services in every county. It is also funding 2022 Senate Bill 90's Innovative Criminal Justice Reform pilot project, aimed at reducing incarceration through sentencing alternatives. In 2021, opioid-related deaths among black Kentuckians exceeded that of white Kentuckians. The Kentucky Opioid Abatement Advisory Commission has responded by engaging black community and faith leaders to build trust and create new grant opportunities.

Senator Westerfield said that he is eager to hear the Kentucky Opioid Abatement Advisory Commission's response to his requests regarding proposed research expenditures.

In response to a question from Senator Berg, Mr. Hubbard said that the \$450 million awarded to the Kentucky Opioid Abatement Advisory Commission will be paid in incremental sums over the next 15 years. In response to a follow-up question, Mr. Hubbard said that the vast majority of the \$32 million that has been received so far has been awarded.

In response to a question from Chairman Givens, Mr. Hubbard said that Kentucky is home to a series of generational pathologies that have made the Commonwealth particularly vulnerable to the opioid crisis. He added that he considers the opioid crisis to be representative of a disconnection between people and their communities as well as the divinity of human life.

Ms. Parrish-Wright said that her organization, Vocal-KY, works with individuals impacted by issues such as HIV-AIDS and the War on Drugs, and that the distribution of the opioid settlement fund should be used to provide opportunities to address over 50 years of drug policy that has resulted in high levels of criminalization and incarceration in marginalized

communities. She added that access to harm reduction services should be a key component of this model, and she requested that the General Assembly support policy that places basic needs, such as housing, and lower barriers for marginalized people to legal aid services and second chance employment.

Ms. Waldon said that harm reduction models to treat drug addiction have gained momentum, and that policies that further criminalize or punish individuals due to drug addiction and lack of access to resources within their communities cause unintentional harm to outcomes for individuals battling addiction. Drug use is often a coping mechanism for other systemic issues such as poverty, and that poverty is related to other risk factors such as food deserts and gun violence.

Ms. Waldon said that the General Assembly should investigate deaths within treatment and recovery facilities and ask them to prove their effectiveness, and emphasized that, while opioid deaths may be trending down in white communities, they are trending upwards in communities of color.

Senator Neal thanked the presenters for their clarity and powerful message.

In response to a question from Chairman Givens, Ms. Parrish-Wright said that access to transportation is a key issue facing communities as they attempt to engage in harm reduction. She added that the stories of advocates, faith leaders, healthcare providers, and others who are working in their communities to combat the drug crisis and provide care to afflicted people must be told. She said that substance abuse should be treated and regulated like alcohol abuse, and that people suffering from drug addiction should have access to the same services as those suffering from other addictions. Ms. Waldon said that addiction is not properly treated as an illness, and that due to systemic ills, individuals suffering from addiction are often thrown back into the criminal justice system due to lacking institutional support after completing treatment programs. She reiterated that drug use is typically a coping mechanism for other issues facing the afflicted individual, and that harm reduction approaches are designed to take this into account and emphasize the user's safety and relationship building between the user and their providers and communities. She also highlighted the relationship between drug abuse and systemic poverty and unemployment.

Senator Berg shared that she lost a niece to an overdose due to a dual diagnosis involving mental health that was never adequately addressed due to a lack of access.

In response to a question from Senator Berg, Ms. Waldon said that dual diagnoses are a huge problem in the communities that she has been working with. She added that she went into harm reduction, due to the fact that individuals who were successfully completing traditional treatment programs were still dying of overdoses, and that substance use disorder develops overtime as a secondary issue relating to mental health struggles. Harm reduction focuses on helping addicted individuals address basic needs such as safe usage, employment, and housing so that they have the ability and the trust built to address their addiction. Ms. Parrish-Wright added that people of color are often unable to effectively treat their mental health issues and adopt coping mechanisms, and that

highlights the necessity of harm reduction options.

Senator Berg expressed her desire for the Commonwealth to utilize more of the opioid abatement fund on preventative care.

Adjournment

There being no further business, Senator Givens adjourned the meeting at 2:30 p.m.

TASK FORCE ON SCHOOL AND CAMPUS SECURITY

Minutes of the First Meeting of the 2023 Interim

July 18, 2023

Call to Order and Roll Call

The first meeting of the Task Force on School and Campus Security was held on July 18, 2023, at 2:00 p.m. in Room 131 of the Capitol Annex. Senator Max Wise, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Scott Lewis, Co-Chair; Senator Max Wise, Co-Chair; Senator Matthew Deneen, Senator Reginald Thomas, Representative Savannah Maddox, Representative Scott Sharp, Representative James Tipton, Representative Lisa Willner.

Guests: Senator Max Wise.

LRC Staff: Yvette Perry and Maurya Allen.

Presentation of 2019 Senate Bill 1

Co-Chair Wise said the deadly school shooting at Marshall County High School in 2018 was the impetus to begin crafting legislation that eventually became 2019 Senate Bill 1. A working group was created to hold discussions throughout the 2018 interim. The group was comprised of many stakeholders and experts including mental health professionals, law enforcement, school personnel, and students.

There were three key components to Senate Bill 1: personnel, systems and structures, and a culture of student connection. In terms of personnel, the bill established that a certified school resource officer (SRO) be assigned to each school within a district. Additional changes were included in 2020 Senate Bill 8 to clarify that SROs were assigned one per campus versus one per school. It also clarified that SROs be armed with a firearm. In 2022, House Bill 63 removed the condition that SROs be hired "as funds and qualified personnel become available" and set a deadline of August 1, 2022, for all schools to comply with the law. That legislation also allowed local school districts to establish their own police department.

2019 Senate Bill 1 created the position of the State School Security Marshal within the Department of Criminal Justice Training. The Kentucky Center for School Safety and assessors from the Office of the Security Marshal set the standards for school facility security and ensure compliance through onsite investigations. Schools are also required to hire a school safety coordinator at the district-level. This individual prepares and conducts risk assessments, responds to threats, and provides training to principals

and staff.

2019 Senate Bill 1 amended existing language to enhance security through electronically locking doors, cameras, and intercom systems. Other enhanced measures included requirements for doors to be locked at all times, with some exceptions carved out in 2020 Senate Bill 8, and window coverings for use during lockdowns. Schools worked diligently to comply with the law with a goal of full compliance by July 2022.

Safety and security measures included suicide prevention awareness information being provided to all students in grades 6 through 12 as well as for staff. Active shooter training was incorporated into the professional development requirements for teachers and staff. The statute on terroristic threatening was amended in regards to false statements and enhancing penalties to deter the disruptions that false reports can cause.

To develop a culture of student connection, districts were required to employ at least one school counselor in each school. The goal is to employ one school counselor for every 250 students and for counselors to spend at least 60 percent of their time in direct services to students. There was a caveat that this would be done "as funds and qualified personnel become available." This has been difficult as there are not enough candidates entering counselor training programs and funds need to be allocated for schools to be able to hire counselors. Telehealth and other contracting options have been used to address the needs of some districts. Taking a trauma-informed approach, as recommended by the federal Substance Abuse and Mental Health Services Administration, was encouraged to create an environment of safety and stability for all students. The Kentucky Department of Education (KDE) has provided a toolkit of strategies and guidance for schools to utilize when incorporating a trauma-informed approach in local policies. Over 5,000 notifications have been made from law enforcement to school districts to inform them of a trauma event experienced by a student prior to their arrival in the classroom to better prepare staff and support the students.

Current funding levels for each area of school safety were briefly highlighted, with Co-Chair Wise stating additional funding may be required to achieve the goals of the bill going forward. The legislation has become a national model with approximately 28 states incorporating elements of the bill into their own statutes addressing school security.

Representative Tipton spoke to his experience with the working group that developed the legislation. He spoke on many things that compounded school shooting tragedies in other states have been addressed in the legislation. Hardening the target was a key feature of the bill, and Representative Tipton said he had questions regarding door locks to ask in the future discussion with Marshal Wilcox. He also said the state may need to consider additional technologies and strategies to secure schools as well as even more investment in mental health instruction and mental wellness before things are allowed to deteriorate to a state of needing intervention.

Co-Chair Wise said that looking at mental health is a major concern, especially coming out of the

pandemic, and there is not currently an understanding of what that could cost. The state may also need to investigate the best way to increase the number of qualified SROs and mental health professionals so that every school has adequate coverage.

Senator Deneen encouraged members to have conversations with local law enforcement agencies to increase collaborations and better distribute personnel and finances to ensure every school has its needs met.

Representative Willner said approximately \$7.4 million is being appropriated from the state for mental health, which comes to just over \$40,000 per district for mental health services, which is inadequate. The trauma-informed approaches are not simply for individual children, but to address the entire student body within a school and create a supportive environment for all students to be allowed to thrive. More investment needs to be made to ensure that all students, not just those in crisis, are supported.

Senator Thomas applauded the work done with Senate Bill 1 and with subsequent legislation, but they do not go far enough. Access to firearms is an issue throughout the country and a reality that needs to be addressed through red flag laws. Military style weapons should also be addressed and access to those limited in order to secure schools and communities, even if that is unpopular with some individuals.

Other Business

Co-Chair Wise said the primary focus of the group will be finance, but may also reach into other topics. He encouraged anyone who has suggestions for topics to be considered by the task force to reach out to him or Co-Chair Lewis.

Adjournment

With no further business to come before the task force, the meeting adjourned at 2:42 p.m. The next meeting of the task force will be Tuesday, August 1, 2023.

TASK FORCE ON SCHOOL AND CAMPUS SECURITY

Minutes of the Fourth Meeting of the 2023 Interim

October 19, 2023

Call to Order and Roll Call

The fourth meeting of the Task Force on School and Campus Security was held on October 19, 2023, at 11:00 AM in Room 131 of the Capitol Annex. Representative Scott Lewis, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Scott Lewis Co-Chair; Senators Matthew Deneen, Michael J. Nemes, Reginald Thomas, and Stephen West; Representatives Savannah Maddox, Scott Sharp, and James Tipton.

Guests: Adam Diersing, Senior Policy Analyst, The Center for Innovation, Council of State Governments; and Ben Wilcox, State School Security Marshal, Department of Criminal Justice Training.

LRC Staff: Yvette Perry, Peter Wright, and Maurya Allen.

Approval of Minutes - September 19, 2023

Senator Deneen made a motion to approve the minutes of the September 19, 2023, meeting. Representative Sharp seconded the motion and it passed by voice vote.

Representative Sharp welcomed Julianna Ewashko, Legislative Assistant, to the committee as a shadowing staff member.

Interstate Compact for School Psychologists

Adam Diersing, Senior Policy Analyst, The Center for Innovation, Council of State Governments (CSG), was present to discuss proposed model legislation for an interstate compact for school psychologists. The proposed interstate compact for school psychology was developed in collaboration between the CSG and the Department of Defense to allow school psychologists to move and work between states. He gave a brief overview of interstate compacts and how they function, specifically how they work with occupational licensing interstate compacts. They are not an attempt to create a national licensure, they are simply agreements to maintain and improve public health and safety and preserve state authority over professional licensing. Kentucky was one of the first states to sign on to the teacher licensing interstate compact last year. The model for a school psychologist interstate compact will closely mirror that of the teacher licensing interstate compact. Interstate compacts dramatically impact military spouses, who are a highly mobile population which has a high number of individuals in licensed professions, which prompted the Department of Defense to partner with CSG to craft these compacts.

A draft of the school psychology interstate compact model legislation was presented for public comment earlier this year and should be returned with comments by the end of this year. State requirements on a license include passing a qualifying national exam, a qualifying school psychologist exam, and completion of a minimum of 1,200 hours of supervised internship. He stated that those requirements are in line with Kentucky's licensure structure. Additionally, there is a requirement for background checks and there will not be any situation for a school psychologist to move between states and avoid a background check. For renewal, an individual must hold and maintain an active home state license, complete renewal requirements in the home state, and additional licenses automatically renew with the home state if administrative requirements are met.

Discipline and adverse action are a high priority for this population, so all discipline and revocation authority remain with the state, although there are increased requirements and authorization to share the discipline with other states. This will include data sharing with the national clearinghouse, but ownership of the data remains with the state. In the event of conflict between states, the model legislation does include a conflict resolution section. Additionally, while the adoption standard for the teacher compact was 10 states, the standard for the school psychologist compact is set at only seven states to address current shortages.

In response to a question from Representative

Tipton, Mr. Diersing said the compact would require states to participate in a baseline level of licensing for school psychology, and the baseline in the model legislation is set at the current licensing requirements in Kentucky. Currently, over 300 individuals have joined the public comment period representing over 25 states. Not all of those states would sign on immediately, but it shows there is interest in addressing this nationwide shortage.

State Marshal Annual Report Update

Prior to the presentation, Jon Akers, Executive Director, Center for School Safety, came forward to briefly introduce School Safety Week. Materials regarding school safety week have been distributed to all the schools and made available online. He distributed information regarding the school safety tip line to members and discussed how it will be promoted during school safety week.

Ben Wilcox, State School Security Marshal, Department of Criminal Justice Training, was presented the State Marshal Annual Report. The 2022-2023 annual report was released in September and the numbers show that Kentucky is doing well. In terms of access control, schools are 99.75 percent in compliance, which is very similar to last year. Many other mandates have similarly high compliance, in keeping with last year's report. The numbers are still lacking for school resource officers (SROs) and mental health professionals; however, they are improving. The ratio of mental health providers in 2020-2021 was one provider for every 328 students, for 2022-2023 there was one provider for every 306 students. Several school districts are in compliance with the statutory requirement of one provider for every 250 students, but more work remains to be done to achieve full compliance across the state.

The Kentucky Center for School Safety will release a report on November 1, including the most accurate numbers for SROs. However, there were 412 SROs in Kentucky when the School Safety and Resiliency Act was passed, and in 2023 that number has risen to 685. The report identifies that funding and lack of qualified applicants were most often stated as the reasons why schools do not have an SRO in order to comply with statute. At the moment, 466 campuses do not have a fulltime SRO.

Mr. Wilcox spoke briefly to his travels across the nation to discuss school safety and that he had recently returned from a visit to Marjory Stoneman Douglas High School in Parkland, Florida. He said it was a powerful and sobering experience. It was gratifying to learn that many of the recommendations and lessons learned from that event as well as the Marshall County tragedy were incorporated in Kentucky's school safety legislation. As such, other states are looking to Kentucky and ways to mirror our system for school safety in their states, including creation of their own state school safety marshal offices.

In response to a question from Representative Tipton, Mr. Wilcox said they are very busy at DOCJT but his department is not directly associated with basic training. He does know that there does appear to be an increase in individuals moving to the SRO program from other police forces. Roughly 20 percent of schools have also started their own police forces,

which is an increase as they were recently permitted by legislation.

Responding to a question from Senator Deneen, Mr. Wilcox said all schools now have electronically locking doors, cameras, and intercoms. Those are the minimum items needed for compliance, but some schools are going further with the inclusion of vestibules and other entry security measures.

Responding to a question from Senator West, Mr. Wilcox said metal detectors are not mandated by law. If they are implemented, they also have a host of other things to consider including rings of security and having properly trained personnel to monitor them. Some schools and families feel safer with them, but they are not a one-size-fits-all solution to school safety.

In response to a question from Representative Tipton, Mr. Wilcox said that AI and other technologies are moving forward rapidly but he urged caution to schools. Districts need to ensure any technology they implement is working and being utilized properly. School districts that utilize specific technology are encouraged to speak with other districts about what works and share best practices. Sometimes the low-tech approaches, such as locked doors and window coverings, are most critically impactful.

Adjournment

With no further business to come before the committee, the meeting adjourned at 11:42 a.m.

INTERIM JOINT COMMITTEE ON STATE GOVERNMENT

Minutes of the 1st Meeting of the 2023

Interim

June 20, 2023

Call to Order and Roll Call

The first meeting of the Interim Joint Committee on State Government was held on June 20, 2023, at 11:00 AM 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: Representative David Hale, Co-Chair; Senator Robby Mills, Co-Chair; Representative Kevin D. Bratcher, Co-Chair; Senator Karen Berg, Senator Greg Elkins, Senator Denise Harper Angel, Senator Christian McDaniel, Senator Michael J. Nemes, Senator Damon Thayer, Senator Phillip Wheeler, Senator Gex Williams, Representative Chad Aull, Representative Tina Bojanowski, Representative Adam Bowling, Representative Beverly Chester-Burton, Representative Robert Duvall, Representative Jim Gooch Jr., Representative Derrick Graham, Representative Richard Heath, Representative Samara Heavrin, Representative Keturah Herron, Representative John Hodgson, Representative Thomas Huff, Representative Mary Beth Imes, Representative DJ Johnson, Representative Savannah Maddox, Representative Steve Rawlings, Representative Josie Raymond, Representative Russell Webber, Representative Wade Williams, and Representative Susan Witten. Representative Jason

Nemes also attended.

Guests: David Eager, Executive Director, Kentucky Public Pensions Authority (KPPA); Beau Barnes, Deputy Executive Secretary of Operations and General Counsel, Teachers' Retirement System (TRS)

LRC Staff: Alisha Miller, Daniel Carter, Christina Gordley, Jennifer Hans, Alaina Spence, Shannon Tubbs, and Peggy Sciantarelli.

Member and Guest Recognition

Representative Hale and Senator Mills recognized new members of the interim committee. A moment of silence was observed in memory of deceased Representative Lamin Swann, who served on the House Elections, Constitutional Amendments & Intergovernmental Affairs Committee during the 2023 Regular Session.

Senator Thayer recognized Ms. Sydney Zakic, a high school student who is participating in the Elkhorn Crossings Law and Justice Program in Scott County.

Overview of State-Administered Retirement Systems: Administration, System Membership, Funding, and Investments

David Eager, Executive Director, Kentucky Public Pensions Authority (KPPA), discussed the three retirement systems operated by KPPA: the County Employees Retirement System (CERS), the Kentucky Employees Retirement System (KERS), and the State Police Retirement System (SPRS). His testimony included a slide presentation.

The systems have a total membership of 410,082, with pension and insurance assets totaling

\$23.1 billion as of March 31, 2023. CERS has 268,788 members (65.5 percent), KERS has 138,486 members (33.8 percent), and SPRS has 2,808 members (0.7 percent), as of June 30, 2022. KPPA's administration of the systems is governed by the KPPA board, in conjunction with the CERS board and the Kentucky Retirement Systems board that oversees KERS and SPRS.

KERS has 33,231 participating employees. The employers include P-1 state agencies, health departments, regional mental health units, universities, and Non-P1 state agencies, with a total of 325 participating employers. CERS has 89,768 participating employees and 1,122 agency employers that include boards of education, fiscal courts, cities, urban and metro government, and utility boards.

The overview charted KERS-nonhazardous and CERS-nonhazardous membership at Tier 1, Tier 2, and Tier 3 levels. KERS-nonhazardous total membership is 124,550, with 29,069 active members and 44,952 retired members—a ratio of approximately 3:5—with KERS-nonhazardous retirees being funded by a smaller number of actively employed members who are making contributions.

The overview delineated retiree pension and health benefits for KERS-nonhazardous and CERS-nonhazardous members; funded status and assets; and employer pension contribution history and special appropriations for the KERS, CERS and SPRS plans from 2015 to 2022. Tier 1 and Tier 2 are defined benefit plans. Tier 3, the hybrid cash balance plan

that resulted from passage of SB 2 in 2013, applies to members participating after January 1, 2014. As of June 30, 2022, KERS-nonhazardous pension benefits are only 18.5 percent funded; health insurance benefits are funded at 79.1 percent. Pension benefits for CERS-nonhazardous are 52.0 percent funded, and health insurance is funded at 132.1 percent.

Mr. Eager described how employer contribution rates for KERS and SPRS increased dramatically in 2018 and 2019 as a result of actuarial assumption changes in 2017. This inhibited hiring and salary increases for state employees. He reviewed KERS and CERS projected employer contributions for 2032, 2042, and 2049; asset allocation for KERS-nonhazardous and CERS-nonhazardous as of June 30, 2022; and investment performance as of June 30, 2022. If assumptions are met and full funding continues, the retirement systems will be “out of the woods” by year 2049.

He concluded his presentation with a review of recent pension milestones and fiscal year highlights. In FY 2014, Tier 3 and the Public Pension Oversight Board were introduced. Full funding was reinstated by the legislature in FY 2015. The KRS board revised economic assumptions for all pension and insurance plans in FY 2017, which resulted in pension contribution rates rising 50-80 percent. In FY 2021, passage of HB 8 allocated the unfunded liability to all KERS-nonhazardous employers, and HB 484 created the separate CERS system and the Kentucky Public Pension Authority. In FY 2022, SPRS received a \$215 million additional supplemental appropriation, and funded status grew from 31 percent to 53 percent. For FY 2023 and 2024, the legislature has approved additional supplemental appropriations of \$480 million over the biennium.

Senator Thayer briefed the committee on the significance and positives that resulted from passage of SB 2, which he sponsored during the 2013 regular session. The bill created the new Tier 3 Hybrid Cash Balance Plan, which has elements of both a defined benefit plan and a defined contribution plan; it became law to require the General Assembly to fully fund the actuarially required contribution to the retirement systems; and it created the Public Pension Oversight Board. Senator Thayer also complimented former Governor Steve Beshear for his role in developing and securing passage of the legislation. He stated that SB 2 was a major accomplishment. The retirement systems are now on a good trajectory that reflects the General Assembly's commitment to secure the retirement of state employees, and because the legislation is fiscally responsible, it was also a positive for the taxpayers.

Senator McDaniel questioned whether it might be beneficial during the budget process to strive to apply all new dollars toward the payroll side, since insurance funding is on a positive trajectory. In response, Mr. Eager stated that would be a good question to discuss with KPPA's actuary, Gabriel, Roeder, Smith & Co. (GRS).

In response to questions from Representative Bratcher, Mr. Eager stated that newly hired employees of the systems' seven university employers—which do not include the University of Kentucky and the University of Louisville—would participate in Tier 3. The tier status of system participants currently in Tier

1 and Tier 2 will not change over the years. Funded status of KERS- nonhazardous, which is currently 18.5 percent, was at its lowest in 2019 at 12.9 percent.

When asked by Representative Graham, Mr. Eager stated that the impact of early retirements on system funding is actuarially neutral. Representative Graham stated that when employees retire early, there is an accompanying loss of institutional knowledge. In his opinion, taking steps to encourage employees to work longer would have an overall positive impact. Mr. Eager added his opinion that employees being offered the flexibility of working from home is a benefit and also an incentive for them to stay on the job longer.

In response to questions from Senator Berg, Mr. Eager explained that the overall rate of investment return is currently in the 7-8 percent range, and it is the desired goal—and the statutory obligation—to fund the systems at 100 percent.

Senator Williams, noting that employees in the current generation often change jobs mid-career, questioned how employees leaving the retirement systems early might impact solvency. Mr.

Eager said that a portability factor is accounted for in Tier 3 and that solvency of the systems would not be affected.

Beau Barnes, TRS Deputy Executive Secretary and General Counsel, Teachers' Retirement System (TRS), was next to speak. His testimony included a slide presentation.

The 2022-24 biennial budget marks eight straight years of nearly full funding for the TRS annuity trust for pensions. In years 2008-2017, TRS was not receiving full funding. The biennial budget provides additional funding of over \$1.28 billion to meet actuarially required contributions to the annuity trust and to pay off the legacy unfunded liability.

The biennial budget also provides \$149 million, the full amount for the state's share for health insurance for retired teachers under the shared responsibility plan. Before 2010, retired teachers' health insurance was funded on a pay-as-you-go basis, and the Commonwealth had been voluntarily paying for almost all the cost of retired teachers' health insurance prior to 2010. The biennial budget also provides \$479.2 million to pay off liabilities for certain previously awarded benefits that had been amortized over several years.

TRS is primarily a retirement system for school teachers in 171 local school districts. Membership also includes five universities, state education agencies, and the Kentucky Community and Technical College System (KCTCS). The TRS retirement plan replaces Social Security for non-university members—about 95 percent of TRS membership. It also includes health insurance premium benefits upon retirement. University members pay into and receive Social Security benefits. Since July 1, 1994, universities also have offered optional retirement plans in lieu of TRS.

TRS has an 11-member board of trustees. All funds are held in trust to provide benefits for members. There are four account types (TRS 1, 2, 3, and 4), based on entry date into the system. As of June 30, 2022, TRS has 74,785 active members and 58,438 retirees and beneficiaries.

As of June 30, 2022, the TRS retirement annuity

trust has assets of \$24.1 billion, liabilities of

\$41 billion, and a funded ratio of 58.8 percent—the highest level within recent years. In 2022, the health insurance trust was funded at 63.7 percent, having grown quickly since shared responsibility became law in 2010. It is anticipated that the health insurance may be 100 percent funded within a few short years, depending on the rate of inflation and available federal subsidies.

State contributions to all funds constituted \$1.57 billion in FY 2022—an anomaly, because that included the previously mentioned one-time \$479.2 million payment for past benefit adjustments. Contributions from FY 2017 to FY 2021 ranged from \$1.06 billion to \$1.14 billion. In FY 2016, TRS was not receiving full funding, and contributions were only \$.56 billion.

Mr. Barnes reviewed actuarial 30-year projections for the retirement annuity trust and the health insurance trust, based on an assumed 7.1 percent investment return. By the end of FY 2047, contributions to the retirement annuity trust are expected to drop to about one-third of the cost. He also discussed investment performance for both trusts (based on unaudited returns as of March 31, 2023) and asset allocation for the trusts. The health insurance trust was established in 2010, when prefunding of retiree health insurance began.

Mr. Barnes provided a chart comparing TRS 3 and TRS 4 plans for local school district teachers. He noted that TRS 1, 2, and 3 plans are very similar. TRS 4 is a hybrid plan that is part pension and part savings account; it requires a minimum retirement age of 57. The most significant difference in TRS 4 is that the Commonwealth of Kentucky bears no responsibility for any unfunded liability that might develop in that tier. However, TRS 4 is well funded, and the actuaries do not anticipate any future unfunded liability. If funding falls below 90 percent, the board of trustees is required by statute to make adjustments to maintain funding for non-university members.

Representative Bojanowski spoke about the current teacher shortage and questioned how returning to the classroom might impact retired teachers. Mr. Barnes advised that retired teachers who are considering returning to teaching should first contact TRS so that they understand applicable federal law and all the pertinent regulations and restrictions. For example, there are earnings limitations and rules relating to breaks in service.

Senator Williams suggested that it would benefit Kentucky to attract trained teachers from other states to teach here. He asked how someone who previously taught in a system that participates in Social Security would be impacted by joining the TRS system. Mr. Barnes stated that they should reach out to TRS in advance to determine how the transition would affect their individual circumstances and Social Security earnings.

Representative Bratcher spoke about the fiduciary responsibility of the TRS board and questioned past decisions of board members to award annual cost-of-living increases (COLAs) to teachers during the years when the system was not properly funded. Mr. Barnes explained that, because the TRS system is a Social Security replacement plan, the annual 1.5 percent COLA is required by statute, and it is partially

prefunded by teachers' contributions. During good budget years TRS would request additional funding to provide COLAs over and above the 1.5 percent in order to keep track with inflation, but once funding no longer became available via the state budget, the board did not provide any unfunded COLAs.

Representative Nemes praised the actions taken by the General Assembly since 2016 to help properly fund the pensions of teachers and state and county employees. He stated that in some years, the state contributions to TRS have been greater than what is spent yearly on the state's entire court system. The General Assembly has made a massive commitment to Kentucky citizens, as well as students and people who are committed to their careers.

Representative Graham stated that policy relating to teacher retirement has been developed in a bipartisan way. Funding of the state budget in recent years has also been bolstered by federal dollars. He expressed hope that the General Assembly will continue to work together in a bipartisan way on behalf of the people of Kentucky.

Date of Next Meeting - Monday, July 24
Adjournment

There was no further business, and the meeting was adjourned at 12:52 p.m.

INTERIM JOINT COMMITTEE ON STATE GOVERNMENT Minutes of the 2nd Meeting of the 2023 Interim July 24, 2023

Call to Order and Roll Call

The second meeting of the Interim Joint Committee on State Government was held on Monday, July 24, 2023, at 11:00 AM, in Room 149 of the Capitol Annex. Senator Robby Mills, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robby Mills, Co-Chair; Representatives David Hale, Co-Chair, and Kevin D. Bratcher, Co-Chair; Senators Karen Berg, Greg Elkins, Denise Harper Angel, Amanda Mays Bledsoe, Christian McDaniel, Michael J. Nemes, Brandon J. Storm, Damon Thayer, and Gex Williams; Representatives Chad Aull, Josh Branscum, Josh Calloway, Beverly Chester-Burton, Jennifer Decker, Robert Duvall, Jim Gooch Jr., Derrick Graham, Richard Heath, Samara Heavrin, Keturah Herron, John Hodgson, Thomas Huff, Mary Beth Imes, DJ Johnson, Matthew Koch, Kimberly Poore Moser, Steve Rawlings, Josie Raymond, Nancy Tate, James Tipton, and Susan Witten.

Guests: Victor Maddox and Blake Christopher, Office of the Attorney General; Allison Ball, Lorran Ferguson, and Matt Frey, Office of the State Treasurer; John Hicks, Office of the State Budget Director; and Holly Johnson and Sam Ruth, Finance and Administration Cabinet.

LRC Staff: Daniel Carter, Shannon Tubbs, Christina Gordley, and Peggy Sciantarelli.

Audience Recognition

Representative Raymond recognized members of her family who were attending from out of town.

Approval of Minutes

A motion by Representative Johnson to approve the minutes of the June 20 meeting was seconded and passed without objection by voice vote.

Update From the Attorney General's Office (OAG)

Victor Maddox, Deputy Attorney General, gave an overview of major litigation pursued by the agency. In the Supreme Court, the OAG is defending SB 3 and HB 2, redistricting legislation enacted during the 2022 Regular Session. After a trial in Franklin Circuit Court in April 2022, the Supreme Court accepted transfer of the appeal in that case, and it will be argued on September 19, 2023. The office is currently defending in the U.S. Sixth Circuit Court of Appeals the challenge to 2023 RS SB 150; an Act relating to children. The Sixth Circuit Court issued a stay of a similar case passed in Tennessee and consolidated Kentucky's case with the Tennessee case. That case will be argued within the next six weeks and should be decided by September 30.

The OAG has successfully defended the legislature's passage of the Human Rights Protection Act and the fetal heartbeat law. In June 2022, the Jefferson Circuit Court issued an injunction, and on August 1 the OAG obtained a stay of that injunction from the Court of Appeals. The Supreme Court issued an opinion ruling that the challenge to that law did not have what is called "third party standing," and Planned Parenthood abortion providers voluntarily dismissed their case.

The OAG is defending SB 7 in Franklin Circuit Court, Division 1. SB 7 prevents the automatic payroll deduction for payment of labor organization dues and political contributions. A similar challenge to the law was brought in the Jefferson Circuit Court, and the OAG intervened in that case. The OAG is defending the challenge to the constitutionality of the Kentucky public charter school law; the constitutionality of 2022 RS SB 1, relating to the authority of the Jefferson County School Board to manage its day to day operations; the challenge to 2021 RS HB 563, which created the educational opportunity pilot program; the "gray machine" legislation, which is being challenged as unconstitutional in Franklin and Jefferson Circuit Courts; and a challenge to 2023 RS SB 126, which would allow a change of venue whenever the constitutionality of a statute is challenged—cases that are currently heard in Franklin Circuit Court.

The OAG has recently issued an opinion to address what is considered flawed guidance issued by the Kentucky Department of Education regarding interpretation of 2023 RS SB 150. The opinion addresses the state law provisions, and the premise that school boards that follow the law would be violating federal law under Title IX.

The OAG has been implementing settlements in the opioid litigation cases and has confirmed settlements to bring more than \$840 million to the Commonwealth—which is evenly split between the State Treasury and local governments. Many of those cases were filed by the previous administration, but

three additional cases were brought after Attorney General Cameron took office. The case against CVS settled for \$940,500,000 and the suit against Allergan was settled for almost \$49 million. The OAG negotiated with Walmart without filing a lawsuit and settled that case for \$53.5 million. The work of the Kentucky Opioid Abatement Advisory Commission is ongoing. There has been one round of awards, with another round expected in September. If the case involving Purdue Pharma is affirmed by the 2nd Circuit Court of Appeals, another \$50 million will be coming to Kentucky. There are also other cases being negotiated.

The OAG has obtained a stay of the Biden administration's "good neighbor rule," which would have imposed a federal rule, through the EPA, rejecting the state's implementation plan, adversely affecting the state. They have also obtained a stay of the Biden administration's "waters of the United States" rule, which would diminish the Kentucky General Assembly's power to pass laws and rules and regulations governing Kentucky waters and adjacent lands. A ruling is yet to come on the merits of that case.

The OAG has had some success in its challenge to the "net zero priorities" that are being imposed at the federal level with the purpose of eliminating the use of fossil fuels. Altogether, the OAG has either filed or joined more than 25 lawsuits against rules and regulations of the Biden administration.

Since Attorney General Cameron has been in office, the consumer protection office has investigated 7,414 price gouging complaints. States of emergency that have been in place either throughout the Commonwealth or in select counties since March 2020—relating to the pandemic, tornadoes, flooding, and the winter storm of December 2022—are still in effect and have led to price gouging complaints. After the tornadoes in western Kentucky, the OAG was instrumental in the creation of a contractor registration program in the affected counties to ensure that local residents would be dealing with approved reputable contractors. The counties involved were Graves, Caldwell, Hopkins, Muhlenberg, and a few others. The Office of Senior Protection has handled over 8,400 cases involving consumer complaints. That office alerts people to scams and helps avert problems that target seniors.

Concluding his remarks, Mr. Maddox stated that the OAG appreciates the support of the legislature. The agency budget was increased by about \$3 million from 2022 to 2023. The funds have been used to hire more staff, to open offices in London and the Bowling Green area, and to create a renewed presence in the Prestonsburg office. Needed additional staff have been assigned to the Jefferson County office.

Blake Christopher, OAG Senior Counsel, discussed the current legislative priorities of the agency. They are proposing to amend language in KRS Chapter 446, relating to interpretation of statutes, to more accurately reflect legislative intent. Some legislators are now working on draft legislation to that effect.

KRS 15.291 and 15.293 may need to be amended to provide a plan for dispersal of funds that Kentucky receives from opioid settlement cases that are

currently in bankruptcy proceedings and to ensure that Kentucky meets necessary qualifications for receipt of those monies.

The OAG has received considerable feedback regarding construction of solar farms by utilities. KRS Chapter 100 provides that a utility can declare eminent domain and bypass local government approval, whereas private entities wanting to create a solar or wind farm are required to get local government approval. There may be an opportunity to amend the statutes to protect the amount of developmental land in small towns that may become subject to solar and wind farms in the future and provide for local government control in those areas.

In response to Representative Bratcher, Mr. Maddox stated that he does not know the specific number of cases currently before the Supreme Court—or which case has been there the longest. He believes there are at least a dozen cases and that four are scheduled for argument by the end of September. Representative Bratcher expressed concern and dissatisfaction regarding the length of time the Supreme Court is taking to decide cases, with some cases potentially being before the court longer than a year.

Update From the Kentucky State Treasury

Allison Ball, State Treasurer, gave an overview of activities in the State Treasury during her term of office. She was accompanied by Lorrann Ferguson, Deputy State Treasurer and Chief of Staff, and Matt Frey, the Treasury's Communications Director and Policy Advisor.

Ms. Ball described her role's core function as a "watchdog" to assure that bills get paid in the Commonwealth. This includes taking care of bank deposits for the Commonwealth; dealing with federal, state, and local tax withholding for state employees; recording, monitoring, and reconciling all transactions in the state depository and checking account; and dealing with financial aspects relating to various state boards. Unclaimed property has been a primary focus for her. The Treasury has returned \$168 million in unclaimed property while she has been in office, with \$89 million returned during her first term. The process has been modernized and made more efficient, always while monitoring for possible fraud or other problems. Handling of smaller claims has been sped up considerably. Kentucky is the first state in the country to determine how to handle unclaimed cryptocurrency and is now a model for the nation. The Treasury has been able to stop a variety of attacks on the Commonwealth and received national attention for stopping a \$5 million sophisticated fraud attempt.

Ms. Ball stated that, in partnership with the state of Ohio, she launched Stable Kentucky, a savings and investment program for people with disabilities. The program has about 1,000 participants. She discussed her efforts and support for legislation that created the Kentucky Financial Empowerment Commission (KFEC) and legislation that made a financial literacy course or program a high school graduation requirement. The KFEC is fully supported by the private sector. Through the Treasury's work with the KFEC, a free program is available for high schools in the Commonwealth to teach financial literacy.

KFEC also provides financial literacy training to local governments and other groups throughout Kentucky.

Ms. Ball stated that countering the environmental, social, and governance investment practices (ESG) movement in order to protect investments in the Commonwealth has been a major initiative. She has worked with the Attorney General to clarify that it is illegal in Kentucky to invest in ESG. During the 2022 Regular Session, the General Assembly enacted SB 205, relating to state dealings with companies that engage in energy company boycotts—often referred to as the fossil fuel boycott bill. Kentucky is now the strongest anti-ESG state in the union.

Ms. Ball discussed her recommendations for the future. She stated that the Kentucky Financial Empowerment Board's presence in the Federal Reserve receives support from the St. Louis Federal Reserve but, hopefully, will also be provided support from the Cleveland Federal Reserve. Currently, the Treasury has statutory authority to issue administrative regulations only relating to unclaimed property. She suggested that the Treasury should be given authority to issue regulations relating to its other operations, which are now governed only in internal policy. She believes it would be worthwhile in the future to create an unclaimed property trust fund for receipt and investment of unclaimed property monies received in the Treasury.

Ms. Ball noted that, as Treasurer, she serves on the boards of the Deferred Compensation Authority, the Kentucky Financial Empowerment Commission, the Kentucky Lottery, the State Investment Commission, the Kentucky Asset Liability Commission, and the Teachers' Retirement System.

Senator McDaniel complimented Ms. Ball for her work—especially in the area of unclaimed property—and for helping the Treasury to become more financially independent.

Representative Aull stated that he had worked for a former state treasurer in the area of unclaimed property for many years. He asked about the total amount currently in the unclaimed account. Ms. Ball stated that it is approximately \$800 million and was probably a little over \$500 million when she became Treasurer.

When Representative Tipton asked Ms. Ball for her perspective relating to the Teachers' Retirement System (TRS) unfunded liability, she stated that it is in better shape now than before she became a board member. She believes that TRS is now on good footing and that the commitment of the General Assembly has been a major contributing factor.

Representative Decker referred to Ms. Ball as a "superstar" among state treasurers. She stated that she was glad to see that confirmed by others when Ms. Ball was recognized for her accomplishments at a meeting of the Association of State Treasurers.

There were no additional questions, and discussion concluded.

Overview of the Capitol and Annex Renovations

The guest speakers were John Hicks, Secretary of the Governor's Executive Cabinet and State Budget Director; Holly Johnson, Secretary of the Finance and Administration Cabinet; and Sam Ruth, Commissioner, Department for Facilities and Support

Services, Finance and Administration Cabinet.

Mr. Hicks stated that \$287 million is the overall cost of the project to renovate the state capitol. Of that amount, \$260 million was appropriated in the two-year budget passed by the General Assembly in 2022. Earlier elements of the project—mechanical and electrical upgrade design and exterior renovation of the dome—were funded from prior budgets. EOP and NPDP are the architectural and engineering firms selected for the project. Design of the full project is well underway and should be completed by February 2024, with construction bids to be let in the spring of 2024. Completion of the entire project is estimated to take 3½ years.

Secretary Johnson stated that the Finance and Administration Cabinet began preliminary discussions earlier this year with current occupants of the Capitol Building—the Governor's Office, the Secretary of State, the Attorney General, Court of Justice, and LRC—about the process and timing of relocating during construction. Discussions will continue as the plans are finalized. The Finance and Administration Cabinet is examining relocation options to meet the space needs of the Capitol building occupants. This will likely involve the leasing of privately owned space, with concrete dates and locations yet to be determined. The sequence of construction projects will impact the timing for moving the Capitol occupants.

Mr. Hicks advised that the project budget will cover the additional costs for leased space that will be needed. The architectural firm and the Finance and Administration Cabinet are considering various options to accommodate meetings of the General Assembly during construction. The judicial branch is also considering options to accommodate the needs of the Court of Justice.

In response to questions from Senator Mills, Mr. Hicks commented that the start of the 3½ year construction period would commence after bids are let in the spring. Mr. Ruth stated that contractors were chosen through the usual bidding process. He does not recall whether there were multiple bidders but agreed to get that information for Senator Mills.

Discussion concluded and Senator Mills thanked the speakers. He announced that the next meeting of the committee would be at the State Fair on Thursday, August 24. The meeting was adjourned at 11:52 a.m.

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

Minutes of the 2nd Meeting of the 2023 Interim

July 31, 2023

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Tourism, Small Business, and Information Technology was held on Monday, July 31, 2023, at 1:00 PM, in Room 149 of the Capitol Annex. Representative Phillip Pratt, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Max Wise, Co-Chair;

Representatives Kim King, Co-Chair, and Phillip Pratt, Co-Chair; Senators Gary Boswell, Shelley Funke Frommeyer, Denise Harper Angel, Robby Mills, Brandon J. Storm, Phillip Wheeler, and Mike Wilson; Representatives Chad Aull, Shane Baker, Ryan Dotson, Daniel Fister, Deanna Frazier Gordon, Chris Fugate, Daniel Grossberg, Richard Heath, Candy Massaroni, Shawn McPherson, Michael Sarge Pollock, Brandon Reed, Rachel Roberts, Sarah Stalker, Ashley Tackett Laferty, Nancy Tate, Timmy Truett, Bill Wesley, Richard White, Nick Wilson, and Susan Witten.

Guests: Ben Kaner, Senior Director Analyst, Gartner; Alicia Schollaert, Client Executive for the Americas Public Sector, Gartner; and Bob Babbage, Founder, Babbage Cofounder.

LRC Staff: Janine Coy, Crystal Thompson, Eric Rodenberg, and Sasche Allen.

Approval of Minutes

A motion to approve the minutes of the June 22, 2023 meeting was made by

Representative Fister, seconded by Representative King, and approved by voice vote.

Generating Change: The Power of AI in Government

Ben Kaner, Senior Director Analyst for Gartner, Alicia Schollaert, Client Executive for the Americas Public Sector at Gartner, and Bob Babbage, Founder of Babbage Cofounder, gave a broad overview of how generative artificial intelligence can benefit government agencies. Gartner serves 1160 state and local governments organizations through inquiries held yearly with Gartner experts; document assessment; Gartner Peer Connect views; and framework, template, and tool assessments. Mr. Kaner explored the range, use, and power of artificial intelligence and gave several examples of how it could be utilized by state and local governments across the state including text generation, text analyses, translation, and question answering. Artificial intelligence could in turn be used for managing an agency's mission, improving office procedures, optimizing information technology programing, engaging citizens, and improving operations. Gartner's role includes appraising how businesses can benefit from generative artificial intelligence capabilities, aggregating value, and ensuring feasibility. Mr. Kaner gave recommendations for government agencies using generative artificial intelligence such as exploiting drivers behind policy, prioritizing initiatives, mitigating risks, and monitoring potential threats.

Representative King made comments regarding the potential for utilizing artificial intelligence in the future. Ms. Schollaert acknowledged the risks of using this technology but gave an example of the U.S. military utilizing generative artificial intelligence that has a 92 percent success rate.

Addressing comments made by Representative Dotson, Mr. Kaner confirmed that artificial intelligence is far from exhibiting human emotions, and it is the human control and interaction that should be monitored closely. This must be considered when assessing risks.

Representative Pratt made remarks about artificial

intelligence unknowingly being used and cautioned the members about biases.

Senator Funke Frommeyer made comments about artificial intelligence being used in the education sector. Ms. Schollaert stated that 51 percent of teachers have reported using generative artificial intelligence, and Mr. Kaner added that the applications can be endless but there must be parameters.

Replying to Representative Massaroni, Mr. Kaner discussed data mining and confirmed that artificial intelligence can be programmed to not store identifiable information.

Representative Grossberg commented on the future of artificial intelligence and the potential benefits.

There being no further business before the committee, the meeting adjourned at 2:12 p.m.

INTERIM JOINT COMMITTEE ON TOURISM, SMALL BUSINESS, AND INFORMATION TECHNOLOGY Minutes of the 5th Meeting of the 2023

Interim

October 26, 2023

Call to Order and Roll Call

The fifth meeting of the Interim Joint Committee on Tourism, Small Business, and Information Technology was held on October 26, 2023, at 1:00 PM in Room 149 of the Capitol Annex. Senator Max Wise, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representatives Kim King Co-Chair; Phillip Pratt Co-Chair; Senator Max Wise Co-Chair; Senators Shelley Funke Frommeyer, Robby Mills, Brandon J. Storm, Reginald Thomas, Phillip Wheeler, and Mike Wilson; Representatives Chad Aull, Shane Baker, Ryan Dotson, Daniel Fister, Deanna Frazier Gordon, Chris Freeland, Chris Fugate, Daniel Grossberg, Richard Heath, Candy Massaroni, Shawn McPherson, Brandon Reed, Rachel Roberts, Sarah Stalker, Nancy Tate, Bill Wesley, Richard White, Nick Wilson, and Susan Witten.

Guests: Thomas Sullivan, Vice President of Small Business Policy, U.S. Chamber of Commerce; Charles Aull, Executive Director, Kentucky Chamber Center for Policy and Research; John Cox, Director of Public Affairs, Kentucky Chamber of Commerce; and Dave Hatter, Cybersecurity Consultant, Intrust IT.

LRC Staff: Janine Coy, Helen McArthur, Eric Rodenberg, Crystal Thompson, and Sasche Allen.

Approval of Minutes

A motion to approve the minutes of the September 28, 2023, meeting was made by Representative Fister, seconded by Representative Fugate, and approved by voice vote.

Challenges and Opportunities for Small Businesses in Kentucky – Data from Employer Surveys Presenters

Thomas Sullivan, Vice President of Small Business Policy for the U.S. Chamber of Commerce, provided a national perspective on challenges and

opportunities for small businesses, an overview of how small business owners view the economy, and identified legislative priorities.

Research shows, 66 percent of small business owners are confident in businesses' health; 72 percent are comfortable with their cash flow; and 71 percent anticipate higher revenues in the next 12 months. Conversely, 43 percent of small business owners polled have a negative outlook on the national economy, and 52 percent rank inflation as their biggest challenge. Wage hikes are reported as the top inflationary concern. Mr. Sullivan outlined the U.S. Chamber's Small Business Bill of Rights and highlighted available digital resources for small business owners.

In response to comments made by Senator Wheeler regarding border security, immigration, and offshoring, Mr. Sullivan said the U.S. Chamber has major concerns about businesses expressing the need for qualified workers, and immigration reform plays a pivotal role in addressing the issue. The U.S. Chamber is committed to supporting immigration reform in conjunction with increased border control.

Answering a question from Senator Thomas, Mr. Sullivan stated he is not in favor of directing lending by the U.S. Small Business Administration. In response to a follow up, he explained the U.S. Chamber's small business marketing practices and digital platforms.

Replying to questions from Representative King, Mr. Sullivan provided further information on the U.S. Chamber's Small Business Bill of Rights. He said the list was initially intended for members of Congress and derived from responses from small business owners across the country.

Addressing Representative Pratt, Mr. Sullivan discussed the H-2B Program and said the changing caps and lottery system do not offer employers certainty. He said the U.S. Chamber advocates for changes to the program. Replying to follow up questions, he agreed that small businesses are facing major inflationary challenges and spoke about the Waters of the United States rule.

Responding to Representative Roberts, he said the U.S. Chamber uses the federal definition to define a small business which is 500 employees or less. Addressing follow up questions, he discussed the increase in bankruptcy filings among small business owners.

Answering questions from Representative Grossberg, Mr. Sullivan gave details about the group of small business owners that assisted in comprising the Small Business Bill of Rights and spoke about the unfair advantage that large businesses may have compared to small businesses and unintended consequences of federal policies.

Charles Aull, Executive Director of the Kentucky Chamber Center for Policy and Research, presented information on the chamber's partnership with the Sienna College Research Institute which surveyed businesses across the Commonwealth. The survey included questions on the economy, business decisions, public policy, and government. The survey provided responses on the challenges facing Kentucky employers and how they view state and federal government.

In response to Representative Baker, Mr. Aull spoke about the potential for government to create opportunities for small businesses and the barriers that can be formed by federal regulations. Answering a follow up, he acknowledged that the statistics presented offer a broad narrative.

Addressing Representative Stalker, Mr. Aull stated that of the 300 businesses surveyed, 30 percent were nonprofit organizations and discussed how nonprofit employers compete in wage growth.

Replying to questions asked by Representative Grossberg, Mr. Aull spoke about individual income tax reform and expanding the sales tax base in a way that does not negatively impact small businesses.

In response to Senator Mills, Mr. Aull stated, in the context of the survey, a small business is defined as 100 employees or less and discussed the uncertainty that small businesses have in the current economic climate.

The Threat of Cyberattacks on Our Nation's Critical Infrastructure

Dave Hatter, a cybersecurity consultant with Intrust IT, gave a presentation on cybersecurity attacks and the need to protect information and systems from unauthorized access, use, disclosure, disruption, modification, or destruction. Cybersecurity involves implementing a range of technical, administrative, and physical controls to safeguard against potential threats and vulnerabilities. He explained ways to protect against cybersecurity attacks that included education, best practices, incentives, and regulation.

Answering questions from Senator Wise, Mr. Hatter discussed the private sector owning critical infrastructure and said government officials will need to incentivize good cybersecurity practices.

Responding to Senator Wheeler, he further discussed offering incentives for good practices, the potential risks for smaller or more rural communities for a cyberattack, decoupling software from other countries' control, and autonomous vehicles.

Adjournment

There being no further business before the committee, the meeting adjourned at 2:55 p.m.

INTERIM JOINT COMMITTEE ON TRANSPORTATION Minutes of the 1st Meeting of the 2023

Interim

June 6, 2023

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Transportation was held on June 6, 2023, at 1:00 PM in Room 149 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 John Blanton, Co-Chair; Senator Karen Berg, Senator Robby Mills, Senator Brandon Smith, Senator Johnnie Turner, Senator Phillip Wheeler, Senator Mike Wilson, Senator Gex Williams,

Representative Josh Branscum, Representative Randy Bridges, Representative Jonathan Dixon, Representative Daniel Elliott, Representative Ken Fleming, Representative David Hale, Representative Keturah Herron, Representative John Hodgson, Representative Thomas Huff, Representative Mary Beth Imes, Representative Derek Lewis, Representative Bobby McCool, Representative Amy Neighbors, Representative Ruth Ann Palumbo, Representative Rachel Roberts, Representative Tom Smith, Representative Ashley Tackett Laferty, Representative Walker Thomas, Representative Ken Upchurch, Representative Bill Wesley, and Representative Wade Williams.

Guests: Jim Gray, Secretary, Kentucky Transportation Cabinet (KYTC); John Moore, Assistant State Highway Engineer, KYTC; Justin Harrod, NEVI Project Manager, KYTC; Matt Cole, Commissioner, Department of Vehicle Regulation, KYTC; Tom McDaniel, Division Director, Department of Vehicle Regulation, KYTC; and Mary Cook, Assistant Director, Department of Vehicle Regulation, KYTC

LRC Staff: John Snyder, Dana Fugazzi, Ashley Nash, and Christina Williams.

Prior to entering into the agenda, the committee recognized former Representative Lamin Swann, who passed away in May. After comments from Co-Chair John Blanton and Representative Roberts, a moment of silence was observed in his memory.

Chairman Higdon also welcomed 12 new members of the Interim Joint Committee on Transportation, including Co-Chair Blanton.

Update on Major Projects and Issues facing KYTC

Jim Gray, Secretary, KYTC, updated the committee on major projects and issues facing KYTC. The cabinet has diligently started implementing the 2022-2024 Biennial Highway Plan. More than 30 percent of planned project funding commitments have been accomplished thus far in the biennium. The KYTC works to assign funding for the various project phases as quickly as project development allows, with the goal of getting projects to construction letting. The KYTC is working to deliver an annual construction program that approaches or exceeds \$1 billion each year.

As of April 2023 for calendar year 2023, there have been 247 projects awarded, worth \$380.5 million. At the same point in CY 2022, there were 282 projects awarded, worth \$415.2 million. For all of CY 2022, there were 674 projects awarded at just under \$1.2 billion, putting the cabinet slightly behind last year's pace, however, the Brent Spence Bridge Corridor Project design-build contract is on the horizon.

Secretary Gray gave an update on three mega projects. Approximately 70 percent of the Mountain Parkway is under construction or has been completed. Magoffin County West is under construction and is expected to be completed in 2024, which includes several bridges and culverts being built in that segment. The Wolfe County segment has been under construction for approximately one year, with nearly one million cubic yards of earth moved. Construction will be ongoing all summer in Wolfe and Magoffin counties. Morgan County, Magoffin County Central,

and Salyersville Restaurant Row segments have all been completed. The Magoffin-Floyd Section is currently under development as a design build project, and preconstruction work will continue this summer. The KYTC hosted a public meeting in February to showcase the preferred option for the extension from Magoffin to Floyd counties. The goal is to release the final request for proposal (RFP) in June 2023, and award the project later in the summer.

When I-69 is completed nationally, it will be a north-south corridor to move people and products from Canada to Mexico. The I-69 corridor is the final connection of I-69 between Evansville, Indiana, and Henderson, Kentucky. Section one of the project, on the Kentucky side, will extend I-69 by six miles and will include three new interchanges at KY 351, U.S. 41, and U.S. 60.

Construction on the Kentucky approach began in 2022 and is now entering its second full construction season. The Indiana approach begins construction early next year.

Kentucky and Indiana are currently working on a bi-state development agreement, that will outline responsibilities of financing, construction, and operations and maintenance of the river crossing. The states are also prepping for the next round of grant requests to supplement financing, providing an opportunity to accelerate the river crossing, which is currently planned to begin in 2027.

Regarding the Brent Spence Bridge Corridor Project, Kentucky and Ohio are negotiating grant agreements (\$1.635 billion in total) with the Federal Highway Administration (FHWA). The KYTC is working diligently with FHWA to accelerate the planning/environmental update that confirms that the 2012 record of decision, with refinements, is still valid. The KYTC is negotiating contractual terms with a potential design-build team. The design-build team's first task in 2023 is to look at further refinements that will reduce costs and meet project goals. They will also complete the bridge type selection process during this time. The project team has been actively encouraging businesses and individuals to prepare for job opportunities with this project.

Secretary Gray briefed the committee on disaster relief in Eastern Kentucky. Currently 41 bridges have been replaced and 35 others have been repaired. In the first phase of debris cleanup, contractors picked up nearly 490,000 tons of debris from roadsides and streams. In the second phase, contractors have picked up debris from private property that could not be moved to the roadside. Property owners requested this service through fiscal court. In the latest phase, contractors are beginning demolition of property that was irreparably damaged. In both Eastern and Western Kentucky, the Transportation Cabinet aided disaster victims with emergency shelter through fleets of travel trailers. KYTC crews are now decommissioning travel trailers as families make the transition to permanent housing, cleaning the units, and storing them for future use.

Co-Chair Blanton expressed his excitement for the progress and soon to be completion of the Mountain Parkway and commended KYTC on the quality of work they do all across the state.

In response to a question asked by Co-Chair

Blanton concerning the Brent Spence Bridge, Secretary Gray stated he hopes the probable design changes on the Ohio side will not impact the Kentucky side of the project. He added the design efforts always involve attempting to obtain the best value for every dollar, and part of that is examining the size of the actual bridge crossing itself and the number of lanes needed. Secretary Gray stated he is optimistic that the issues will be worked through.

Senator Mills praised the work on I-69, but voiced concern for the traffic congestion around the Bi-State Vietnam Gold Star Bridges. In response to a question by Senator Mills, Secretary Gray stated he is thankful the relief effort trailers were not already decommissioned between the two major disasters in Western and Eastern Kentucky, and those trailers will continue to be stored so they will be available for future use.

Chairman Higdon reminded the members that the Road Fund was not overprogrammed this year and every project has the possibility of being built. He added if a project is not built it will not be because of funding, except for possible inflation issues.

In response to a question asked by Chairman Higdon, Secretary Gray stated many of the projects that have been awarded, have been at or below the engineers estimate. He added they are adjusting the estimates for current inflation conditions, and should be able to meet the plans utilizing current funds.

In response to a question asked by Representative Tackett Laferty with regard to debris removal in Floyd County, John Moore, Assistant State Highway Engineer, KYTC, stated Floyd County has not been identified as a county that has a large amount of debris in need of removal. However, Secretary Gray stated to contact KYTC if at any time help is needed for debris removal.

Update on the State's NEVI Plan

John Moore, Assistant State Highway Engineer, KYTC; and Justin Harrod, NEVI Project Manager, KYTC gave an update on the Kentucky Electric Vehicle (EV) Charging Program. The federal funds for the EV infrastructure resulted from the 2021 Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL) which funded the National Electric Vehicle Infrastructure (NEVI) Program. Over five years, the NEVI Program includes \$5 billion in formula funds, of which Kentucky's share is \$69.5 Million, and \$2.5 billion in discretionary grant funds, which are competitive grants open to all states.

The EV Charging Program Plan will be updated summer 2023, once the United States Department of Transportation (USDOT) issues further guidance. Updates are expected to enhance contracting, continued stakeholder engagement, equity, and cybersecurity. The update will secure \$1.5 million for Fiscal Year (FY) 2024; this is in addition to the first \$25 million in NEVI formula program funds for FY 2022 and 2023 that was secured when the initial plan was filed last year.

The parameters of the NEVI program initially restricted the use of formula funds to the Alternative Fuels Corridors (AFCs), which in Kentucky are interstates and parkways. It is required that the AFCs

have charging stations every 50 miles, are within one mile from the corridor, have at least four 150 Kilowatt (KW) direct current (DC) fast charging ports, and are open to the general public 24 hours a day, seven days a week. The KYTC will not own, operate, or maintain any Direct Current Fast Charging (DCFC) station locations. The industry partners will be responsible for the construction and installation of the stations, ownership, operations, and maintenance of the stations.

Based on a cost estimate of \$1.8 million per site (construction and five years of operations and maintenance), \$1.44 million in construction costs will be utilized after the notice to proceed to construct the station. Of that figure, \$1.15 million of that would be the 80 percent maximum federal share match, with the site developer putting up the remaining \$290,000 (20 percent).

There will then be \$360,000, based on the same 80/20 cost split, which will be used to operate and maintain each site over the first five years. The final RFP release date is anticipated for June 2023. Kentucky is expected to be about among the first 10 to 15 states to issue its RFP.

The Charging and Fueling Infrastructure (CFI) Discretionary Program has two categories: Corridor Programs and Community Programs. To date, several Area Development Districts and cities have filed Community Program grant applications. These applicants have requested letters of support from the KYTC.

Chairman Higdon requested members the committee staff to receive a copy of the RFP once it is issued.

In response to a question asked by Senator Mills, Mr. Moore stated the goal is for there to be an approximate charge time of 30 minutes at these charging stations.

In response to a question by Senator Mills, Mr. Harrod stated there has been a mixture of entities that have shown interest in charging stations including utilities, petroleum marketers, and the private industry. Senator Mills voiced his concern of the dismantling of the convenience store industry with the roll out of charging stations.

In response to a question asked by Representative Hodgson, Mr. Moore stated the program is laid out for federal funds to be matched with local and private funds, it is not anticipated that any Road Fund or Kentucky taxpayer dollars will be used to deploy the charging stations.

In response to a question asked by Representative Williams, Mr. Moore stated, to date, there have been no concerns about the availability of electricity to support the stations, partially because the construction and utilization of the stations will be gradual.

Update on Vision Testing for Driver's License Renewal (Eff. 7/1/24)

Matt Cole, Commissioner, Department of Vehicle Regulation, KYTC, updated the committee on vision testing for Driver's License Renewal. The KYTC Vision Testing Work Group includes the Commissioner's Office of Department of Vehicle Regulation, Division of Driver Licensing, Office of Information Technology, KYTC Legal Team,

Medical Review Board Staff, and the Kentucky State Police. The mission of the work group is to create streamlined regulations and process to meet the July 1, 2024, implementation date to efficiently and effectively carryout vision testing in driver licensing online renewal process.

The work group is drafting vision testing regulations. The KYTC screening process needs to be equal to the current Kentucky State Police process for new drivers. The creation of a vision testing form for Kentucky optometrist and ophthalmologist is also being drafted. The work group is researching vision testing equipment for regional driver licensing offices and county popup events. The group also must confirm that regulations match the capability of vision testing equipment prior to ordering. The group works with Kentucky State Police and vendors to confirm setup and configuration times. The online renewal continuation plan will require an applicant to upload a vision screening form to renew online, and a manual review process for KYTC staff will be put in place.

The working group is also developing materials and a timeline to train staff to ensure successful vision testing by the July 1, 2024, launch, which includes ordering equipment and having it delivered, installed, configured, and calibrated so training can begin and go-live is successful.

The working group has ongoing communications with lawmakers, eye doctors, state agencies, and Kentucky residents.

In response to a question asked by Chairman Higdon, Commissioner Cole stated they will be ready to implement this by the July 2024 date.

In response to a question asked by Co-Chair Blanton, Commissioner Cole stated optometrists are involved in this process.

In response to a question asked by Senator Turner, Commissioner Cole stated citizens can receive the eye test the same day as they take their driving test, or they can provide a vision testing form from their eye specialist. Commissioner Cole stated at this time there is not a plan to charge for the eye exam if it is given by KYTC.

In response to a question asked by Chairman Higdon, Commissioner Cole stated prior to the Kentucky legislation passing, there were 17 states that did not do vision testing upon license renewal, but that number continues to dwindle.

Fee Structure for Overweight / Over dimensional Permits

Matt Cole, Commissioner, Department of Vehicle Regulation, KYTC; Mary Cook, Assistant Director, Department of Vehicle Regulation, KYTC; and Tom McDaniel, Division Director, Department of Vehicle Regulation, KYTC, gave an update on the fee structure for overweight / over dimensional permits. In Kentucky, the movement of any load operating on our Interstates or designated highways with a gross weight over 80,000 pounds, over 13'6" high, or over 8'6" wide requires an overweight over dimensional (OWOD) permit. Kentucky offers eight different OWOD annual permits which includes unlimited moves for one year. Also offered is two single trip permits that allows for one move in a ten-day time frame. There were 91,017 permits issued in FY 2022

and total Road Fund revenue collected of \$8,165,490.

The online system has made the OWOD permitting process more efficient for the customer who has 24 hours a day, seven days a week access, auto-issuance limited to specific routes, and access to electronic permits. Staffing for the OWOD system includes a permit system that houses all functionality under one platform including routing, a restriction manager, a payment engine, and reporting.

A chart was provided that compared surrounding state's permit fees to Kentucky's single trip permit fee of \$60 to \$100 and the annual permit fee of \$80 to \$1,500. Some other states included a per mile fee, cents per ton fee, bridge fee, damage fee, or application fee.

At the urging of Chairman Higdon, Commissioner Cole stated the KYTC would put together an example showing comparisons of the cost of various sample permit trips in each state so a more focused comparison in price could be made.

Senator Mills called attention to aggressive ticketing in neighboring states of OWOD situations. Ms. Cook stated that problem would be best addressed with enforcement.

In response to a question asked by Co-Chair Blanton, Ms. Cook stated the average turnaround on an OWOD permit could be instantaneous, or a couple of hours. She clarified that if a load is considered a super load, that process could take up to 10 days to receive a permit. In response to a follow-up question, Ms. Cook stated employees are now working back in the office, not at home.

Adjournment

Chairman Higdon adjourned the meeting at 2:26 P.M.

INTERIM JOINT COMMITTEE ON TRANSPORTATION

Minutes of the 2nd Meeting of the 2023

Interim

July 18, 2023

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Transportation was held on July 18, 2023, at 1:00 PM in Room 149 of the Capitol Annex. Representative John Blanton, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative John Blanton, Co-Chair; Senator Jimmy Higdon, Co-Chair; Senator Karen Berg, Senator Brandon Smith, Senator Johnnie Turner, Senator Gex Williams, Senator Mike Wilson, Senator David Yates, Representative Josh Branscum, Representative Randy Bridges, Representative Daniel Elliott, Representative David Hale, Representative Samara Heavrin, Representative John Hodgson, Representative Thomas Huff, Representative Mary Beth Imes, Representative Bobby McCool, Representative Ruth Ann Palumbo, Representative Tom Smith, Representative Walker Thomas, Representative Ken Upchurch, Representative Bill Wesley, and Representative Wade Williams.

Guests: Jim Gray, Secretary, Kentucky Transportation Cabinet (KYTC); Kenny Bishop, Legislative Director, KYTC; John Moore, Assistant State Highway Engineer, KYTC; James Ballinger, State Highway Engineer, KYTC; Jason Siwula, Assistant State Highway Engineer, KYTC; Deneatra Henderson, Chief District Engineer, District 2; Joe Plunk, Chief District Engineer, District 3, KYTC; Jeremy Edgeworth, Freight, Rail and Waterways Coordinator, Division of Planning, KYTC; Jon Johnson, Assistant General Counsel, KYTC; and Jay Huber, Kentucky Office of Highway Safety, KYTC

LRC Staff: John Snyder, Dana Fugazzi, Ashley Nash, and Christina Williams.

Approval of June 6, 2023 Minutes

The minutes from the June 6, 2023, meeting were approved.

Work Zone Safety

Jim Gray, Secretary, KYTC recognized Chief District Engineers Deneatra Henderson, Joe Plunk, Matt Bullock, Kelly Baker, Chris Jones, and Bob Yeager, as well as all of Kentucky's Chief District Engineers for their hard work and diligence. He also thanked Deputy Secretary Mike Hancock, KYTC, and State Highway Engineer James Ballinger.

Secretary Gray and Jason Siwula, Assistant State Highway Engineer, KYTC, briefed the committee on work zone safety. Secretary Gray began with a short video testimonial from Shawn Brown, a KYTC employee who had a dangerous close call incident while in a work zone. Secretary Gray stated highway construction occurs year-round and work zones can be found anywhere, at any time. Currently there are hundreds of projects underway, practically guaranteeing a driver will encounter a work zone. Work zones are not confined to transportation projects, and can be set up by utility crews, mowing contractors, or anyone who is working on or around a highway. In 2022, there were 1,083 crashes that occurred in work zones, resulting in five fatalities and numerous injuries. Just over 40 percent of work zone crashes reported involve some sort of driver distraction. Work zone safety continues to be a serious challenge for those employees conducting work on roadways.

Deneatra Henderson, Chief District Engineer, District 2, and Joe Plunk, Chief District Engineer, District 3, shared stories of incidents their own employees have faced while in work zones.

Some of those incidents have impacted the employees and their families for years and sometimes lifetimes. Mr. Plunk stated there is a growing number of work zone encroachments by motorists leaving a greater risk for the employees than they already assume. He added there is a lack of ability to enforce work zone protections as work zone violations are treated like any other traffic violation, the individual must be caught in the act of the violation. Ms. Henderson added the impact the fear of a work zone collision has on the employee's mental health is significant. She requested action be taken to protect the safety of the employees.

Chairman Blanton advocated for legislation he sponsored in the 2023 Regular Session of the General Assembly (House Bill 201) for the utilization

of cameras in work zones to help aide work zone safety. He welcomed suggestions to help solve the issue, if the use of automated enforcement was not the preferred course of action. Chairman Blanton followed up to Mr.

Plunk's statement on the lack of enforcement due to an individual not being caught in the act of the violation, stating that an investigation could be opened on an incident to obtain summonses or warrants for the individual responsible.

In response to a question asked by Chairman Blanton concerning double fines in work zones, Mr. Siwula stated while he does not know the exact amount, the fine portion is a relatively small portion of the overall cost of a traffic citation, and that court costs are a more significant portion of the citation. Chairman Blanton added doubling the fines of everything an individual could be charged with, such a reckless driving, or adopting legislation like some states with significantly higher fines, could be possible deterrents. Chairman Blanton suggested an investigation of how many judges across the state are dismissing work zone cases.

In response to a question asked by Representative Heavrin, Mr. Plunk stated law enforcement is a great partner, however even at the local level, availability is an issue. He added officers are there to enforce work zone laws when they can, adding that the issue is how to enforce compliance when a law enforcement officer is not able to be present. Representative Heavrin advocated for short term solutions, such as the use of blue or flashing lights, while long term solutions are being discussed.

Senator Yates advocated the use of automated speed cameras in work zones with restrictions and oversight, as this method continues to be adopted by more states.

Senator Turner advocated the use of signage and flashing lights to help alleviate the situation and give advanced notice of work zones

Representative Bridges acknowledged and thanked KYTC for the great work that has been done in the western portion of the state in regard to some accident issues around Interstate 24.

Eastern Kentucky Flood Cleanup

Secretary Gray and John Moore, Assistant State Highway Engineer, KYTC updated the committee on the Eastern Kentucky flood cleanup efforts as a result of the damaging flood that occurred in the summer of 2022. Great strides have been made, but work remains to be done. Mr. Moore's purview includes the massive undertaking of the removal and disposal of the debris that the flood waters left behind, which amounts to hundreds of thousands of tons. The challenge in Eastern Kentucky goes beyond these immediate issues of debris removal and infrastructure damage. A huge part of the challenge is providing people of the region a way to rebuild on land that is elevated enough to afford them a measure of security against future floods.

Mr. Moore stated at the request of Kentucky Emergency Management (KYEM), KYTC lead the debris cleanup mission for both the state rights of way as well as local county and city rights of way. Overall, the debris cleanup had three distinct phases: the right

of way phase, the waterway phase, and the extended right of way phase. The rights of way mission involved collecting debris that was on the right of way, as well as debris that the residents were able to push onto the right of way. As part of that effort, contractors collected approximately 160,000 tons. Shortly after that, KYEM asked KYTC to help clean out the waterways so that additional flooding did not occur as a result of future weather events. The goal of the effort was to remove any debris that choked the waterways and streams. In coordination with the United States Army Corps of Engineers, as well as the Division of Water, contractors removed 330,000 tons of debris from waterways in the impacted area.

In the spring there were indications of a significant amount of debris remaining that could not make its way out to the right of way because of access issues or lack of available right of way in the area of the homes. With coordination of Federal Emergency Management Agency (FEMA) and KYEM, KYTC began a final extended right of way, which could be considered a private property debris removal. The effort is ongoing but expected to finish around the end of July.

In response to a question asked by Chairman Blanton, Mr. Moore stated the mission to clear out the waterways was concluded at the end of 2022. Mr. Moore added all of Kentucky streams have vegetative debris, and the goal of the effort was not to remove all of the vegetative load or additional vegetation that falls into the streams. The experts on this project concluded the efforts had to cease due to the mechanisms utilized for debris cleanup also causing damage to the streams. Therefore, a balance had to be struck between debris removal versus causing additional harm to the streams. Mr. Moore stated there is funding available through the Natural Resources Conservation Service (NRCS) in the Department of Agriculture for additional debris removal.

In response to a question asked by Co-Chair Higdon, Mr. Moore stated the approximate cost of the debris cleanup, disposal, and monitoring effort has been \$200 million to date, with outstanding bills remaining. Those expenditures have been given to KYEM. The cost will ultimately be covered by a mixture of FEMA reimbursement, as well as the Eastern Kentucky Safe Fund that will cover the 25 percent match. The amount of each one of those is subject to eligibility determination by FEMA.

Co-Chair Higdon mentioned a recent article about Ashbritt practices in billing. He was also complimentary of the work that he witnessed being completed in the cleanup effort.

Senator Turner complimented Ashbritt on the execution of the cleanup efforts.

Eastern Kentucky Flood Road and Bridge Repairs

Mr. Moore stated in the immediate aftermath of the flooding, the focus was restoring access. The first few days was focused on bridges to ensure they were safe to cross for the public.

Inspectors came from around the state to inspect 1,100 bridges within one week throughout the impacted areas. The KYTC identified safety concerns on 166 of the 1,100 bridges. The damages to those

bridges ranged from approach damages to bridges that were completely washed out.

Of those bridges, 34 of them had cut off access to hollers or roadways, the only access to the people that lived in those hollers or roadways. In some cases, temporary crossings were placed, and replacements were expedited. Fifty-one bridges were identified as having more moderate damages. In regard to those bridges, KYTC partnered with local counties and cities to address those concerns. Out of the 115 remaining repairs, (including the critical 34 bridges), 81 bridges have been repaired to date, and only 12 have not gone to contract.

Beyond the bridges, there have been approximately 500 distinct roadway damages identified, which range from landslides, roadway slips, to a handful of locations where the roadway was washed out. All of the washouts have been fully restored. The roadway slips are continuing to be worked on and may take some time to restore due to limited contractor capacity to work in those specialized activities. Mr. Moore stated with such a devastating flood event, the limited nature of the damage to the state system is a testament to the day in and day out activities of the maintenance forces that are located in every county in the Commonwealth.

In response to a question asked by Chairman Blanton, Mr. Moore stated the 12 bridge repairs left that have yet to go to contract are now in the project development stage and he does anticipate those to be completed this year, but that is not always in KYTC's control. Chairman Blanton complimented KYTC for a job well done on the flood cleanup and bridge repair efforts.

In response to a question asked by Representative Branscum, Mr. Moore stated a majority of the bridges that survived the flood that had minimum or moderate damages were those that were already on the KYTC inventory and are over 20-foot bridges that are inspected every two years at a minimum. The KYTC knows how well these bridges are built and their capacity to withstand flood events. He stated out of the 115 severely damaged bridges, approximately 70 of those were not inventory bridges, ones that they do not have detailed information on. He attested the issue is not as severe as it appears because the inventory structures held up very well except when a flow of debris comes through that puts too much lateral pressure on it. Overall, the inspected bridges throughout Eastern Kentucky handled the flood well.

James Ballinger, State Highway Engineer, KYTC thanked members for the positive comments, the acknowledgement of the cleanup efforts, and for the support of the legislative body throughout the process.

At the conclusion of this topic, Senator Yates asked an unrelated question concerning the rollout of the National Electric Vehicle Infrastructure (NEVI) project, which was discussed at the Committee's June meeting. Mr. Moore replied that Kentucky's request for proposal (RFP) has been issued and we are among the first dozen states to issue the RFP.

Truck Rest Areas Availability

Mr. Siwula and Jeremy Edgeworth, Freight, Rail and Waterways Coordinator, Division of Planning, KYTC briefed the committee about Kentucky's

Statewide Truck Parking Assessment and Action Plan. Mr. Edgeworth, project manager for the Action Plan, stated nationwide there is an issue of trucks lining the ramps and shoulders of roads, rest areas, and weigh stations in the evenings or early mornings, and Kentucky is not immune to the issue. Often, the parked trucks extend onto mainline interstates and parkways. This causes congestion on the ramps as well as safety hazards for the truck drivers and the traveling public. The chief cause of this problem is truckers who have reached their maximum daily hours of service and must park for their federally mandated rest period. Truck drivers do not want to spend the night parked along an Interstate ramp or shoulder, but they often have few options. Because of this, Kentucky's Truck Parking Assessment and Action Plan was created. The first task of the action plan was a thorough assessment of the statewide demand for truck parking. The assessment looked at where trucks are parking for their mandated rest period. This involved looking at everywhere trucks are parking along interstates and parkways, but also the state routes, county roads, city streets, and parking lots everywhere.

The project team took each facility, public and private, and grouped them into polygons. This allowed for a statewide look at those regions, not just individual facilities that are over capacity. This can help guide further analysis as well as possible improvements along corridors. As there is expected to be high demand in areas of Northern Kentucky, in pockets along the I-71 corridor, and along the I-65 corridor to Elizabethtown. But it also shows areas in the eastern part of the state, that have lesser demand or even excess capacity. So, part of the solution may not be adding capacity in these areas, rather better utilizing the spaces already there through an expansion of the truck parking information management system (TPIMS) or partnering with truck parking apps to communicate truck parking availability.

The days of Kentucky buying acres of land and paving them for truck parking is no longer financially feasible. Realistic, low-cost options to address the truck parking demand using the resources KYTC already owns must be explored. Private truck parking facilities will always be the major provider of truck parking spaces in Kentucky. Some truck drivers will only park at private facilities because of the driver amenities offered. There are also drivers that only want to park at public facilities for what they offer. Analysis of Boone County Rest Areas shows that they are at capacity from 6:00 pm until 8:00 am every night except Sunday. It also shows that the truck parking demand at this location from 2019 to 2021 is increasing.

This information will all be compiled into Kentucky's Truck Parking Assessment and Action Plan. The action plan will include a prioritized list of improvements based upon a weighted formula taking into account cost, benefit cost ratio, ramp parking in areas, total demand, area demand, and parked truck crash scores. It will include 27 conceptual designs and ten sites with 15 percent site drawings and estimates. It will also outline a schedule to develop the timing of the improvements and which ones are built first. There will be a focus on those areas that require the least amount of work. Reopening a closed rest area may

provide spaces faster. Also, the ones that can clear any permitting and environmental quickly, and those that do not require other pre-work such as moving utilities will be focused on. The plan will also provide an assessment of the TPIMS and make recommendations for other technologies to help with truck parking issues. The plan will also identify funding assuming that it may come from direct sources, state funds, federal grants, etc. Possible opportunities will also be identified for public private partnerships. The action plan is scheduled to be finalized the end of November. Up to date information on the action plan can be found on the project website, www.kytruckparking.com.

In response to a question asked by Co-Chair Higdon, Mr. Siwula stated he would report back to the committee on the locations that funds were spent recently to expand truck parking in rest areas. Co-Chair Higdon reiterated that the legislature has been trying to aide in solving this problem, adding that federal grants are available for use as well.

In response to a question asked by Senator Yates, Mr. Siwula stated that KYTC works with local law enforcement in enforcement of all transportation safety laws. Mr. Edgeworth added law enforcement has been great partners on the study. He added law enforcement noted that they want remove drivers out of the illegal spaces, but they realize the drivers do not have anywhere to go. The hope is if capacity can be added in these areas, that will give the officers the opportunity to inform drivers where there are available spaces, and to park there, rather than on the shoulders.

Representative Thomas recounted being faced with these issues as he has a commercial driver's license, and appreciates the topic being brought before the committee, adding time constraints and lack of parking spaces is tough on drivers.

Consideration of Referred Administrative Regulation 601 KAR 014:050 Proposed - Motorcycle Safety Education Program.

Jon Johnson, Assistant General Counsel, KYTC and Jay Huber, Kentucky Office of Highway Safety, KYTC spoke to the committee on Administrative Regulation 601 KAR 014:050. Mr. Johnson stated that the regulation originated in the Kentucky Justice Cabinet, and migrated to KYTC in 2022. It was then re-codified and changes were incorporated that were necessitated by the 2021 Regular Session House Bill 125. One of the problems with the regulation as it existed, was a non-functional website. Changes also were to be made to the regulation to incorporate a proper procedure for motorcycle training to occur. Mr. Huber stated that some legislative changes have happened over the years as well as some procedural changes that were needed to run the program more effectively. Mr. Huber added in Fiscal Year 2023 there were 4,091 students that had gone through the program, the most that has ever been through the program since its inception in 1992.

Adjournment

Chairman Blanton adjourned the meeting at 2:43 P.M.

INTERIM JOINT COMMITTEE ON TRANSPORTATION

Minutes of the Fifth Meeting of the 2023 Interim

October 17, 2023

Call to Order and Roll Call

The fifth meeting of the Interim Joint Committee on Transportation was held on October 17, 2023, at 1:00 PM in Room 149 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative John Blanton Co-Chair; Senator Jimmy Higdon Co-Chair; Senators Karen Berg, Jared Carpenter, Robby Mills, Brandon Smith, Brandon J. Storm, Johnnie Turner, Phillip Wheeler, Gex Williams, Mike Wilson, and David Yates; Representatives Josh Branscum, Randy Bridges, Daniel Elliott, Ken Fleming, David Hale, Samara Heavrin, Thomas Huff, Mary Beth Imes, Derek Lewis, Bobby McCool, Amy Neighbors, Ruth Ann Palumbo, Tom Smith, Ashley Tackett Laferty, Walker Thomas, Ken Upchurch, Bill Wesley, and Wade Williams.

Guests: Heather Stout, Director, Office of Information Technology, Kentucky Transportation Cabinet (KYTC); Godwin Onodu, Director, Division of Motor Vehicle Licensing, KYTC; Sarah Coleman, Executive Director, Kentucky Horse Council; Lori Weaver Hawkins, Manager, Public and Government Affairs, American Automobile Association (AAA); Representative Mary Beth Imes, State Representative, District 5; Lori Weaver Hawkins, Manager, Public and Government Affairs, AAA.

LRC Staff: John Snyder, Dana Fugazzi, Ashley Nash, and Christina Williams.

Approval of September 18, 2023, Minutes

The minutes from the committee's September 18, 2023, meeting were approved.

Recognition and Moment of Silence for Judy Taylor.

Chairman Higdon recognized the passing of Judy Taylor. Ms. Taylor was a long-time lobbyist who blazed many trails for women in the legislative arena. A moment of silence was held in her honor.

Kentucky Automobile Vehicle Information System (KAVIS) Update

Heather Stout, Director, Office of Information Technology, KYTC, updated the committee on the rollout and implementation of KAVIS. KYTC developed KAVIS as a modernized vehicle registration and titling system to replace the Automobile Vehicle Information System (AVIS).

Ms. Stout discussed project benchmarks and noted that KAVIS is scheduled to be implemented in January 2024. Training will begin in October. In November, the cabinet will institute performance testing, user acceptance testing, and begin a public awareness campaign. The AVIS system will close on December 29, 2023 and county clerk offices will close

during the transition period to KAVIS. The closure of county clerk offices may result in a backlog of work and upon opening, longer wait times.

In response to a question asked by Chairman Higdon concerning the insurance portion of KAVIS, Ms. Stout stated the mandatory insurance solution that is currently on the mainframe will remain, and KAVIS will interface with that. The current system does verify in real time if a driver has the required insurance.

In response to a question asked by Co-Chair Blanton regarding concerns from trucking companies on short timelines to register vehicles in their fleet, Ms. Stout stated she was unaware of the specifics, but was willing to discuss the issue with the Kentucky Trucking Association. She also mentioned the new fleet registration law, that will take effect in 2024, should help those companies expedite registration.

Special License Plate Procedures

Godwin Onodu, Director, Division of Motor Vehicle Licensing briefed the committee on special license plate procedures. A non-profit organization based in Kentucky or has a Kentucky chapter, may apply for a special license plate through the Office of the Commissioner, Department of Motor Vehicle Regulation. Applications are reviewed by the Special License Plate Committee. The nonprofit organization is advised to submit plate designs at least 10 business days before the scheduled Special License Plate Committee meeting.

A nonprofit organization may only sponsor one plate design. Upon approval of the nonprofit's application, the organization is invoiced \$2,500. The fee must be paid prior to plate production and the fee is applied towards programming and production costs. Upon production and circulation of the special license plate, if the number of registrations falls below 500, in two consecutive years, the plate will be discontinued. Nonprofit organizations may apply for a plate redesign after three years. Funds received by the nonprofit organization through the registration of special license plates must be deposited into its own account to allow for an accurate audit trail.

With the implementation of KAVIS, there will be 140 types of special licenses plates available.

In response to questions asked by Chairman Higdon, Mr. Onodu stated the cost to KYTC to produce the special license plate under the new KAVIS system is \$2,500, which is broken down and invoiced to the nonprofit organization. Previously, the administrative costs to produce a new plate was over \$50,000, and there was an application requirement of at least 900 plates.

Sarah Coleman, Executive Director, Kentucky Horse Council discussed special license plate renewal funding for nonprofit organizations. The Kentucky Horse Council is a 501c3 charity that represents all breeds and disciplines of horses. The Kentucky Horse Council sponsors the Save Our Horses Fund which provides hay and feed assistance to owners who are in short-term financial distress, assistance for horses that are confiscated due to neglect, gelding and castration assistance, and euthanasia assistance. The vast majority of the Kentucky Horse Council's budget comes from its specialty plate, which is

the only specialty plate that can be purchased for both individual and farm vehicles. As of last year, approximately 21,000 Kentuckians had this plate on their vehicle.

Under KRS 186.162, organizations or programs with a specialty plate receive a small extra fee at the time of initial registration and upon the annual renewal. For most organizations, those fees are equal (\$10 for registration fee and \$10 for renewal). The Kentucky Horse Council is one of six organizations that receives \$10 at registration and \$5 at renewal. The other five organizations are former prisoner of war (POWs) and survivors of Pearl Harbor; Child Victims Trust Fund; spay/neuter; I Support Veterans; and Gold Star siblings, sons, or daughters. Ms. Coleman stated the Kentucky Horse Council along with the other organizations are losing substantial funds from the renewal fee discrepancy, and requested that all nonprofit organizations receive the same renewal fee amount of \$10.

Chairman Higdon stated in order to correct the discrepancy there would have to be legislation adopted to add an additional \$5 fee added to the cost of these plate renewals.

Third Party Issuance of Identity Documents

Lori Weaver Hawkins, Manager, Public and Government Affairs, American Automobile Association (AAA) briefed the committee on AAA and advocated for AAA to have the ability to issue identity documents to Kentucky citizens. Ms. Hawkins stated AAA has two clubs in Kentucky; AAA Club Alliance (ACA), and Auto Club Enterprises (ACE), which combined have over 640,000 members in Kentucky, served through eight offices.

Ms. Weaver Hawkins stated that AAA provides some level of Department of Motor Vehicle (DMV) services in 23 states. AAA also serves as a third-party vendor for other services, such as a Transportation Security Administration (TSA) pre-check service, IDEMIA identity related security, and is willing and able to act as a third-party representative to assist KYTC in issuing operator's licenses and ID cards.

In response to questions asked by Chairman Higdon, Ms. Weaver Hawkins stated a small fee is attached to acquiring identity documents through AAA.

Expansion of Kentucky's "Move Over" Law

Representative Mary Beth Imes, District 5, spoke to the committee about the expansion of Kentucky's "move over" law. Representative Imes stated the proposed legislation is a slow down and move over bill for motorists who may pass a vehicle that is pulled off of the road for any reason, to have the motorists passing the stopped vehicle slow down, or move over whenever it is safe to do so, in order to allow for safe distancing between the vehicles.

Ms. Weaver Hawkins provided safety statistics for these situations. AAA has been instrumental in passing slow down or move over laws in all 50 states. Kentucky's current move over law applies to mostly everyone, except stranded motorists. Representative Imes' proposed bill would include those motorists. Currently 19 states have now included stranded motorists to be covered in their move over laws since

AAA launched their inclusion effort.

In response to a question by Senator Yates, Ms. Weaver Hawkins stated the law would include moving over, only if it is safe to do so.

In response to a question asked by Senator Berg, Ms. Weaver Hawkins stated she, as a AAA representative, has the mission to educate the public on the new law if it is enacted. She added media outreach is crucial in accomplishing this goal.

Adjournment

With no other business to come before the committee, Chairman Higdon adjourned the meeting at 2:02 P.M.

INTERIM JOINT COMMITTEE ON VETERANS, MILITARY AFFAIRS, AND PUBLIC PROTECTION

Minutes of the 2nd Meeting
of the 2023 Interim
July 25, 2023

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Veterans, Military Affairs, and Public Protection was held on Tuesday, July 25, 2023, at 11:00 AM, in Room 154 of the Capitol Annex. Senator Rick Girdler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Rick Girdler, Co-Chair; Representative Walker Thomas, Co-Chair; Senators Karen Berg, Matthew Deneen, Denise Harper Angel, Jimmy Higdon, Stephen Meredith, Whitney Westerfield, Gex Williams, and Mike Wilson; Representatives John Blanton, Steve Bratcher, Stephanie Dietz, Jim Gooch Jr., Mark Hart, Matthew Koch, Savannah Maddox, Candy Massaroni, Marianne Proctor, Rebecca Raymer, Scott Sharp, Sarah Stalker, Pamela Stevenson, Ashley Tackett Laferty, and Bill Wesley.

Guests: SFC James Deneen; SFC Doug Frederick; Eric Koleda, National Director, TreatNOW Legislative Efforts; Jeff Gantt, former United States Marine Corps Sniper; Senator David Yates, Senate District 37; Detective Megan Moseley, 964C Special Victims Unit – Domestic Violence, Louisville Metro Police Department; Colonel Edwin L. Chilton, Commander, 7th Brigade – U.S. Army Cadet Command; Dr. Beth Hargis, Associate Commissioner, Office of Career and Technical Education; Tom Thompson, Division Director, Office of Career and Technical Education; Virginia Dial, President, Connect Community Village; and Lieutenant Colonel (Ret.) Dr. Tony Dotson, Director of Military and Veteran Services and Initiatives, Addiction Recovery Care.

LRC Staff: Jessica Zeh, Mark Mitchell, and Logan Schaaf.

Distinguished Veterans

SFC James Deneen and SFC Doug Frederick, Army veterans and devoted servants to their communities, were introduced by Senator Deneen and honored by the committee.

Hyperbaric Oxygen Therapy for Veterans

Eric Koleda, TreatNOW State Legislative Efforts National Director, and Jeff Gantt, former United States Marine Corps Sniper, discussed hyperbaric oxygen therapy treatment (HBOT) for veterans with traumatic brain injuries (TBIs).

Mr. Koleda said that HBOT accelerates wound healing by promoting cell and tissue growth in the injured area. He discussed the viability of state government funding for the treatment, as the U.S. Department of Veterans Affairs (VA) does not operate any HBOT chambers. Mr. Koleda also read the testimony of doctors who support HBOT treatments, and covered recent studies on its effects.

Mr. Gantt shared the story of his own battle with service-related TBIs and his experiences with HBOT treatments. He said that HBOT has been the most effective treatment for his injuries, and contrasted it with the mix of pills and other treatments he used before HBOT.

Responding to questions from Senator Berg, Mr. Koleda said that the infrastructure for HBOT already exists, but veterans still need to be referred. He encouraged the committee to urge physicians in their districts to explore HBOT. Mr. Gantt said that none of the veterans he works with were referred to HBOT by the VA.

Senator Berg said that in acute situations, HBOT may be effective, but she expressed concerns about the effectiveness of HBOT in stimulating dead tissue or treating chronic injuries. Mr. Koleda said that he would provide the committee with data from clinical trials and the testimony of doctors who use HBOT to treat injuries. Senator Berg said that these doctors often have a financial interest in promoting HBOT, as many of them own and operate the chambers themselves.

Responding to a question from Representative Bratcher, Mr. Gantt said that before HBOT, he was taking at least 20 prescription medications.

Representative Proctor said that she shared some of Senator Berg's concerns on the viability of HBOT for chronic injuries.

Responding to a question from Senator Meredith, Mr. Koleda said that his fiscal ask is \$750,000 per year, \$1.5 million over two years, to treat an estimated 100 to 120 veterans.

Responding to a question from Senator Higdon, Mr. Koleda said that 100 percent of the fiscal ask would go to testing and treatment, and that he covers all the administrative costs. He also noted that patients must not be using drugs or alcohol when they are in treatment, and they are tested to ensure compliance with this rule. Mr. Koleda also provided information on the history and operations of his organization, HBOT for Kentucky Vets.

Ashanti Alert System

Senator David Yates, Senate District 37, and Detective Megan Moseley with the Louisville Metro Police Department spoke in favor of a bill to create the Ashanti Alert System in Kentucky.

According to the U.S. Department of Justice, Ashanti Alerts can “provide for rapid dissemination of information to law enforcement agencies, media, and the public about adults who have been reported

missing along with suspect information in cases of suspected abduction.”

Senator Yates said that Ashanti Alerts can fill in the gaps not covered by other alerts like Amber, Green, Blue, and Gold.

Detective Moseley discussed the difficulties with locating a missing person who is not covered by an existing alert system.

Representative Blanton praised the idea but expressed concern about adding more responsibilities to law enforcement through legislation. Senator Yates said that he would work with the Kentucky State Police on the legislation.

Senator Harper Angel said that the committee should consider testimony on all of the alert systems.

Army JROTC Pilot Program

Colonel Edwin L. Chilton, Commander, 7th Brigade – U.S. Army Cadet Command; Dr. Beth Hargis, Associate Commissioner, Office of Career and Technical Education; and Tom Thompson, Division Director, Office of Career and Technical Education discussed the pilot project between the Junior Reserve Officer Training Corps (JROTC) and the Kentucky Department of Education (KDE).

The Kentucky Director of Army Instruction (DAI) program standardizes all functions for the JROTC programs in a district. A DAI operation cannot operate outside of its given school district. Colonel Chilton spoke about the potential benefits of a DAI pilot program at the state level, including improved oversight, accountability, logistics, and recruiting assistance.

Dr. Hargis and Mr. Thompson covered the KDE's role in the pilot program. In order to implement the program, KDE is asking for \$1.2 million over two years.

Responding to a question from Representative Thomas, Dr. Hargis said that the KDE is asking for a line item in the budget.

Responding to a question from Senator Higdon, Colonel Chilton said that the six instructors in the pilot program would all be retired military, which is a requirement for JROTC instruction. The pay for each of the six instructor positions would vary based on the military rank at which they retired.

Responding to a question from Senator Meredith, Mr. Thompson said that he would provide the committee with a list of existing JROTC programs in Kentucky schools.

Connect Community Village and Bluegrass Veterans Ranch

Virginia Dial, President of Connect Community Village, and Lieutenant Colonel (Ret.) Dr. Tony Dotson, Director of Military and Veteran Services and Initiatives for Addiction Recovery Care spoke about their efforts to support veterans transitioning back to civilian life and the creation of the Bluegrass Veterans Ranch.

The Bluegrass Veterans Ranch would house veterans on a working ranch, where they would participate in group learning sessions, vocational training, gardening, food preparation, beekeeping, arts, music, and physical fitness over the course of their one year stay.

Ms. Dial said that Connect Community Village is asking for \$1.5 million to create the Bluegrass Veterans Ranch.

Dr. Dotson praised the efforts of Ms. Dial and discussed his own background assisting veterans. He also discussed some of the important interventions for veterans as they transition to civilian life.

Representative Stevenson praised the efforts of Ms. Dial and Dr. Dotson.

Responding to questions from Senator Berg, Ms. Dial said that referrals to the Veterans Ranch will come from the VA, churches, judicial system, recovery programs, and others. She also said that there will be zero tolerance for drug and alcohol abuse, but that they will assist with placing the veteran in a recovery program.

Responding to a question from Representative Stalker, Ms. Dial discussed the proposed process for mental health evaluation and care at the ranch.

With no further business before the committee, the meeting was adjourned at 1:00 PM. The next meeting of the Interim Joint Committee on Veterans, Military Affairs, and Public Protection is scheduled for Tuesday, August 22, 2023, at 11:00 AM in Room 154 of the Capitol Annex.

INTERIM JOINT COMMITTEE ON VETERANS, MILITARY AFFAIRS, AND PUBLIC PROTECTION

Minutes of the 5th Meeting of the 2023 Interim

October 25, 2023

Call to Order and Roll Call

The fifth meeting of the Interim Joint Committee on Veterans, Military Affairs, and Public Protection was held on October 25, 2023, at 11:00 AM in Room 154 of the Capitol Annex. Representative Walker Thomas, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Walker Thomas, Co-Chair; Senator Rick Girdler, Co-Chair; Senators Karen Berg, Matthew Deneen, Stephen Meredith, Gex Williams, and Mike Wilson; Representatives John Blanton, Steve Bratcher, Stephanie Dietz, Myron Dossett, Chris Freeland, Chris Fugate, Jim Gooch Jr., Mark Hart, DJ Johnson, Matthew Koch, Savannah Maddox, Candy Massaroni, Marianne Proctor, Rebecca Raymer, Sarah Stalker, Pamela Stevenson, Ashley Tackett Laferty, and Bill Wesley.

Guests: Sergeant Major Kenneth Wininger, Distinguished Veteran; Major General Haldane B. Lamberton, The Adjutant General; Major Timothy L. Olsen, Director of Psychological Health, Kentucky Army National Guard; Brigadier General (Ret.) Charles T. Jones, Executive Director, Kentucky Department of Military Affairs; Jeremy Slinker, Director, Kentucky Emergency Management; and Brigadier General (Ret.) Steven P. Bullard, Executive Director, Kentucky Commission on Military Affairs.

LRC Staff: Jessica Zeh, Mark Mitchell, and Logan Schaaf.

Approval of September Minutes

The minutes of the September 27, 2023, meeting were approved.

Distinguished Veteran

Sergeant Major Kenneth Wininger was honored by the committee as a distinguished veteran. He spoke about his military service and was presented with a VMAPP Challenge Coin.

Department of Military Affairs and Kentucky National Guard

Major General Haldane B. Lamberton, The Adjutant General, Kentucky National Guard; Major Timothy L. Olsen, Director of Psychological Health, Kentucky Army National Guard; and Brigadier General (Ret.) Charles T. Jones, Executive Director, Kentucky Department of Military Affairs, provided updates on the activities of the Kentucky National Guard, recruiting, efforts to prevent suicide, and the Kentucky National Guard Youth ChalleNGe Academies.

Responding to a question from Representative Massaroni, Major Olsen detailed the mental health considerations in military recruiting.

Responding to a question from Representative Proctor, Major Olsen discussed some of the barriers to adequate mental health services, including differing insurance coverages and long-term mental health concerns.

Responding to a question from Representative Stevenson, Major Olsen said that the Department of Defense is collecting data on suicide rates in military families. While clinical services are not offered to military family members as of now, Major Olsen said that the military is always looking for ways to improve in this area.

Responding to a question from Senator Deneen, Major Olsen, General Jones, and General Lamberton discussed the criteria for members of the National Guard to qualify for care from the U.S. Department of Veterans Affairs (VA). Senator Deneen said that he hopes for reservists and National Guard members to have full access to VA centers in Kentucky.

General Lamberton discussed National Guard recruiting efforts. Challenges to recruiting include the perceptions of military service gleaned from movies and television, the reestablishment of in-person recruiting after the COVID-19 pandemic, and a relatively small applicant pool. He highlighted the efforts of the Kentucky Enlistment Enhancement Program. This program pays \$500 to members of the National Guard who refer someone else, and has increased the number of new recruits.

General Lamberton discussed the State Partnership Program, where state National Guards form relationships with the military forces of other countries.

Responding to a question from Representative Massaroni, General Lamberton discussed some of the reasons for the international involvement of state National Guards.

Responding to a question from Representative Bratcher, General Lamberton outlined the National Guard's emergency management duties.

Responding to a question from Representative

Maddox, General Lamberton discussed the process for approval of partnerships between state National Guards and the military forces of other countries.

Brigadier General (Ret.) Charles Jones, Executive Director of the Kentucky Department of Military Affairs, discussed the Kentucky National Guard Youth ChalleNGe program, which supports students who are failing to progress in traditional school settings. He outlined the 2024 budget request for the ChalleNGe Program.

Responding to a question from Senator Williams, General Jones said that the ChalleNGe Program does not receive Support Education Excellence in Kentucky (SEEK) funding.

Urban Search and Rescue

Jeremy Slinker, Director of Kentucky Emergency Management, provided an update on 23 RS HB 157, which created the Kentucky Urban Search and Rescue Program (USAR), under the Division of Emergency Management. Mr. Slinker outlined the activities of the USAR teams and detailed their proposed budget request. Elements of the USAR budget request include a statewide USAR team, a helicopter aquatic rescue team, and a rescue aid program. He also highlighted the capabilities of a USAR Type 1 Team.

Responding to questions from Representative Fugate, Mr. Slinker praised the efforts of the Department of Fish and Wildlife in the Eastern Kentucky flood search and rescue operations. He also discussed the communication procedures in disaster response.

Kentucky Commission on Military Affairs Legislation and Purple Star Schools

Brigadier General (Ret.) Steve Bullard, Executive Director of the Kentucky Commission on Military Affairs (KCMA), outlined the 2024 KCMA legislative agenda, including the reintroduction of omnibus House Bill 63, the Kentucky Purple Star Schools enabling legislation, and the Department of Defense military spouse occupational licensing reform.

Consideration of Referred Administrative Regulation

The Committee took no action on the referred Administrative Regulation, 106 KAR 004:020.

Adjournment

With no further business before the Committee, the meeting was adjourned at 1:00 PM. The next meeting of the Interim Joint Committee on Veterans, Military Affairs, and Public Protection will be Wednesday, November 8, 2023, at 11:00 AM, in Room 154 of the Capitol Annex.

CAPITAL PLANNING ADVISORY BOARD

Minutes

June 14, 2023

Call to Order and Roll Call

The second meeting of the Capital Planning Advisory Board was held on June 14, 2023, at 1:00

PM in Room 169 of the Capitol Annex. Senator Phillip Wheeler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Phillip Wheeler, Co-Chair; Representative Nancy Tate, Co-Chair; Senator Adrienne Southworth, Pat Abell, John Hicks, Bryan Hix, Patsy Jackson, and Holly Johnson.

Guests: Ruth Day, Chief Information Officer; Kari Welch, Executive Director, Office of IT Architecture and Governance, Commonwealth Office of Technology; BG (Ret.) Charles T. Jones, Executive Director, Office of Management and Administration; MG (Ret.) Stephen D. Collins, Director, Bluegrass Station; Joe Sanderson, Director, Division of Facilities; BG (Ret.) Steven T. King, Construction and Facilities Management Officer, Kentucky Army National Guard; Department of Military Affairs; Whitney P. Allen, Jr., Commissioner; Juan A. Renaud, Deputy Commissioner; Mark Bowman, Executive Director; Dr. Silas Session, Executive Director; Dwayne

A. Edwards, Chief of Staff; Department of Veterans' Affairs; Scott Baker, Executive Director, Office of Facility Development and Efficiency, Finance and Administration Cabinet; Doug Hendrix, Executive Director; Mitch Powers, Controller; Kentucky Communications Network Authority; Sandy Williams, Executive Director; Milward Dedman, Deputy Executive Director; Jim Carpenter, Treasurer; Kentucky Infrastructure Authority; Lindy Casebier, Secretary; Mona Juett, Chief of Staff; Melissa Brewer, Executive Director of Finance; Tourism, Arts, and Heritage Cabinet; Robin Brewer, Executive Director, Office of Budget and Fiscal Management, Transportation Cabinet.

LRC Staff: Liz Columbia and Jennifer Luttrell.

Approval of Minutes (May 17, 2023)

The approval of the May 17, 2023, minutes was moved to the next meeting because the quorum was not met.

Information Items

Ms. Columbia said two information items were included in the meeting materials. The first item was in response to questions raised at the board's May 17 meeting regarding proposed capital projects for the Energy and Environment Cabinet and the Education and Labor Cabinet, and the second item was an amendment to the Justice and Public Safety Cabinet's plan.

Special Report

As part of the capital planning process, COT is responsible for reviewing and evaluating information technology (IT) projects submitted in the agency capital plans. Ruth Day discussed the review results and presented the IT project recommendations.

The review process for IT capital projects began with assessing criteria from previous biennia. A nine-member scoring committee comprised representatives from the Office of State Budget Director, the Cabinet for Health and Family Services, the Education and Labor Cabinet, the Finance and Administration Cabinet, the Justice and Public Safety Cabinet, and

the Transportation Cabinet.

Members of COT's staff and agency representatives performed the review, focusing specifically on IT projects for the 2024-2026 biennium, utilizing an automated prioritization methodology that promotes an objective view. The goal was to determine systems with the highest value and least potential risk to the Commonwealth. Each capital project submission provided value, and the projects identified with the highest score best support the strategic direction of the Commonwealth and provide the most significant returns on investments.

For the 2022-24 biennium, COT reviewed 12 IT projects valued at \$87 million.

Ms. Day said she would provide members with a paragraph description of the 12 Capital IT projects ranked for 2024-2030 in response to Representative Tate's request.

In response to questions from Mr. Hicks regarding other examples that the Commonwealth has used with the Legacy Modernization project's type of financing, Ms. Welch stated that some examples were the Kentucky Human Resources Information System for the Personnel Cabinet, the Enterprise Business Intelligence reporting system for eMARS; an electronic signature program created for the Finance and Administration Cabinet; and an application for the Department of Local Government.

Review of Agency Capital Plans

The Capital Planning Advisory Board received testimony regarding six state agency capital plans: Department of Military Affairs; Department of Veterans' Affairs; Kentucky Communications Network Authority; Kentucky Infrastructure Authority; Tourism, Arts, and Heritage Cabinet; and the Transportation Cabinet. The testimony included a discussion of capital construction, IT, and equipment needs for 2024-2030.

Department of Military Affairs (DMA)

BG (Ret.) Charles T. Jones, MG (Ret.) Stephen D. Collins, Joe Sanderson, and BG (Ret.) Steven T. King reported that the department's plan was developed to address all known and anticipated needs of the Kentucky National Guard and the quasi-commercial facilities operated by DMA for the next three biennia. There has been no significant change in needs, issues, or focus from DMA's last capital plan.

In response to questions from Senator Southworth about the chronic armory maintenance backlog and funding issue, Mr. Sanderson provided a history and explanation of the current request for the department's funding for maintenance and modernization pools. General King added that some are 100 percent federally funded projects, some 75 percent, and some 50-50. Every year is different, so the department looks for opportunities to ensure it maximizes the amount of funding available while leveraging all other capabilities, such as existing state prize contracts under the master agreement already in place.

In response to a question from Chair Wheeler about the projects affecting the readiness of the Kentucky National Guard, General King stated that the Kentucky National Guard is not fully funded to meet its requirements, so it prioritizes the funding

available to ensure that soldiers in upcoming missions on state and federal levels are prepared. Sometimes the guard has to react based on emerging requirements.

Department of Veterans' Affairs (DVA)

Whitney P. Allen, Jr., Juan A. Renaud, Mark Bowman, Dr. Silas Session, Dwayne A. Edwards, and Scott Baker gave a brief overview of the prioritized needs of the department.

In response to questions from Representative Tate, Chair Wheeler, and Senator Southworth concerning the Radcliff HVAC System Replacement project, General Allen replied that the system is six years old. Mr. Bowman added in December 2022, CMTA, an outside entity, and the Finance and Administration Cabinet recommended replacing the failing variable refrigerant system to be cost-efficient and comply with temperature regulations and that this issue is included in the narrative of the capital plan. The facility's capacity utilization is 51 percent.

Staffing is improving because of the Commonwealth's investment and partner collaboration. Codell Construction Company is the general contractor, and one of its subcontractors installed the HVAC system with a 15-year life cycle expected. Mr. Baker added that the 7-year equipment warranty began in 2016 and was not in operation until 2017 when the facility was opened, and that he would provide the members with the system's original cost as Chair Wheeler requested. The labor cost for installing the replacement parts has reached almost \$200,000.

Kentucky Communications Network Authority (KCNA)

Doug Hendrix and Mitch Powers gave a brief overview of KCNA's six-year capital plan.

In response to questions from Chair Wheeler about the KentuckyWired Critical Infrastructure Upgrades project, Mr. Hendrix stated that the first site started migrating at the end of 2019. The equipment was originally purchased and installed in 2015, as the P3 partner and Governor Steve Beshear decided. This equipment has end-of-life issues; the manufacturer will stop manufacturing parts or not service it anymore. The penalty for not upgrading the equipment would be relaxed times from the service provider. The contractor is in the process of determining the cost of and what equipment needs to be replaced.

Responding to questions from Senator Southworth about network speed, Mr. Powers stated that the core optical network supports speeds up to 100 gigabytes per second and service speeds vary by site. The network serves state agencies, community colleges, and public areas.

In response to Representative Tate, Mr. Hendrix said the initial project is finished except for two miles of fiber in Western Kentucky. The proposed critical infrastructure upgrades are the first of three phases to be completed costing \$44 million over the next six years. While an ongoing project, the next equipment upgrade should not be until 2035.

In response to Chair Wheeler and Senator Southworth about the KentuckyWired Critical Infrastructure Purchases project, Mr. Hendrix replied that Open Fiber owns the current telecommunication shelters and that this project would allow the

Commonwealth to purchase 20 12x28 feet concrete shelters for \$12.4 million to replace the original water-damaged wood shelters. He also said he would provide the members with the rate of return on capital assets for this project's contract. As the contract states, the agency will start receiving a share of the revenues at 90 percent for dark fiber in 2032 based on net income. They believe the revenue will be null for the next nine years.

Kentucky Infrastructure Authority (KIA)

Sandy Williams, Milward Dedman, and Jim Carpenter briefly overviewed KIA's capital plan.

In response to questions from Senator Southworth concerning the KIA Fund B Regionalization Account project, Ms. Williams replied that the federal program has to be kept separate. The project aims to use the funds to supplement or help utilities qualify for federal funding.

In response to a question from Mr. Hicks about the authorization of leverage bonds, Ms. Williams stated that the prior approval was in the 2018-2020 budget.

Tourism, Arts, and Heritage Cabinet (TAHC)

Lindy Casebier, Mona Juett, and Melissa Brewer briefly overviewed the cabinet's capital plan. There were no questions.

Transportation Cabinet (TC)

Robin Brewer presented the cabinet's capital plan.

Ms. Brewer replied to Chair Wheeler that the Commonwealth owns seven aircraft. Commissioner Carter added that five were used in a contract with the federal mining agency to inspect mine reclamation permits. There are contracts for the aircraft to be used with the Department of Fish and Wildlife for elk and waterfowl counts, meetings at airports, and state travel. The Navajo aircraft serves as a backup in the event the governor's aircraft provided by the Kentucky State Police is not available.

In response to questions from Senator Southworth about maintenance and upgrades to the welcome centers and rest areas, Ms. Brewer said the cabinet has a maintenance pool currently requesting \$8 million each year for repairs through the Road Fund. Welcome Center truck parking expansion is more substantial and was listed separately.

Adjournment

There being no further business, the meeting adjourned at 3:14 PM.

CAPITAL PLANNING ADVISORY BOARD

Minutes

October 11, 2023

Call to Order and Roll Call

The sixth meeting of the Capital Planning Advisory Board was held on October 11, 2023, at 1:00 PM in Room 169 of the Capitol Annex. Representative

Nancy Tate, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Nancy Tate Co-Chair; Senator Phillip Wheeler Co-Chair; Senator Adrienne Southworth; Pat Abell, Charles Byers, Katie Comstock, John Hicks, Patsy Jackson, and Danny Rhoades.

LRC Staff: Liz Columbia and Jennifer Luttrell.

Approval of Minutes - September 13, 2023

A motion to approve the minutes of the September 13, 2023, meeting was made by Mr. Abell, seconded by Mr. Hicks, and approved by voice vote.

2024-2030 Statewide Capital Improvements Plan (SCIP)

Chair Tate said two documents were included in the members' packets: the summary of the board's specific project recommendations in the project categories of Maintenance/Renovation, IT, and New Construction, and also the draft 2024-2030 Statewide Capital Improvements Plan for discussion and final action.

Mr. Hicks said he concurred with the State Agency Maintenance Pools Policy Recommendation amendment.

In response to a question from Chair Tate concerning the location of all the KCTCS projects in the SCIP, Ms. Columbia stated that the board's 15 project recommendations list was included in the first section of the SCIP. A comprehensive proposed project list identified by agency, including the complete KCTCS project submission, was in the second section of the SCIP.

In response to a question from Chair Tate about a question Senator Southworth had in the last meeting about the best way to choose project recommendations, Senator Southworth reminded her of Mr. Hicks' suggestion to support the concept of an asset preservation pool for the institutions in the policy recommendations rather than pick nine projects from the nine institutions out of the 15 that members were supposed to rank.

Ms. Columbia briefly described the 2024-2030 SCIP draft.

In response to a question from Senator Southworth about Kentucky State University's Asset Preservation Projects Pool being included in the board's project recommendations, Ms.

Columbia explained that the recommendations were total scores, so the project was included because some members scored that project despite the discussion at the previous meeting.

Senator Southworth made a motion to approve the amendment to the draft 2024-2030 SCIP, seconded by Mr. Hicks.

There was a motion made by Mr. Abell, seconded by Ms. Comstock, and adopted by roll call vote to approve the draft 2024-2030 SCIP, including the State Agency Maintenance Pools Policy Recommendation amendment and the project recommendations submitted by board members. The motion also included the authorization for staff to make the necessary editing changes in finalizing the plan for publication.

Chair Tate and Co-chair Wheeler thanked the board members and staff for their participation and involvement in the state's capital planning process and development of the recommendations and final document.

Adjournment

There being no further business, the meeting adjourned at 1:13 PM.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

June 22, 2023

Call to Order and Roll Call

The June meeting of the Capital Projects and Bond Oversight Committee was held on June 22, 2023, at 3:00 PM in Room 131 of the Capitol Annex. Representative Deanna Frazier Gordon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Deanna Frazier Gordon, Co-Chair; Senator Rick Girdler, Co-Chair; Senator Shelley Funke Frommeyer, Representative Jason Petrie, and Representative Walker Thomas.

Guests: Elizabeth Baker, Senior Director, Strategic Capital Planning and Legislative Analysis, University Budget Office, University of Kentucky; Scott Aubrey, Director, Division of Real Properties, Department for Facilities and Support Services; Katie Smith, Deputy Secretary and Commissioner, Department for Financial Services, Cabinet for Economic Development; Kylee Palmer, Director of Programs Administration, Department for Financial Services, Cabinet for Economic Development; and, Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran and Spring Emerson.

Approval of Minutes

Representative Petrie moved to approve the minutes of the May 23, 2023 meeting, Co-Chair Girdler seconded the motion, and the committee approved without objection.

Information Items

Ms. Halloran referenced seven information items. Pursuant to KRS 45.760(5), Murray State University reported \$587,700 research equipment purchase; a confocal microscope for use in the Biology Building, primarily funded with a National Institute for Health grant, with residual monies from third-party funds. Pursuant to KRS 45.812(1); five school districts, none of which needed an additional tax levy to pay debt service, reported upcoming debt issues for new projects through their fiscal agents. The school districts were Bath County, Covington Independent (Kenton County), Edmonson County, Grayson County, and Warren County. Pursuant to KRS 45A.180(2), the University of Kentucky reported its intent to use the construction manager-general contractor project

delivery method for its Scovell Hall Renovation project.

Pursuant to KRS 48.111(6)(a), the Division of Real Properties transmitted its advertisements for Cabinet for Health and Family Services, Department for Community Based Services space in McCreary County and Taylor County. DRP posted the advertisements due to the age/condition of the existing facility (McCreary County) and a requested rate increase for the existing facility (Taylor County). Pursuant to KRS 164A.600(2), UK reported a \$4 million emergency replacement of air handling unit coils, funded with insurance proceeds, due to the severe cold and power outages on December 23 of last year. UK will replace the ruptured AHU coils in seven buildings across campus. Pursuant to the Auditor of Public Accounts 2005 Model Program Checklist for Postsecondary Education Institutions' Lease Law Compliance, the Council on Postsecondary Education transmitted lease law compliance reports and the institutions' auditors did not report any findings. Kentucky State University's auditor is scheduled to release its fiscal year 2022 audit by August 31 and CPE does not except findings as KSU does not have reportable leases. SFCC reported fourteen prior debt issues from January through May with an around \$237 million par amount for new projects, about ninety-four percent with locally supported debt service and about four percent with SFCC debt service participation.

Action Item - Lease Report from the Postsecondary Institutions - University of Kentucky

Ms. Baker submitted two UK lease modifications of at least \$50,000 (square footage increases). Representative Petrie moved to roll them into one roll call vote, Representative Thomas seconded the motion, and the committee approved without objection.

The first was the College of Agriculture, Food and Environment's Equine Analytical Laboratory (drug testing for the sport horse and thoroughbred horse industries), PR-8488 at the Coldstream Research Campus; the addition of laboratory space, 5,013 square feet at a \$170,400 annual cost for a 12,992 square feet and \$433,500 annual cost total. The second was the College of Medicine's Bluegrass Care Clinic (Infectious Disease), PR-8428 at Beaumont Centre; the addition of clinical space, 3,496 square feet at a \$78,700 annual cost for a 29,714 square feet and \$716,300 annual cost total.

There being no questions, Co-Chair Girdler moved to approve the two lease modifications. Representative Thomas seconded the motion and the committee approved by unanimous roll call vote.

Action Item - Lease Report from the Finance and Administration Cabinet

Mr. Aubrey submitted a Cabinet for Health and Family Services, Department for Community Based Services lease renewal under the same terms and conditions for space in Clark County and two lease modifications of at least \$50,000 (amortization of improvements). Representative Petrie moved to roll them into one roll call vote, Co-Chair Girdler seconded the motion, and the committee approved without objection. The CHFS renewal, PR-4849, was

for 10,946 square feet at \$10 per square foot for an \$109,460 annual cost total through June 30, 2024.

The first lease modification was for General Government Cabinet, Office of the Attorney General space in Floyd County, PR-5725; amortizing \$55,080.40 through the June 30, 2025 lease expiration date. The improvements were the upgrade of two restrooms, vinyl composition tile flooring, two side exterior metal double doors and frames, and LED lighting. Sloan's Plumbing and The Plumbing Guys submitted respective bids of \$55,000 and \$65,200 and DRP selected the lower bid. OAG agreed to reimburse the lessor for the \$80.40 bid notice in the local Floyd County newspaper. The second lease modification was for CHFS, DCBS space in Woodford County,

PR-5740; amortizing \$140,252.95 through the June 30, 2031 lease expiration date. This lease modification included the addition of 2,522 square feet for a 3,527 square foot total and two additional renewal periods, which did not require action. For the renovation of the additional office space; JPG Rental and Storage, the lessor, submitted a \$140,252.95 bid, which DRP accepted.

There being no questions, Senator Funke Frommeyer moved to approve the lease renewal and two lease modifications, Co-Chair Girdler seconded the motion, and the committee approved by unanimous roll call vote.

Report from the Office of Financial Management - Cabinet for Economic Development - Economic Development Fund Grants

Ms. Smith and Ms. Palmer submitted eleven Kentucky Product Development Initiative Economic Development Fund grants. Representative Petrie moved to roll them into one roll call vote.

Senator Funke Frommeyer seconded the motion, and the grant requests were rolled into one vote.

The Kentucky Product Development Initiative program administered in conjunction with the Kentucky Association for Economic Development and codified in House Bill 745, uses EDF monies for industrial site upgrades. An independent site selection consultant identified the infrastructure projects as having potential for future economic development opportunities. CED disburses funds to the project applicants through the local government entities on a reimbursement basis upon review and approval of supporting documentation including invoices, proof of payment, matching funds, and progress reports.

The Kentucky Economic Development Finance Authority approved a \$1,081,200 KPDI EDF grant to the Barren County Fiscal Court on behalf of the Barren County Economic Authority for water, sewer, and natural gas service as well as grading one hundred acres in South Cooper Industrial Park. Matching funds are local grants for a \$6,533,200 total project cost. KEDFA approved a

\$270,00 KPDI EDF grant to the Green County Fiscal Court on behalf of the Green Economic Team of Greensburg, Green County for a build-ready pad and additional infrastructure improvements at Greensburg Industrial Park. Matching funds are local cash for a \$591,600 total project cost. KEDFA approved a \$76,500 KPDI EDF grant to the Hickman

County Fiscal Court on behalf of the Hickman County Industrial Development Authority for an entryway, water well, and high-pressure pump at Enterprise Park Clinton. Matching funds are through the IDA for a

\$153,100 total project cost. KEDFA approved a \$95,000 KPDI EDF Grant to the Jackson County Fiscal Court on behalf of the Jackson County/McKee Industrial Development Authority for build-ready certification and additional improvements at Jackson County Regional Industrial Park.

Matching funds are local grants for a \$190,000 total project cost. KEDFA approved a \$1.288 million KPDI EDF Grant to the Jessamine County Fiscal Court on behalf of the Jessamine County Joint Economic Development Authority to complete improvements at Jennette Farm Industrial Park. Matching funds are through a bank loan for a \$2,926,300 total project cost. KEDFA approved a \$361,400 KPDI EDF grant to the LaRue County Fiscal Court on behalf of the LaRue County Industrial Foundation for property acquisition (Upton Talley Road near I-65) of sixty-nine acres. Matching funds are through a bank loan for a \$824,800 total project cost. KEDFA approved a \$2 million KPDI EDF grant to Lexington-Fayette Urban County Government on behalf of the Lexington-Fayette Urban County Industrial Authority to complete improvements at Legacy Business Park. Matching funds are local for a \$6,035,400 total project cost. KEDFA approved a \$410,500 KPDI EDF grant to the McCreary County Fiscal Court on behalf of the McCreary County Industrial Development Authority to complete construction of a speculative building at McCreary County Business Park in Pine Knott. Matching funds are a through a bank loan and local grants for a \$2 million total project cost. KEDFA approved a \$297,600 KPDI EDF grant to the Todd County Fiscal Court on behalf of the Todd County Industrial Foundation for infrastructure improvements at the Robertson Property, a vacant industrial development site in Elkton.

Matching funds are local, partially through a grant. KEDFA approved a \$361,200 KPDI EDF grant to the Wayne County Fiscal Court on behalf of the Wayne County Industrial Authority for water and sewer service at the Monticello-Wayne County Business Park. Matching funds are local grants for a \$722,400 project total. KEDFA approved a \$653,100 KPDI EDF grant to the Woodford County Fiscal Court on behalf of the City of Versailles for water and sewer improvements at the Edgewood industrial site. The matching funds are local for a \$1,389,500 total project cost.

In response to questions from Senator Funke Frommeyer, Ms. Palmer said KDPI EDF grants are reimbursement grants and grant funds are not expended until receipt of the local match.

Co-Chair Girdler moved to approve the eleven KPDI EDF grants, Representative Petrie seconded the motion, and the committee approved by unanimous roll call vote.

Office of Financial Management - New and Previous Debt Issues

Mr. Barrow submitted one new debt issue: Morehead State University General Receipts Bonds, 2023 Series A. The estimated \$5.48 million twenty-

year, tax-exempt debt issue will finance the required \$5.284 million (fifteen percent) match for the state's House Bill 1 Asset Preservation Pool - 2022-2024 bond funded \$35.222 million contribution and pay costs of issuance. The projected all-in true interest cost for the competitively sold, typical for postsecondary debt, transaction is 4.24 percent. Mr. Barrow referenced the wrap around structure with deferred principal, in which the new debt wraps around existing debt for aggregate level debt service.

There being no questions, Representative Thomas moved to approve the new debt issue, Co-Chair Girdler seconded the motion, and the committee approved by unanimous roll call vote.

Mr. Barrow reported a previous debt issue: Kentucky Higher Education Student Loan Corporation Student Loan Revenue Bonds, Series 2023 A-1, A-2, and B-1, for which no action was required.

The KHESLC debt issue financed and refinanced Advantage Loan originations, used after a prospective student exhausts federal programs. The Series 2023A-1 tax-exempt portion was for loans with a nexus connection to Kentucky, students who are Kentucky residents or attending a Kentucky institution. The Series 2023A-1 taxable portion could be used for loans without a nexus connection to Kentucky and a portion of those proceeds was for the defeasance of the 2018 indenture. The Series 2023B-1 taxable subordinate portion was based on the credit of the individual borrower. The \$93.5 million debt issue, negotiated with Bank of America Securities, priced May 16 of this year with an all-in true interest cost of just over six percent. Of the proceeds, around \$10.5 million was tax-exempt.

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

Mr. Barrow submitted six school district debt issues with SFCC debt service participation totaling \$106.6 million for new projects; over ninety-six percent, \$102.4 million, with locally supported debt service and nearly four percent, \$4.1 million. Co-Chair Girdler moved to roll the them into one roll call vote, Representative Petrie seconded the motion, and the committee approved without objection.

The school districts were Adair County, Anderson County, Bullitt County (Resubmission), Cloverport Independent (Breckinridge County), Crittenden County, and Hopkins County. Mr.

Barrow noted that SFCC resubmitted Bullitt County due to increased bids. Representative Petrie commented that with inflation increasing; he would encourage delaying, phasing, or scaling back projects before increasing the borrowing amount.

There being no questions, Representative Thomas moved to approve the six school district debt issues with SFCC debt service participation. Co-Chair Girdler seconded the motion and the committee approved by unanimous roll call vote.

Remaining Calendar Year 2023 Meeting Dates

(Wednesdays, Capitol Annex Room 131, 3:00 p.m. Unless Otherwise Noted)

July 31 (Monday) - Senator Girdler, Chair

(Submissions Due Jul 11)

Aug. 23 - Representative Frazier Gordon, Chair (Submissions due Aug. 9)

Sept. 27 - Senator Girdler, Chair (Submissions due Sept. 13)

Oct. 25 - Representative Frazier Gordon, Chair (Submissions due Oct. 11)

Nov. TBD - Senator Girdler, Chair (Submissions due TBD)

Dec. TBD - Representative Frazier Gordon, Chair (Submissions due TBD)

Adjournment

There being no further business, the meeting was adjourned at 3:26 PM.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

July 31, 2023

Call to Order and Roll Call

The July meeting of the Capital Projects and Bond Oversight Committee was held on Monday, July 31, 2023, at 3:00 PM, in Room 131 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 Deanna Frazier Gordon, Co-Chair; Senators Shelley Funke Frommeyer and Robin L. Webb; Representatives Keturah Herron and Walker Thomas.

Guests: Meg Campbell, Assistant Vice President of University Planning, Design, and Construction, University of Louisville; Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Andy Casebier, Assistant Vice President of Facilities, Kentucky Community and Technical College System; Natalie Brawner, Assistant Director, Division of Real Properties, Department for Facilities and Support Services, Finance and Administration Cabinet; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Katie Smith, Deputy Secretary and Commissioner, Department for Financial Services, Cabinet for Economic Development; Kylee Palmer, Director of Programs Administration, Department for Financial Services, Cabinet for Economic Development, and, Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran and Spring Emerson.

Approval of Minutes

Senator Funke Frommeyer moved to approve the June 22, 2023 meeting minutes, Co-Chair Frazier Gordon seconded the motion, and the committee approved without objection.

Information Items

Ms. Halloran referenced four information items. Pursuant to KRS 26A.168(1), KRS 45.793, and KRS 45.818; the Administrative Office of the Courts; the Finance and Administration Cabinet, with the Commonwealth Office of Technology reporting independently; and postsecondary institutions managing their own capital construction under KRS 164A.580 transmitted quarterly capital project status reports. Pursuant to KRS 45.760(5), The University of Kentucky reported three restricted funds purchases of medical equipment for UK Chandler Hospital totaling just over \$728,000: a \$249,800 biotyper CA system; a \$231,100 cardiac ultrasound system; and a \$247,400 neurosurgical ultrasound system. Pursuant to KRS 45.812(1), through their fiscal agents, four school districts, none of which needed an additional tax levy to pay debt service, reported upcoming debt issues to finance new projects. The school districts were Clay County, Gallatin County, Grant County, and Raceland-Worthington in Greenup County. Pursuant to House Bill 1, five postsecondary institutions reported asset preservation capital projects.

Project Report from the Postsecondary Institutions – University of Louisville

Ms. Campbell submitted a new project, Expand Ekstrom Library, funded with \$8 million in donor funds to provide additional archival, student, and office space; renovating 8,000 to 10,000 square feet of space, including the addition. Senator Funke Frommeyer moved to approve the project, Senator Webb seconded the motion, and the committee approved by unanimous roll call vote.

Project Report from Finance and Administration Cabinet

Ms. Tomes reported seventeen pool allocations requiring no action; the general funded \$1.212 million Justice and Public Safety Cabinet, Department of Corrections, Adult Correctional Institutions (Maintenance Pool – 2022-2024), Roofing Design – East project, design and consultant studies for roofs at three correctional complexes (Blackburn Correctional Complex, Northpoint Training Center, and Little Sandy Correctional Complex) and sixteen Postsecondary Education, Kentucky Community and Technical College System (KCTCS) (Asset Preservation Pool – 2022-2024) projects. The KCTCS projects were the \$1.598 million Ashland CTC Roof Replacements, replacement of roofs on two buildings (Main Campus Goodpaster and Technology Drive Campus); \$4.9 million Big Sandy CTC Roof Replacements, repair and replacement of roofs on six buildings; \$2.8 million Gateway CTC Roof Replacements, replacement of roofs on two buildings; \$4.5 million Gateway CTC Mechanical Equipment and Controls, upgrade and replacement of boilers, chillers, pumps, and air handlers and upgrade of HVAC controls; \$1 million Henderson Community College Student Center Relocation and Demolition, relocation of services in the Student Center to other buildings and demolition of the Student Center; \$1.7 million Madisonville Community College Renovate Aviation, renovation of the Aviation Center including roof replacement, internal reconfiguration, HVAC,

parking lot, lighting, and drainage upgrades; \$2 million Maysville CTC Roof Replacements, replacement of the roofs on two buildings; \$1.5 million Maysville CTC Fire Alarms Upgrade, creation of campus-wide interconnected fire alarm system that provides monitoring control from a central location; \$4.3 million Somerset Community College Life Safety Upgrades, upgrade of sprinkler, fire alarm, and safety systems; \$2.3 million Somerset Community College Upgrade HVAC South Campus, upgrade of the HVAC system at the South Campus; \$2.4 million Southeast Kentucky CTC Roof Replacements, replacement of the roofs on three buildings at the Cumberland and Middlesboro campuses; \$7 million Southeast Kentucky CTC Mechanical Equipment Upgrades, upgrade and replacement of boilers, chillers, pumps, and air handlers and upgrade of HVAC controls; \$5.5 million West Kentucky CTC Renovate Main Campus Buildings, replacement of roofs and switchgear at four main campus buildings; \$3.4 million West Kentucky CTC Parking Lots and Sidewalks, repair of paving and sidewalks; and Kentucky CTC System West Colleges Fire Alarm Upgrades Groups One and Two, \$1.6 million each for the upgrade of fire alarm panels at the colleges in the western and eastern parts of the state. Eighty-five percent of the project costs came from the bond-funded Asset Preservation pool and KCTCS provided its fifteen percent match from restricted funds.

In response to questions from Representative Thomas and Co-Chair Frazier Gordon, Mr. Casebier said that KCTCS was able to execute all capital projects in its biennial budget request with all already bid or to be bid next month. For projects not already under construction, construction should commence by September or October. He said that there was a slight delay as Finance and Administration Cabinet's Division of Contracting and Administration was handling numerous projects.

Lease Report from Finance and Administration Cabinet

Ms. Brawner submitted a lease renewal, three lease modifications of at least \$50,000, and a Tenant Improvement Fund request. Representative Thomas moved to roll them into one roll call vote, Co-Chair Frazier Gordon seconded the motion, and the committee approved without objection.

The lease renewal was the Cabinet for Health and Family Services, Department for Community Based Services, Ohio County, PR-4175. The lessor requested a rate increase and based on a competitive bidding process outlined in KRS 56.803, the lease was awarded to the current lessor. The lease is 12,700 square feet at a new rental rate of \$15.00 per square foot for a \$190,500 annual cost through June 30, 2031.

The first lease modification was for the Cabinet for Health and Family Services, Department for Community Based Services and Office for Children with Special Health Care Needs, Floyd County, PR-4000; to increase the leased space by 13,121 square feet for 23,530 total square feet at the same rental rate of \$10.45 per square foot, which will result in a \$137,115 annual increase for a new \$245,889 annual cost. The additional office and clinic space required extensive demolition and renovation including

framing and drywall demolition/installation, electrical services upgrades, interior finishes, plumbing, and HVAC and sprinkler system modifications. The lessor provided one estimate from Alliance Corporation in the amount of \$529,060 and agreed to share fifty percent of the total renovation costs. When renovations are completed, the agencies will amortize \$264,530 through the newly negotiated lease term ending June 30, 2031. This modification also resulted in a consolidation of space leased under PR-4511.

The second lease modification was for the Transportation Cabinet, Department of Vehicle Regulation, Hardin County, PR-5685; amortization of extensive demolition and renovations of newly leased Driver Licensing Regional Office space of 4,527 square feet at \$9.25 per square foot. The necessary renovations include framing and drywall demolition/installation, electrical services/HVAC upgrades, interior finishes, and primary entrance. The lessor provided two estimates: \$322,350 from David Company and \$438,900 from Jenkins-Essex Construction. KYTC recommended acceptance of the low bid. When renovations are completed, KYTC will amortize the \$322,350 through the lease term ending June 30, 2031.

The third lease modification was for the General Government Cabinet, Occupational and Professional Boards and Commissions, Board of Nursing, Jefferson County, PR-3791; to decrease the square footage by 5,681 square feet for 16,329 total square feet at the same rental rate of \$11.75 per square foot, which will result in a \$66,752 annual decrease for a new \$191,886 annual cost. The lease is under suspension due to partial water damage from burst sprinkler lines. The lessor is making necessary repairs, including painting and floor coverings, and the agency is temporarily leasing space in an adjacent facility until those repairs are completed, anticipated to be by September 1. The Board requested painting and floor coverings in the undamaged area. Based on the age and condition of the undamaged area, the lessor agreed to split the \$59,762 cost; with a cost distribution of 58.33 percent to the lessor and 41.67 percent to the Board. The Board will amortize the \$24,903 through the lease term ending June 30, 2029.

The Tenant Improvement Fund request, Energy and Environment Cabinet, 300 Building, Franklin County, PR-5411 was for the installation of two new dual cable pedestal mount electric vehicle (EV) chargers on two new concrete pads. The lessor provided three estimates: \$51,146 from Fox Electric; \$52,671 from Blue Sky Electric; and \$88,963 from Arts Electric. EEC recommended acceptance of the low bid. Including this request, the total amount of 300 Building Tenant Improvement Fund requests is \$262,765.

Senator Girdler expressed his best wishes for Scott Aubrey, Director, Division of Real Properties upon his retirement.

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

Report from Office of Financial Management Kentucky Infrastructure Authority

Ms. Williams submitted three Clean Water State Revolving Fund (Fund A) Program loans, a Governmental Agencies (Fund C) Program loan, two Drinking Water State Revolving Fund (Fund F) Program and sixteen Cleaner Water Program grants. Senator Webb moved to roll them into one roll call vote, Representative Thomas seconded the motion, and the committee approved without objection.

The Louisville and Jefferson County Metropolitan Sewer District (Bullitt County) requested a \$11.2 million Fund A loan for its Bullitt Hills and Hillview Wastewater Treatment Plant and Three Pump Stations Elimination project; elimination of three wastewater treatment plants (and associated pump stations) that are over twenty-five years old, experienced overflow, and received notices of violation from the Division of Water. A new pump station will be constructed to divert flow to a wastewater treatment plant in Jefferson County. The loan term is twenty years at a one and one quarter percent interest rate. The City of Richmond (Madison County) requested a \$2.862 million Fund A loan for its South Point Force Main and Pump Station improvements project; replacement of over 8,000 linear feet of eight-inch lines with sixteen-inch force main and pump station rehabilitation to expand access to approximately 250 new customers. The loan term is twenty years at a half percent interest rate. The City of Jackson (Breathitt County) requested a \$500,000 Fund A loan for its \$1.98 million Sewer Rehabilitation Phase II project; rehabilitation of 20,000 linear feet of problematic lines experiencing inflow and infiltration. The loan term is thirty years at a half percent interest rate. The City of Morehead f/b/o Morehead Utility Plant Board (Rowan County) requested a \$7,054,602 Fund C loan for its \$52,052,602 Regional Water Treatment Plant Construction project. The project consisted of multiple phases and the bids for each phase have come in over budget. The Fund C loan proceeds will be combined with the existing Fund F loan proceeds. The loan term is twenty years at a two and three quarters percent interest rate. The Barkley Lake Water District (Trigg County) requested a \$3,678,453 Fund F loan for its \$4,055,104 Lakeside Waterline Replacement project; replacement of around 70,000 linear feet of three-inch, four-inch, and six-inch asbestos cement waterlines in the Lakeside area installed in 1965 to eliminate water loss. The loan term is twenty years at a two and a quarter percent interest rate. The City of South Shore (Greenup County) requested a \$8,590,500 Fund F loan for its \$10,382,805 South Shore to Portsmouth Permanent Interconnect project; construction of approximately 13,000 linear feet of twenty-inch waterline underneath the Ohio River to connect to Portsmouth, Ohio. Two booster pump stations and various line replacements will be made in order to distribute water throughout the system. Monitoring of the city's current drinking water source indicated increasing levels of PFAS. This loan is funded under the new Environmental Protection Agency emerging contaminants capitalization grant as authorized in the federal Bipartisan Infrastructure Law and will receive one hundred percent principal forgiveness as required by the terms of the grant.

Of the sixteen Cleaner Water Program Grants; nine are grants from the Supplemental Funding Pool (ten percent increases from prior grants to accommodate bids coming in over budget); six are County Pool reallocations, and one is a new County Pool grant. There was consensus from the local utilities and elected officials regarding the reallocations.

Senator Funke Frommeyer moved to approve the loans and grants, Representative Thomas seconded the motion, and the committee approved by unanimous roll call vote.

Cabinet for Economic Development - Economic Development Fund (EDF) Grants

Ms. Smith and Ms. Palmer submitted eight Kentucky Product Development Initiative EDF grants. Senator Webb moved to roll them into one roll call vote, Co-Chair Frazier Gordon seconded the motion, and the committee approved without objection.

The Kentucky Product Development Initiative program administered in conjunction with the Kentucky Association for Economic Development and codified in House Bill 745, uses EDF monies for industrial site upgrades. An independent site selection consultant identified the infrastructure projects as having potential for future economic development opportunities. CED disburses funds to the project applicants through the local government entities on a reimbursement basis upon review and approval of supporting documentation including invoices, proof of payment, matching funds, and progress reports. CED is submitting Round One grants and the consultant is evaluating Round Two grant applications.

The Kentucky Economic Development Finance Authority approved a \$42,300 KPDI EDF grant to the City of Princeton on behalf of the Princeton-Caldwell County Industrial Development Authority to conduct an in-depth analysis of the karst topography located at the Princeton Industrial Park. Matching funds are local monies for a \$84,500 total project cost. KEDFA approved a \$700,000 KPDI EDF grant to the Henderson County Fiscal Court on behalf of the West Kentucky Regional Industrial Development Authority to complete a site grading plan with a one million square foot building pad at the Sandy Lee Watkins site. Matching funds are local monies for a \$1.4 million total project cost. KEDFA approved a \$666,700 KPDI EDF grant to the Logan County Fiscal Court on behalf of the City of Russellville to complete an upgrade to a lift station at the West Industrial Park. Matching funds are a bank loan for a \$1.85 million total project cost. KEDFA approved a \$34,700 KPDI EDF grant to the Lyon County Fiscal Court on behalf of the Pennyriple Westpark Industrial Development Authority to conduct a floodplain analysis at the Pennyriple WestPark Industrial Park. This was a regional project with support from Caldwell, Crittenden, Livingston, Lyon, and Trigg Counties. Matching funds are local monies for a \$69,400 total project cost. KEDFA approved a \$675,400 grant to the Nicholas County Fiscal Court on behalf of the Bourbon County-Nicholas County Joint Economic Development Authority to acquire the Finrock property and begin engineering and site improvements. Matching funds are a bank loan and utility grants for a \$1,350,800 total project cost. KEDFA approved a \$225,000 KPDI

EDF grant to the Trigg County Fiscal Court on behalf of the Cadiz-Trigg County Industrial Development Authority to construct a new wastewater pump station at the Interstate 24 Business Park. Matchings funds are a grant for a \$450,000 total project cost. KEDFA approved a \$100,000 KPDI EDF grant to the Washington County Fiscal Court on behalf of the Springfield-Washington County Economic Development Authority to prepare and improve a new industrial site, Lincoln Business Park, into a shovel-ready site by adding a dedicated entrance and extending existing infrastructure. Matching funds are EDA monies for a \$200,000 total project cost., KEDFA approved a second KPDI EDF grant to the Washington County Fiscal Court on behalf of the Springfield-Washington County Economic Development Authority to prepare a improve a site in the industrialized zoned Springfield-Washington County Commerce Center. Matching funds are EDA monies for a \$200,000 total project cost.

In response to a question from Senator Funke Frommeyer regarding the return on investment, Ms. Smith said that the industrial site upgrades through the KPDI pilot program resulted in \$4 billion worth of investment. As an example, the construction of a gas line and other site upgrades in Henderson was a contributing factor in Pratt Industries announcing that it would invest \$400 million in a recycled paper mill in Henderson.

Senator Webb moved to approve the KPDI EDF grants, Co-Chair Frazier Gordon seconded the motion, and the committee approved by unanimous roll call vote.

Office of Financial Management – New and Previous Debt Issues

Mr. Barrow submitted the Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Davis Park Station), Series 2023; \$9 million net proceeds with an over \$22 million estimated project cost for a seventy-three-unit residential complex in Lexington. KHC conduit debt issues affect neither the Commonwealth's nor KHC's financials and are applied towards the state's private activity volume cap.

Representative Herron moved to approve the new debt issue, Senator Webb seconded the motion, and the committee approved by unanimous roll call vote.

Mr. Barrow reported three previous debt issues. The first was the \$54.84 million Kentucky Asset/Liability Commission, Project Notes 2023 Federal Highway Trust Fund First Refunding Series A; which redeemed the Series 2013 debt issue. Federal funds, the federal portion of the gas tax, is applied towards debt service and the \$1.6 million in net present value savings can be used towards additional programming. The debt issue priced June 6, closed June 22, and has a final maturity of September 1, 2025. The second was the KHC Multifamily Conduit Revenue Bonds (The Prestonian), Series 2023; \$55 million net proceeds with an over \$129 million project cost for a 343-unit residential complex in Louisville, which priced June 30. The third was the KHC Multifamily Conduit Revenue Bonds (Gateway on Broadway), Series 2023; \$25 million net proceeds with an over \$63 million project cost for a 116-unit residential complex

in Louisville, which priced June 16.

School District Debt Issues with School Facilities Construction Commission Debt Service Participation – New Projects

Mr. Barrow submitted three school district debt issues with SFCC debt service participation totaling \$20.89 million for new projects; eighty-nine percent, \$18.573 million, with locally supported debt service and eleven percent, \$2.317 million, with SFCC debt service participation. Co-Chair Frazier Gordon moved to roll them into one roll call vote, Representative Thomas seconded the motion, and the committee approved without objection.

The school districts, none of which needed an additional tax levy to pay debt service, were Clay County; Magoffin County, and Wolfe County.

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

Adjournment

The next CPBOC meeting is scheduled for Wednesday, August 23, 2023, with Representative Frazier Gordon presiding. Submissions are due on August 9, 2023.

There being no further business before the committee, the meeting was adjourned at 3:52 PM.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

October 25, 2023

Call to Order and Roll Call

The October meeting of the Capital Projects and Bond Oversight Committee was held on October 25, 2023, at 3:00 PM in Room 131 of the Capitol Annex. Representative Deanna Frazier Gordon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Rick Girdler Co-Chair; Representative Deanna Frazier Gordon Co-Chair; Senators Shelley Funke Frommeyer, and Jason Howell; Representatives Keturah Herron, Jason Petrie, and Walker Thomas.

Guests: Ryan Barrow, Executive Director, Office of Financial Management; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Kylee Palmer, Director of Program Administration, Department for Financial Services, Cabinet for Economic Development; Sarah Butler, Deputy Commissioner, Department for Financial Services, Cabinet for Economic Development; Elizabeth Baker, Senior Director, Strategic Capital Planning and Legislative Analysis, University Budget Office, University of Kentucky; Janice Tomes, Deputy State Budget Director, Office of State Budget Director; and, Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services.

LRC Staff: Katherine Halloran, Savannah Wiley,

and Spring Emerson.

Approval of Minutes

Senator Howell moved to approve the minutes of the September 27, 2023 meeting. The motion was seconded by Co-Chair Girdler, and the minutes were approved without objection.

Information Items

Ms. Halloran provided an overview of information items which consisted of various reports including quarterly capital projects status reports, annual capital projects reports, annual report of outstanding debt, and the semi-annual report of the Kentucky Asset/Liability Commission. Other information items included postsecondary medical and research equipment purchases, and notice of advertisement for leased space for the Department for Community Based Services.

Report from the Office of Financial Management

Mr. Barrow presented four school district debt issues with School Facilities Construction Commission (SFCC) participation, which included Augusta Independent (Bracken County), Elizabethtown Independent (Hardin County), Lee County, and Spencer County.

Senator Howell moved to roll the four debt issues into one roll call vote. The motion was seconded by Representative Walker, and they were rolled into one vote.

There being no questions, Co-Chair Girdler moved to approve the four SFCC debt issues. The motion was seconded by Senator Howell, and the debt issues were approved by roll call vote without objection.

Ms. Williams presented information from the Kentucky Infrastructure Authority on a Fund B loan as well as thirty Cleaner Water Program grants. Senator Howell moved to roll the thirty-one items into one roll call vote. The motion was seconded by Co-Chair Girdler, and was approved by roll call vote without objection.

There being no questions, Senator Howell moved to approve the thirty-one KIA transactions. The motion was seconded by Co-Chair Girdler, and they were approved by roll call vote without objection.

Ms. Palmer provided information on two Economic Development Fund grants. Senator Howell moved to roll them into one roll call vote. The motion was seconded by Co-Chair Girdler, and the votes were rolled into one. The grants included City of Owensboro on behalf of the Greater Owensboro Economic Development Corporation and the Martin County Fiscal Court on behalf of the Martin County Economic Development Authority.

In response to a question from Senator Funke Frommeyer regarding the usage of the Owensboro property, Ms. Palmer said a new industrial park is planned.

In response to a question from Representative Petrie, Ms. Palmer said an independent evaluator had been utilized to determine the business probabilities.

There being no further questions, Senator Howell moved to approve the grants. The motion was seconded by Senator Funke Frommeyer, and

the grants were approved by roll call vote without objection.

Lease Report from the Postsecondary Institutions - University of Kentucky

Ms. Baker presented information on one New Lease and one Lease Modification. Senator Howell moved to roll the two items into one roll call vote. The motion was seconded by Co-Chair Girdler, and the items were rolled into one vote.

The New Lease was for UK HealthCare's Emergency Psychiatric Assessment Treatment Health Program, Eastern State Hospital, Fayette County, PR-8561. The Lease Modification of at least \$50,000 (Amortization of Improvements) was for UK HealthCare King's Daughters' Family Practice and Urgent Care Clinics, Lawrence County (Ohio), PR-320818.

There being no questions, Senator Howell moved to approve the two lease transactions. The motion was seconded by Co-Chair Girdler, and the items were approved by roll call vote without objection.

Project Report from the Finance and Administration Cabinet

Ms. Tomes presented seven items requiring action and five items requiring no action. Senator Howell moved to roll the seven action items into one roll call vote. The motion was seconded by Co-Chair Girdler, and the items were rolled into one vote.

The seven items were 1. Capital Construction and Equipment Purchase Contingency Account Transfer – Justice and Public Safety Cabinet, Department of Corrections, Relocation of Medical Services; 2. New Projects – Postsecondary Education, Kentucky Community and Technical College System (a) Nursing Program Renovation – Big Sandy Community and Technical College, Pikeville; (b) Mobile Healthcare Labs – Owensboro Community and Technical College; (c) Roof Replacement, Franklin Center – Southcentral Kentucky Community and Technical College; (d) Signage – Southcentral Kentucky Community and Technical College; (e) Acquire Property – Bluegrass Community and Technical College, Winchester; and, 3. New Project (Amendment) – General Government, Department of Military Affairs, DMA Wendell H. Ford Regional Training Center Cypress Creek Restoration.

In response to a question from Representative Petrie regarding the balance in contingency, Ms. Tomes said the transfer that occurred on September 27, 2023 was enough to meet the need of the projects, and the account now has a nearly zero balance.

There being no further questions, Senator Howell moved to approve the seven action items. Co-Chair Girdler seconded the motion, and the items were approved by roll call vote without objection.

The five items requiring no action included B. Emergency Repair, Maintenance, or Replacement Project (Amendment) – Justice and Public Safety Cabinet, Department of Corrections, Adult Correctional Institutions, Green River Correctional Complex Fire Building K Power House; C. Pool Allocations 1. Finance and Administration Cabinet, Facilities and Support Services (Maintenance Pool – 2022-2022 and Historic Properties Deferred Maintenance), Berry Hill Mansion Miscellaneous Repairs; 2. Finance and Administration Cabinet,

Facilities and Support Services (HVAC Replacement/Rebuild-Variou), Central Lab Chiller Replacement; 3. Justice and Public Safety Cabinet, Department of Corrections, Adult Correctional Institutions (Maintenance Pools – 2020-2022 and 2022-2024), Blackburn Correctional Complex – New Gymnasium Building; and, 4. Postsecondary Education, Kentucky Community and Technical College System (KCTCS Equipment Pool – 2022-2024), Projector System – Big Sandy Community and Technical College. There were no questions.

Lease Report from the Finance and Administration Cabinet

Ms. Brawner presented information on a Lease Report from the Finance and Administration Cabinet – Lease Modification Under \$50,000 (Amortization of Improvements) – Public Protection Cabinet, department of Alcoholic Beverage Control, Franklin County, PR-5611, for which no action was required. There were no questions.

Remaining Calendar Year 2023 Meeting Dates

The next meeting date is Wednesday, November 15, at 3:00 PM in Room 131 of the Capitol Annex, with Senator Girdler presiding. Submissions are due November 1.

The December meeting is scheduled for Thursday, December 14, at 3:00 PM in Room 131 of the Capitol Annex, with Representative Frazier Gordon presiding. Submissions are due December 1.

Adjournment

There being no further business before the committee, the meeting was adjourned at 3:33 PM.

ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE

Minutes of the October Meeting

October 10, 2023

Call to Order and Roll Call

The October meeting of the Administrative Regulation Review Subcommittee was held on Tuesday, October 10, 2023, at 1:00 PM, in Room 149 of the Capitol Annex. Representative Derek Lewis, Co-Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Derek Lewis, Co-Chair; Senators Julie Raque Adams, Damon Thayer, and David Yates; and Representatives Randy Bridges, Deanna Frazier Gordon, and Daniel Grossberg.

Guests: Becky Gilpatrick and Miles Justice, Kentucky Higher Education Assistance Authority; Travis Powell, Council on Postsecondary Education; Cassie Trueblood, Education Professional Standards Board and Board of Education; Jennifer Scutchfield, Secretary of State; John Steffen and Leslie Saunders, Registry of Election Finance; Stafford Easterling, Personnel Cabinet; Carrie Bass and Jessica Beaubien, Kentucky Public Pension Authority; Juliana Swiney and Eden Davis, Board of Pharmacy; Kelly Jenkins and Jeffrey Prather, Board of Nursing; Stephanie Brammer-Barnes, Adam Mather, and Valerie Moore, Office of Inspector General; Steven Curley, Board

of Physical Therapy; Samuel Thorner, Kentucky Housing Corporation; Dave Dreves and Jenny Gilbert, Department of Fish and Wildlife Resources; Michael Kennedy, Energy and Environment Cabinet; Chad Collins, Kentucky High School Athletics Association; Abigail Gall, Department of Insurance; Jamie Eads, Hans Stokke, and Jennifer Wolsing, Horse Racing Commission; Laura Begin and Misty Sammons, Department for Community Based Services; Mary Haynes, Nazareth Homes; Joe Jurgenson, Management Systems of Kentucky; and Caroline Ruschell, Children's Advocacy Centers of Kentucky.

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

Administrative Regulations Reviewed by this Subcommittee:

KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY: Division of Student and Administrative Services: KHEAA Grant Programs

011 KAR 005:001. Definitions pertaining to 11 KAR Chapter 5. Becky Gilpatrick, director of student aid, and Miles Justice, general counsel, represented the authority.

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

011 KAR 015:110. Scholarships for Registered Apprenticeship and Qualified Workforce Training programs.

A motion was made and seconded to approve the following amendments: to amend Sections 1, 3, and 4 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

COUNCIL ON POSTSECONDARY EDUCATION: Healthcare

013 KAR 005:010. Healthcare training scholarships. Travis Powell, vice president and general counsel, represented the council.

In response to a question by Representative Frazier Gordon, Mr. Powell stated that this administrative regulation implemented House Bill 200 from the 2023 Regular Session of the General Assembly, which created a scholarship fund and an incentive fund for establishing partnerships between postsecondary educational institutions and healthcare providers. Students in targeted healthcare workforce areas would be trained by the institution and work for the health care provider. If a student completed a two year service requirement with the provider, the scholarship would not have to be repaid by the student.

In response to a question by Senator Thayer, Mr.

Powell stated that the council had been working with the sponsor of House Bill 200 from the 2023 Regular Session of the General Assembly to communicate with the Interim Joint Committee on Appropriations and Revenue concerning a budget request to implement the bill.

A motion was made and seconded to approve the following amendments: to amend Sections 2 and 5 to comply with the drafting requirements of KRS Chapter 13A; to amend Section 1 to add a definition for "eligible entity" and delete the definition for "eligible postsecondary institution"; and to amend and update the corresponding language of Section 3. Without objection, and with agreement of the agency, the amendments were approved.

013 KAR 005:020. Healthcare program incentives.

In response to a question by Representative Frazier Gordon, Mr. Powell stated that this administrative regulation provided criteria for high-performing health care programs to receive incentives, in accordance with House Bill 200 from the 2023 Regular Session of the General Assembly.

A motion was made and seconded to approve the following amendments: to amend Sections 1 and 5 to comply with the drafting requirements of KRS Chapter 13A; to amend Section 1 to add a definition for "eligible entity" and delete the definition for "eligible postsecondary institution"; and to amend and update the corresponding language of Section 2. Without objection, and with agreement of the agency, the amendments were approved.

EDUCATION PROFESSIONAL STANDARDS BOARD: Teaching Certificates

016 KAR 002:240. Interim certificate. Cassie Trueblood, counsel, represented the board.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to comply with KRS Chapter 13A; and to amend Sections 1 and 2 to make changes consistent with the emergency regulation, as amended on August 1, 2023, by the Interim Joint Committee on Education. Without objection, and with agreement of the agency, the amendments were approved.

SECRETARY OF STATE: Address Confidentiality Program

030 KAR 006:012. Repeal of 030 KAR 006:011. Jennifer Scutchfield, assistant secretary of state and general counsel, represented the secretary of state.

In response to a question from Co-Chair Lewis, Ms. Scutchfield stated that the administrative regulation expanded the address confidentiality program to victims of domestic abuse and masked a victim's address on public-facing state or county

agency Web sites.

Senator Thayer congratulated Senator Julie Raque Adams on the implementation of her bill through these administrative regulations.

Safe at Home Program

030 KAR 010:010. Definitions for 30 KAR Chapter 10.

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 Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

030 KAR 010:020. Application and certification.

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

030 KAR 010:030. Notification of expiration and recertification in the Safe at Home Program.

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 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.

030 KAR 010:040. Cancellation, appeal, and withdrawal.

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

030 KAR 010:050. Application assistant training and designation.

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

030 KAR 010:060. Release of participant information to criminal justice officials or agencies.

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

030 KAR 010:070. School enrollment and record transfers.

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 Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

030 KAR 010:080. Substitute address.

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 Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

030 KAR 010:090. Exercise of program participant's privileges.

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 Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

030 KAR 010:100. Attaining age of majority.

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 Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

030 KAR 010:110. Service of process.

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 Section 1 to comply with the drafting requirements

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

030 KAR 010:120. Recognition of certification in other state.

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

REGISTRY OF ELECTION FINANCE: Reports and Forms

032 KAR 002:020. General provisions. Leslie Saunders, general counsel, and John Steffen, executive director, represented the registry.

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

032 KAR 002:030. Complaints; internally-generated matters.

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 and 3 through 6 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

032 KAR 002:040. Investigatory procedures.

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, 3, 4, 6, and 8 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

032 KAR 002:050. Conciliation.

032 KAR 002:060. Advisory opinions.

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

032 KAR 002:221. Repeal of 032 KAR 002:220.

032 KAR 002:230. Processing of records requests.

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

PERSONNEL BOARD

101 KAR 001:365E. Appeal and hearing procedures. Stafford Easterling, general counsel and hearing officer, represented the board.

101 KAR 001:365. Appeal and hearing procedures.

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

FINANCE AND ADMINISTRATION CABINET: Kentucky Public Pension Authority: General Rules

105 KAR 001:457. In-line-of-duty survivor benefits. Carrie Bass, staff attorney supervisor, and Jessica Beaubien, policy specialist, represented the cabinet.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 4 and 6 through 9 to comply with the drafting requirements of KRS Chapter 13A; and to amend the STATUTORY AUTHORITY paragraph and Section 2 to reference KRS 61.505(3) (d) as authorizing the agency to contract with third-party vendors to act on its behalf throughout the in-line-of-duty survivor benefit application and review process. Without objection, and with agreement of the agency, the amendments were approved.

BOARDS AND COMMISSIONS: Board of Pharmacy

201 KAR 002:020. Examination. Juliana Swiney, deputy executive director, and Eden Davis, general counsel, represented the board.

In response to a question by Co-Chair Lewis, Ms. Davis stated that the board did not increase fees between 1999 and 2021. In 2021, the fees were increased by \$25 dollars, and the current administrative regulation increased fees by another \$25 dollars. In surrounding states, the average fee for a pharmacy, third-party logistic provider, and wholesaler was \$278, \$616, and \$278, respectively. This administrative regulation

increased the fees for a pharmacy, third-party logistic provider, and wholesaler to \$150, \$400, and \$150, respectively.

A motion was made and seconded to approve the following amendments: to amend Sections 6 through 8 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 002:050. Licenses and permits; fees.

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

201 KAR 002:105. Requirements for wholesalers, medical gas wholesalers, wholesale distributors, and virtual wholesale distributors.

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

201 KAR 002:205. Pharmacist-in-charge.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Section 2 to comply with the drafting requirements of KRS Chapter 13A; and to amend Section 2 to add the Cabinet for Health and Family Services to the filing of a report list for the pharmacist-in-charge of reporting any theft or loss. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 002:225. Special limited pharmacy permit-Medical gas.

A motion was made and seconded to approve the following amendments: to amend Sections 2, 4, and 5 to comply with the drafting and formatting requirements of KRS Chapter 13A; and to amend and update the nonresident application forms for consistency with the changes made to the forms in the amended after comments version of 201 KAR 2:050. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 002:240. Special limited pharmacy permit - charitable.

A motion was made and seconded to approve the following amendments: to amend Sections 1, 3, and 4 to comply with the drafting and formatting requirements of KRS Chapter 13A; and to amend and update the nonresident application forms for consistency with the changes made to the forms in the amended after comments version of 201 KAR 2:050. Without objection, and with agreement of the agency,

the amendments were approved.

201 KAR 002:320. Requirements for manufacturers and virtual manufacturers.

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

201 KAR 002:340. Special limited pharmacy permit-clinical practice.

A motion was made and seconded to approve the following amendments: to amend Sections 2, 4, and 5 to comply with the drafting and formatting requirements of KRS Chapter 13A and to amend and update the nonresident application forms for consistency with the changes made to the forms in the amended after comments version of 201 KAR 2:050. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 002:390. Requirements for third-party logistics providers.

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

Board of Nursing

201 KAR 020:620. Licensing requirements for licensed certified professional. Kelly Jenkins, executive director; and Jeff Prather, general counsel, represented the board.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Sections 2, 3, 8, 9, and 11 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board of Physical Therapy

201 KAR 022:170. Physical Therapy Compact Commission. Stephen Curley, executive director, represented the board.

Kentucky Housing Corporation

202 KAR 002:020. Rural Housing Trust Fund. Samuel Thorner, general counsel, represented the corporation.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to comply with the drafting requirements of KRS Chapter 13A; 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.

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

301 KAR 001:122. Importation, possession, and prohibited aquatic species. Dave Dreves, director of fisheries, and Jenny Gilbert, legislative liaison, represented the department.

In response to a question from Senator Thayer, Mr. Dreves stated that this administrative regulation allowed goldfish to be used as bait, provided that invasive carp may be re-released after being caught, and restricted the transportation and sale of tilapia for food consumption only.

ENERGY AND ENVIRONMENT CABINET: Department for Environmental Protection: Division for Air Quality: National Ambient Air Quality Standards

401 KAR 051:010. Attainment status designations. Michael Kennedy, division director, represented the division.

In response to a question by Senator Yates, Mr. Kennedy stated that there were various ambient air monitors around the state that collected data over a three year period. The cabinet analyzed the data to determine if an area meets the national ambient air quality standards for the 2015, eight hour ground-level ozone.

EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Board of Education: School Terms, Attendance and Operation

702 KAR 007:065. Designation of agent to manage middle and high school interscholastic athletics. Chad Collins, general counsel, Kentucky High School Athletics Association, and Cassie Trueblood, counsel, represented the board.

A motion was made and seconded to approve the following amendments: to amend the KHSAA Board of Control Adopted Policies to: update the required components of the emergency action plans; revise provisions for heat index monitoring; and change requirements regarding air quality concerns for local district consideration; and to amend the RELATES TO paragraph and Sections 3 and 7 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

PUBLIC PROTECTION CABINET: Department of Insurance: Agents, Consultants, Solicitors and Adjusters

806 KAR 009:400. Public adjuster filings. Abigail Gall, executive advisor, represented the department

A motion was made and seconded to approve the

following amendments: to amend Sections 1 through 5 and the material incorporated by reference to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

806 KAR 017:290. Independent External Review Program.

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

Kentucky Horse Racing Commission: Sports Wagering

809 KAR 001:002E. Service provider licensing. Jamie Eads, executive director; Hans Stokke, director; and Jennifer Wolsing, general counsel, represented the commission.

Senator Thayer congratulated the commission on the speedy implementation of sports wagering.

In response to a question by Senator Thayer, Mr. Stokke stated there had been promising results from the implementation of sports wagering.

809 KAR 001:003E. Occupational licenses.

809 KAR 010:001E. General provisions.

809 KAR 010:002E. Standards for sports wagering.

809 KAR 010:003E. Technical requirements and oversight.

809 KAR 010:004E. Sports wagering accounts.

809 KAR 010:005E. Licensed premises.

809 KAR 010:006E. Audit and internal control standards.

809 KAR 010:007E. Responsible gaming and advertising.

809 KAR 010:008E. Disciplinary actions and hearings.

Kentucky Horse Racing Commission: Licensing

810 KAR 003:010E. Licensing of racing associations.

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

900 KAR 006:080. Certificate of Need emergency circumstances. Adam Mather, inspector general, and

Valerie Moore, regulation coordinator, represented the office.

In response to a question by Co-Chair Lewis, Mr. Mather confirmed that the administrative regulation provided a temporary solution for emergency circumstances and was a response to an instance in eastern Kentucky of a county that experienced an immediate loss of ambulance services.

Co-Chair Lewis stated that he had deep concerns with upcoming certificate of need regulations. The legislature created the Certificate of Need Task Force, and the cabinet was encouraged to address the questions of the task force going forward.

Division of Health Care

902 KAR 020:300. Operation and services; nursing facilities. Adam Mather, inspector general, and Valerie Moore, regulation coordinator, represented the office.

In response to a question by Senator Yates, Mr. Mather stated that the medication aides were certified, rather than licensed.

Department for Community Based Services

922 KAR 001:360E. Private child care placement, levels of care, and payment. Laura Begin, regulation coordinator, and Misty Sammons, division director, represented the department. Caroline Rochelle, CEO, Children’s Advocacy Centers of Kentucky, appeared in favor of this administrative regulation.

In response to a question by Co-Chair Lewis, Ms. Rochelle stated these administrative regulations were designed to bring Kentucky in line with national standards. Ms. Begin stated the emergency and ordinary administrative regulations increased rates for private providers, who used the new rates to provide more services and to add staff. Ms. Sammons stated that the cost study to determine rates was conducted every two years with the budget cycle.

922 KAR 001:360. Private child care placement, levels of care, and payment.

922 KAR 001:580. Standards for children’s advocacy centers.

A motion was made and seconded to approve the following amendments: to amend Sections 2 through 4 to specify a delayed compliance date of July 1, 2024; to amend Section 3(4) to require an executive director to have, at a minimum, a master’s degree from an accredited college or university and three years of post-bachelor’s degree experience in administration; and to amend Section 3(6) to require a forensic interviewer to have, at a minimum, a master’s degree from an accredited college or university in a mental health, education, human services, or criminal justice field and two years of post-bachelor’s degree direct service experience. Without objection, and with agreement of the agency, the amendments were

approved.

922 KAR 002:245. Kentucky infant and toddler credential.

A motion was made and seconded to approve the following amendments: to amend Section 1(1) (b)1. and 2. for consistency with the Amended After Comments version of 922 KAR 2:225; and to amend Section 9 to update incorporated material. Without objection, and with agreement of the agency, the amendments were approved.

922 KAR 002:255. Kentucky school-aged youth development credential.

Other Business: Representative Grossberg appealed for the support of Israel during recent international strife. He stated that all forms of terrorism should be condemned.

Senator Thayer agreed with Representative Grossberg’s statements.

The following administrative regulations were deferred or removed from the October 10, 2023, subcommittee agenda:

STATE BOARD OF ELECTIONS: Forms and Procedures

031 KAR 004:196E. Consolidation of precounts and precinct election officers.

KENTUCKY COMMISSION ON HUMAN RIGHTS: Human Rights

104 KAR 001:010. Posting, distribution and availability of notices and pamphlets.

104 KAR 001:040. Guidelines for advertising employment or licensing opportunities.

104 KAR 001:050. Standards and procedures for providing equal employment opportunities.

104 KAR 001:080. Guidelines on fair housing.

104 KAR 001:100. Nondiscrimination on the basis of disability by a place of public accommodations, licensing agencies and trade organizations.

BOARDS AND COMMISSIONS: Board of Veterinary Examiners.

201 KAR 016:550. Authorization for animal control agencies to apply for a restricted controlled substances certificate from DEA.

201 KAR 016:552. Responsibilities for certified animal control agencies; limitations on drugs.

201 KAR 016:560. Certification as an animal euthanasia specialist.

201 KAR 016:701. Standards for medical records.

201 KAR 016:702. Standards for veterinary surgery.

201 KAR 016:750. Licensed veterinary technicians (LVTs) – Scope of practice and supervisory requirements.

Board of Nursing

201 KAR 020:700. Medication aide training programs and credentialing of medication aides. Stephanie Brammer-Barnes, regulation coordinator for Cabinet for Health and Family Services: Office of Inspector General; Kelly Jenkins, executive director; and Jeff Prather, general counsel, represented the board. Mary Haynes, registered nurse and nursing home administrator, and Joe Jurgenson, director of operations for Management Systems of Kentucky, appeared in opposition to this administrative regulation.

In response to a question by Co-Chair Lewis, Ms. Haynes stated that she was requesting an exclusion from the nursing requirement for personal care homes, which currently were not required to employ nurses. Mr. Jurgenson stated that there was not a way, currently, to fund the addition of a minimum of two nurses, which would be needed to comply with the requirement in a 24/7, 365 day- per-year environment.

In response to a question by Co-Chair Lewis, Mr. Mather stated that the cabinet was working internally to resolve concerns related to 200 KAR 20:700 and the implementation of the statute.

A motion was made and seconded to defer consideration of 201 KAR 20:700 to the November meeting of this subcommittee. Without objection, and with the agreement of the agency, the administrative regulation was deferred.

Board of Social Work

201 KAR 023:055. Inactive status of license.

201 KAR 023:160. Temporary permission to practice.

201 KAR 023:170. Telehealth and social work practice.

**INDEPENDENT ADMINISTRATIVE BODIES:
Board of Emergency Medical Services**

202 KAR 007:550. Required equipment and vehicle standards.

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

301 KAR 001:115. Propagation of aquatic organisms.

301 KAR 001:125. Transportation of fish.

Game

301 KAR 002:172. Deer hunting seasons, zone, and requirements.

DEPARTMENT OF AGRICULTURE: Livestock, Poultry, and Fish

302 KAR 022:150. Cervids.

**JUSTICE AND PUBLIC SAFETY CABINET:
Department of Justice: Capital Punishment**

501 KAR 016:310. Pre-execution medical actions.

Kentucky Law Enforcement Council

503KAR001:140. Peaceoffice,telecommunicator, and court security officer professional standards.

Department of Juvenile Justice: Child Welfare

505 KAR 001:010. Definitions.

505 KAR 001:100. Admissions.

505 KAR 001:110. Intake and orientation.

505 KAR 001:180. Day treatment admissions.

505 KAR 001:185. Day treatment programs.

505 KAR 001:210. Restraints and control methods.

505 KAR 001:220. Transportation of juveniles.

505 KAR 001:240. Dietary services.

505 KAR 001:250. Drug screening and testing.

505 KAR 001:260. Education.

505 KAR 001:270. Grievances.

505 KAR 001:280. Hair and grooming.

505 KAR 001:290. Juvenile allowance and work detail.

505 KAR 001:300. Juvenile records and information.

505 KAR 001:310. Leave, releases, and furloughs.

505 KAR 001:320. Library services.

505 KAR 001:330. Personal property, dress, and clothing and bedding supply.

505 KAR 001:340. Recreation.

505 KAR 001:350. Religious practice.

505 KAR 001:360. Searches.

505 KAR 001:370. Treatment.

505 KAR 001:380. Mail, visiting, and telephone use.

505 KAR 001:390. Juvenile Accounts and Youth Activity Fund Account.

505 KAR 001:400. Behavior management and progressive discipline.

505 KAR 001:410. Isolation and protective custody.

505 KAR 001:420. Youthful offenders.

PUBLIC PROTECTION CABINET: Kentucky Horse Racing Commission: Sports Wagering

809 KAR 001:002. Service provider licensing.

809 KAR 001:003. Occupational licenses.

Sports Wagering: Technical Criteria

809 KAR 010:001. General provisions.

809 KAR 010:002. Standards for sports wagering.

809 KAR 010:003. Technical requirements and oversight.

809 KAR 010:004. Sports wagering accounts.

809 KAR 010:005. Licensed premises.

809 KAR 010:006. Audit and internal control standards.

809 KAR 010:007. Responsible gaming and advertising.

809 KAR 010:008. Disciplinary actions and hearings.

Horse Racing: General

810 KAR 002:020. Thoroughbred and flat racing officials.

810 KAR 002:070. Thoroughbred and other flat racing associations.

810 KAR 002:100. Self-exclusion.

Horse Racing: Licensing

810 KAR 003:010. Licensing of racing associations.

Horse Racing: Flat and Steeplechase Racing

810 KAR 004:001. Definitions for 810 Chapter 4.

810 KAR 004:010. Horses.

810 KAR 004:030. Entries, subscriptions, and declarations.

810 KAR 004:040. Running of the race.

CABINET FOR HEALTH AND FAMILY SERVICES: Office of Inspector General: State Health Plan

900 KAR 005:020. State Health Plan for facilities and services.

Certificate of Need

900 KAR 006:075. Certificate of need non-substantive review.

Department for Public Health: Food and Cosmetics

902 KAR 045:190E. Hemp-derived cannabinoid products; packaging and labeling requirements.

Radiology

902 KAR 100:019. Standards for protection against radiation.

902 KAR 100:040. General provisions for specific licenses.

902 KAR 100:050. General licenses.

902 KAR 100:058. Specific licenses to manufacture, assemble, repair, or distribute products.

902 KAR 100:065. Reciprocal recognition.

902 KAR 100:165. Notices, reports, and instructions to employees.

902 KAR 100:185. Standards for protection against radiation from radioactive materials.

902 KAR 100:195. Licensing of special nuclear material.

902 KAR 100:200. Licenses and radiation safety requirements for irradiators.

Department of Medicaid Services: Payment and Services

907 KAR 003:310. Community health worker services and reimbursement.

Department for Behavioral Health, Developmental and Intellectual Disabilities: Division of Behavioral Health: Mental Health

908 KAR 002:300E. Kentucky problem gambling assistance account.

The subcommittee adjourned at 2:17 p.m. The

next meeting of this subcommittee was tentatively scheduled for November 9, 2023, at 2 p.m.

EDUCATION ASSESSMENT AND ACCOUNTABILITY REVIEW SUBCOMMITTEE

Minutes

July 18, 2023

Call to Order and Roll Call

The July meeting of the Education Assessment and Accountability Review Subcommittee was held on July 18, 2023, at 8:00 a.m. in Room 131 of the Capitol Annex. Senator Stephen West, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Scott Lewis, Co-Chair; Senator Stephen West, Co-Chair; Senator Matthew Deneen, Representative Kim Banta, Representative Tina Bojanowski, Representative Steve Riley.

Guests: Marcia Seiler, Deputy Director, Office of Education Accountability; Bryan Jones, Investigations Division Director; Dr. Bart Liguori, Research Division Manager; and Todd Allen, General Counsel, Kentucky Department of Education.

LRC Staff: Jo Carole Ellis, Lauren Busch, Joshua Collins, Yvette Perry, and Maurya Allen.

Approval of March 29, 2023, Minutes

Representative Banta made a motion, seconded by Senator Deneen to approve the minutes of the March 29, 2023, meeting. The motion passed by voice vote.

Office of Education Accountability Annual Report

Marcia Seiler, Deputy Director, Office of Education Accountability (OEA); Bryan Jones, Investigations Division Director, OEA; and Dr. Bart Liguori, Research Division Director, OEA, were in attendance to present the OEA Annual Report. Mr. Jones said the OEA has investigative authority for education related concerns in Kentucky. There are five full-time investigators on staff and investigate complaints ranging from local school board member eligibility, teacher certification, nepotism in hiring, and school governance. OEA does not investigate a complaint without a written report, however, these may be reported by anonymous sources. OEA does not interview students, but they do interview staff and personnel who may have knowledge in a case. Following a preliminary report, the appropriate parties have an opportunity to review and dispute findings before the final report is made. The primary remedies are recommendations for policy and training improvements, not punitive action, however some cases may be referred to outside agencies for further investigation or legal action.

To date this year, the division has received approximately 390 written complaints, a significant rise in the number of complaints for the department from previous years. If trends continue the agency will receive an all-time high of over 800 complaints. It should be noted, that not all complaints result in an investigation. Discrimination and special education

complaints are frequently referred to the US Department of Education or Kentucky Department of Education (KDE) as appropriate. Criminal activity is referred to law enforcement, as are complaints that allege student abuse or neglect. Most of the complaints concern school governance such as issues with elections for site-based decision making (SBDM) councils and school board eligibility concerns. There are also investigations into financial mismanagement and these frequently require additional training requirements as a corrective action.

Dr. Liguori briefly described the structure of the research division and highlighted recent reports, which have received National Conference of State Legislatures (NCSL) notable document and certificate of impact awards. The reports published last year included the Kentucky District Data Profiles School Year 2020-2021, A Review of School Funding and Adequacy, and Credit Recovery in Kentucky: Advantages and Drawbacks. There are three reports slated for 2023, the annual District Data Profiles, a study of classified and certified staffing shortages, and a review of effectiveness and efficiency of school districts on students' postsecondary outcomes.

In response to a question from Representative Lewis, Mr. Jones said he does not know what has caused the rise in complaints apart from a general heightened awareness of school governance following the pandemic. There appear to be more complaints regarding special education and bullying, which are referred to specialists at KDE and unfortunately need to be addressed at a local level. Ms. Seiler said if a district is experiencing a significant distressing event, that will result in a flood of complaints about that specific district. Currently there are a few districts experiencing such events.

Responding to questions from Chair West, Mr. Jones said there have also been increased complaints regarding certification and concerns that someone is not appropriately following an alternative certification pathway. It is possible that more individuals are becoming aware of the OEA and that word-of-mouth referral process is resulting in more complaints, especially in terms of the complaint application process being shared on social media or in local news media.

Chair West requested that when reports from OEA are finalized, if bound copies could be provided to members for their reference, in addition to being published online.

In response to a question from Chair West, Dr. Liguori said the division has just completed data acquisition regarding staffing shortages and has begun analyzing it, so no insights are available at this time. The full report is on track to be presented at the October meeting.

Chair West made a motion to accept the annual report as presented. Representative Banta seconded the motion and it passed by voice vote.

Office of Education Accountability District Data Profiles

Dr. Bart Liguori presented the District Data Profiles School Year 2021-2022. This is the 16th year of the report, but some metrics have changed during this time and caution should be taken when comparing

the current report to previous reports.

The print version of the district data profiles includes a data dictionary, the 171 district profiles, a state profile, interstate comparisons, and appendices on selected measures. Each profile has two pages, the first has demographic data and the second has financial and student performance data.

New this year, the comparisons section displays 1-, 5-, and 10-year data for trend analysis as opposed to simply the last three years' worth of data. Full year-to-year comparisons can be made using the online version of the report.

The demographic profile includes free/reduced price lunch status (as a proxy for low-income status), limited English proficiency, exceptional children, race/ethnicity, and new this year students in foster care. There is also a new breakout section on exceptional children, which notes the number of students receiving speech service, and those classified as moderate and severe. These metrics are used in SEEK formula calculations and are therefore valuable for making comparisons between districts in terms of funding. The section on attainment and discipline includes a section on bullying/harassment and the number of students transferring into/out of districts. This has been significantly impacted by 2021 House Bill 563 that allows free movement of students between districts, without the previously required agreements between districts, and for SEEK money to follow the student.

State and district salary schedules and full-time equivalent (FTE) administrators are provided in the staffing section, as are pupil/teacher ratio and pupil/counselor ratio, an important metric for gauging compliance with the requirements of 2019 Senate Bill 1. The online version shows all the yearly data as well as interactive graphs that allow comparison of districts to one another as well as to the state. SEEK analysis was displayed differently this year for ease of reading and levied school facility nickel taxes have been moved to an appendix at the back of the report. This is also the first year that career and technical education achievement has been included in the report. Accountability system information has been included and will include both status and change scores, in keeping with recent legislative changes to the reporting requirements for district accountability data. The online, interactive portion of the report includes all the data found in the written report, but allows for greater number of visualizations including statewide heat map illustrations of various data metrics.

Dr. Liguori gave a brief demonstration of the online portion of the report and informed the committee where the online report can be found on the LRC webpage. The layout of the online portion has been significantly changed from past years to make it more user friendly. One of the new features which is very valuable for legislators is the ability to compare Kentucky to nearby states as well as to the national data and state rankings.

In response to a question from Representative Bojanowski, Sabrina Cummins, Research Analyst, OEA, said that the data regarding FTE administrators is based on what the district codes and reports to NCES, and some districts are not coding appropriately

or provide inaccurate data. Ms. Cummins said she would look more closely into the data for Jefferson County Public Schools (JCPS) and provide those handouts to the members.

Responding to a question from Chair West, Dr. Liguori illustrated where all the data is located on the LRC webpage. Both the printed version and the interactive version can be accessed from the LRC webpage. OEA staff also assured the members that if they ever needed additional copies or assistance accessing the information, they are free to reach out to staff.

In response to a question from Senator Deneen, Dr. Liguori said that KDE sets the standard for how data is reported and helps districts get the correct information reported. During the process of gathering data for the report, OEA staff sometimes notices outliers or possible discrepancies and can make recommendations to KDE for follow-up to get the data corrected.

Representative Bojanowski stated she did not intend to accuse anyone of purposefully obfuscating data, but hopefully this can lead to clarification.

Representative Lewis said this information is very important and is useful for members to address the myriad of questions they receive regarding school districts. It is also critically important as a foundation for any legislation that may address issues in schools.

Chair West said he intends to have the OEA present to the Interim Joint Committee on Education, regarding the data in the District Data Profiles report as well as the other services available from OEA to the General Assembly.

Representative Banta made a motion to accept the report, seconded by Representative Riley. The motion passed by voice vote.

Review of Administrative Regulation

Todd Allen, General Counsel, KDE; Rhonda Sims, Associate Commissioner, Office of Assessment and Accountability, KDE; and Regan Satterwhite, Policy Advisor, Office of Career and Technical Education, KDE, were present to respond to questions from the committee regarding changes to 703 KAR 005:270 – Kentucky's Accountability System. The proposed regulation incorporates required changes from 2022 Senate Bill 59 and 2023 Senate Bill 25. These incorporate work-based learning programs into the accountability system so schools receive credit for student completion of those programs.

In response to a question from Chair West, Mr. Allen said that this regulation does not go through the Administrative Regulations Review Subcommittee, but instead is reviewed solely by the Education Assessment and Accountability Review Subcommittee.

No action was required on this item.

Other Business: Discussion of OEA Study Topic for 2024

Chair West presented a proposed research topic for 2024 to the committee for consideration. Typically, the committee would present their requested research topics in October or November and all topics would be voted on as a slate. The Senate has chosen to propose this topic early to give additional research

time for OEA staff. The topic is a review of current school district governance models across the nation, considering range of district configurations, district size and setting, school choice opportunities, and population characteristics. The study will also review state intervention models and results.

With no further questions about the proposal, Chair West made a motion to add the topic to the 2024 research agenda. Representative Banta seconded the motion and it passed by voice vote.

Chair West gave an overview of the schedule for the committee for the remainder of the interim. As mentioned earlier, the staffing shortages report will be presented in October and in November OEA will present the report on effectiveness and efficiency of schools on postsecondary outcomes. Also, during the November meeting, the committee will consider and approve any additional research agenda items for 2024.

Adjournment

With no further business to come before the committee, the meeting adjourned at 9:10 a.m.

EDUCATION ASSESSMENT AND ACCOUNTABILITY REVIEW SUBCOMMITTEE

Minutes

October 18, 2023

Call to Order and Roll Call

The October meeting of the Education Assessment and Accountability Review Subcommittee was held on October 18, 2023, at 9:00 AM in Room 149 of the Capitol Annex. Representative Scott Lewis, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen West Co-Chair; Representative Scott Lewis Co-Chair; Senators Matthew Deneen, and Mike Wilson; Representatives Kim Banta, Tina Bojanowski, and Steve Riley.

Guests: Dr. Deborah Nelson, Education Accountability Research Analyst, Office of Education Accountability; Dr. Bart Liguori, Research Division Manager, Office of Education Accountability; and Christopher Riley, Education Accountability Research Analyst, Office of Education Accountability.

LRC Staff: Yvette Perry, Lauren Busch, Joshua Collins, Peter Wright, and Maurya Allen.

Approval of Minutes - July 18, 2023

Representative Riley made a motion, seconded by Representative Banta, to approve the minutes of the July 18, 2023, meeting. The motion passed by voice vote.

Office of Education Accountability Report: A Review of Effectiveness and Efficiency of School Districts in Affecting Student's Academic and Postsecondary Outcomes

Dr. Bart Liguori, Research Division Manager, Office of Education Accountability (OEA); Chris Riley, Research Analyst, OEA; and Dr. Deborah

Nelson, Research Analyst, OEA; were present to share the report A Review of Effectiveness and Efficiency of School Districts in Affecting Student’s Academic and Postsecondary Outcomes. A draft copy of the report was available in members’ packets and posted on the meeting materials webpage.

The presenters explained that higher spending districts, on average, have higher-need populations and lower outcomes, but there are a wide range of variables. Small districts face problems related to efficiencies of scale and are difficult for school administrators to resolve as the factors are largely beyond their control. The most recent data shows that salaries and benefits are the majority of district expenditures and were an important focus of the analysis. The report uses two model districts for comparison that do not represent any specific district but are composite models using data from all districts in the state. For additional detail on the model districts and the data used, members were directed to the full report available online and in their packets.

Effective districts were those that scored above what would be predicted based on demographic and other data. The report also identified contextual challenges that are beyond administrators’ control. Per-pupil expenditures in Kentucky and the United States from 1970 through 2019 were highlighted, and showed a steep increase over time. However, increases in spending have slowed in more recent years. Dr. Nelson also illustrated Kentucky’s proficiency rate in reading and mathematics compared to the nation as reflected by NAEP scores. The data illustrated a decline in proficiency in Kentucky and the nation, and a pronounced negative impact by the COVID-19 pandemic.

Efficiency challenges were outlined and include higher-need populations, small size (defined as student membership of 1,000 or less), geographic dispersion, and higher-cost labor markets. Dr. Nelson also illustrated the revenue sources associated with each efficiency challenge and whether there are dedicated funding streams to address specific challenges. As district per-pupil spending increases, so does the number of economically disadvantaged students on average. Many higher-spending districts are also small and have larger higher-needs populations.

Mr. Riley spoke to the relationship between district spending and outcomes. As spending increases, outcomes decrease and outcomes vary little by district-spending once student and community demographic characteristics are considered. Districts were grouped based on performance on reading and mathematics assessments and per-pupil spending and illustrated graphically. He again utilized the model districts to illustrate how students in higher performing schools compare to demographically similar students. Mr. Riley then explained the methodology used to determine district impact scores and discussed how demographic factors influenced student performance.

Characteristics of higher- and lower-impact schools were discussed. Higher-impact districts have revenues similar to other districts and have outcomes that are higher than similar districts. It was also noted that more effective districts also tend to have better working conditions for teachers, as reflected in teacher surveys. In contrast, lower-impact districts have

higher teacher turnover rates. However, the presenters stated that there are many things that contribute to reduced teacher satisfaction and teacher turnover and may not have been captured in the survey data used.

In response to a question from Representative Bojanowski, Dr. Nelson said the data was non-identified by district, but the trend showed that the impact on effectiveness was most apparent in small districts. Data for the report can be found in the report itself and in the 2023 District Data Profiles presented at an earlier meeting and available on the LRC website.

Responding to a question from Senator West, Dr. Liguori said they looked at the Kentucky Impact Survey and took the lowest 40 percent of schools from that survey. Dr. Nelson said that Chapter Three of the report lists the survey categories and what questions were associated with ‘less favorable working conditions.’ She cautioned that individual districts are unique and any meaningful change in a district to improve working conditions will need to be tailored to meet local needs.

Representative Riley made a motion to accept the report. Representative Banta seconded the motion, and it passed by voice vote.

Other Business – 2024 OEA Research Agenda Proposed Topics

Chair Lewis announced that at the next meeting of the committee the members will need to approve the research agenda for 2024. The Senate members have already approved a research topic and a proposed research topic from Chair Lewis was included in the members packets for consideration. No action was necessary on this item at this time.

Adjournment

With no further business to come before the committee the meeting adjourned at 9:45 a.m. The next meeting of the committee will be Wednesday, November 1, 2023.

GOVERNMENT CONTRACT REVIEW COMMITTEE

Committee Minutes

June 13, 2023

Call to Order and Roll Call

The Government Contract Review Committee met on Tuesday, June 13, 2023, at 9:00 AM, in Room 131 of the Capitol Annex. Senator Stephen Meredith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Mark Hart, Co-Chair; Senators Gary Boswell, and Donald Douglas; Representatives Bobby McCool, and Michael Sarge Pollock.

Guests: Wesley Phelps, Adam Mather, Mike Tuggle, Shawn Boggs, Micah Hunsucker, Bryan Makinen, Katie Smith, Matt Wingate, Monique Quartermann, Allyson Smith, Dr. Scott Wicker, Kent Chandler, Kim Oatman, Karen Wirth, Regan Satterwhite, Damien Sweeney, and Thomas Woods

Tucker.

LRC Staff: Kim Eisner, Jarrod Schmidt, and Kim Smith.

A motion was made by Senator Boswell to approve minutes of the May 2023, meeting of the committee. Representative Hart seconded the motion, which passed without objection.

A motion was made by Representative Hart to consider as reviewed the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Senator Douglas seconded the motion, which passed without objection.

A motion was made by Representative Hart to consider as reviewed the Personal Service Contract Amendment List, with exception of those items selected for further review by members of the committee. Senator Douglas seconded the motion, which passed without objection.

A motion was made by Representative Hart to consider as reviewed the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Senator Douglas seconded the motion, which passed without objection.

A motion was made by Representative Hart to consider as reviewed the Memoranda of Agreement Amendment List, with exception of those items selected for further review by members of the committee. Senator Douglas seconded the motion, which passed without objection.

A motion was made by Representative Hart to consider as reviewed the Kentucky Entertainment Incentive Program Agreements List, with exception of those items selected for further review by members of the committee. Senator Douglas seconded the motion, which passed without objection.

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

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

AUDITOR OF PUBLIC ACCOUNTS

MCM CPA's & Advisors, LLP, 2300002682; Patrick & Associates, LLC, 2300002890; Kelley Galloway Smith Goolsby, PSC, 2300002891.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Martha Gregory & Associates, Inc., 2300001809.

BOARD OF EXAMINERS OF PSYCHOLOGISTS

Geetanjali Gulati, 2300002893.

COUNCIL ON POSTSECONDARY EDUCATION

Blue & Company, LLC, 2300001913.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Enviroscience, Inc., 2300002189; Ecosystem Planning and Restoration, LLC, 2300002518.

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| DEPARTMENT FOR INCOME SUPPORT Michael Jenkins-Guarnieri, 2300002736; Jacob Sherman Meece, 2300002737; Harwell Fitzhugh Smith, 2300002738. | The Cooper Group, LLC, 23-018. | BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES Multi, 2200000093; Reach of Louisville, Inc., 2200002926; Symphony Diagnostics Services No1, LLC, 2200003897. |
| DEPARTMENT OF CRIMINAL JUSTICE TRAINING Cornerstone Diagnostics, Inc. f/k/a PremiertoX 2.0, Inc., 2200002845-1; Powerphone, Inc., 2300002839. | KY COMMUNITY TECHNICAL COLLEGE SYSTEM Brewco Marketing Group, 898; Ruffalo Noel Levitz (RNL), 906. | BOARD OF MEDICAL LICENSURE Multi, 2200000053. |
| DEPARTMENT OF HIGHWAYS Thurston Freeman, 2300002867; The Raleigh Company, 2300002869; Bluegrass Valuation Group, LLC, 2300002870; Baumgardner and Associates, PSC, 2300002872; GRW Engineers, Inc., 2300003162; DLZ Kentucky, Inc., 2300003353. | KY HOUSING CORPORATION Corporation for Supportive Housing, Inc., 2023-6; McBrayer, PLLC, 2024-11; Walther, Gay & Mack, PLC, 2024-12. | DEPARTMENT FOR COMMUNITY BASED SERVICES United Training Career, LLC, 2200001696; Public Consulting Group, LLC, 2200001764. |
| DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION Code Administrative Association of Kentucky, 2300002636. | KY INFRASTRUCTURE AUTHORITY Mary Denise Pitts, 2300003097. | DEPARTMENT FOR ENVIRONMENTAL PROTECTION Stantec Consulting Services, Inc., 2300000721. |
| EASTERN KENTUCKY UNIVERSITY BD Biomedical Consulting Services, LLC, 1994-2023; Tetra Tech, Inc., 2018-2023; Cunningham, Barbee and Roben, LLC, 2026-2023; CAP Financial Partners, LLC d/b/a CAPTRUST Financial Advisors, 2027-2023; Mountain View Veterinary Services, PLLC, 2028-2023; PME Kentucky, LLC, 2041-2023; Dynamix Productions, Inc., 2068-2023; Protocol Services, Inc., 2094-2023; Central Kentucky Interpreter Referral, Inc., 2104-2023. | MOREHEAD STATE UNIVERSITY Dean Dorton Allen Ford, PLLC, 24-001; Sturgill, Turner, Barker & Moloney, PLLC, 24-002; Sturgill, Turner, Barker & Moloney, PLLC, 24-003; Askmrreeves College Consulting, LLC, 24-007. | DEPARTMENT FOR INCOME SUPPORT Jacqueline Carey Fister, 2200001660; Tadarro Richardson, 2200001678; Debra A. Smith, 2200001681; Alicia Lynn Fedewa, 2200002708. |
| FACILITIES & SUPPORT SERVICES EOP Architects PSC, 2300001785; K. Norman Berry Associates, 2300002523; KZF-LJB Joint Venture, LLC, 2300002899; Morris Workshop Architects, PLLC, 2300003108. | MURRAY STATE UNIVERSITY Sloan Appraisal Realty Services, 011-24; Partners for Insightful Evaluation, Inc., 014-23; Dean Dorton Allen Ford, PLLC, 028-23. | DEPARTMENT FOR PUBLIC HEALTH Maximus Human Services, Inc., 2200003862. |
| HORSE RACING COMMISSION GLI Capital Group, Inc. (Gaming Laboratories International), 2300003006. | NORTHERN KENTUCKY UNIVERSITY Dean Dorton, LLC, 2024-137; Arthur J. Gallagher Risk Management Services, LLC, 2024-141. | DEPARTMENT OF HIGHWAYS Johnson, Mirmiran & Thompson, Inc., 1200000653-1; Parsons Brinckerhoff, Inc., 1600000993; Strand Associates, Inc., 1800000638; Bluegrass Valuation Group, LLC, 1800001272; Palmer Engineering Company, 1900003312; Integrated Engineering, 1900003440; Strand Associates, Inc., 2000000850; Aecom Technical Services, Inc., 2000001988; QK4, Inc., 2000004282; H W Lochner, Inc., 2100003449; HMB Engineers, Inc., 2100003451; Palmer Engineering Company, 2200000359; HDR Engineering, Inc., 2200001768. |
| KENTUCKY EMPLOYERS MUTUAL INSURANCE US-Reports, Inc. d/b/a Afirm, 24-AFM-001; Claim Compensation Bureau, LLC, 24-CCB-001; Pharmacy Investigators & Consultants, LLC, 24-PIC-001; ReEmployAbility, Inc., 24-REA-001; TowerHunter, Inc., 24-THI-001. | OFFICE OF THE CONTROLLER HA Spalding, Inc., 2300002942. | EASTERN KENTUCKY UNIVERSITY Robert Ehmet Hayes & Associates, PLLC, 1608-2023; KFI Engineers, PC, 1689-2023; ALT32, PSC, 1706-2023; Clotfelter Samokar PSC, 1955-2023. |
| KENTUCKY LOTTERY CORPORATION IGT Global Solutions Corporation f/k/a GTECH Corporation, 24-10-001; IGT Global Solutions Corporation f/k/a GTECH Corporation, 24-15-001; Volta, Inc., 24-18-027; Bulletproof Solutions, Inc., 24-18-032; The Segal Company (Eastern States), Inc. d/b/a Segal, 24-21-001; Gaming Laboratories International, LLC, 24-21-024; BCH Agency, 24-23-011-1. | TRANSPORTATION - OFFICE OF THE SECRETARY Center for Employment Opportunities, Inc., 2300001988. | FACILITIES & SUPPORT SERVICES Third Rock Consultants, LLC, 1900002766; Architectural Investments, 2000000358; EOP Architects, PSC, 2100003158; KZF Design, Inc., 2200000755; Patrick D. Murphy Company, Inc., 2200001132; Vertical Structures, Inc., 2200003355; Kerr-Greulich Engineers, Inc., 2300000625; Biagi, Chance, Cummins, London, Titzer, Inc., 2300001530; John A. Newman Consulting Engineers, 2300001532; Paladin, Inc., 2300001751; Patrick D. Murphy Company, Inc., 2300001755; Patrick D. Murphy Company, Inc., 2300001793. |
| KENTUCKY STATE POLICE Powerphone, Inc., 2300002777. | UNIVERSITY OF KENTUCKY CMTA, Inc., A231200; Burgess Freeman, K23-213. | JUSTICE - OFFICE OF THE SECRETARY Cynthia J. Curtsinger, 2200003337. |
| KENTUCKY STATE UNIVERSITY | UNIVERSITY OF LOUISVILLE Terracon Consultants, Inc., 23-137; Dr. Paula Bates d/b/a PJB Consulting, 23-138; Ignew, LLC d/b/a Slingshot, 23-139. | KENTUCKY LOTTERY CORPORATION IGT Global Solutions Corporation f/k/a GTECH Corporation, 23-15-001; Bulletproof Solutions, Inc., 23-18-032. |
| | WESTERN KENTUCKY UNIVERSITY Bentz, Whaley, Flessner & Associates, Inc., 232403. | |
| | WORKERS' COMPENSATION FUNDING COMMISSION Blue & Company, LLC, 2300002979. | |
| | THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION: | |
| | ADMINISTRATIVE OFFICE OF THE COURTS Adams Law, PLLC, 2200004374; MCM CPAS & Advisors, LLP, 2200004579; Dinsmore & Shohl, LLP, 2200004595. | |

KENTUCKY PUBLIC PENSIONS AUTHORITY
Stoll Keenon Ogden, PLLC, 2200002498; Frost Brown Todd, LLC, 2200002539; Umberg Zipser, LLP, 2200003377.

KY COMMUNITY TECHNICAL COLLEGE SYSTEM
Dentons, Bingham, Greenebaum, LLP, 883.

LEGISLATIVE RESEARCH COMMISSION
Milliman Solutions, LLC, 2200004608.

MURRAY STATE UNIVERSITY
Rick Walter/Boehl, Stopher & Graves, LLP, 015-18; Greg T. Taylor & Associates, 015-23; Brailsford & Dunlavy, Inc., 018-23; Academic Partnerships, LLC, 019-20; Dinsmore & Shohl, 023-21; Dinsmore & Shohl, 024-22; Dinsmore & Shohl, LLP, 027-22.

OFFICE OF THE CONTROLLER
Maxim Healthcare Services, Inc., 2200000187; Sedgwick Claims Management Services, Inc., 2200003896.

PERSONNEL - OFFICE OF THE SECRETARY
McBrayer, PLLC, 2200002342; Premise Health Employer Solutions, LLC, 2300001181.

TRANSPORTATION - OFFICE OF THE SECRETARY
Baptist Health Medical Group, Inc., 2200002011.

UNIVERSITY OF KENTUCKY
Foster Garvey, 23-043; Omni Architects, A221120; Multi, A231000; Multi, A231010; Multi, A231020; Multi, A231030; Multi, A231040; Multi, A231050; Multi, A231060; Multi, A231070; HDR, Inc., A231160.

UNIVERSITY OF LOUISVILLE
Multi, 23-038; The Segal Company, Inc., 23-057; Bentz, Whaley, Flessner, and Associates, Inc., 23-094.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS
Community Resources for Justice Crime and Justice Institute, 2300003155.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES
Lexington Fayette Urban County Government, 2300001971; Voices of Hope - Lexington, Inc., 2300001989; Kentucky River District Health Department, 2300002441; Volunteers of America Mid-States, Inc., 2300002446; Kentucky Primary Care Association, Inc., 2300002553; Eastern Kentucky CEP, Inc., 2300002590; Western Kentucky Regional Mental Health & Retardation Advisory Board, 2300002888; Pennyroyal Regional Mental Health Mental Retardation Board, 2300002895; Green River Regional MHMR Board, Inc., 2300002898; Seven Counties Services, Inc., 2300002930; Northkey Community Care, 2300002940; Comprehend,

Inc., 2300002949; Pathways, Inc., 2300002950; Mountain Comprehensive Care Center, 2300002953; Kentucky River Community Care, Inc., 2300002962; Cumberland River Behavioral Health, Inc., 2300002971; Greater Louisville Behavioral Health Center, 2300003044.

COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS
University of Kentucky Research Foundation, 2300002655.

COUNCIL ON POSTSECONDARY EDUCATION
Ft. Thomas Independent School District, 2300001918.

DEPARTMENT FOR COMMUNITY BASED SERVICES
Louisville Jefferson County Metro Government, 2300001843.

DEPARTMENT FOR LIBRARIES & ARCHIVES
Clark County Public Library, 2300002722; Pulaski County Public Library, 2300002729; Washington County Public Library, 2300002771; Wayne County Public Library, 2300002773.

DEPARTMENT FOR LOCAL GOVERNMENT
McLean County Fiscal Court, 2300001844; McLean County Fiscal Court, 2300001846; Henderson County Fiscal Court, 2300002011; City of Richmond, 2300002019; City of Paducah, 2300002193; Laurel County Treasurer, 2300002538; Muhlenberg County Fiscal Court, 2300002540; Pulaski County Treasurer, 2300002630; City of Lancaster, 2300002706; Harlan County Fiscal Court, 2300002712; Adair County, 2300002713; Princeton-Caldwell County Industrial Development Authority, 2300002790; Marshall County Industrial Development Authority, 2300002794; Pike County Fiscal Court, 2300002806; Franklin County Fiscal Court, 2300002814; Harlan County Fiscal Court, 2300002830; Johnson County Fiscal Court, 2300002835; Bell County, 2300002836; Barren County Fiscal Court, 2300002843; Franklin-Simpson Industrial, 2300002859; Perry County Fiscal Court, 2300002884; Columbia-Adair County Economic Development Authority, Inc., 2300002889; Perry County Fiscal Court, 2300002967; McLean County Fiscal Court, 2300002992; McCracken County Fiscal Court, 2300003093; City of Edgewood, 2300003103; City of Hodgenville, 2300003230.

DEPARTMENT FOR MEDICAID SERVICES
University of Kentucky Research Foundation, 2300002524.

DEPARTMENT FOR PUBLIC HEALTH
Kentucky Board of Emergency Medical Services, 2200002661-1; American Childhood Cancer Organization, 2300001803; University of Louisville Research Foundation, 2300001823; University of Louisville Research Foundation, 2300001839; Revive Ministries, Inc., 2300001850; Shaping Our Appalachian Region, Inc., 2300001892; The Well of Lexington, 2300001969; Park Duvalle Neighborhood Health Center, 2300002197; Kentucky

Mountain Health Alliance, Inc., 2300002198; Rockcastle Hospital and Respiratory Care Center, Inc., 2300002199; Mercy Health - Marcum & Wallace Hospital, LLC, 2300002637; St. Elizabeth Medical Center, 2300002638.

DEPARTMENT FOR WORKFORCE INVESTMENT
The AOPA Foundation, Inc., 2300002887.

DEPARTMENT OF AGRICULTURE
Multi, 2300000118; Feeding Kentucky, Inc., 2300002639; Dare To Care, Inc., 2300002709; Gods Pantry Food Bank, Inc., 2300002710; Gods Pantry Food Bank, Inc., 2300002881.

DEPARTMENT OF EDUCATION
Rowan County Board of Education, 2300000517; Paducah Independent School District, 2300000558; Oldham County Board of Education, 2300002061; Fayette County Board of Education, 2300002614; Greenup County Board of Education, 2300002662; Marion County Board of Education, 2300002664; Paducah Independent School District, 2300002669; Warren County Board of Education, 2300002679; Green County Board of Education, 2300002690; Jobs for Kentucky's Graduates, 2300002692; Kentucky Educational Development Corporation, 2300002826; Bardstown Independent School District, 2300002878; Madison County Board of Education, 2300002903; Nelson County Board of Education, 2300002904; National Center for Families Learning, 2300002959; St. George's Scholar Institute, 2300002963; Kentucky Non-Public Schools Commission, Inc., 2300003002; Spencer County Board of Education, 2300003029.

DEPARTMENT OF JUVENILE JUSTICE
Young Mens Christian Association of Greater Louisville, Inc., 2300001862; Ramey Estep Homes, Inc., 2300002008.

DEPARTMENT OF MILITARY AFFAIRS
Oldham County Fiscal Court, 2300002568; Oldham County Fiscal Court, 2300002687; Oldham County Fiscal Court, 2300002711; Oldham County Fiscal Court, 2300002716; Eminence Independent Board of Education, 2300002832.

DEPARTMENT OF REVENUE
Multistate Tax Commission, 2300002059.

ECON DEV - OFFICE OF THE SECRETARY
Kentucky Science and Technology Corporation, 2300003005.

EDUCATION AND LABOR CABINET
Multi, 2300000066; University of Kentucky Research Foundation, 2300002733.

JUSTICE - OFFICE OF THE SECRETARY
Communicare, Inc., 2300002084; Seven Counties Services, Inc., 2300002099; Pathways, Inc., 2300002424; Kentucky Chamber Foundation, Inc., 2300002779; Volunteers of America Mid-States, Inc., 2300002783; Volunteers of America Mid-States, Inc., 2300002834; Eastern Kentucky CEP, Inc., 2300002856; Kentucky Pharmacy Education and

Research Foundation, Inc., 2300002864.

KY HOUSING CORPORATION

University of Kentucky Research Foundation, 1.

KY INFRASTRUCTURE AUTHORITY

Bluegrass Area Development District, 2300002743; Barren River Area Development District, 2300002744; Cumberland Valley Area Development District, 2300002747; Green River Area Development District, 2300002750; Kentuckiana Regional Planning & Development Agency, 2300002752; Kentucky River Area Development District, 2300002753; Lake Cumberland Area Development District, Inc., 2300002754; Lincoln Trail Area Development District, 2300002755; Northern Kentucky Area Development District, 2300002756; Pennyriple Area Development, 2300002757; Purchase Area Development District, Inc., 2300002758.

MEDICAID SERVICES BENEFITS

University of Kentucky Research Foundation, 2300002470.

OFFICE OF KY NATURE PRESERVES

University of Kentucky Research Foundation, 2300001531.

TRANSPORTATION - OFFICE OF THE SECRETARY

Jefferson Community and Technical College, 2300002844; Federal Highway Administration, National Highway Institute, 2300003009; Center for Employment Opportunities, Inc., 2300003010.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS

Comprehend, Inc., 2200004821; Lifeskills, Inc., 2200004827; Lifeskills, Inc., 2200004827; Western Kentucky University, 2300002735.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Multi, 2200000046; Pennyroyal Regional Mental HealthMentalRetardationBoard, 2200001499; Oxford House, Inc., 2200001629; Kentucky Association of Sexual Assault Programs, 2200001771; Louisville Jefferson County Metro Government, 2200002008; Mountain Comprehensive Care Center, 2200002311; Seven Counties Services, Inc., 2200002452; St. Elizabeth Medical Center, 2200002533; University of Kentucky Research Foundation, 2200002665; Metro Louisville Harm Reduction Task Force, 2200002710; Memorial Hospital, Inc., 2200002712; Kentucky Pharmacy Education and Research Foundation, Inc., 2200002716; Shatterproof A Nonprofit Corporation, 2200002731; Volunteers of America Mid-States, Inc., 2200002824; Appalachian Regional Healthcare, Inc., 2200002877; University of Kentucky Research Foundation, 2200002891; Pathways, Inc., 2200002915; Kentucky River Community Care, Inc., 2200002918; Western Kentucky Regional Mental Health & Retardation Advisory Board,

2200002971; Lifeskills, Inc., 2200003216; Seven Counties Services, Inc., 2200003304; New Vista of the Bluegrass, Inc., 2200003491; Community Action Kentucky, Inc., 2300000327; Crisis Text Line, Inc., 2300000634; Drug Free America Foundation, Inc., 2300000707.

CHFS - DEPARTMENT FOR AGING AND INDEPENDENT LIVING

Multi, 2200000066; Center for Accessible Living, Inc., 2200004326.

DEPARTMENT FOR COMMUNITY BASED SERVICES

University of Kentucky Research Foundation, 2200001790; Kentucky Association of Sexual Assault Programs, 2200002195; Community Action of Southern Kentucky, Inc., 2200002456; Consortium for Children, 2200002577; Kentucky Youth Advocates, Inc., 2200003087; Louisville Jefferson County Metro Government, 2200004282.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Trigg County Board of Education, 2200004603; Owensboro Independent School District, 2200004813.

DEPARTMENT FOR INCOME SUPPORT

Treasurer State of Mississippi, 2200002656.

DEPARTMENT FOR LOCAL GOVERNMENT

Johnson County Fiscal Court, 2200002909; Clark County Fiscal Court, 2200004689; Ohio County Fiscal Court, 2300000711; Menifee County Fiscal Court, 2300002191.

DEPARTMENT FOR MEDICAID SERVICES

University of Kentucky Research Foundation, 2200003694.

DEPARTMENT FOR NATURAL RESOURCES

University of Kentucky Research Foundation, 2100001130.

DEPARTMENT FOR PUBLIC HEALTH

Aids Volunteers, Inc., 2200002001; University of Kentucky Research Foundation, 2200002147; Matthew 25 Aids Services, Inc., 2200002618; Livwell Community Health Services, Inc., 2200002619; Kentucky Hospital Research & Education Foundation, Inc., 2200002624; Kentucky Community and Technical College System, 2200002661; Homeless and Housing Coalition of Kentucky, 2200002881; Volunteers of America Mid-States, Inc., 2200002882; University of Kentucky Research Foundation, 2200003217; Foundation for A Healthy Kentucky, 2200003515; University of Kentucky, 2200003635; Shaping Our Appalachian Region, Inc., 2200003637; University of Kentucky Research Foundation, 2200003692; St. Joseph Catholic Orphan Society, 2200003711; University of Kentucky Research Foundation, 2200003772; Healthfirst Bluegrass, Inc., 2200003784; University of Kentucky Research Foundation, 2200003817; Norton Healthcare Foundation, 2200004211; Youth Golfers Outreach Program, Inc., 2300000008; Livwell Community

Health Services, Inc., 2300000279; Matthew 25 Aids Serv, Inc., 2300000541; Project Ricochet, 2300000627; Nelson County Community Clinic, Inc., 2300001032; Kentucky Rural Health Associates, 2300001141.

DEPARTMENT OF CRIMINAL JUSTICE TRAINING

University of Louisville, 2200001720.

DEPARTMENT OF EDUCATION

Kentucky School Board Association Educational Foundation, Inc., 2200003297; University of Louisville Research Foundation, 2200003652; National Board for Professional Teaching Standards, 2200003931; Southeast/Southcentral Educational Cooperative, 2200004457; Ohio Valley Educational Cooperative, 2200004462; West Kentucky Educational Cooperative, 2200004465; Indiana University, 2200004620; Central Kentucky Educational Cooperative, 2200004688; Kentucky Educational Development Corporation, 2300000051; Williamstown Board of Education, 2300000439; Todd County Board of Education, 2300000484; Pulaski County Board of Education, 2300000544; Perry County Board of Education, 2300000550; Owensboro Independent School District, 2300000569; Monroe County Board of Education, 2300000595; Jefferson County Board of Education, 2300001558; Ohio Valley Educational Cooperative, 2300002917; Ohio Valley Educational Cooperative, 2300002921.

DEPARTMENT OF VETERANS AFFAIRS

Kentucky National Guard Memorial Fund, Inc., 2200004047.

EDUCATION - OFFICE OF THE SECRETARY

University of Kentucky Research Foundation, 2200003960.

FINANCE - OFFICE OF THE SECRETARY

Multi, 2200000084.

KENTUCKY HERITAGE COUNCIL

American Battlefield Trust, 2200004759.

KY PUBLIC SERVICE COMMISSION

Attorney General, 2200001800.

OFFICE OF ENERGY POLICY

University of Kentucky Research Foundation, 2300002136.

TRANSPORTATION - OFFICE OF THE SECRETARY

Eastern Kentucky University, 2200002092; Treeslouisville, Inc., 2200002135; Western Kentucky University, 2200002747.

THE FOLLOWING KENTUCKY ENTERTAINMENT INCENTIVE PROGRAM AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

ECON DEV - OFFICE OF THE SECRETARY

Pan Touring, LLC, 2300003196; Against Sunrise,

2300003199; Annie On Tour, LLC, 2300003202; Cellar Productions, LLC, 2300003203.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR INCOME SUPPORT

Healing Pathway Counseling, LLC, 2200002708-1. Wesley Phelps discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Senator Boswell seconded the motion, which passed.

DEPARTMENT FOR PUBLIC HEALTH

Multi, 2300000073. Adam Mather and Mike Tuggle discussed the contract with the committee. A motion was made by Senator Boswell to consider the contract as reviewed. Representative Hart seconded the motion, which passed.

DEPARTMENT OF INSURANCE

Tracy Bertram, 2300002986. Shawn Boggs discussed the contract with the committee. A motion was made by Representative Pollock to consider the contract as reviewed. Senator Boswell seconded the motion, which passed.

EASTERN KENTUCKY UNIVERSITY

Multi, 2045-2023; Multi, 2046-2023; Multi, 2048-2023; Multi, 2049-2023; Multi, 2050-2023. Micah Hunsucker and Bryan Makinen discussed the contracts with the committee. A motion was made by Senator Boswell to consider the contracts as reviewed. Representative Pollock seconded the motion, which passed.

ECON DEV - OFFICE OF THE SECRETARY

Sprocket, Inc., 2300002855; Central Region Innovation and Commercialization Center, Inc., 2300002915; Shaping Our Appalachian Region, Inc., 2300002935; Amplify Louisville, Inc., 2300002961; Awesome Center for Entrepreneurship, Inc., 2300002995; Blue North Kentucky, Inc., 2300003023. Katie Smith, Matt Wingate, and Monique Quarterman discussed the contracts with the committee. A motion was made by Representative Hart to consider the contracts as reviewed. Senator Douglas seconded the motion, which passed.

KENTUCKY EMPLOYERS MUTUAL INSURANCE

Medcor, Inc., 24-MDC-001. Allyson Smith discussed the contract with the committee. A motion was made by Senator Boswell to consider the contract as reviewed. Senator Douglas seconded the motion, which passed.

KENTUCKY STATE UNIVERSITY

Gallagher Benefit Services, Inc., 23-021. Dr. Scott Wicker discussed the contract with the committee. A motion was made by Senator Boswell to consider the contract as reviewed. Representative Pollock seconded the motion, which passed.

KY PUBLIC SERVICE COMMISSION

Strategen Consulting, Inc., 2200001505-1; Strategen Consulting, Inc., 2200001899-1; Strategen Consulting, Inc., 2300002857. Kent Chandler discussed the contracts with the committee. A motion was made by Representative Pollock to consider the contracts as reviewed. Senator Boswell seconded the motion, which passed with Senator Meredith voting no and Senator Douglas voting to pass.

MOREHEAD STATE UNIVERSITY

Multi, 24-008; Multi, 24-009. Kim Oatman discussed the contracts with the committee. A motion was made by Senator Boswell to consider the contracts as reviewed. Senator Douglas seconded the motion, which passed.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT OF EDUCATION

University of Louisville Research Foundation, 2300002500; Ohio Valley Educational Cooperative, 2300002502; Barren County Board of Education, 2300002510. Karen Wirth and Regan Satterwhite discussed the contracts with the committee. A motion was made by Senator Boswell to consider the contracts as reviewed. Representative Hart seconded the motion, which passed.

THE FOLLOWING MEMORANDA OF AGREEMENTS FOR \$50K AND UNDER WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT OF EDUCATION

Clark County Board of Education, 2300002854; Dayton Independent School District, 2300002861; Garrard County Board of Education, 2300002865; Henderson County Board of Education, 2300002866; Johnson County Board of Education, 2300002871; Letcher County Board of Education, 2300002873; Taylor County Board of Education, 2300002874; Spencer County Board of Education, 2300002876. Karen Wirth, Damien Sweeney, and Thomas Woods Tucker discussed the contracts with the committee. A motion was made by Representative Hart to consider the contracts as reviewed. Senator Boswell seconded the motion, which passed with Senator Douglas voting no.

EXEMPTION REQUESTS:

ENERGY AND ENVIRONMENT CABINET:

The Division of Water requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from extending beyond the current biennium for the FFY 2023 Kentucky Stormwater Training Program. A motion was made by Representative Hart to grant the request to December 31, 2027. Senator Boswell seconded the motion, which passed without objection.

KENTUCKY DEPARTMENT OF AGRICULTURE:

The Kentucky Department of Agriculture requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and

agreements from extending beyond the current biennium to execute agreements to include Dare to Care Food Bank, God’s Pantry Food Bank, Tri-State Food Bank, Feeding America KY’s Heartland, Northern KY Area Development District, and Purchase Area Development District and is part of The Emergency Food Assistance Program (TEFAP) Reach and Resiliency Round 2 Grant Funds. A motion was made by Representative Hart to grant the request to June 30, 2025. Senator Boswell seconded the motion, which passed without objection.

ENERGY AND ENVIRONMENT CABINET:

The Division of Forestry requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from extending beyond the current biennium for the Development of a Kentucky Invasive Plant Strike Team Grant, which is part of the Consolidated Program Grant. A motion was made by Representative Hart to grant the request to June 30, 2028. Senator Boswell seconded the motion, which passed without objection.

ENERGY AND ENVIRONMENT CABINET:

The Division of Conservation requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from extending beyond the current biennium for the Watershed Dam Infrastructure Revolving Fund. The fund was established through the 2022 Regular Session HB 1 with 100 percent General Fund appropriation of \$5,000,000 in fiscal year 2022-2023 for the Soil and Water Conservation Commission (KRS 146.110). A motion was made by Representative Hart to grant the request to June 30, 2028. Senator Boswell seconded the motion, which passed without objection.

There being no further business, the meeting adjourned at 10:45 AM.

GOVERNMENT CONTRACT REVIEW COMMITTEE

Minutes
October 10, 2023

Call to Order and Roll Call

The Government Contract Review Committee met on Tuesday, October 10, 2023, at 9:00 AM, in Room 131 of the Capitol Annex. Senator Stephen Meredith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Mark Hart, Co-Chair; Senators Donald Douglas and Reginald Thomas; Representatives Beverly Chester-Burton, Bobby McCool, and Michael Sarge Pollock.

Guests: Aaron Jones, Laura Redmon, Chip White, Nathan Goens, Scott Baker, Sam Ruth, Rebecca Adkins, Kathy McNaughton, Jennifer Linton, Michael DeCourcy, Bart Hardin, Barry Swanson, Lisa Lee, Leslie Hoffmann, Amy Richardson, Karen Wirth, Matt Ross, Micki Ray, Regan Satterwhite, Mike Mangeot, Angie Lawrence, and Anthony Gill.

LRC Staff: Kim Eisner, Jarrod Schmidt, and Kim

Smith.
A motion was made by Senator Douglas to approve Minutes of the September 2023, meeting of the committee. Representative Hart seconded the motion, which passed without objection.

SEPTEMBER DEFERRED ITEM:

KY COMMUNITY TECHNICAL COLLEGE SYSTEM

TrendyMinds, LLC, 886. The University requested that the contract be withdrawn on October 4, 2023.

A motion was made by Senator Douglas to consider as reviewed the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Representative Pollock seconded the motion, which passed without objection.

A motion was made by Senator Douglas 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 Pollock seconded the motion, which passed without objection.

A motion was made by Senator Douglas to consider as reviewed the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Representative Pollock seconded the motion, which passed without objection.

A motion was made by Senator Douglas 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 Pollock seconded the motion, which passed without objection.

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

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Aecom Technical Services, Inc., 2300003614; Stantec Consulting Services, Inc., 2400000098.

DEPARTMENTFORWORKFORCEINVESTMENT

Positive Images & Associates, LLC, 2300003515.

DEPARTMENT OF EDUCATION

CN Resource, LLC, 2200003439-1; Post Time Audiovisual Services, Inc., 2400000506.

DEPARTMENT OF HIGHWAYS

Rha, LLC, 2400000633; HDR Engineering, Inc., 2400000635.

EASTERN KENTUCKY UNIVERSITY

Element Design, 2299-2024.

KENTUCKY FISH AND WILDLIFE RESOURCES

Quality Deer Management Association, 2400000423; Quality Deer Management Association, 2400000425.

KENTUCKY STATE UNIVERSITY

Dr. Kimberly Sinclair Holmes, 24-18.

KY PUBLIC SERVICE COMMISSION

Newgen Strategies and Solutions, LLC, 2400000556.

MOREHEAD STATE UNIVERSITY

FEDLogic, LLC, 24-015.

NORTHERN KENTUCKY UNIVERSITY

Ruffalo Noel Levitz, LLC, 2024-148.

UNIVERSITY OF KENTUCKY

Solid Ground Consulting Engineers, A241030; KFI Engineers, A241090; ADV Market Research & Consulting, LLC, K24-127; Bureau Veritas Certification North America, Inc., K24-128; Carnegie Dartlet, LLC, K24-129; Mackey Group, LLC d/b/a Wisser Strategies, K24-130; Richard Cassis - Sparq Design, Inc., K24-131; Wendell Wilson Business Consulting, K24-132.

WESTERN KENTUCKY UNIVERSITY

Willoughby and Crane, 232427; Bit Source, LLC, 232428; Daedalus Corporation, 232430.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS

Marcum Engineering, LLC, 2300001995.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Multi, 2200000093; John D. Ranseen, 2200001350; Martine Turns PSYD, PLLC, 2200001351; Steve Sparks, Ph.D., 2200001352; Susan Brittain-Seitz, 2200001826.

BOARD OF MEDICAL LICENSURE

Kriz, Jenkins, Prewitt & Jones PSC, 2300002519.

DEPARTMENTFORWORKFORCEINVESTMENT

Bank Street College of Education, 2300001358.

DEPARTMENT OF EDUCATION

Tilford Dobbins & Schmidt, PLLC, 2200003396.

DEPARTMENT OF HIGHWAYS

URS Corporation, 1200000826; QK4, 1300001567; Arnold Consulting Engineering, 1600000984; Haworth Meyer Boleyn, Inc., 2000002554; Integrated Engineering, 2100000807; Gresham Smith, 2100000813; QK4, Inc., 2100000814; HDR Engineering, Inc., 2100000815; Burgess and Niple, Inc., 2100000816; Stantec Consulting Services, Inc., 2100000817; Bacon Farmer Workman Engineering & Testing, Inc., 2100002278; Aecom Technical Services, Inc., 2200000782; WSP USA, Inc., 2200000789; HDR Engineering, Inc.,

2200000883; Burgess and Niple, Inc., 2200000884; Stantec Consulting Services, Inc., 2200000988; WSP USA, Inc., 2200000990; Aecom Technical Services, Inc., 2200000991; Palmer Engineering County, 2200001940; Burgess and Niple, Inc., 2300002043; WSP USA, Inc., 2300002483.

EASTERN KENTUCKY UNIVERSITY

Hafer, PSC, 1805-2023.

FACILITIES & SUPPORT SERVICES

Kohrs Lonnemann Heil Engineers, Inc., 1600000312; CMTA, Inc., 1900003502; EOP Architects PSC, 2000003040; Omni Architects, 2100001138; Vertical Structures, Inc., 2200003355; Kerr-Greulich Engineers, Inc., 2300000625; Paladin, Inc., 2300001751; EOP Architects PSC, 2300001911; Omni Architects, 2300001992; Brown & Kubican, PSC, 2300002331; EOPArchitects, PSC, 2300002433; K. Norman Berry Associates, 2300002523.

KENTUCKY EMPLOYERS MUTUAL INSURANCE

Charles Taylor TPA, LLC, 24-MTX-001.

KENTUCKY FISH AND WILDLIFE RESOURCES

Res Kentucky LLC d/b/a Redwing Ecological Services, 20FW000086; Riverine Systems, LLC, 20FW000378; NOMI, Inc., 20FW002477; Stantec Consulting Services, Inc., 22FW000317.

KENTUCKY LOTTERY CORPORATION

IGT Global Solutions Corporation f/k/a GTECH Corporation, 24-10-001; IGT Global Solutions Corporation f/k/a GTECH Corporation, 24-15-001.

KENTUCKY STATE UNIVERSITY

Blue & Company, LLC, 23-012.

KY COMMUNITY TECHNICAL COLLEGE SYSTEM

FORVIS, 889.

KY PUBLIC SERVICE COMMISSION

Strategen Consulting, Inc., 2200001505-1.

MURRAY STATE UNIVERSITY

Multi, 003-24; Multi, 006-24; Multi, 007-24; Multi, 010-24.

NORTHERN KENTUCKY UNIVERSITY

CBTS Technology Solutions, LLC, 2024-138.

TRANSPORTATION - OFFICE OF THE SECRETARY

Elizabethtown Community and Technical College, 2200003181.

UNIVERSITY OF KENTUCKY

JRA Architects, A191160; GBBN Architects, A211160; Multi, A231000; Multi, A231010; Multi, A231020; Multi, A231030; Multi, A231040; Multi, A231050; Multi, A231060; Multi, A231070; THP Limited, A231080; Stites & Harbison, PLLC, K23-163; Benson Law Offices, K23-174; Born, LLC, K23-195.

UNIVERSITY OF LOUISVILLE

Multi, 23-043; Willis Towers Watson US, LLC, 23-074; Terracon Consultants, Inc., 23-137.

WESTERN KENTUCKY UNIVERSITY

BKD CPA's & Advisors, 222302; Intead Global & Local Academic Branding, 222341; Multi, 222407.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

ATTORNEY GENERAL

University of Louisville Research Foundation, 2400000145.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Council On Postsecondary Education, 2300003612.

BOARD OF ELECTIONS

Bell County Treasurer, 2400000706.

CHFS - DEPARTMENT FOR AGING AND INDEPENDENT LIVING

Multi, 2400000006; Multi, 2400000007; Multi, 2400000017; Kentucky SILC, Inc., 2400000059.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Family Enrichment Center, Inc., 2400000641.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

University of Kentucky Research Foundation, 2400000108; Pulaski County Conservation District, 2400000150; Banklick Watershed Council, 2400000151; Friends of Clarks River National Wildlife Refuge, 2400000209; Gateway Area Development District, 2400000268.

DEPARTMENT FOR LOCAL GOVERNMENT

Letcher County Fiscal Court, 2400000120; City of Stanton, 2400000126; Wayne County Fiscal Court, 2400000136; Webster County Fiscal Court, 2400000302; Menifee County Fiscal Court, 2400000322; Hickman County Fiscal Court, 2400000394; Calloway County Fiscal Court, 2400000503; Floyd County Fiscal Court, 2400000505; Russell County Industrial Development Authority, 2400000512; Harlan County Fiscal Court, 2400000520; Harlan County Fiscal Court, 2400000522; McLean County Fiscal Court, 2400000571; McLean County Fiscal Court, 2400000572; McLean County Fiscal Court, 2400000573; Perry County Fiscal Court, 2400000579; Floyd County Fiscal Court, 2400000588; Owsley County, 2400000593; Kentucky Department of Military Affairs, 2400000601; Union County Fiscal Court, 2400000605; Union County Fiscal Court, 2400000607; Floyd County Fiscal Court, 2400000609; Kentucky Transportation Cabinet, 2400000636; Whitley County Fiscal Court, 2400000637; Leslie County, 2400000644; Leslie County, 2400000645; Leslie County, 2400000646;

Leslie County, 2400000647; Leslie County, 2400000649; Leslie County, 2400000650; Knott County Fiscal Court, 2400000652; Pike County Fiscal Court, 2400000673; Ohio County Fiscal Court, 2400000684; Ohio County Fiscal Court, 2400000685; Pike County Fiscal Court, 2400000715; Christian County, 2400000723; Henderson County Fiscal Court, 2400000760.

DEPARTMENT FOR PUBLIC ADVOCACY

University of Kentucky Research Foundation, 2300003138.

DEPARTMENT FOR PUBLIC HEALTH

Grace Community Health Center, Inc., 2400000157; University of Louisville Hospital, 2400000489.

DEPARTMENT OF EDUCATION

Woodford County Board of Education, 2300003413; West Kentucky Educational Cooperative, 2300003797; Bullitt County Board of Education, 2400000162; Anderson County Board of Education, 2400000311; Ashland Board of Education, 2400000313; Kentucky Valley Education, 2400000317; Jefferson County Board of Education, 2400000329; Warren County Board of Education, 2400000408; Campbell County Board of Education, 2400000492; Jefferson County Board of Education, 2400000501; Caldwell County Board of Education, 2400000513; Fairview Independent School District, 2400000514; Fayette County Board of Education, 2400000515; Greenup County Board of Education, 2400000516; Pike County Board of Education, 2400000517; Pineville Independent School District, 2400000521; Robertson County Board of Education, 2400000526; Rockcastle County Board of Education, 2400000527; Eminence Independent Board of Education, 2400000528; Mayfield Independent School District, 2400000529; Bellevue Independent School District, 2400000530; Ballard County Board of Education, 2400000532; Casey County Board of Education, 2400000533; Christian County Board of Education, 2400000534; Crittenden County Board of Education, 2400000535; Cumberland County Board of Education, 2400000536; Glasgow Independent School District, 2400000537; Hart County Board of Education, 2400000538; Menifee County Board of Education, 2400000539; Metcalfe County Board of Education, 2400000541; Monroe County Board of Education, 2400000542; Owensboro Independent School District, 2400000543; Owsley County Board of Education, 2400000545; Russellville Independent School District, 2400000548; Todd County Board of Education, 2400000549; Washington County Board of Education, 2400000550; Wayne County Board of Education, 2400000551; Webster County Board of Education, 2400000552; Whitley County Board of Education, 2400000553; Williamstown Board of Education, 2400000555; Whitley County Board of Education, 2400000566; Bardstown Independent School District, 2400000634; Central Kentucky Educational Cooperative, 2400000648; Paducah Independent School District, 2400000663; Bell County Board of Education, 2400000675; Bullitt County Board of Education, 2400000680; Christian

County Board of Education, 2400000681; Corbin Independent School District, 2400000683; Fayette County Board of Education, 2400000686; Fulton County Board of Education, 2400000688; Henderson County Board of Education, 2400000691; Henry County Board of Education, 2400000692; Johnson County Board of Education, 2400000695; Lincoln County Board of Education, 2400000696; Logan County Board of Education, 2400000697; Marshall County Board of Education, 2400000698; Nelson County Board of Education, 2400000700; Owensboro Independent School District, 2400000701; Perry County Board of Education, 2400000702; Pike County Board of Education, 2400000703; Pulaski County Board of Education, 2400000704; Spencer County Board of Education, 2400000705; Taylor County Board of Education, 2400000707; Washington County Board of Education, 2400000708; Webster County Board of Education, 2400000709; Whitley County Board of Education, 2400000711; Woodford County Board of Education, 2400000712; Boyd County Board of Education, 2400000714; Jessamine County Board of Education, 2400000718; Dayton Independent School District, 2400000724; Fayette County Board of Education, 2400000725.

DEPARTMENT OF MILITARY AFFAIRS

Louisville & Jefferson Metropolitan Sewer District, 2300002695; Scott County Fiscal Court, 2400000077; Kentucky Division of Forestry, 2400000093.

EDUCATION AND LABOR CABINET

Allen County Health Department, 2200003866-1; Anderson County Board of Education, 2200003867-1; Casa of Calloway & Marshall Counties, 2200003869-1; Center for Rural Development, 2200003870-1; Child Care Council of Kentucky, 2200003871-1; Comm Action Lex Fayette, 2200003873-1; Corbin Public Library, 2200003874-1; Hardin County Board of Education, 2200003876-1; Kenton County Public Library, 2200003879-1; Metro United Way, Inc., 2200003886-1; Pikeville Area Family YMCA, Inc., 2200003892-1; Rowan County Board of Education, 2200003893-1; Western Kentucky University, 2200004298-1; Wolfe County Board of Education, 2200004300-1.

OFFICE OF ENERGY POLICY

National Energy Education Development Project, 2300003858; Bluegrass Greensource, Inc., 2300003859; Home Performance Coalition, Inc., 2400000149; River City Housing, Inc., 2400000418.

TRANSPORTATION - OFFICE OF THE SECRETARY

University of Kentucky Research Foundation, 2400000308; University of Kentucky Research Foundation, 2400000309; University of Kentucky Research Foundation, 2400000310; The Children's Hospital Foundation, Inc., 2400000324; The Children's Hospital Foundation, Inc., 2400000325; University of Kentucky Research Foundation, 2400000384; University of Kentucky Research Foundation, 2400000386; University of Kentucky Research Foundation, 2400000387; University

of Kentucky Research Foundation, 2400000388; University of Kentucky Research Foundation, 2400000390; University of Kentucky Research Foundation, 2400000391; University of Kentucky Research Foundation, 2400000395; University of Kentucky Research Foundation, 2400000396; University of Kentucky Research Foundation, 2400000402; University of Louisville Research Foundation, 2400000405; Mothers Against Drunk Driving, 2400000598; Mothers Against Drunk Driving, 2400000599.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS
Fayette County Board of Education, 2300003802.

ATTORNEY GENERAL
University of Louisville Research Foundation, 2400000502.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

IsaiahHouse, 2200001894; University of Kentucky Research Foundation, 2200002665; University of Louisville, 2200003002; Western Kentucky Regional Mental Health & Retardation Advisory Board, 2300002888; Pennyroyal Regional Mental Health Mental Retardation Board, 2300002895; Green River Regional MHMR Board, Inc., 2300002898; Lifeskills, Inc., 2300002912; Communicare, Inc., 2300002919; Seven Counties Services, Inc., 2300002930; Northkey Community Care, 2300002940; Comprehend, Inc., 2300002949; Pathways, Inc., 2300002950; Mountain Comprehensive Care Center, 2300002953; Kentucky River Community Care, Inc., 2300002962; Cumberland River Behavioral Health, Inc., 2300002971; Lake Cumberland Mental Health Mental Retardation Board, 2300002984; New Vista of the Bluegrass, Inc., 2300002987.

CHFS - DEPARTMENT FOR AGING AND INDEPENDENT LIVING
Multi, 2200000032; Multi, 2300000130.

COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS
Orchid House, 2200003401.

COUNCIL ON POSTSECONDARY EDUCATION
Floyd County Board of Education, 2200004549; National Association of System Heads, 2300000185.

DEPARTMENT FOR COMMUNITY BASED SERVICES
New Vista of the Bluegrass, Inc., 2200002114; Murray State University, 2200002783; Barren River District Health Department, 2200002833; Child Care Council of Kentucky, 2200002835; Early Childhood Consumer Education and Technical Assistance Center, Inc., 2200002996; Center for Human Entrepreneurship Solutions Group, 2200003426; Gateway Juvenile Diversion Project, Inc., 2200003712; University of Kentucky Research Foundation, 2300000387; God's

Pantry Food Bank, Inc., 2300000390; Brighton Center, Inc., 2300000565; Community Action Kentucky, Inc., 2300001736; Catholic Charities of Louisville, Inc., 2300001786; Pennyryle Allied Community Services, Inc., 2300001908.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES
Multi, 2200000025.

DEPARTMENT FOR MEDICAID SERVICES
University of Kentucky Research Foundation, 2300002804; University of Louisville Research Foundation, 2300002937.

DEPARTMENT FOR PUBLIC HEALTH
Kentucky Department of Corrections, 2200001434; National Rural Recruitment and Retention Network, Inc., 2200003001; Rhema Word Foundation, 2200003813; Simon House, Inc., 2200003972; Barren River Area Child Advocacy Center, 2300003474; Foundation for A Healthy Kentucky, 2300003477.

DEPARTMENT OF AGRICULTURE
Multi, 2300000118; Northern Kentucky Area Development District, 2300002860; Dare To Care, Inc., 2300002879; Feeding America, Kentucky's Heartland, 2300002880; God's Pantry Food Bank, Inc., 2300002881; Purchase Area Development District, Inc., 2300002882; Tri State Food Bank, Inc., 2300002883.

DEPARTMENT OF CRIMINAL JUSTICE TRAINING
Eastern Kentucky University, 2300001046.

DEPARTMENT OF EDUCATION
Kentucky School Board Association Educational Foundation, Inc., 2200003297; Anderson County Board of Education, 2200004731; Ashland Board of Education, 2200004732; Kentucky Valley Education, 2200004735; Hopkins County Board of Education, 2300002993; Corbin Independent School District, 2300003043; Barren County Board of Education, 2300003048; Bardstown Independent School District, 2300003092; Jefferson County Board of Education, 2300003101; Boone County Board of Education, 2300003190; Oldham County Board of Education, 2300003620; Western Kentucky University, 2300003638.

DEPARTMENT OF MILITARY AFFAIRS
University of Kentucky Research Foundation, 2300002678.

OFFICE OF EDUCATIONAL PROGRAMS
Coalition Supporting Young Adults, 2400000008.

OFFICE OF KY NATURE PRESERVES
Eastern Kentucky University, 2300001204.

THE FOLLOWING KENTUCKY ENTERTAINMENT INCENTIVE PROGRAM AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

ECON DEV - OFFICE OF THE SECRETARY
Sunshine Films Florida, LLC, 2400000732; Wild West Productions, LLC, 2400000733; Gambler's Choice Movie, LLC, 2400000734; Court Jesters, LLC, 2400000736; HD4, LLC, 2400000750; Ghost Catchers, LLC, 2400000752; RTL Productions, LLC, 2400000756; Caregiver Movie, LLC, 2400000766.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR LOCAL GOVERNMENT
Fern Creek Community Associates, Inc., 2400000082. Aaron Jones and Laura Redmon discussed the contract with the committee. A motion was made by Senator Meredith to consider the contract as reviewed. Representative Pollock seconded the motion, which passed.

DEPARTMENT OF CRIMINAL JUSTICE TRAINING
Industrial/Organizational Solutions, Inc., 2400000630. Chip White and Nathan Goens discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Senator Douglas seconded the motion, which passed.

FACILITIES & SUPPORT SERVICES
Integrity Architecture, PLLC, 2400000385; Kersey and Kersey, Inc., 2400000413; Alt32 PSC, 2400000510; Schmidt Associates, Inc., 2400000546; Ross Tarrant Architects, Inc., 2400000657; Peck Flannery Gream Warren, Inc., 2400000722; GRW Engineers, Inc., 2400000728. Scott Baker and Sam Ruth discussed the contracts with the committee. A motion was made by Representative Pollock to consider the contracts as reviewed. Senator Douglas seconded the motion, which passed.

KENTUCKY PUBLIC PENSIONS AUTHORITY
CEM Benchmarking, Inc., 2400000011. Rebecca Adkins and Kathy McNaughton discussed the contract with the committee. A motion was made by Senator Thomas to consider the contract as reviewed. Representative Chester-Burton seconded the motion, which passed.

KENTUCKY STATE UNIVERSITY
Peoplelink, LLC, 24-17. Jennifer Linton and Michael DeCourcy discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Chester-Burton seconded the motion, which passed.

UNIVERSITY OF KENTUCKY
KFI Engineers, PSC, A241000. Bart Hardin and Barry Swanson discussed the contract with the committee. A motion was made by Representative Pollock to consider the contract as reviewed. Senator Douglas seconded the motion, which passed.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE SELECTED FOR

FURTHER REVIEW:

DEPARTMENT FOR MEDICAID SERVICES

Myers and Stauffer, LLC, 2200004041. Lisa Lee, Leslie Hoffmann, and Amy Richardson discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Pollock seconded the motion, which passed.

DEPARTMENT OF EDUCATION

Martha Kay Kennedy, 2200003802. Karen Wirth and Matt Ross discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Pollock seconded the motion, which passed.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT OF EDUCATION

Bourbon County Board of Education, 2300003031; Allen County Board of Education, 2300003122; Butler County Board of Education, 2300003154; Campbellsville Independent School District, 2300003159; Carlisle County Board of Education, 2300003160; Carroll County Board of Education, 2300003246; Fairview Independent School District, 2300003259; Frankfort Independent School District, 2300003283; Glasgow Independent School District, 2300003290; Graves County Board of Education, 2300003292; Green County Board of Education, 2300003294; Hancock County Board of Education, 2300003297; Henry County Board of Education, 2300003305; Lewis County Board of Education, 2300003325; Livingston County Board of Education, 2300003328; Mercer County Board of Education, 2300003356; Morgan County Board of Education, 2300003361; Owen County Board of Education, 2300003370; Somerset Independent School District, 2300003396; Williamsburg Independent School District, 2300003410. Matt Ross, Micki Ray, Karen Wirth, and Regan Satterwhite discussed the contracts with the committee. A motion was made by Representative Pollock to consider the contracts as reviewed. Representative Hart seconded the motion, which passed.

DEPARTMENT OF TRAVEL

City of Corbin Tourist and Convention Commission, Inc., 2400000519; City of Pikeville, 2400000547; Hopkins County Tourist & Convention Commission, 2400000554; Hopkinsville Christian County Convention and Visitors Bureau, 2400000557; Maysville-Mason County Convention & Visitors Bureau, 2400000558; Morehead Recreation Tourism & Convention Commission, 2400000559; Oak Grove Tourism & Convention Commission, 2400000561; Hopkinsville Christian County Convention and Visitors Bureau, 2400000765; Hopkinsville Christian County Convention and Visitors Bureau, 2400000767; Hopkinsville Christian County Convention and Visitors Bureau, 2400000768; Hopkinsville Christian County Convention and Visitors Bureau, 2400000769;

Shelbyville-Shelby County Tourist & Convention Commission, 2400000770; Northern Kentucky Convention and Visitor Commission, 2400000774; Bluegrass Tourism Region, Inc., 2400000775; Bowling Green Area Convention & Visitors Bureau, 2400000780; City of Pikeville, 2400000782; Greater Lexington Convention and Visitors Bureau, 2400000783; Greater Lexington Convention and Visitors Bureau, 2400000784; Hopkins County Tourist & Convention Commission, 2400000787; Lawrenceburg Anderson County Joint Tourism Comm, 2400000788. Mike Mangeot discussed the contracts with the committee. A motion was made by Representative Hart to consider the contracts as reviewed. Senator Douglas seconded the motion, which passed.

JUSTICE - OFFICE OF THE SECRETARY

Prosecutors Advisory Council, 2300003422; Prosecutors Advisory Council, 2300003655; Lake Cumberland Mental Health Mental Retardation Board, 2300003657; Appalachian Research and Defense Fund of Kentucky, Inc., 2300003658; Baptist Health Foundation Hardin, Inc., 2300003660; Barren River Area Child Advocacy Center, 2300003661; Barren River Safe Space, Inc., 2300003662; Bethany House Abuse Shelter, Inc., 2300003663; Bluegrass Rape Crisis Center, 2300003664; Bourbon County, 2300003666; Prosecutors Advisory Council, 2300003667; Brighton Center, Inc., 2300003668; Buffalo Trace Childrens Advocacy Center, 2300003670; Prosecutors Advisory Council, 2300003671; Casa At Woodlawn, 2300003672; Casa of Calloway & Marshall Counties, 2300003673; Casa of Graves County & Southwest Kentucky, Inc., 2300003675; Casa of Lexington, Inc., 2300003676; Casa of Madison and Counties, Inc., 2300003677; Casa of Midwest Kentucky, Inc., 2300003678; Childwatch Casa of Boyd County, Inc., 2300003679; Casa of Ohio Valley, 2300003680; Casa of South Central Kentucky, 2300003681; Casa for Kids Serving Kenton, Campbell & Pendleton Counties, 2300003684; Casa, Inc., 2300003685; Catholic Charities of Louisville, Inc., 2300003686; Child Watch Counseling and Advocacy Center, Inc., 2300003687; The Childrens Advocacy Center of Green River District, 2300003688; Childrens Advocacy Center, 2300003689; Childrens Advocacy Centers of Kentucky, 2300003690; Northern Kentucky Children's Law Center, Inc., 2300003691; Berea Police Department, 2300003692; Cumberland River Behavioral Health, Inc., 2300003695; Cumberland Trace Legal Services, 2300003696; Cumberland Valley Childrens Advocacy, 2300003697; Cumberland Valley Domestic Violence Services, Inc., 2300003698; Domestic Violence Emergency Services of Gateway, Inc., 2300003702; Family and Children's Place, Inc., 2300003703; Family Nurturing Center of Kentucky, 2300003704; Fayette County Attorney Office, 2300003706; Prosecutors Advisory Council, 2300003707; Fayette County Sheriff, 2300003708; Gateway Children's Advocacy, 2300003710; Green River Regional Rape Victim Services, Inc., 2300003714; Greenhouse17, Inc., 2300003715; Hardin County Sheriff's Office, 2300003716; Home of the Innocents, 2300003718; Hope Harbor, Inc., 2300003719; Hopes Place, Inc., 2300003720; The Ion

Center for Violence Prevention, Inc., 2300003721; Jefferson County Attorney, 2300003722; Jessamine County Sheriff, 2300003723; Jewish Family & Career Services, 2300003724; Judi's Place for Kids, 2300003725; Kentucky Association of Sexual Assault Programs, 2300003726; Kentucky Casa Network, 2300003727; Zerov Kentucky, 2300003728; Office of the Attorney General, 2300003729; Kentucky Refugee, 2300003730; Kentucky River Child Advocacy, 2300003731; Kentucky River Community Care, Inc., 2300003732; Prosecutors Advisory Council, 2300003733; La Casita Center, 2300003736; Lake Cumberland Children's Advocacy Center, 2300003737; Legal Aid of the Bluegrass, 2300003738; Legal Aid Society, 2300003739; Prosecutors Advisory Council, 2300003741; LKLP Community Action Council, 2300003745; Prosecutors Advisory Council, 2300003746; Maryhurst, Inc., 2300003748; Women Aware, Inc., 2300003751; Mountain Comprehensive Care Center, 2300003752; Department for Public Health, 2400000055; Northern Kentucky Community Action Commission, 2400000164; Office of Kentucky Legal Services Programs, Inc., 2400000165; Owensboro Area Shelter and Information Services, Inc., 2400000166; Pennyryle Child Advocacy, 2400000167; Public Protection Cabinet, 2400000169; Ramey Estep Homes, Inc., 2400000170; Rape Victims Services, Inc., 2400000171; Safe Harbor, 2400000172; St. Elizabeth Medical Center, 2400000173; St. Joseph Catholic Orphan Society, 2400000174; Sanctuary, Inc., 2400000175; Silverleaf Sexual Trauma Recovery Services, 2400000177; Springhaven, Inc., 2400000179; Center for Women & Families, 2400000182; Center for Women Children and Families, Inc., 2400000183; Tri-County Casa, Inc., 2400000185; Turning Point Domestic Violence Services, Inc., 2400000186; University of Kentucky Research Foundation, 2400000187; University of Louisville Hospital, 2400000188; Volunteers of America Mid-States, Inc., 2400000189; Barren County Fiscal Court, 2400000592; City of Georgetown, 2400000612; City of Hodgenville, 2400000613; Goodwill Industries of Kentucky, Inc., 2400000614; City of Elizabethtown, 2400000615; Harrison County Fiscal Court, 2400000616; Kentucky State Police, 2400000617; City of Monticello, 2400000618; Kenton County Fiscal Court, 2400000620; Muhlenberg County Fiscal Court, 2400000621; City of Raceland, 2400000622; Scott County, 2400000623; Simpson County Fiscal Court, 2400000624; Warren County, 2400000625. Angie Lawrence, Nathan Goens, and Anthony Gill discussed the contracts with the committee. A motion was made by Representative Hart to consider the contracts as reviewed. Senator Douglas seconded the motion, which passed.

EXEMPTION REQUESTS:

KENTUCKY DEPARTMENT OF AGRICULTURE:

The Kentucky Department of Agriculture requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from extending beyond the biennium for the purpose of executing the extension of the Local Food Purchase Assistance Cooperative Agreement

Program including Feeding Kentucky, Dare to Care Food Bank, and God's Pantry Food Bank. A motion was made by Representative Hart to grant the request to August 15, 2025. Senator Douglas seconded the motion, which passed without objection.

ENERGY & ENVIRONMENT CABINET:

The Energy & Environment Cabinet, Division of Water requested an exemption from Committee Policy Statement #99-4, which prohibits contracts and agreements from extending beyond the biennium for the Kentucky Source Water Assistance Protection Assistance Program. A motion was made by Representative Hart to grant the request to June 30, 2025. Senator Douglas seconded the motion, which passed without objection.

ENERGY & ENVIRONMENT CABINET:

The Energy & Environment Cabinet, Division of Water requested an exemption from Committee Policy Statement #99-4, which prohibits contracts and agreements from extending beyond the biennium for 319(h) Nonpoint Source (NPS) Memoranda of Agreements and Personal Service Contracts. A motion was made by Representative Hart to grant the request to September 30, 2027. Senator Douglas seconded the motion, which passed without objection.

There being no further business, the meeting adjourned at 10:10 AM.

LEGISLATIVE OVERSIGHT & INVESTIGATIONS COMMITTEE

Minutes of the 2nd Meeting of the 2023 Interim

July 14, 2023

Call to Order and Roll Call

The 2nd meeting of the Legislative Oversight & Investigations Committee was held on Friday, July 14, 2023, at 1:00 PM, in Room 131 of the Capitol Annex. Representative Adam Bowling, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Brandon J. Storm, Co-Chair; Representative Adam Bowling, Co-Chair; Senators Julie Raque Adams, Danny Carroll, Donald Douglas, Jason Howell, Gerald A. Neal, Michael J. Nemes, and Reginald Thomas; Representatives John Blanton, Lindsey Burke, Ken Fleming, Matt Lockett, Steve Riley, Scott Sharp, and Pamela Stevenson.

Guests: Kerry Harvey, Secretary, Justice and Public Safety Cabinet; Vicki Reed, Commissioner, Justice and Public Safety Cabinet, and Rebecca Norton, Executive Director, Office of Financial Management Services.

LRC Staff: Gerald W. Hoppmann, Committee Staff Administrator; Committee Analysts William Spears, Jeremy Skinner, Joel Thomas, Ryan Brown, McKenzie Ballard; Preiss Terry, Graduate Fellow; and Elizabeth Hardy, Committee Assistant.

Minutes for July 14, 2023

Upon motion by Representative Blanton and

second by Representative Sharp, the minutes for the June 15, 2023, meeting were approved without objection.

Co-Chair Bowling stated that the committee's interest in Kentucky's juvenile detention centers began in October 2022 when the committee asked staff to investigate an August 2022 fire, and subsequent inmate escape, at the Jefferson Regional Juvenile Detention Center. In November 2022, a riot occurred at the Adair Regional Juvenile Detention Center which resulted in the committee expanding its investigation to include all of the state's regional juvenile detention centers.

Staff Report: Kentucky Department Of Juvenile Justice Regional Juvenile Detention Centers

Committee analysts William Spears and Jeremy Skinner presented the staff report "Kentucky Department Of Juvenile Justice Regional Juvenile Detention Centers," which discussed the report's findings and recommendations regarding the Department of Juvenile Justice (DJJ) and the regional juvenile detention centers. Staff's full presentation is available on the Legislative Oversight and Investigations Committee Webpage.

Upon conclusion of the presentation, Co-Chair Bowling asked for clarification on why DJJ was unable to provide the data needed to evaluate whether detention facilities were meeting Prison Rape Elimination Act standards of a 1:8 ratio of staff to juveniles during waking hours and a 1:16 ratio during sleeping hours. Mr. Spears stated that DJJ has general information on the number of staff and the number of youth detainees, but is unable to generate a report showing the ratio of staff to youth detainees at any given time. He noted that the ratio can be complicated; several variables must be considered, such as staff who called in sick, worked extra hours, or worked in security positions they typically do not, among other factors.

Senator Howell asked how often the data provided by DJJ was lacking and unreliable enough to make accurate assessments difficult. Mr. Spears said that nearly every data set had problems; the incident reports were particularly problematic.

Representative Lockett asked if DJJ explained why there were 19 unfilled staff positions at the Jefferson Regional Juvenile Detention Facility. Mr. Spears said DJJ did not provide an explanation. Mr. Skinner added that during past meetings DJJ officials mentioned difficulties staffing some regional juvenile detention centers, specifically Jefferson and Campbell. Mr. Spears indicated to Representative Lockett that DJJ officials at the meeting may be able to provide an explanation.

Representative Lockett asked if South Carolina is the only state that operates a psychiatric hospital specifically for its juvenile offenders. Mr. Spears said that staff did not systematically look into this issue, but he was not aware of any others. Representative Lockett followed up by asking if staff knew why South Carolina had made the decision to build that hospital, to which Mr. Spears said staff will review its information and provide a response to the committee.

Senator Thomas noted that while annual salaries for some detention staff had increased to \$50,000, this

may not be a competitive salary in more urban areas. He asked if this could be impacting why DJJ has many vacant positions in juvenile detention centers in Jefferson and Northern Kentucky. Mr. Spears confirmed that competitive pay does appear to be a contributing factor in filling vacant positions in the more urban areas.

Senator Howell asked if staff did any trend analyses. Mr. Spears stated that, given the problems with the data DJJ provided, staff could not. Instead, the study focused on data compilation and identifying where improvements were needed. Staff is hopeful that DJJ will be able to do its own trend analyses as its data collection procedures improve.

Representative Burke asked for clarification on the problem that staff identified regarding DJJ's use of the term "dependency" and how the legislature can help. She also opined that when a child goes to foster care, the child is still dependent. Ms. Ballard stated the problem stems from DJJ interpreting the legal definition of "dependency" differently than other state agencies who also work with these juveniles. This prompted staff's recommendation that the legislature may wish to consider clarifying the definition in statute.

Senator Carroll asked for more detail about the problems with DJJ data. Mr. Spears noted that the quality and completeness of DJJ data is concerning because facility reports are the best way for superintendents to monitor and address problems at their facilities. The incomplete nature of some data stems from DJJ's use of narratives to document incidents, which can lead to insufficient data to explain the factors that contributed to an incident. Senator Carroll continued his line of questioning by asking if staff saw any instances where reports had not followed the proper chain-of-command or were not reviewed. Mr. Spears said that staff had not systematically looked at that issue, but the files staff reviewed were approved by supervisors.

Senator Carroll noted that issues related to the inpatient treatment of juveniles with mental health problems was not solely a DJJ issue, but is a concern of the Cabinet for Health and Family Services. He is aware of efforts to address these concerns, but noted the General Assembly may need to consider the issue next year and that building a state-operated inpatient mental health treatment facility for juveniles might be an option.

Co-Chair Bowling asked if staff had the full in-house investigation reports for the incidents that occurred at the Jefferson and Adair facilities. Mr. Spears confirmed that staff had copies of those reports and had reviewed them.

Co-Chair Bowling called Secretary Harvey and Commissioner Reed to the testimony table and asked for their response to the report.

Secretary Harvey began by stating he and his staff had a good collaborative relationship with committee staff throughout this study and that the cabinet had provided any information that committee staff requested. Regarding the expressed concerns about staff shortages, he noted there had been pay increases recently but they are still not able to offer competitive pay in some regions. At the beginning of 2023, the Jefferson facility had 17 vacancies and by

the end of the fiscal year there were only 11 vacancies. He added that DJJ is seeing similar improvements in staffing statewide.

Secretary Harvey said that the Justice and Public Safety Cabinet (cabinet) agrees with most of the findings and recommendation made in the report. The cabinet's concerns were not fundamental, but related to an interpretation of legal definitions. The cabinet is committed to working with stakeholders and the legislature on addressing those issues.

Secretary Harvey said the cabinet agrees with all staff recommendations related to data collection and reporting. The cabinet has been working to rectify many of these issues and will continue to do so.

The secretary emphasized that everyone agrees no child should be at a detention center, if there is nowhere else to place them, but that this does occur. This sometimes results in children coming to detention facilities with physical or mental health issues for which DJJ staff are not equipped to handle or provide appropriate services. He and his staff are committed to working with stakeholders and the legislature to find solutions to this problem.

Co-Chair Bowling asked for further clarification of why the eight Jefferson facility youths were moved to the Adair center. Secretary Harvey discussed the failed fire suppression system test at Jefferson, the inspector's conclusion that it was not safe to keep children in the facility until the system was fixed, and the subsequent decision to move those eight youths to the Adair facility. Co-Chair Bowling noted that staff's report found the Adair facility did not follow proper intake procedures when the eight youths arrived, allowing members of the same gang to be housed together and asked if this could still occur today. Secretary Harvey said the cabinet brought in a Department of Correction specialist to provide additional training to juvenile detention center staff on identifying gang members during intake. While this has improved their ability to mitigate the problem, he could not guarantee that it would not happen again. The physical layout of some detention facilities does not allow for as much separation of rival groups as DJJ would like.

Co-Chair Bowling asked if the investigation into the Adair facility incident was still ongoing and requested a copy of that report when it is complete. Secretary Harvey confirmed DJJ's investigation is ongoing and he would provide the committee a copy when it is completed. There is also an ongoing law enforcement investigation, but the cabinet is not involved.

Co-Chair Bowling said the report stated there were differing opinions regarding whether the cabinet had involved DJJ in the decision to move to the Kentucky Offender Management System (KOMS). Secretary Harvey stated that it is inaccurate to say that DJJ was not involved in the decision to use KOMS, given an early meeting with DJJ information technology personnel.

Senator Adams was concerned by the secretary's comment that staffing challenges would always exist at juvenile detention centers and asked whether he intended to have creative approaches for staffing. Secretary Harvey reviewed steps that had already been taken, including pay increases and the reallocating of

cabinet dollars to increase pay, and noted that staffing has improved. The cabinet continues to develop creative solutions, but it operates in a competitive market and issues vary over time and across the state. Senator Adams asked if the workforce issues at detention centers are only related to pay. Secretary Harvey said working at a detention center is a very difficult job and that pay is not the only contributing factor to staffing challenges. Commissioner Reed added that facility staff must consider personal risks, such as physical injury and liability concerns. When recruiting, DJJ emphasizes that detention facility staff employees can make a difference in a child's life; at the same time, they are honest with potential candidates about the job's difficulties. Among younger applicants, the inability to take cell phones into the facility is a dealbreaker. Senator Adams noted that the legislature stands ready to help with staffing problems when needed.

Representative Blanton noted that the investigative nature of staff's report was very helpful and recommended the committee conduct similar investigations of all state agencies. He recommended the committee have at least one meeting each interim dedicated to such investigations so the committee can identify high risk areas before they become a problem.

Representative Lockett asked whether staff's finding that many DJJ forms were not properly completed was caused by improper training or staff not following protocol. Secretary Harvey did not believe it was a training issue, but most likely a staffing and supervision issue. Commissioner Reed added there are instances where staff cannot fill out reports immediately after an incident because they cannot leave their post and they cannot have computers at their post because of security concerns. Automating the process will help. Representative Lockett asked whether the two incidents discussed today would have occurred if proper procedures had been followed. Secretary Harvey noted that properly filling out reports is essential and necessary, but he does not believe it would have prevented the two incidents. He acknowledged that proper intake procedures were not followed and added that the Jefferson Regional Juvenile Detention Center incident was exacerbated by the facility not being designed as a detention center.

Upon a motion by Senator Carroll and a second by Representative Lockett, the committee report was adopted without objection (roll-call vote).

Senator Carroll cited the recent incident at the Mayfield Youth Development Center (MYDC) and asked whether there were plans to change rules, procedures, or security measures at the development centers. Secretary Harvey answered that the cabinet is reviewing the findings of security reviews of all YDCs and determining how to implement recommendations. He also stated they should and must anticipate increasing problems at the YDCs. Commissioner Reed noted the facilities have different levels of security depending on types of youth detained and the severity of offense with which they are charged.

Senator Thomas noted that a wage differential exists; a \$50,000 annual salary in northern Kentucky is not as competitive as it might be in other areas of the state. He said it must be acknowledged that juveniles detained today tend to be more violent and

dangerous than in the past; there is a higher risk of physical injury to detention center staff. He said both issues must be addressed before the state will see improvement.

Representative Burke asked if DJJ had any policy similar to first responders being able to take off work for up to 48 hours after a critical incident and, if not, would DJJ like the general assembly to consider a similar policy. Commissioner Reed replied that DJJ does not have such a policy but implementing the policy at this time would exacerbate the current staffing problem. Representative Burke suggested indexing wages to local median income may set comparative pay rates for each detention center's staff. Secretary Harvey stated he is willing to consider any suggestions from the legislature.

Representative Burke asked about the transition to KOMS. Secretary Harvey said his understanding was that the vendor offers a separate module for juvenile facilities that can be added to the existing KOMS. Representative Burke is concerned that corrections officers around the state will have access to juvenile records through KOMS. Ms. Norton explained the vendor will take the KOMS platform used by corrections and modify it to the needs of DJJ. The vendor will make the systems so they can be crosswalked. The two versions of KOMS can operate independently, but can still transfer a youth's information if that youth transfers from DJJ to the Department of Corrections. Correctional officers will not be able to access information about DJJ youth and vice-versa.

Upon motion by Representative Lockett and second by Representative Sharp, Co-chair Bowling adjourned the meeting.

LEGISLATIVE OVERSIGHT & INVESTIGATIONS COMMITTEE

Minutes

October 12, 2023

Call to Order and Roll Call

The 5th meeting of the Legislative Oversight & Investigations Committee was held on October 12, 2023, at 1:00 PM in Room 131 of the Capitol Annex. Senator Brandon J. Storm, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Brandon J. Storm, Co-Chair; Representative Adam Bowling, Co-Chair; Senator Jason Howell, Vice Chair; Senators Julie Raque Adams, Danny Carroll, Donald Douglas, Gerald A. Neal, and Reginald Thomas; Representatives Lindsey Burke, Ken Fleming, Matt Lockett, Steve Riley, Scott Sharp, and Pamela Stevenson.

Guests: Kerry B. Harvey, Secretary, Kentucky Justice and Public Safety Cabinet; Vicki Reed, Commissioner, Department of Juvenile Justice; James B. Sweatt II, Executive Director, Office of Detention, Department of Juvenile Justice; Larry Chandler, Deputy Director, Office of Detention, Department of Juvenile Justice; Ed Jewell, Special Investigative Manager, Internal Investigations Branch, Kentucky Justice and Public Safety Cabinet; Steve Potts, Special

Investigative Agent, Internal Investigative Agent, Kentucky Justice and Public Safety Cabinet; Brian Scott West, Deputy Public Advocate, Department of Public Advocacy; and Lauren Bieger Hunter, Directing Attorney, Glasgow Office, Department of Public Advocacy.

LRC Staff: William Spears, Committee Staff Administrator; Committee Analysts McKenzie Ballard, Jacob Blevins, Ryan Brown, Christopher Hall, Taylor Johnston, Jeremy Skinner, Shane Stevens, and Joel Thomas; and Ashley Taylor, Committee Assistant.

Approve Minutes from September 14th, 2023

Upon a motion by Representative Sharp and second by Representative Lockett the minutes for the September 14, 2023, meeting were approved without objection.

Department of Juvenile Justice Update on Oleoresin Capsicum Spray, Allegation Investigations, and Use of Isolation

Secretary Harvey began by noting that the Department of Juvenile Justice (DJJ) Compliance Division is tasked with investigating events that occurred at the Adair Regional Juvenile Detention Center last November, but the division did not exist at the time of those events. The division was created during a reorganization with passage of SB 162 during the 2023 Regular Session. Commissioner Reed added that the investigation is on-going, but near completion, and that DJJ would share the finished report with the committee. She noted that Kentucky State Police also have an on-going investigation into the events.

Senator Storm asked for an update on the American Civil Liberties Union's request for the Department of Justice to open an investigation into the Adair Regional Juvenile Detention Center events. Secretary Harvey clarified that the request was made of the U.S. Department of Justice, and that he did not know the status of its investigation.

Regarding the use of oleoresin capsicum (OC) spray, commonly referred to as "pepper spray," Secretary Harvey explained that two relevant changes occurred as a result of SB 162. DJJ created an Office of Detention and DJJ was required to ensure appropriate staff have controlled access to OC spray and are properly trained in the use of OC spray. Six months prior to DJJ's deployment of OC spray, there were 29 instances of youth assaulting staff in their juvenile detention facilities. Only eight assaults were reported since deployment of OC spray.

Mr. Chandler noted that prior to enactment of SB 162, DJJ began procuring OC spray and developing policies and training. Early on, there were instances where disciplinary action had to be taken against staff who misused the spray. In response to Senator Storm's request to explain OC spray training, Mr. Chandler stated that the training is provided at the Jefferson County academy and consists of exposure to the chemical and a review of the policies regarding its use at juvenile detention centers. DJJ policies focus on its use as a defense tactic, not as a punitive tool. Senator Carroll asked for the specific wording of DJJ's policy regarding when it is appropriate to use OC spray. Mr. Chandler replied that the policy states

DJJ staff should use the least amount of force possible to prevent major property damage and assaults on staff. His office and the Internal Investigations Branch (IIB) review every instance where OC spray has been used and that detention center staff involved in those instances are debriefed.

Senator Carroll noted there will be apprehension about safety given recent events at juvenile detention centers and there will be instances where OC spray is improperly used. He cautioned against overreacting until DJJ can standardize policy across all facilities based on the documentation and review of instances where OC spray was deployed.

In response to Senator Carroll's request for examples of where OC spray had been improperly deployed, Mr. Chandler recalled a case at the Adair Regional Juvenile Detention Center where a staff member was terminated. Another instance in Campbell County involved a captain who misused OC spray and resigned before disciplinary action could take place. In response to Senator Carroll's request for more detail, Mr. Sweatt explained the captain deployed OC spray after being frustrated with a youth. He also noted that they record every deployment of OC spray, which serves as an investigative tool and an important training tool to show staff proper and improper use of OC spray. Mr. Sweatt added that it is important to understand that these facilities have staffing issues to the extent that almost all detention center staff are new hires and they have recently completed training. It will take time to bring everybody up to speed on the policies and procedures for the proper use of OC spray.

Senator Douglas noted that the language of Senate Bill 162 mandated that OC spray can be used, it did not mandate its use.

In response to Senator Storm's questions about how DJJ documents OC spray use in areas where there is no video coverage, Mr. Sweatt stated that management would still know the incident had occurred because each can of OC spray is weighed at check-out and check-in. Deployment also requires clean-up afterwards. A report is generated after any instance and shared with the department and IIB. Responding to Representative Bowling's question about the chain of command and timeline for such reporting, Mr. Sweatt stated that he and IIB are immediately contacted following an OC spray incident. Representative Bowling explained that his question stemmed from Campbell County reports of staff sexually assaulting a youth that were not immediately reported to DJJ. Mr. Sweatt noted that facility staff were not following DJJ reporting procedures and that, as soon as his office was aware of the situation, they took disciplinary action to rectify the problem. No one involved in that instance still works for DJJ.

Mr. Sweatt answered affirmatively to Senator Storm's question regarding whether records track when staff call the agency's internal hotline to report incidents. Mr. Sweatt understood that the hotline had received no calls about the incidences at the Campbell County facility.

Secretary Harvey discussed sexual misconduct by staff on youth and stated that 55 incidents have been reported since 2015, of which six were substantiated.

Senator Thomas asked what harm comes to those youth who have been pepper sprayed. Mr. Harvey replied that DJJ policy requires that youth receive proper medical attention, but noted that he is not aware of any case where a youth had a serious reaction or required hospitalization.

In response to a question from Senator Douglas about how often youth sexually assault staff, Commissioner Reed stated DJJ is required to keep records of such instances under the Prison Rape Elimination Act (PREA). Commissioner Reed said she would send that information to the committee. Commissioner Reed then discussed how DJJ meets PREA training requirements, detailing the components of each session.

Senator Storm asked for an update on the Campbell Regional Juvenile Detention Center, including whether both males and females are accepted. Secretary Harvey noted that female juveniles had been moved to Boyle County, where the staff are more experienced and the youths' situation has improved. Since then, staffing has grown at the Campbell County facility. They are scheduled to start housing lower-level male juveniles in the Campbell County facility by mid-November.

Mr. Jewell provided a brief overview of IIB and the cases it reviews. Responding to a question from Representative Lockett, Mr. Jewell explained how claims of sexual misconduct are reported to his office and then explained the process used to investigate cases.

In response to Representative Lockett's question about substantiating a claim, Mr. Potts noted their standard of proof is a preponderance of evidence. He explained the four types of conclusions for investigations, with "substantiated" being one. He agreed to provide the committee data showing the results of IIB's investigation.

In response to Senator Carroll's questions, Mr. Potts stated that there are currently eight IIB employees. All IIB employees are former law enforcement, but not sworn officers. He also outlined the training his staff receive. Mr. Jewell explained that the investigator makes the final call on whether to substantiate a claim, but the investigator's report is approved by superiors. Senator Carroll asked whether there have ever been elected official or political appointees involved in the investigation process. Both Mr. Jewell and Mr. Potts replied there had not been.

In response to a question from Senator Thomas, Mr. Potts clarified that his office only investigates allegations of adult staff abusing a youth. Senator Thomas asked how many staff and offenders have been at the juvenile detention centers since 2015, but Mr. Jewell noted that DJJ would have that data instead of IIB.

In response to questions from Representative Bowling, Mr. Jewell stated IIB received its first report of the Campbell County incident on May 31 and IIB would have reported it to the Office of Legal Services that same day. Mr. Potts clarified for Senator Storm that prior to May 31, neither IIB or the DJJ hotline monitored by IIB received reports of sexual misconduct at the Campbell County facility.

In response to a question from Representative Fleming, Mr. Jewell stated that his office reviews all

deployments of OC spray. Mr. Potts added that most investigations have concluded that OC spray was properly used.

Conditions of Youth at Juvenile Detention Centers

Mr. West and Ms. Hunter, both from the Department of Public Advocacy (DPA), presented their investigation on the use of isolation at the Adair County Regional Juvenile Detention Center.

They also discussed DPA's statutory authority, a review of the legal aspects of confining youth, and examples of problems they identified. Their full presentation is available on the Legislative Oversight and Investigations Committee webpage.

In response to a question from Senator Neal, Mr. West stated they have not sued nor are they threatening to do so. Senator Neal asked how DPA informed DJJ of the problems it identified. Mr. West replied that prior to a couple months ago, he would have informed DJJ at their monthly meetings, but DPA no longer attends them.

In response to a question from Representative Burke, Mr. West stated that DPA had not looked at any other youth detention centers. Representative Burke asked Ms. Hunter if she had noticed any structural differences between the Adair facility and others she visited, to which Ms. Hunter replied they were structurally similar. Representative Burke cited statistics related to the negative effects of youth confinement and requested that the Department of Juvenile Justice Workgroup take up this issue.

In response, Secretary Harvey stated this was the first time he had seen DPA's report or heard of the allegations. He could not comment until he could review it. He welcomed the chance to meet with DPA to discuss the issues they identified and to find a solution. Commissioner Reed provided examples of when confinement may be used to show the complexity of the issue.

In response to a question from Representative Lockett, Commissioner Reed stated that no youth are currently placed in isolation longer than what is allowed in policy. Youth were kept in their cells for long periods in the past, but it resulted from staffing issues and questions of safety; youth were not isolated for extended periods punitively. In response to Representative Lockett's question regarding whether there is a hearing for every instance of isolation, Commissioner Reed said that there was not. Most of the youth who go into isolation are out in four hours, adding that most are in isolation long enough to regain self-control.

Senator Carroll noted that problems with isolation came up several times in the Department of Juvenile Justice Workgroup. He also mentioned that there is another external group looking into DJJ's use of isolations. In response to questions from Senator Carroll, Commissioner Reed explained DJJ updates its policies with new statutes or regulations and policies on isolation have not changed because policies still meet recognized standards. She and Secretary Harvey provided examples of when policies were broken. Senator Carroll recommended they amend policies to add valid exception to standing policy.

Senator Carroll inquired about the changes made

at the Campbell County facility to ensure safety now that males and females will be housed together. Mr. Sweatt clarified that only male youth will be housed at that facility.

Testimony on Confined Animal Feeding Operations in Western Kentucky

Mr. Donald Peters, a resident of Owensboro, requested to speak about problems with the construction of a 780,000-gallon hog-waste lagoon by the largest privately-owned hog operation in the state. He argued that a large portion of problems with the lagoon stem from the classification of confined animal feeding operations (CAFOs). In this case, state classification prevents the facility from having to conform to federal regulations and permitting. He also expressed concern that the Kentucky Division of Water is not fulfilling its obligations to monitor CAFOs. He argued that the lack of oversight resulted in a 67 percent decrease in local property values and caused many health concerns. He requested that the committee investigate these issues.

Adjournment

PUBLIC PENSION OVERSIGHT BOARD

Minutes

October 24, 2023

Call to Order and Roll Call

The 7th meeting of the Public Pension Oversight Board was held on October 24, 2023, at 3:00 PM in Room 154 of the Capitol Annex. Representative DJ Johnson, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative DJ Johnson Co-Chair; Senators Karen Berg, Christian McDaniel, Gerald A. Neal, Michael J. Nemes, and Mike Wilson; Representatives David Hale, Ken Fleming, Derrick Graham, Jason Petrie, Phillip Pratt, James Tipton, and Russell Webber; Mike Harmon, John Hicks, and Victor Maddox.

Guests: Brad Gross, LRC Staff; Rebecca Adkins, Deputy Executive Director, and Carrie Bass, Staff Attorney Supervisor, Kentucky Public Pensions Authority; and Beau Barnes, Deputy Executive Secretary and General Counsel, Teachers' Retirement System.

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

Approval of Minutes

Senator Wilson moved that the minutes of the September 26, 2023, meeting be approved. Representative Fleming seconded the motion, and the minutes were approved without objection.

Discussion of 2024 BR 31 Kentucky Public Pensions Authority Housekeeping Bill

Representative Johnson gave a brief overview of the 2024 Kentucky Public Pensions Authority (KPPA) housekeeping bill. He stated there are a few technical changes from the previous 2023 housekeeping bill,

which passed the House of Representatives but was unable to make it through the Senate due to time constraints.

In response to a question from Representative Graham, Representative Johnson stated that due to the complexity of the bill, the Senate did not have enough time to proceed.

Annual Investment Review

Brad Gross, LRC Staff, discussed the annual investment review for the 2023 fiscal year-end. He reviewed total assets, performance and peer comparisons, allocations and peer comparisons, investment fees and expenses, net cash flow, assumed rates of return, statutory requirements, and benchmarks.

In response to questions from Senator Berg, Mr. Gross stated that the Teachers' Retirement System (TRS) had a rate of return of 7.3 percent for the 20-year period, 7.7 percent for the 30-year period, and did not have a benchmark for overall performance prior to July 1, 2008. The assumed rate of return at this time is 7.1 percent. In response to a follow-up question regarding if the assumed rates of return are safe numbers, Mr. Gross stated that a lower assumed rate of return can provide additional money accumulated with a higher likelihood the fund progresses.

Representative Tipton commented that the safeness of the assumed rate of return depends on the willingness of the General Assembly to back that rate.

Reemployment After Retirement – Kentucky Public Pensions Authority

Rebecca Adkins, Deputy Executive Director, and Carrie Bass, Staff Attorney Supervisor, KPPA discussed reemployment after retirement requirements, which includes no prearranged agreement, ceased employment with all participating employers prior to retirement, break in service between retirement date and reemployment with a participating employer, break in service exceptions, and submission of forms and other information to KPPA. KPPA has 6,062 retired reemployed members.

In response to a question from Representative Johnson, Ms. Bass stated that an example of ceasing employment with all participating employers is when a member is working for two separate Commonwealth agencies under the umbrella of KPPA, both employment relationships need to cease before retirement.

In response to a question from Representative Tipton, Ms. Adkins stated that reemployment after retirement is relatively consistent between KPPA plans other than their exemptions. Ms. Bass added there are some rule inconsistencies on the employer side, such as employer contribution requirements. In response to a follow-up regarding the required break in service, Ms. Bass explained Kentucky law is more detailed than the federal requirement. Ms. Adkins added that the penalties for a member who retires and then returns to work too early are significant, including voiding of the member's retirement and required repayment of retirement allowances.

In response to a question from Mr. Hicks, Ms. Adkins stated that the retired reemployed employer contributions help pay down the unfunded liability.

In response to a question from Representative Graham, Ms. Bass stated that starting January 1, 2024, KPPA will only require a one-month break in service between retirement date and reemployment.

Baptist Health Update – Kentucky Public Pensions Authority

Ms. Adkins updated members regarding contract negotiations between Humana and Baptist Health Medical Group under the Medicare Advantage Plan. She stated that KPPA has provided additional information on their website for members having problems with having their insurance recognized as out-of-network.

Reemployment After Retirement – Teachers' Retirement System

Beau Barnes, Deputy Executive Secretary and General Counsel, TRS, discussed reemployment after retirement requirements. TRS offers four programs: part time is a three-month break with day and wage limits; full time is a three- or twelve-month break with wage limits; critical shortage part time is a three-month break with day limits; and critical shortage full time is a three- or twelve-month break. Mr. Barnes also discussed temporary changes made during the 2022 regular session, which include changes only for local school districts to address staffing concerns. TRS has 5,219 retirees actively in return-to-work programs which equates to 7 percent of all active TRS members. Of the total number of reemployed retirees, 90 percent are in part-time or substitute teaching positions.

In response to questions from Representative Johnson, Mr. Barnes stated that the local school board can decide the wage of an employee based upon local needs. In response to a follow-up question, Mr. Barnes stated that the critical shortage program will return to its permanent rules on June 30, 2024.

In response to questions from Mr. Harmon, Mr. Barnes stated that the critical shortage program is a year-by-year program with requested approval.

In response to a question from Representative Hale, Mr. Barnes stated that under statute, when a retiree returns to work for a TRS employer and is eligible for health insurance, that retiree is required to drop their health insurance coverage provided through TRS and instead pick up health insurance coverage that is offered through their active employer. This is also a requirement for Medicare eligible employees.

In response to a question from Representative Graham, Mr. Barnes stated there are no exceptions to the federal and/or state guidelines regarding teacher shortages. However, the critical shortage program is not exercised often.

In response to questions from Representative Tipton, Mr. Barnes stated that when a retiree returns to work in a TRS covered position, the employer and employee both make retirement contributions. If the retiree vests that account, then the retiree is entitled to a second retirement allowance. Most retired return to work accounts end up being refunded. There is a new tier for individuals that became members of the retirement system on or after January 1, 2022, that cannot start a second account. In response to a follow-up, Mr. Barnes stated that return to work retirees who retire with 30 or more years of service are eligible

to earn up to 75 percent of their last annual salary measured on a daily rate. If they have less than 30 years of service, it is 65 percent of their last annual salary measured on a daily rate. In response to an additional follow-up, Mr. Barnes stated that the temporary changes made that expire June 30, 2024, have not had any significant actuarial impact on TRS.

Baptist Health Update – Teachers' Retirement System

Mr. Barnes updated members regarding contract negotiations between United Healthcare and Baptist Health Medical Group under the TRS Medicare Advantage Plan. He stated that the health plan is allowing TRS retiree members to go out-of-network without a change in cost.

Administrative Business

Representative Johnson commented that the next Public Pension Oversight Board (PPOB) meeting will be on November 20, 2023, at 3:00 p.m.

Members of the General Assembly received an email from the PPOB Chairs asking that pension bills for the next regular session be presented to PPOB as a first step and oversight measure.

Adjournment

JAIL & CORRECTIONS REFORM TASK FORCE

Minutes of the 2nd Meeting

of the 2023 Interim

July 24, 2023

Call to Order and Roll Call

The 2nd meeting of the Jail & Corrections Reform Task Force was held on Monday, July 24, 2023, at 9:30 AM, in Room 129 of the Capitol Annex. Senator John Schickel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator John Schickel, Co-Chair; Representative Josh Bray, Co-Chair; Senators Brandon J. Storm, and Whitney Westerfield; Representatives David Hale, Keturah Herron, and Jason Petrie.

Guests: Kiern Fannin, Director of Population Management, Department of Corrections; Randy White, Deputy Commissioner of Adult Institutions, Department of Corrections; Toney Bailey, Director of Kentucky Correctional Industries, Department of Corrections; Kristie Willard, Director of Local Facilities, Department of Corrections; James Daley, Campbell County Jailer, President, Kentucky Jailers Association; Jason Maydak, Boone County Jailer; Jason Woosley, Grayson County Jailer; Barry Brady, Marion County Jailer; and Josh Lindblom, Hardin County Jailer.

LRC Staff: Roberta Kiser, Randall Roof, and Jennifer Smith.

Approval of Minutes from June 12, 2023 Meeting

Representative Hale motioned to approve the June 12, 2023, minutes, seconded by Senator Storm,

passed by voice vote.

Department of Corrections Update on Classification and Work Programs

Kiern Fannin, Director of Population Management, Department of Corrections, provided an overview of the classification process. Ms. Fannin stated that inmates that are eligible under KRS 532.100 will be classified on paper and remain in a county jail, while all other inmates will be maintained on controlled intake and scheduled for admission to a Department of Corrections assessment center. Ms. Fannin stated that the Department of Corrections did not classify as many inmates during the COVID-19 pandemic as they did before the pandemic. However, the average number of inmates classified per month is returning to pre-pandemic levels.

In response to Chairman Bray, Ms. Fannin explained that some inmates experience delays in the classification process due to the Department of Corrections waiting on a sentencing order or presentence investigation report.

In response to Senator Westerfield, Ms. Fannin stated that a Class D inmate will be classified at a higher level of custody until the presentence investigation report is complete. Once the Department of Corrections has received the presentence investigation report, the inmate will be reclassified.

Randy White, Deputy Commissioner of Adult Institutions and Toney Bailey, Director of Kentucky Correctional Industries with the Department of Corrections provided an overview of the various Kentucky Correctional Industries facilities and the goods they manufacture.

In response to Representative Herron, Mr. White stated that the COVID-19 pandemic and supply chain issues forced Kentucky Correctional Industries to downsize the workforce. Mr. White added that Kentucky Correctional Industries is profitable and the profits are used to fund the operations of the facilities and to pay staff and inmates.

In response to Chairman Bray, Mr. White stated that a study done by Eastern Kentucky University found that only 13.5 percent of inmates that participated in the work programs provided by Kentucky Correctional Industries returned to prison.

In response to Representative Petrie, Mr. White stated that the Department does work with colleges and universities to provide education programs to inmates throughout the Commonwealth.

Kristie Willard, Director of Local Facilities, Department of Corrections provided an overview of jail work programs for state inmates. The Department of Corrections allows state inmates housed in local jails to participate in community service-related projects and work release programs. In fiscal year 2023, 73 jails had active work programs and there was an average of 3,600 inmates working each month. Ms. Willard stated that these work programs saved counties \$35,958,434 in fiscal year 2023.

County Jail Work Programs

Chairman Schickel and Jason Maydak, Boone County Jailer, presented an overview of the Boone County Jail work camp. Chairman Schickel described the type of work that is done by the inmates throughout

Boone County. Jason Woosley, Grayson County Jailer, presented on the Grayson County Jail work program and provided an overview of the projects that have been completed by the inmates in the county.

In response to Chairman Bray, Mr. Woosley stated that state inmates could be transferred between county jails.

Adjournment

There being no further business, the meeting adjourned at 10:57 A.M.

JAIL & CORRECTIONS REFORM TASK FORCE

Minutes of the Fifth Meeting of the 2023

Interim

October 23, 2023

Call to Order and Roll Call

The fifth meeting of the Jail & Corrections Reform Task Force was held on October 23, 2023, at 11:00 AM in Room 129 of the Capitol Annex. Representative Josh Bray, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Josh Bray Co-Chair; Representatives David Hale, Keturah Herron, Jason Petrie, and Wade Williams.

Guests: Chris Girdler, President & CEO, Somerset-Pulaski County Economic Development Authority (SPEDA); Anthony McCollum, Jailer, Pulaski County Detention Center; Michelle Bramble, Program Coordinator, Pulaski County Detention Center; Brad Sassatelli, Senior Vice President, CGL Companies

LRC Staff: Roberta Kiser, Randall Roof, Joshua Shelepak, and Jennifer Smith.

Discussion on the Pulaski County Detention Center Re-Entry Program

Chris Gridler, President and CEO, Somerset-Pulaski County Economic Development Authority (SPEDA), stated that SPEDA was formed over four years ago and focuses on tourism promotion, downtown development, arts and entertainment, education and workforce, airport and aviation enhancement, commercial and retail recruitment, attractions, and conventions.

SPEDA worked with the Pulaski County Detention Center to have a soft skills re-entry program implemented inside the detention center. It was making an impact on the inmates, but unfortunately an internal change from the Department of Corrections caused the program to no longer qualify. Currently, SPEDA is in the process of starting a relationship with the Life Learning Center based in Covington.

Mr. Girdler explained that SPEDA and the Pulaski County Detention Center recently entered into an agreement to purchase a building adjacent to the detention center. The detention center's staff, and inmates have been completing the renovations. In a few months, the building will be fully functional to offer programs to assist in an inmate's re-entry to the community.

Anthony McCollum, Pulaski County Jailer, discussed the overcrowding at the Pulaski County Detention Center. To help manage with the overcrowding, the detention center has been providing resources such as counseling for inmates to try to reduce recidivism. Unfortunately, inmates do not have driver license, birth certificates, or social security cards. These reasons, among other barriers to successful re-entry, forced the detention to work with community partners to develop a re-entry program. Inmates chosen for the program have 90 days remaining on their sentences, and are from the Lake Cumberland region. Inmates can receive job training and work in the community while serving their sentence. The jail transports inmates to and from the company. Each participant sets up a personal bank account and earns the same wage as every other employee in the company. The detention center receives \$50 from each paycheck to cover its expenses. Since the program's current inception, the detention center has had 40 inmates participate, with two inmates returning to incarceration. Currently, the detention center has nine inmates participating in the program.

In response to a question from Representative Herron, Mr. McCollum said, the inmates must be classified by the Department of Corrections and deemed safe to work in the community.

In response to a question from Representative Hale, Mr. McCollum stated that, the jail trains the company's supervisors about what appropriate inmate conduct is. The inmates only get one chance at the program. If they violate the rules then they are no longer able to participate. The inmates are allowed to wear regular clothing, but when they return to the detention center, they are checked for contraband then put back in jail issued suits. Jail staff also do spot checks on the work sites to make sure they are abiding by the program policy.

In response to a question from Representative Williams, Mr. Girdler responds that they had an industrial leader's breakfast which included 54 of the largest employers in their region. Hendrickson was the first to participate in the program, and continues to be most active. Locally owned companies find it easier to adapt to the program verses corporate owned.

In response to a question from Chairman Bray, Mr. McCollum stated that the inmates do not get time off their sentence for participation in the re-entry program. The detention center does not receive state funding for the re-entry program, but the inmates receive scholarships from Somerset Community College.

Discussion on Justice Facility Planning, Design, Program Management, and Maintenance Solutions

Brad Sassatelli, Senior Vice President, CGL Companies, presented that CGL's primary focus is on criminal justice consulting of state prison systems and local jails. The company looks at the system, such as arrests, court systems, pre-trial services, and detention to determine how inmate population could be reduced. CGL offers master planning and provides solutions in areas such as staffing needs assessments, operating budget analysis, deferred maintenance, and

after-incident reviews. CGL has been operational for almost 50 years. Throughout that time, Mr. Sassatelli has worked on over 50 major state and county projects, completed 4 state master plans, 75 county jail needs assessments, and over 20 state corrections operational needs assessments.

In response to a question from Representative Hale, Mr. Sassatelli stated that other states do not rely on the county jail beds to supplement their state prison capacity.

In response to a question from Representative Williams, Mr. Sassatelli said, there is no doubt the smaller jails have higher cost verses the larger jails.

In response to a question from Representative Herron, Mr. Sassatelli responded that the pricing is difficult because it varies by location. The cost of an assessment is determined by the location as well. Mr. Sassatelli stated that in order to determine the cost to do an assessment in Kentucky, CGL would need to know all components requested to be studied. The Utah master plan cost was \$1 million; whereas in Florida to review the correctional system, the cost was \$400,000.

In response to a question from Representative Bray, Mr. Sassatelli stated that several states classify inmates very well. They rely on data and factors, and not base it on judgement. About 75 percent of states have a good classification system, but that does not mean there is not room for improvements. Reclassification is more important that the initial classification because inmates have been housed and observed.

Adjournment

With no further business to come before the task force, the meeting adjourned at 11:54 A.M. The next meeting of the task force will be November 8, at 10:00 A.M.

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes

June 15, 2023

Call to Order and Roll Call

The 3rd meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on June 15, 2023, at 10:30 AM in Room 129 of the Capitol Annex. Representative Myron Dossett, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Myron Dossett, Co-Chair; Senator Amanda Mays Bledsoe, Co-Chair; Senator Gary Boswell, Senator Matthew Deneen, Senator Denise Harper Angel, Senator Robin L. Webb, Representative George Brown Jr., Representative Kim King, Representative Phillip Pratt, Representative Brandon Reed, and Representative Rachel Roarx.

Guests: Brian Lacefield, Executive Director, Kentucky Office of Agricultural Policy (KOAP); Bill McCloskey, Deputy Executive Director, KOAP; and Van Ingram, Executive Director, Kentucky Office of

Drug Control Policy.

LRC Staff: Stefan Kasacavage, Hillary Abbott, Kelly Ludwig, Rachel Hartley, and Emily Wiley.

Approval of minutes for the meeting of May 18, 2023

A motion to approve the minutes was made by Representative Pratt and seconded by Senator Boswell. The minutes were approved by voice vote.

Report on the projects considered for funding by the Agricultural Development Board

Brian Lacefield introduced new employees including interns and a loan program manager. Mr. Lacefield provided a loan update for the Kentucky Agricultural Finance Corporation. KOAP visited Elmwood Stock Farm, which is a United States Department of Agriculture-certified organic farming operation utilizing regenerative-agriculture techniques.

Bill McCloskey described the Agricultural Development Board's projects under the program for May 2023. Mr. McCloskey highlighted programs including the County Agricultural Investment Program (CAIP), Deceased Farm Animal Removal, Next Generation Farmer, Shared-Use Equipment Program, and the Youth Agriculture Incentives Program (YAIP).

The requested program amendments discussed included:

- Campbell County Conservation District requested an additional \$30,725 in Campbell County funds for CAIP. The board recommended approval, which would bring the program total to \$68,410.

- Montgomery County Conservation District requested an additional \$117,000 in Montgomery County funds for CAIP. The board recommended approval, which would bring the program total to \$200,000.

- Owen County Farm Bureau requested an additional \$300,000 in Owen County funds for CAIP. The board recommended approval, which would bring the program total to \$450,000.

The projects discussed included:

- Woodford County Fiscal Court was approved for \$50,000 in Woodford County funds to construct bleachers for its agriculture facilities.

- Auburn University was approved for \$64,880 in state funds to aid in the recruitment and support of veterinarians in rural Kentucky.

- Logan County Conservation District was approved for \$5,400 in Logan County funds to purchase a shared-use material roller.

- Little River Veterinary Clinic, LLC was approved for \$58,724 in state and Trigg County funds to aid in the construction of a large animal handling

facility.

- Scott County Fiscal Court was approved for \$250,000 in state and Scott County funds to construct a new farmers market pavilion.

- Meade County Fair, Inc. was approved for \$5,000 in Meade County funds to purchase digital scales.

- Daviess County Conservation District was approved for \$20,000 in Daviess County funds to aid the Daviess County Youth Agricultural Production Cost Share Program.

- Grain Day, Inc. was approved for \$12,000 in Daviess County funds to support the 2024 Agriculture Exposition.

- Jessamine County Future Farmers of America was approved for \$15,000 in Jessamine County funds to aid in the youth cost-share program for supervised agriculture experience and 4-H projects.

- JSW Farm Chop Shop, Inc. was approved for \$1,000,000 in state funds to construct and procure equipment for beef tripe processing.

- Robert Fox, Jr. was denied \$5,000 in state funds to purchase a portable sawmill due to limited producer impact. The board referred the applicant to the Agricultural Finance Corporation.

- Calloway County Cattlemen's Association was denied funding for a cattle chute. The board recommended no funding due to Calloway County Agricultural Development Council not committing funds and designating the application as low priority.

Senator Webb commended the innovation of the large animal veterinarian program at Auburn University and stated there is currently a shortage of small animal veterinarians in Ashland, Kentucky. Large animal veterinarians could be more accessible by utilizing telehealth.

Representative King stated there are safety concerns when administering medication to large animals and to alleviate those concerns a sweep tub is used.

Senator Deneen stated KOAP has done great work with messaging regarding the need for large animal veterinarians and incentivizing Kentucky students to enroll in the Auburn University veterinary program.

In response to Senator Boswell, Mr. Lacefield stated KOAP oversees the lending of funds once the project is complete.

Update from the Kentucky Office of Drug Control Policy

Van Ingram stated that many states do not have the opportunity to connect with local communities regarding substance abuse, affirming the importance of the Kentucky Agency for Substance Abuse Policy (KY-ASAP), which receives Tobacco Settlement funds. The Kentucky Office of Drug Control Policy

(KY-ODCP) will release an overdose death report on June 15, 2023. Kentucky has seen a reduction in deaths of over five percent, but there is still work to be done. On average, six Kentuckians per day die from drug overdoses. Over 70 percent of overdose deaths in the United States and Kentucky are related to fentanyl and fentanyl analogs. These drugs are often promoted and disguised as legitimate pharmaceuticals.

Mr. Ingram stated that 23 RS HB 353 directs the KY-ODCP to promote a fentanyl education and awareness campaign primarily on social media. Mr. Ingram stated that, with the funds provided in 2023, the KY-ODCP is able to support each county with \$20,000 to local ASAP boards. In addition, \$680,000 was allocated to supplemental awards, where local ASAP boards can apply for project funding.

Mr. Ingram stated that the KY-ODCP is actively promoting workforce reentry. The KY-ODCP is involved in a matching grant with the Kentucky Chamber Foundation, which has trained over 5,000 Kentucky business leaders to be "second chance" employers. Mr. Ingram stated that this program is essential to filling the workforce need in the state. KY-ODCP also partners with the Eastern Kentucky Concentrated Employment Program (EKCEP) whose goal is to connect individuals in recovery to meaningful work. Mr. Ingram refers to this partnership as the Strategic Initiative for Transformational Employment (SITE).

Mr. Ingram stated that KY-ODCP funds the state-wide KY Help Call Center (1-833-8KY-HELP). The call center receives about 300 calls and makes about 700 outgoing calls per month. The calls out of the center are follow-up calls at 7 days, 30 days, and 6 months. All call center representatives are trained social workers.

Mr. Ingram stated that 21 RS HB 7 created the Advisory Council for Recovery Ready Communities, which requires local communities to take inventories of their substance abuse treatment, prevention, and recovery capital. The council recently certified Danville as their first Recovery Ready Community. Mr. Ingram stated that he has encouraged community leaders to use their Opioid Abatement dollars towards this program.

In response to Senator Boswell, Mr. Ingram stated that the largest demographic of overdose deaths is ages 35-44, and the second largest is 45-54. He suggested that many of the individuals dying of drug overdoses are not new to substance use disorder.

In response to Chair Mays Bledsoe, Mr. Ingram stated that many communities have not begun to utilize their Opioid Abatement funds. Regarding supplemental awards from KY-ODCP, programs funded may include recovery community centers and prevention education in schools. Mr.

Ingram stated that the Kentucky Department of Corrections hosts a reentry simulation.

In response to Representative Brown, Mr. Ingram stated he would compile the information used in his presentation and provide it to the committee.

In response to Senator Deneen, Mr. Ingram stated that the EKCEP program has a representative in each career center in the state. Mr. Ingram stated that the funds provided for his task forces are enough to keep them operational, but there is a shortage of funding

for supplies and technology.

In response to Senator Webb, Mr. Ingram stated that guidance for the expenditures of Opioid Abatement funds is provided by the Office of the Attorney General. There is a list of guidelines, voted on by the Kentucky Opioid Abatement Advisory Commission, on their website.

In response to Representative King, Mr. Ingram stated federal funds come to Kentucky to create the Kentucky Opioid Response Effort (KORE) that provides a list of programs. Regarding the Opioid Abatement funds, the General Assembly established a commission that will administer funds for the next 18 years. Communities already receive 50 percent of Opioid Abatement funds directly.

In response to Representative Roarx, Mr. Ingram stated there are about 15 recovery community centers in the state.

In response to Chair Dossett, Mr. Ingram stated that he was grateful for Kentucky employers who are helping to be part of the solution.

Adjournment

There being no further business, the meeting was adjourned.

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes

October 12, 2023

Call to Order and Roll Call

The 6th meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on October 12, 2023, at 10:30 AM in Room 129 of the Capitol Annex. Representative Myron Dossett, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Amanda Mays Bledsoe Co-Chair; Representative Myron Dossett Co-Chair; Senators Julie Raque Adams, and Matthew Deneen; Representatives George Brown Jr., Kim King, Phillip Pratt, Brandon Reed, and Rachel Roarx.

Guests: Brian Lacefield, Executive Director, Kentucky Office of Agricultural Policy (KOAP); Bill McCloskey, Deputy Executive Director, KOAP; Andrea Day, Director, Division of Child Care, Department for Community Based Services (DCBS), Cabinet for Health and Family Services (CHFS); Holly LaFavers, Branch Manager, DCBS, CHFS; Laura Begin, Staff Assistant and Legislative Liaison, DCBS, CHFS; and Dr. Julie Watts McKee, State Dental Director, Department for Public Health, CHFS.

LRC Staff: Stefan Kasacavage, Hillary Abbott, Kelly Ludwig, Rachel Hartley, and Emily Wiley.

Approval of minutes for the meeting of September 14, 2023

A motion to approve the minutes was made by Representative Pratt and seconded by Senator Deneen. The minutes were approved by voice vote.

Report on the projects considered for funding by the Agricultural Development Board

Brian Lacefield gave a brief overview of various events and site visits that he attended over the previous month and provided a loan update for the Kentucky Agricultural Finance Corporation.

Mr. Lacefield congratulated Bill McCloskey on being Vice President-elect of the National Council of State Agriculture Finance Programs.

Bill McCloskey described the Agricultural Development Board's projects under the program for August 2023. Mr. McCloskey highlighted programs including the County Agricultural Investment Program (CAIP), Deceased Farm Animal Removal, and the Youth Agriculture Incentives Program (YAIP).

Marshall County Conservation District was denied funding for CAIP due to the Marshall County Agricultural Development Council assigning a low priority and not committing county funds to the application.

The requested program amendments discussed included:

Jessamine County Future Farmers of America Alumni Association requested an additional \$100,000 in Jessamine County funds for CAIP. The board recommended approval, which would bring the program total to \$200,000.

The projects discussed included:

Goode's Riverside Creamery, LLC was approved for \$71,000 in multi-county funds to support the construction of a creamery with retail space.

Dr. Madelyn Orem, DVM was approved for \$100,000 in multi-county funds to purchase 10 percent of the Todd County Animal Clinic.

Todd County Animal Clinic, PLLC was approved for \$100,000 in multi-county and state funds to aid in the purchase of large animal equipment.

Pulaski County Board of Education was approved for \$200,000 in Pulaski County funds to construct an agriculture complex.

Lincoln County Fiscal Court was approved for \$7,500 in Lincoln County funds to aid in the construction of a new farmers market pavilion.

3 Stone Farms, LLC was approved for \$30,000 in multi-county funds to aid in the construction of a confinement feeding barn.

In response to Co-Chair Dossett, Mr. Lacefield agreed that it is physically demanding to be a large animal veterinarian. Mr. McCloskey stated CAIP offers cattle-handling facilities upgrades, which improves the safety of caring for large animals.

Co-Chair Dossett commended Dr. Madelyn Orem for purchasing a percentage of the Todd County Animal Clinic.

Early Childhood Development

Andrea Day stated that 25 percent of the Tobacco Master Settlement Agreement Fund (MSA) is allocated to improve and promote early childhood development for the children of the Commonwealth. The Cabinet for Health and Family Services (CHFS) utilizes dollars from the MSA for its Child Care and Development Fund (CCDF) and Quality Rating Improvement System (QRIS). The CCDF promotes

success for children, and employment and economic security for parents, by ensuring stable, high-quality child care. The fund provides child care subsidies for 21,322 families and 36,910 children. The MSA serves as the required state matching funds for the federal CCDF funding. Kentucky All STARS is Kentucky's five-star QRIS for early childhood education programs. Childcare programs receiving public assistance must participate in the All STARS program. Thirty-five percent of providers in the program are considered high quality. MSA dollars support the professional development and continuing education of childcare workers through scholarships, grants, and Milestone Achievement awards.

In response to Co-Chair Mays Bledsoe, Ms. Day stated that she was unsure of the initial intention for MSA allocations to the Cabinet for Health and Family Services when the fund was created in 2000. Training and technical assistance will improve providers' quality ratings within the All STARS program.

In response to Representative King, Ms. Day stated that she would provide the amount utilized for matching funds.

In response to Senator Raque Adams, Ms. Day stated that the credentialing process for a new childcare center may take 30 to 60 days. She stated she would confirm the timeframe for credentialing and eligibility for participants.

In response to Co-Chair Dossett, Ms. Day stated that the CHFS Department for Community Based Services Division for Family Support staff works with families and would be better able to answer questions regarding personnel who provide those services.

Senator Deneen stated his concerns about duplication of funds and if the current allocations of MSA dollars for early childhood development are still an appropriate source of funding as opposed to the general fund.

Holly LaFavers stated that the Health Access Nurturing Development Services (HANDS) program is a voluntary home visitation program administered by local health departments, utilizing \$7,000,000 of MSA funds for the program's Medicaid match. In FY2023, 3,696 families were served. The Early Childhood Mental Health (ECMH) program provides services for the mental health needs of young children and their families. With the support of \$900,000 in annual MSA funds, ECMH billed 3,997 hours of service to children and families, provided 2,755 hours in training to child-serving agencies, and trained 1,336 early care and education staff. The Kentucky Child Care Health Consultation for a Healthy Start in Child Care (CCHC) provides consultation and technical assistance on health, safety, and nutrition for children ages birth to five years old to child care providers. The program receives \$900,000 of MSA funds, supporting 1,016 training hours and 2,189 hours of consultation to providers.

Dr. Julie Watts McKee stated that the Oral Health Program in the Department for Public Health receives \$2.33 million in MSA funds. Various projects and programs are supported with these dollars, including fluoride varnish distribution, provision of pediatric equipment, provision of fluoridation equipment to smaller municipal water plants, expansion of Public Health Dental hygiene teams, etc.

In response to Representative King, Ms. LaFavers stated that the HANDS program is provided in all 120 counties. The program lost a significant number of participants during the COVID-19 pandemic and is rebuilding rapport with families.

In response to Co-Chair Mays Bledsoe, Dr. Watts McKee stated that a health department can

participate in fluoride varnish distribution if it wants to. She will provide a list of the 38 health departments participating.

Co-Chair Mays Bledsoe commended CHFS for the programs they provide, but would like to reevaluate whether MSA funds are now an appropriate source of funding.

Adjournment

There being no further business, the meeting was adjourned.

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