

General Assembly's 2009 session ends

by Chuck Truesdell
LRC Public Information

The General Assembly's 2009 Regular Session gaveled to an end on March 26, a day ahead of schedule after one of the most productive "short sessions" in memory. From school testing reform to drug screening and treatment for felony offenders, lawmakers passed a wide array of legislation.

In all, 106 items, including five resolutions having the force of law, were passed into law out of the more than 700 introduced. The governor's lone veto, a line-item veto of the state's road plan, was allowed to stand.

Among the laws hitting the books are the following:

CATS testing. Senate Bill 1 overhauls the state's end-of-year exams, eliminating writing portfolios as well as arts and practical living exams. Those elements would be retained as school programs, however.

Drug diversion. SB 4 directs jail officials to

screen inmates as soon as they are booked. Judges can then order outpatient drug counseling, while serious addicts can volunteer for inpatient treatment. Those who complete a follow-up program and stay clean can have the felony wiped from their record.

Personal services. SB 22 requires home health agencies and other personal service businesses to conduct criminal background checks on their employees and bans anyone convicted of abuse, drug crimes, or sex crimes from being hired.

Flags. SB 33 requires all U.S. and Kentucky flags purchased by state and local governments to be made in the U.S.

Deer imports. SB 81 bans the importation of deer, elk, and other cervids into the state unless they have been screened for chronic wasting disease.

Penal code. Senate Joint Resolution 12 continues a study of the state's criminal laws, putting it under the jurisdiction of the legislature's Interim Joint Committee on Judiciary.

Oil and gas. SJR 67 directs a study of potential benefits from oil and gas exploration on state lands.

ATVs. House Bill 53 requires all-terrain vehicles to be titled, just as motor vehicles are.

Local government pensions. HB 117 allows employers in the County Employees Retirement System to phase in their health care payments over 10 years, just as the state government does.

Alcohol and tobacco taxes. HB 144 increases the cigarette tax to 60 cents, while doubling the tax on snuff and other tobacco products. The bill also brings alcohol products under the state's 6 percent sales tax.

Sex offenders. HB 315 bans convicted sex offenders from MySpace, Facebook, and other social networking sites where minors are allowed. It also requires them to register their e-mail addresses, screen names, and other online IDs with state authorities.

School calendars. HB 322 allows school districts to petition the state commissioner of education to waive up to 10 disaster days due to last fall's

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Lawmakers pass \$3.7 billion road plan

by Rebecca Mullins
LRC Public Information

A revised state road plan totaling a little more than \$3.7 billion—including more than \$1 billion for road and bridge projects—was passed last session that will fund state road projects through 2010.

House Bill 330 was given final approval on March 13. It will be funded by around \$400 million in state bonds, around \$421 million in federal stimulus dollars for shovel-ready transportation projects, and other state and federal dollars.

"It's basically a 15-month road plan," said Senate Transportation Committee Chairman Sen. Ernie Harris, R-Crestwood.

Other funding will come from the passage of HB 374, which will preserve hundreds of millions in road fund dollars by freezing the state gasoline tax at

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Budget overhaul, tax plan become law early in session

by Rebecca Mullins
LRC Public Information

The Kentucky General Assembly approved tax and budget measures in February that will help plug this fiscal year's \$456 million state budget shortfall with spending cuts, fund transfers and over \$50 million in new revenue.

Both measures were signed into law by Governor Steve Beshear on Feb. 13. The budget bill, House Bill 143, took effect immediately after it was signed. The tax provisions in HB 144 became effective on April 1.

Projected new revenue will come from user fees on tobacco products and alcohol in HB 144, which doubled the state tax on each pack of cigarettes from 30 cents to 60 cents and doubled the tax on chewing tobacco and snuff. The state's 6 percent sales tax was added to package alcohol sales by the new law, which left wholesale taxes on alcohol untouched.

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House Minority Floor Leader Jeff Hoover takes part in budget discussions during the 2009 Regular Session.

Budget & fees, from page 1

Budget officials say the increases could raise as much as \$180 million a year, but that HB 144 is only expected to generate \$52 million this fiscal year ending June 30.

The other measure, HB 143, is a budget modification bill that covers the rest of this fiscal year's shortfall without using coal severance or tobacco settlement funds or once-proposed employee furloughs. It instead authorizes the governor to make a one-time transfer of up to \$50 million from the state employee health trust fund (if actuarially sound), gives the governor the go-ahead to make necessary agency spending cuts of up to 4 percent and allows use of up to \$219 million from the state's budget reserves to eliminate the shortfall.

Exceptions to the 4-percent cuts are state colleges and universities—which will only have their budgets trimmed an additional 2 percent this fiscal year—and “hold harmless” areas to be spared including Medicaid, SEEK per pupil funding for schools, teachers' retirement and Corrections.

Lawmakers also said before passage of HB 143 that they are hopeful that money taken from the budget reserves can be replaced next year with revenue created by HB 144.

House Appropriations and Revenue Committee First Vice Chair Rep. Robin Webb, D-Grayson, said the budget plan also leaves room for federal funds Kentucky expects to receive from the federal stimulus package passed by Congress. Kentucky should receive around \$3 billion over the next 28 months from the stimulus plan.

“We have addressed the possibility of federal stimulus money,” Webb said on Feb. 10. “Although that is a fluid process...we have included language (for) that potential revenue enhancement,” she said, adding that any stimulus funds should be used in a “prudent manner.”

Many lawmakers agreed that a more comprehensive look at the state's tax structure is necessary, with a few agreeing to vote for the tax plan only if legislative leaders agreed to more inclusive tax changes in future sessions.

Leaders seemed receptive to

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Lawmakers updated on policy changes by Agricultural Development Board

by Rebecca Mullins
LRC Public Information

New policies to improve accessibility and accountability of tobacco settlement dollars set aside for Kentucky counties and their farmers were reviewed by state lawmakers on April 22.

Under the new policies, approved last month by the Kentucky Agricultural Development Board (ADB), county model programs will become investment areas under the broader County Agricultural Investment Program. Todd Harp with the Governor's Office of Agricultural Policy (GOAP) said the change will give more farmers access to county agricultural cost-share dollars.

“That way, we feel like we're reaching more farmers,” said Harp.

One policy change that Harp said will help mostly young growers allows non-tobacco dependent farmers to access county cost-share funds not claimed by tobacco-dependent



farmers.

“It may not make sense for (a young farmer) to start raising tobacco,” said Harp, adding that some counties were preventing non-tobacco dependent farmers from accessing county cost-share funds.

Committee member Sen. Charlie Borders, R-Russell, explained that the 2000 state law that created the county

programs was designed to help tobacco farmers diversify.

“While I wouldn't necessarily think it should render (non-tobacco dependent farmers) ineligible, I think we would all agree that the intent of the program was...to give (tobacco) farmers an alternative,” said Borders. “I hope we don't start seeing a lot of non-tobacco counties (applying) that don't have one stalk of tobacco.”

Harp said tobacco-dependent farmers will still be given priority, but that not all counties have enough tobacco farmers to justify limiting access to other types of growers. Some counties have actually had trouble spending their cost-share funds because they don't have enough tobacco dependent farmers, he said.

“We were seeing legitimate farmers actively engaged in agriculture but unable to access the funds,” said Harp. “If there's money available, we would like to have funds available for those

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Drug treatment plan becomes law

by Chuck Truesdell
LRC Public Information

A proposal to treat arrested drug addicts before sending them to trial won passage last session and is now law.

Senate Bill 4 was co-sponsored by Senate Majority Floor Leader Dan Kelly, R-Springfield, and Senate Minority Floor Leader Ed Worley, D-Richmond. It is intended to both help drug offenders receive treatment and lower the state's growing prison population.

“This is an outstanding piece of legislation,” Worley said. “It pays for itself.”

Under the plan, those charged with a felony will be screened for substance abuse problems before they appear at trial. At the judge's discretion, the offender could be ordered into an outpatient recovery program as a condition of bail.

If an offender completes the pre-trial diversion program and does not commit any other offenses, the charges could eventually be dropped and no felony listed on that person's record.

The state corrections system will also set aside at least 200 beds for an inpatient facility — similar in restrictions to a minimum security prison — for people who have been charged with a felony and have substance abuse issues. Prisoners in the program will voluntarily undergo intensive counseling for at least 90 days to make sure they can overcome their addictions. An aftercare plan will also be in place for each participant.

State lawmakers provided funding for the program in the budget last year, Kelly said.

Road plan, from page 1

22.5 cents per gallon.

Had lawmakers not enacted the freeze, the gas tax would have fallen to 18.5 cents per gallon on April 1 to match a decline in the wholesale price of gasoline. Each of the four pennies preserved by the freeze are estimated to be worth \$32 million in revenue to

the state and local governments.

The General Assembly passed a resolution that contains a list of projected road projects for fiscal years 2010-2014, which are the last four years of the state's six-year road plan.

Funding for Kentucky's share of the \$4.1 billion Louisville Bridges

Project, or around \$2.92 billion, will be covered by federal GARVEE bonds that pay for projects through future federal appropriations.

Indiana will pay the remaining \$1.15 billion since it will share the bridges.

State assessment, accountability test changing

by Chuck Truesdell
LRC Public Information

Kentucky schools will see a new system of student testing following 2009 passage of Senate Bill 1. The reforms will begin immediately and take place over the next three years until the new structure is in place for the 2011-12 school year.

SB 1, sponsored by Sen. Ken Winters, R-Murray, and Senate President David Williams, R-Burkesville, puts a renewed emphasis on student achievement in the arts, practical living skills, and writing abilities. Under the plan, writing portfolios would no longer be part of the assessment program, but would be retained as a teaching tool to develop students' writing skills. Likewise, end-of-year tests in the arts and vocational skills would be eliminated. Instead, schools'

programs would be evaluated to make sure students were able to pursue those courses effectively.

"This program will put us many, many years ahead," said Winters, who chairs the Senate Education Committee.

Changes to the end-of-year testing system will allow teachers and parents to track individual student achievement and needs while allowing those scores to be compared to students throughout the state, the nation, and the globe.

"The CATS test as we know it now provides very little information on students," Winters said, because school accountability is the major focus. In addition, the tests would allow for comparison over time, to see how individual students are progressing over their academic careers.

**Sen. Ken Winters
D-Murray**

Under the new plan, end-of-year exams in language arts, math, science, and social studies would be augmented by national norm-referenced tests. State tests would be limited to no more than five days over the last 14 days of the school year, ensuring that students are given proper time to learn all appropriate material and to eliminate the common complaint that school days after the exams are wasted.

Because of the changes to student testing, the current academic index that measures school accountability is being scrapped as well, to be replaced by a new measure of school performance and evaluation.

Budget, from page 2

those concerns.

"This is a stopgap measure, and that's OK," said Williams. "We've set the stage for a new day."

When that day will come is unknown. Lawmakers could be called into special session by the governor before June 30 to deal with another budget shortfall expected next fiscal year, or budget issues facing the state

in 2010 or beyond could be handled later.

Few lawmakers believe that the budget and tax changes made in February are the last lawmakers will consider in coming months. "This is the easy part," Sen. Tim Shaughnessy, D-Louisville, said.

"The real difficulty will come in the next biennium."



State Sen. Tim Shaughnessy, D-Louisville, comments on changes to CATS testing in Senate Bill 1 during the 2009 Regular Session of the Kentucky General Assembly.

* The 2009 Session Statistics have been revised to correct the percentages of all bills introduced that passed and became law.

Revised 2009 Session Statistics

	2009	2008	2007	2006
Introduced:				
Senate Bills	190	256	222	258
House Bills	544	774	573	754
Total	734	1030	795	1012
Resolutions	462	582	492	666
Passed:				
Senate Bills	24	61	43	79
House Bills	77	120	77	144
Total	101	181	120	223
Resolutions	¹ 370	² 474	³ 386	⁴ 528
¹ Includes 11 Joint and Concurrent Resolutions that passed both Chambers.				
² Includes 13 Joint and Concurrent Resolutions that passed both Chambers.				
³ Includes 37 Joint and Concurrent Resolutions that passed both Chambers.				
⁴ Includes 29 Joint and Concurrent Resolutions that passed both Chambers.				
Became Law:				
Senate Bills	24	61	43	79
House Bills	77	119	77	144
Total	101	180	120	223
Resolutions (Joint and Concurrent)	7	11	21	36
Vetoed: (Bills and line-items)				
Senate Bills	0	0	0	0
House Bills	¹ 1	² 13	0	³ 39
Total	¹ 1	² 13	0	³ 39
¹ One Bill vetoed with one line-item veto				
² One Bill vetoed; three Bills with 12 line-item vetoes				
³ Three Bills with 39 line-item vetoes				
Vetoed Overridden:				
Senate Bills	0	0	0	0
House Bills	0	0	0	0
Total	0	0	0	0
Percent of All Bills Introduced:				
Passed	13.76	17.57	15.09	22.04
Became Law	13.76	17.48	15.09	22.04

2009

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CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

**Minutes
December 16, 2008**

The Capital Projects and Bond Oversight Committee met on Tuesday, December 16, 2008, at 1:00 p.m., in Room 169 of the Capitol Annex. Senator Elizabeth Tori, Chair, called the meeting to order.

Present were:

Members: Senator Elizabeth Tori, Co-Chair; Senators Tom Buford and Dan Seum; and Representatives Mike Denham, Steven Rudy, and Jim Wayne.

Guests testifying before the Committee: Bob Wiseman, University of Kentucky; Katie Smith, Cabinet for Economic Development; John Hicks, Governor's Office for Policy and Management; Jack McNear, Kentucky State University; Brett Antle, Office of Financial Management; Nancy Brownlee, Finance and Administration Cabinet; Sandy Williams, Kentucky Infrastructure Authority; Dr. Robert Tarvin, School Facilities Construction Commission; Clay Crupper, Mayor of Dry Ridge; Glen Caldwell, Mayor of Williamstown; Douglas Beckham, City Administrator for Williamstown; and Robert Sturdivant, HDR Quest Engineers.

LRC Staff: Nancy Osborne, Shawn Bowen, Kristi Culpepper, and Samantha Gange.

Senator Tori asked Nancy Osborne, Committee Staff Administrator, to review correspondence and information items.

Ms. Osborne said the first item of correspondence was a letter from the Committee to the Finance Cabinet relating to the Kentucky Infrastructure Authority (KIA) Fund A loan to the City of Williamstown. She indicated that guests from the City of Williamstown would like to address the Committee during KIA's presentation today.

Next, Ms. Osborne discussed one information item that related to the Administrative Office of the Courts (AOC) Court Facilities Standards Committee. This Committee met November 14, 2008, and gave preliminary approval for Phase A Schematic design of the Carlisle and Wolfe counties court facilities. She

noted that the Carlisle county courthouse is being rebuilt after it suffered a fire. The facility is unique in that it will house both the AOC staff as well as local county government staff.

Included in the monthly Staff Update was an article about Connect-GRADD high-speed wireless Internet service being available by December 2008 to residents living in the seven counties of the Green River Area Development District; the project was partially funded with a KIA loan of \$1.1 million. Also noted was an article about plans by the University of Kentucky (UK) to construct an \$18.6 million high-technology research facility as part of the College of Engineering "Digital Village." The facility will be partly funded by the "Bucks for Bricks" program as authorized in House Bill 406 of the 2008 General Assembly. Next, Ms. Osborne reported that the construction on the Robertson County Courthouse Annex has resumed after being delayed for several months due to construction issues, and the Kentucky School for the Deaf is considering selling 108 acres of undeveloped land on its campus.

Ms. Osborne next read a resolution honoring Nancy René Brownlee, Director of Division of Real Properties, for her years of service to the Commonwealth. Senator Tori thanked Ms. Brownlee for her service and wished her a happy retirement. Ms. Brownlee thanked the Committee and the resolution was passed by voice vote.

Senator Tori indicated that the Committee had a quorum and asked the secretary to take the roll.

Senator Seum made a motion to approve the minutes of the November 18, 2008, meeting. The motion was seconded by Representative Wayne and approved by voice vote.

Senator Tori then read a resolution honoring Nancy Rose Osborne, Committee Staff Administrator, Capital Projects and Bond Oversight Committee, for her years of service to the Commonwealth and to the Committee. Ms. Osborne will retire from LRC effective December 31, 2008. Senator Tori thanked Ms. Osborne for her service. Representative Wayne commented that there are few people in the Legislative Research Commission that can match

the enthusiasm and competence of Ms. Osborne and wished her a happy retirement. Senator Seum commented that he was very impressed with Ms. Osborne's professionalism and congratulated her on her retirement. Representative Denham thanked Ms. Osborne for her hard work and honesty. Senator Tori commented that Ms. Osborne will be greatly missed. The resolution passed by voice vote.

Next, Senator Tori recognized Bob Wiseman, Vice President for Facilities Management, University of Kentucky. Mr. Wiseman asked the Committee for its approval of a lease modification for the College of Education. The university will add 1,150 square feet to an existing 5,263 square foot lease to accommodate the university's need for additional storage and office space. The lease cost is at \$10.43 a square foot for the new space. With this action, the cost of the lease (\$101,712) now exceeds the \$100,000 threshold for reporting.

Representative Denham made a motion to approve UK's lease modification. The motion was seconded by Representative Rudy and passed unanimously by roll call vote.

Mr. Wiseman then reported on the initiation of a capital project on UK's Coldstream Research Campus. The project will expand the electrical infrastructure in the park and provide a redundant source of power to the park. The overall project is \$6.5 million, of which \$5.5 million is financed with a grant from the Kentucky Economic Development Finance Authority (KEDFA). The KEDFA grant is technically to Kentucky Technology, Inc. (KTI), a for-profit subsidiary of the UK Research Foundation. The remaining \$1 million is financed with unrestricted university funds. A condition of the grant from KEDFA was that going forward, all leases at Coldstream would set aside 10 percent into a sinking fund for further improvements to the park.

Representative Wayne asked Mr. Wiseman to discuss KTI and its role as agent for the university. Mr. Wiseman said that KTI was a wholly-owned corporation within UK, which was established to work with for-profit entities. KTI is overseen by an internal Board of Directors. Represen-

tative Wayne asked how the power lines will be procured. Mr. Wiseman said that Kentucky Utilities will supply the power, and half of the \$6.5 million is for work with them. The other half is for the internal loop system through the park. UK will follow the model procurement laws for the project.

Senator Tori asked Katie Smith, Deputy Commissioner, Cabinet for Economic Development, Department of Commercialization and Innovation (DCI), to report on two projects. First reported was a modification to the DCI grant agreement with the Kentucky CVFS, Inc. to outline the repayment of funds as a result of closure and termination of that project. The second project reported was the \$5.5 million allocation from DCI to KTI to provide a redundant electrical and fiber optic infrastructure at UK's Coldstream Research Farm.

Senator Seum asked what percentage of DCI's total available funding will be used for this \$5.5 million grant. Ms. Smith said that the current available funding is around \$17 million, and the grant represents nearly one-third of the available funding.

Senator Tori next asked John Hicks, Deputy Director, Governor's Office for Policy and Management, to discuss the Finance Cabinet's monthly report. Mr. Hicks first discussed a new project for Kentucky State University (KSU) to construct a Center for Families and Children. The project scope is \$2,022,000 from federal funds. The purpose of the project is to create a child development facility that will collaborate with the university's Family and Consumer Science and Early Education programs. The new center will be located on KSU's south campus, which will support KSU's Rosenwald Child Development Laboratory. The building size will be approximately 8,500 square feet. The Council on Postsecondary Education has reviewed and approved the project.

In response to questions from Senator Tori, Jack McNear, Director of Capital Planning and Construction, Kentucky State University, said that KSU is staffing the facility. Income generated from the childcare center will cover the cost of staff, as well as maintenance and operation of the facility. He said additional federal funds will be available for maintenance and operating expenses if needed.

Representative Wayne asked Mr. McNear to provide the Committee with a business plan of the proj-

ect. Mr. McNear responded that he would.

Senator Tori asked when the building would be open. Mr. McNear responded that KSU anticipates the center opening in spring 2010.

Senator Seum asked if the center was just for students and faculty or if it would be available to the public. Mr. McNear said that the center would be open to the public.

Representative Wayne asked if prevailing wage laws would be followed during the construction. Mr. McNear said KSU would be following the prevailing wage laws. Representative Wayne complimented KSU on initiating the project.

Representative Denham made a motion to approve the project. The motion was seconded by Representative Wayne and passed unanimously by roll call vote.

Next, Mr. Hicks reported an \$800,000 scope increase for the Land Grant Farm Facility Welcome/Conference Center project. The fund sources included \$400,000 in federal funds and \$400,000 in university restricted funds. If approved, the revised project scope would be \$4.8 million.

Representative Denham asked why the project costs have increased so much. Mr. McNear said that initially the project was designed to accommodate 600 people in the facility. KSU could not build a building to accommodate 600 people with the amount of money that was originally allotted. Due to the location of the building, the bids came in extremely high. When KSU did get a successful bid, the contractor backed out because of the economic conditions and some subcontractors were not able to get financing for the materials needed.

Senator Tori asked what elements have been eliminated from the project to bring it back within scope. Mr. McNear said that KSU reduced the size of the parking area, eliminated a receiving wing in the building, and scaled back from a full-service kitchen to a catering kitchen.

In response to questions from Representatives Denham and Rudy, Mr. McNear said this is the second scope increase for the project before construction has started. Mr. McNear said that he did not anticipate any additional scope increases for this project.

Representative Denham made a motion to approve the project. The motion was seconded by Representative Wayne and passed unanimously

by roll call vote.

Mr. Hicks then reported that the Kentucky Heritage Land Conservation Fund (KHLCF) has awarded funds to the Department of Fish and Wildlife Resources and the Breckinridge County Fiscal Court to acquire 1,221 acres in Breckinridge County referred to as Town Creek/Flint Run. The land was purchased at auction from Kimball International. Mr. Hicks said the project is unique in that the KHLCF has awarded funds to both the Department of Fish and Wildlife Resources (\$1.3 million) and to Breckinridge County Fiscal Court (\$1.3 million).

Senator Tori asked what the cost per acre was for the land. Mr. Hicks responded that it was about \$1,700 per acre.

Senator Seum asked if this purchase removes the acres from the city's tax base. Mr. Hicks responded that it would. No action was required for the KHLCF allocation.

Senator Tori introduced representatives from the City of Williamstown and invited them to come forward to discuss the KIA Fund A loan for the City of Williamstown. The Williamstown project has been brought before the Committee on two separate occasions, in June and November 2008. At the November meeting, the project was not approved based on earlier concerns regarding the significant rate increases associated with the loan and questions as to whether or not citizens were aware of the rate increases. Mayor Glen Caldwell, City of Williamstown; Mayor Clay Crupper, City of Dry Ridge; Douglas Beckham, City Administrator of Williamstown; and Robert Sturdivant, HDR Quest Engineers came to the table.

Mayor Caldwell thanked the Committee for its time. He said this project is a regional project that covers two cities – the City of Williamstown and the City of Dry Ridge. He then referred to a June 20 letter from the Committee to the Finance Secretary in which the project's customer base was stated as 1,071. He explained that Dry Ridge is counted as just one customer within that number, but including Dry Ridge and its constituents, the actual number of customers would be 1,915, which changes the per customer base to 9,790 instead of 16,665. He said the rate increases outlined in the June 20 letter represent a "worst case scenario."

Mr. Caldwell said the City is at-

tempting to secure grant funding for this project. The Northern Kentucky Area Development District has just completed a Community Development Block Grant survey on the City's behalf, and it appears that they will be able to secure a \$1 million grant for each of the two cities. Based upon the growth both cities have experienced in the last 10 years, it is estimated that 5,700 to 6,000 new customers would be available immediately after this plant goes online.

Mr. Robert Sturdivant, HDR/Quest Engineers, said the existing Williamstown sewer plant, which serves both Williamstown and Dry Ridge, was constructed in the late 1960s and upgraded twice. Most of the equipment is nearing the end of its design life and there is no room to expand the plant on the existing site. He said the new treatment plant is needed by the city for future growth and development.

Senator Tori noted that members were particularly concerned about the rate increases to customers and asked if public hearings were held. Mr. Caldwell said public hearings were held and there was no opposition from anyone within the city limits of Williamstown or Dry Ridge. He said the two city councils held a joint council meeting and discussed the project very thoroughly.

Mr. Caldwell said no constituents living in the City of Williamstown or Dry Ridge attended the public hearings. Five people attended the first public hearing; however, they lived outside the city limits close to the site of the proposed plant and were concerned about the location of the plant. None of the households close to the plant will be served by the plant since the residents in that area of the county have septic systems.

Senator Tori said there was no question about the necessity for the plant. The question was whether or not residents were informed of the significant rate increases. Mr. Caldwell noted the City Council meetings are broadcast on local public access cable television. He said residents were aware of the rate increases.

Senator Seum said it bothered him that a representative from the City of Williamstown did not appear before the Committee in November when the project was on the agenda. He added that the Committee, until today, did not know that the City of Dry Ridge was part of the project. He said having this information in November would have been helpful.

Senator Seum welcomed Mayor Crupper, and noted that he was a former state representative. Senator Seum reiterated his concerns with this project, stating that it was important to have a representative of the city available to address the Committee.

Representative Rudy asked what the priority ranking for this project was. Mr. Caldwell replied that it was ranked third in the region.

Representative Denham said he supported this project because he realized the growth in this area of the state is tremendous.

In response to a question from Representative Denham, Mr. Caldwell said the Finance and Administration Cabinet has not communicated its position on this project. Douglas Beckman, City Administrator for the City of Williamstown, added that they are waiting to see if the Finance Cabinet Secretary responds to this situation and exercises his ability to approve the loan. He said as soon as they know the Secretary's position, they could possibly request KIA to submit it to the Committee.

Senator Tori called on Sandy Williams, Fiscal Analyst, KIA, to present three new KIA loans. Ms. Williams first presented a loan increase for the Electric Plant Board of the City of Glasgow in Barren County. The city is requesting a Fund B loan increase of \$100,000 (9.1%). If approved, the new loan amount would be \$1.2 million. The additional funds will be used to expand the capacity of the fiber optic cable connecting the City of Glasgow's broadband network to the City of Bowling Green.

Senator Tori asked if there were any Homeland Security funds involved. Ms. Williams said that the Fund B loan was 100 percent financing for the project.

Representative Denham made a motion to approve the Fund B loan increase for the Electric Plant Board of the City of Glasgow for a revised loan of \$1.1 million. The motion was seconded by Senator Buford and passed unanimously by roll call vote.

Ms. Williams said that the next loan request was for the City of Lebanon in Marion County. The city is requesting a Fund B loan in the amount of \$800,000 to construct a new pump station and waterline connecting the Lebanon/Marion County Industrial Park to the City's existing transmission. This project will enable the Lebanon Water Works and the Marion County Water District

to provide water to a new development along the bypass. The Fund B loan will be combined with a 2008 KIA grant and local funds for a total project amount of just over \$1.3 million. This will be a 20-year loan with an interest rate of 1.07 percent.

Representative Rudy made a motion to approve the Fund B loan of \$800,000 for the City of Lebanon, Marion County. The motion was seconded by Representative Denham and passed unanimously by roll call vote.

Ms. Williams next discussed a request from the Madison County Utilities District for a \$100,456 (10%) increase to its outstanding \$1,004,560 Fund F loan. The new loan amount would be \$1,286,310. The increase is due to higher than expected bids on the water storage tank portion of the project, which is consistent with other water storage tank bids that KIA has seen recently. The original project was to replace 1.1 miles of water mains, construct a 500,000 gallon water storage tank, and rehabilitate a pump station. The total project amount is just over \$1.2 million. The term of the loan is 20 years and the interest rate is 1 percent.

Representative Rudy made a motion to approve the Fund F loan for the Madison County Utilities District. The motion was seconded by Representative Wayne and passed unanimously by roll call vote.

Ms. Williams reported four allocations from the Unobligated Bond Pool. The projects are as follows: City of Barlow (Ballard County) - \$500,000 grant to construct a new treatment plant and a sewer rehabilitation center - total project is \$3,959,479; City of Olive Hill (Carter County) - \$50,000 grant for an emergency water interconnect with Rattlesnake Ridge Water District - total project is \$65,000; City of Greensburg (Green County) - \$200,000 grant to increase the height of the existing water tank - total project is \$500,000; and City of Benton (Marshall County) - \$500,000 grant for a water treatment plant and lagoon rehabilitation center - total project is \$1.9 million.

Representative Denham made a motion to approve the Unobligated Bond Pool grants. The motion was seconded by Representative Rudy and passed unanimously by roll call vote.

Ms. Williams brought to the Committee's attention 28 KIA grant

projects and asked if any members had any questions concerning the grants. Each project was authorized in a previous budget bill and no further Committee action was needed.

Representative Wayne asked if each member of the KIA Board received a copy of the letters from the Committee to the Finance Cabinet Secretary rejecting the Williamstown project. Ms. Williams responded that the Board members did receive a copy of the November letter.

Ms. Osborne said that Ms. Williams, at the request of Representative Denham, brought a list of all KIA projects that have been approved since KIA changed its policies in late 2007. Each Committee member was provided a copy of the list. Fund A loans that have taken place since the policy changes were about \$236 million and Fund F loans were about \$36 million.

Senator Tori called Brett Antle, Deputy Director, Office of Financial Management, to the table. Mr. Antle reported six new bond issues with the School Facilities Construction Commission (SFCC) debt participation: Beechwood Independent (Kenton County), Boone County, Carlisle County, Graves County, Nelson County, and Nicholas County.

Representative Wayne asked if any of the school facilities were energy certified by the Leadership in Energy and Environmental Design (LEED) program. Mr. Antle deferred to Robert Tarvin, Executive Director, SFCC. Dr. Tarvin said that the new construction for schools will be LEED built, but LEED certification is not currently possible on school renovations.

Representative Denham made a motion to approve the six new SFCC bond issues. The motion was seconded by Representative Rudy and passed unanimously by roll call vote.

Ms. Osborne said there were three local school bond issues with 100 percent locally debt service support: the Kentucky Interlocal School Transportation Association (KIS-TA), Hopkins County, and Jefferson County. No Committee action was required.

Ms. Osborne said also included in Committee members' folders was the updated debt issuance calendar.

Ms. Osborne said that it has been an honor serving the Committee.

With there being no further business, Representative Rudy made

a motion to adjourn the meeting. The motion was seconded and the meeting adjourned at 2:15 p.m.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

January 22, 2009

The Capital Projects and Bond Oversight Committee met on Thursday, January 22, 2009, at 1:00 p.m. in Room 169 of the Capitol Annex. Representative Mike Denham, Chair, called the meeting to order.

Present were:

Members: Mike Denham, Co-Chair; Senators Julian Carroll, Bob Leeper, and Elizabeth Tori; and Representatives Steven Rudy and Jim Wayne.

Guests testifying before the meeting: John Hicks, Governor's Office for Policy and Management; Kathy Frye and Mark Cornett, Cabinet for Health and Family Services; Steve Mason and Ed Fields, Kentucky State University; Bob Wiseman, University of Kentucky; Scott Aubrey, Charles Bush, and Jerry Graves, Finance and Administration Cabinet; Sandy Williams, Kentucky Infrastructure Authority; Glen Caldwell, Mayor of Williamstown; Clay Crupper, Mayor of Dry Ridge; Allen Robinson, CDP Engineers; Katie Smith, Cabinet for Economic Development; and Tom Howard and Brett Antle, Office of Financial Management.

LRC Staff: Shawn Bowen, Don Mullis, Kristi Culpepper, Samantha Gange, and Jennifer Luttrell.

Representative Denham called on Shawn Bowen, Legislative Analyst, to discuss several items of business. Ms. Bowen asked the Secretary to take the roll and indicated that the Committee had a quorum. Ms. Bowen welcomed two new members to the Committee, Senator Julian Carroll and Senator Bob Leeper.

Representative Wayne made a motion to approve the minutes of the December 16, 2008, meeting. The motion was seconded by Representative Rudy and approved by voice vote.

Next, Ms. Bowen said that an election for a new Senate Co-Chair was needed. [Senator Elizabeth Tori, the previous Senate Co-Chair, will remain a member of the Committee, but will no longer be Co-Chair.] Senator Tori nominated Senator Leeper for the position of Senate Co-Chair. The motion was seconded by Senator Carroll. Senator Carroll then made a motion that nominations cease and

that Senator Leeper be elected Senate Co-Chair by acclamation. The motion was seconded by Senator Tori and approved by voice vote.

Ms. Bowen said members' folders contained three items of correspondence: quarterly construction reports from the Finance and Administration Cabinet, and the universities that manage their own construction projects; the quarterly report from the Administrative Office of the Courts; and correspondence from the Finance and Administration Cabinet reporting the use of the Construction Management-at-Risk (CM-at-Risk) project delivery method for the Eastern State Hospital Replacement project.

Also included in the members' folders were two information items: a spreadsheet submitted by KIA containing Fund A and Fund F loans approved prior to the projects being bid, and the monthly staff update.

Ms. Bowen then reported that the Kentucky Infrastructure Authority staff has requested a correction be made to the March 20, 2008 minutes. The minutes reflect an incorrect loan amount of \$548,000 for a Fund B Loan for Whitley County. The actual loan amount as reported to the Committee was \$848,000.

Senator Leeper made a motion to approve the amended minutes of the March 20, 2008 meeting. The motion was seconded by Senator Tori and approved by voice vote.

Representative Denham congratulated Senator Leeper as the newly elected Co-Chair and also welcomed Senator Carroll to the Committee.

Representative Denham asked John Hicks, Acting Budget Director, Governor's Office of Policy and Management, to discuss the Finance Cabinet's monthly report. Mr. Hicks reported that the Finance Cabinet has approved an \$85,600 (17%) federally funded scope increase for the Transportation Cabinet Purchase Bridge Snooper project. This project was authorized in the 2008-10 budget at a scope of \$500,000 (Road Funds). The funds will allow the Transportation Cabinet to purchase a custom-made specialized piece of bridge inspection equipment known as a "snooper."

Representative Rudy made a motion to approve the scope increase for the Transportation Cabinet Bridge Snooper project. The motion was seconded by Senator Carroll and passed unanimously by roll call vote. The revised project scope is \$585,600.

Mr. Hicks then reported a

\$96,500 federally funded scope increase for an information technology project for the Cabinet for Health and Family Services. The project, entitled Kentucky Automated Management and Eligibility System (KAMES), was initially authorized in the 2004-06 budget at a scope of \$18,667,000. In July 2007, the Committee approved a 100% federally funded scope increase in the amount of \$2,183,000.

The intent of the project is to upgrade an aging mainframe based computer system that supports state supplementation programs such as TANF, food stamps, and Medicaid Eligibility. The new system will enable the Cabinet to have an electronic case file and keep track of the thousands of Kentuckians who receive services. This request for a scope increase will allow further upgrades to the system.

Senator Carroll asked when the system will be fully implemented. Mr. Hicks said that the system should be running by November 2010.

Senator Carroll asked if this new system would result in any savings or increased efficiency. Mr. Hicks deferred to Kathy Frye, Deputy Executive Director, Office of Administrative and Technology Services, and Mark Cornett, Deputy Commissioner with the Department for Community Based Services. Ms. Frye said that the new system will provide for an electronic case file which will help the caseworkers work more efficiently by eliminating paper files. The information will be more readily available for both the caseworker and the client. Mr. Cornett added that the new system would cut down on clerical work such as copying and mailing.

Senator Carroll asked Mr. Cornett to discuss the personnel reduction the Cabinet has had in the past few years. Mr. Cornett responded that he would have to submit the information formally to the Committee.

Senator Tori asked if the new automated system would help expedite the agency's caseload. Mr. Cornett said that it would.

Senator Carroll made a motion to approve the scope increase. The motion was seconded by Representative Rudy and passed unanimously by roll call vote. The revised project scope is \$20,946,500.

Mr. Hicks next reported that the Finance and Administration Cabinet has approved an unbudgeted project for Kentucky State University (KSU) to purchase an Administrative Computing System. The total cost for

the system is \$4 million, and will be funded with a combination of federal funds (\$2,400,000) and agency restricted funds (\$1,600,000). The new computer system will replace the current Student Information System and the Human Resource System, which has become obsolete.

Senator Carroll inquired as to the age of the university's current computer system. Steve Mason, Special Assistant to the President, KSU, and Ed Fields, Director of Information Technology, KSU, came forward to discuss the project. Mr. Fields said the current system, which dates back to 1984, has been periodically upgraded. However, the system is to the point now that it no longer meets the university's needs. Mr. Fields said the new computer system will be implemented over an 18 to 24 month period.

In response to questions from Representative Wayne, Mr. Mason said the restricted fund source for this project is technology fees paid by students. He added that these technology fees were previously used for information technology operating expenses. Mr. Mason said there would not be any increases in student fees to fund this project.

Representative Rudy asked how long the new system is projected to last. Mr. Mason responded that he did not know for sure how long it would last. Mr. Fields said the vendor is committed to higher education and upgrading and modernizing the system to keep up with current times.

Senator Tori asked what KSU will do for support until the new system is implemented. She noted that the new system would not be up and running until May 2010, and according to information included in members' folders, the current vendor no longer provided support as of December 31, 2008. Mr. Mason responded that vendor support for the current system does not end until 2011. Mr. Fields agreed with Mr. Mason, stating the vendor support for the system expires in 2011. [The information in question refers to correspondence submitted by the university to the Finance Cabinet noting computer support expires December 31, 2008.]

Senator Carroll made a motion to approve the KSU project. The motion was seconded by Representative Wayne and passed unanimously by roll call vote.

Next, Senator Tori recognized Bob Wiseman, Vice President for Fa-

cilities Management, University of Kentucky (UK). Mr. Wiseman asked the Committee for its approval of an unbudgeted project to renovate Wildcat Lodge. The project scope is \$1.5 million and will be funded by private funds. The renovations will include general refurbishment of the interior finishes, interior lighting improvements, and replacement of nonfunctioning exterior glass doors.

Representative Wayne asked if prevailing wage laws would apply to this project. Mr. Wiseman responded that they would.

Senator Carroll made a motion to approve the Wildcat Lodge Renovation project. The motion was seconded by Representative Wayne and passed unanimously by roll call vote.

Next Mr. Wiseman requested a \$1,712,581 (86%) scope increase for the Center for Applied Energy Research project. This project was authorized in House Bill 1 of the 2007 Second Special Session for \$2,000,000 (General Funds). The scope increase will be used to conduct a Front End Engineering and Design Study for a Fischer-Tropshe refinery and to construct a 3,000 gross square foot shell facility that will house the refinery. The funding sources include \$1,370,065 in federal funds from the U.S. Department of Energy and \$342,516 in state funds from the Governor's Office of Energy Policy.

Representative Denham asked if the federal funds for this project are in hand. Mr. Wiseman responded affirmatively.

Senator Carroll made a motion to approve the scope increase for the Center for Applied Energy Research project. The motion was seconded by Senator Leeper and passed by roll call vote. One member voted "No." The revised project scope is \$3,712,581.

Mr. Wiseman then reported that the university has used available restricted and federal funds totaling \$1,444,384, to acquire three items of medical research equipment. Purchases of equipment must be reported to the Committee, but no further action is required.

Representative Denham called on Jerry Graves, Deputy Commissioner of Finance, Facilities Support Services; Scott Aubrey, Assistant Director, and Charles Bush, Director, Division of Real Properties, to report a lease modification for the Energy and Environment Cabinet (PR-3882) in Franklin County. Mr. Bush said

the Cabinet has requested electrical upgrades to its leased facility to accommodate power demands from specialized HVAC equipment in the agency's lab/shop area. The cost of the modifications, \$8,334, plus 6.5% interest, will be amortized over the remaining lease term (June 30, 2012). The Cabinet's monthly rental cost will increase by approximately \$227.

Representative Wayne asked if paying interest on renovations of a leased building is common practice. Mr. Bush responded that according to KRS 56.813, the costs of the improvements are normally financed and the interest is considered part of the financing cost. No Committee action is required for lease modifications under \$50,000.

Next, Representative Denham called Sandy Williams, Financial Analyst, Kentucky Infrastructure Authority (KIA), to present several new KIA loans. The first loan request was for a Fund A Loan for the City of Williamstown. Two representatives from the City joined Ms. Williams at the table - Glen Caldwell, Mayor of Williamstown; and Clay Crupper, Mayor of Dry Ridge. Ms. Williams said the City of Williamstown is again requesting approval of a Fund A loan in the amount of \$17,848,000 to construct a new two million gallons-per-day wastewater treatment plant and construct sewer lines connecting the old and new treatment plants. The term is 20 years with an interest rate of one percent.

Mayor Crupper commented that this project is a joint effort between the City of Williamstown and the City of Dry Ridge.

Representative Denham noted that both cities are in a high-growth area. Mayor Crupper responded that Grant County is one of the fastest growing counties in Kentucky.

Representative Denham asked if the rate increase had been advertised and if public hearings had been held to inform citizens. Mayor Crupper responded affirmatively.

Senator Carroll asked why the project had not been previously approved by the Committee. Representative Denham said the project had been brought to the Committee on two separate occasions. In June 2008 the project was first brought to the Committee and concerns about the rate increase resulted in a lack of a second to approve the project. In November 2008 the project was brought back to the Committee for

a second time and the motion did not pass. In December, the mayors of both cities discussed the project with the Committee and have quelled some of the concerns of the Committee members.

Senator Carroll made a motion to approve the Fund A Loan for the City of Williamstown. The motion was seconded by Representative Wayne and passed unanimously by roll call vote.

Next Ms. Williams reported that three Fund A loans totaling \$22,900,578 have been awarded to the City of Owensboro for a project to begin the process of separating the storm water and sewer systems. The term is 20 years with a one percent interest rate. This loan was approved by the KIA Board at its October 2007 meeting, however, the agency overlooked submitting this loan to the Committee for approval in 2007 and has since released funds for the project. Because the funds have already been released, Committee staff recommended that no action be taken.

Representative Denham said he appreciated KIA bringing the project to the Committee's attention even though the funds were released. He also indicated that staff recommends taking no action.

In response to a question from Senator Carroll, Ms. Williams said that several different funding sources are available for this program. This particular loan is funded from repayment dollars as opposed to direct bond funds. There have been bonds issued in the past, loans were made with the bond funds, and those loans were repaid. This project is being funded by those repayment dollars.

Ms. Williams next discussed a loan request for the Lexington Fayette Urban County Government (LFUCG). LFUCG is requesting a Fund A Loan in the amount of \$17,208,000 for the purpose of upgrading the South Elkhorn pump station and constructing a force main. The term is for 20 years with a two percent interest rate.

Senator Carroll asked about the function of South Elkhorn pump station. Ms. Williams responded that it pumps the sewer from the collection system to the treatment plant.

Senator Carroll asked if the treatment plant discharges waste water into Elkhorn Creek. Ms. Williams deferred to Allen Robinson, CDP Engineers, representing LFUCG. Mr. Robinson said that it is waste water flow that is collected and pumped. The reason for the name of South Elkhorn

pump station is because it is located along South Elkhorn Creek. However, it pumps about five or six miles to the West Hickman waste water treatment plant and then discharges into the West Hickman Creek, flowing into Jessamine County. He said the project would not involve any discharge into Elkhorn Creek.

In response to questions from Senator Carroll, Mr. Robinson said there is no discharge into the South Elkhorn Creek location. He said the pump station is on the South Elkhorn, but the water being moved and treated is Kentucky American Water Company's. Mr. Robinson said this project will vastly improve South Elkhorn's water quality because it will not let waste water into the creek.

Representative Denham asked what the status is of the consent decree with the Environmental Protection Agency (EPA). Mr. Robinson said that he is not familiar with the consent decree and is not involved in it. However, he said that LFUCG is proceeding with projects as if they were under the decree, but technically they have not come to an agreement.

Representative Rudy made a motion to approve the Fund A Loan for LFUCG. The motion was seconded by Representative Wayne and passed unanimously by roll call vote.

Ms. Williams then presented a Fund F loan request for the City of Paintsville. The City is requesting a loan in the amount of \$6,519,566 to construct a new four million gallon-per-day sewer plant on Paintsville Lake to replace the existing plant. The current treatment plant does not meet standards of the Safe Drinking Act. The loan term is for 20 years with a one percent interest rate.

Senator Carroll made a motion to approve the Fund F Loan for the City of Paintsville. The motion was seconded by Representative Wayne and passed unanimously by roll call vote.

Ms. Williams indicated that information on various coal and tobacco development grants approved in previous sessions of the General Assembly was included in members' folders. No Committee action was required.

Next Katie Smith, Deputy Commissioner, Cabinet for Economic Development, came forward to request approval for an Economic Development Bond (EDB) grant in the amount of \$100,000 for the benefit of Sub-Zero Wolf, Inc. in Richmond.

The project entails constructing the necessary building and purchasing equipment to enable the company to manufacture a new line of luxury home appliances. Sub-Zero Wolf, Inc. would be required to create 100 new full-time jobs for Kentucky residents and pay an average hourly wage of at least \$16.36.

Senator Carroll made a motion to approve the EDB grant. The motion was seconded by Senator Leeper and passed unanimously by roll call vote.

Next Representative Denham asked Tom Howard, Executive Director, Office of Financial Management (OFM), and Brett Antle, Deputy Director, OFM, to come forward. Mr. Antle presented the first of two new bond issues for the State Property and Buildings Commission (SPBC). SPBC Revenue and Revenue Refunding Bonds, Project No. 93 will be issued in a principal amount not to exceed \$400 million. The proceeds from the bond issue will provide permanent tax-exempt financing for projects previously authorized in HB 267 (2004-06 budget), HB 380 (2006-08 budget), and HB 406 (2008-10 budget). In addition, Project No. 93 will provide financing for Economic Development Bond Pool projects authorized in HB 267 and HB 380 and refund certain bonds from the SPBC and the Asset/Liability Commission to provide budgetary relief for Fiscal Year (FY) 2010.

In response to a question from Representative Denham, Mr. Howard said the corresponding interest rate for SPBC 93 (5.99%) assumes a portion of the bonds will be issued on a taxable basis and is based on December market rates when the rates were higher. He said the Finance Cabinet is anticipating that with additional tax analysis the taxable component might be eliminated. He said this might dramatically lower the cost of funds. The transaction will include approximately \$15.7 million of capitalized interest and an \$18.8 million interest rate swap termination payment.

In response to additional questions from Representative Denham, Mr. Howard said this bond issue is a blend of tax-exempt and taxable bonds. Mr. Howard said that the state, from January 2006 to August 2007, entered into a series of interest rate swap agreements to hedge the future issuance of General Fund supported debt. He said the General Assembly has authorized a record

amount of debt since 2005, totaling about \$5.5 billion, of which approximately \$4 billion was General Fund supported. Mr. Howard said by not conducting any hedges, the state was making bets that the rates would stay the same or decrease. The state entered into a series of \$600 million total in swap agreements over that time frame, and this swap is the last remaining of those transactions. He added that it was important to be able to reduce appropriations to free up money during the current budget cycle. Since that period, interest rates for the interest rate swap and cash markets have decoupled.

Representative Denham asked if the state will incur a short-term loss in order to attain long-term savings. Mr. Howard responded that the state has achieved the value of the swap and has captured that money in the appropriations process, which means the state is getting back some of that gain over the life of these bonds.

In response to questions from Senator Carroll, Mr. Howard said the maximum amount of swaps issued since January 2005 was \$600 million. He said the state was down to \$150 million of those hedges and that was all that remained. He said none of the swaps are associated with the refunding, they are only associated with the new money component. Mr. Howard said the state is looking to refund approximately \$53 million worth of bonds to achieve debt service savings, essentially moving the debt service payments coming due this summer to later maturities to create the budgetary debt service lapse that was included in HB 406.

Senator Carroll asked what the estimated annual payments on the bond issue were and what portion of that would be represented by the refunded bonds. Mr. Howard said that it was about \$3.5 million a year for 20 years. He said with this restructuring the state has shortened the term to meet the amortization goals and it appears that it will come due in FY 2017, 2018, and 2019. Mr. Howard said that he would provide the Committee with a copy of the presentation that was given to the Appropriation and Revenue Committee. Mr. Antle commented that the average annual debt service on the refunding portion is just over \$6.9 million.

In response to another question from Senator Carroll, Mr. Howard said the net total interest costs associated with the bond issue, based on

current estimates for the \$50 million for FY 2010, is approximately \$23 million between now and 2019.

Senator Carroll asked Mr. Howard to discuss the state's current credit rating, as well as how the state budget shortfall will be addressed. Mr. Howard said Kentucky is currently rated Aa3 by Moody's with a negative outlook, AA- by Fitch with a negative outlook, and A+ with a positive outlook from Standard & Poor's. This week Moody's issued a report that has put a yellow flag on state credit ratings. In the past year however, there has been discussion about elevating all state ratings to reflect their relatively low-default risk. He said that OFM is preparing to send information to the rating agencies for this coming fiscal year. Mr. Howard said the sense is that Kentucky is not in as bad shape as other states.

Senator Carroll made a motion to approve the SPBC Revenue and Revenue Refunding Bonds, Project No. 93. The motion was seconded by Senator Tori and passed unanimously by roll call vote.

Mr. Antle next discussed SPBC Road Fund Revenue Bonds, Project No. 94 in an amount not to exceed \$40 million. The proceeds of the bonds will provide approximately \$34 million of road fund bonds for the Transportation Cabinet authorized in HB 406 in the 2008 session. The financing will provide for the replacement of the Automated Vehicle Information System (AVIS) and the alignment and expansion of a runway at Bluegrass Airport.

Senator Carroll made a motion to approve the SPBC Road Fund Revenue Bonds, Project No. 94. The motion was seconded by Representative Wayne and passed unanimously by roll call vote.

Representative Rudy asked if the court ruling in Frankfort Court on the road plan had an effect on this bond issue. Mr. Howard responded that it was not affected.

Mr. Antle then presented a follow-up report for Kentucky Housing Corporation Multifamily Housing Revenue Bonds, Series 2008 (Grand Oaks Apartments Project), \$7.6 million. This bond issue was approved at a previous Committee meeting and no further action was required from the Committee.

Mr. Antle next reported two new bond issues with the School Facilities Construction Commission (SFCC) debt participation for Fayette

County and Paducah Independent in McCracken County.

Senator Leeper made a motion to approve the SFCC new bond issues. The motion was seconded by Representative Wayne and passed unanimously by roll call vote.

Senator Carroll asked if any provisions in the proposed federal legislation would be helpful to the state. Mr. Howard said the proposal to eliminate the Alternative Minimum Tax for certain private activity bonds could be beneficial to the Commonwealth. Additionally, there is a proposal to raise the bank qualified amount from \$10 million to \$30 million, which could positively impact school districts.

Ms. Bowen said there was one school bond issue with 100 percent local debt service support for Mason County. All disclosure information has been filed, and no Committee action was required.

Ms. Bowen said also included in Committee members' folders were the updated debt issuance calendar and a schedule of tentative Committee meeting dates for 2009.

With there being no further business, Representative Rudy made a motion to adjourn the meeting. The motion was seconded and the meeting adjourned at 2:30 p.m.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes February 19, 2009

The Capital Projects and Bond Oversight Committee met on Thursday, February 19, 2009, at 1:00 PM, in Room 149 of the Capitol Annex. Senator Bob Leeper, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Bob Leeper, Co-Chair; Representative Mike Denham, Co-Chair; Senators Julian Carroll and Elizabeth Tori; and Representatives Steven Rudy and Jim Wayne.

Guests testifying before the Committee: Sherron Jackson, Council on Postsecondary Education; Bob Wiseman, University of Kentucky; John Hicks, Governor's Office for Policy and Management; Sam Ruth, Finance and Administration Cabinet; Mike Jones, Department of Military Affairs; Lt. Colonel Steve King, Kentucky National Guard; Sandy Williams, Kentucky Infrastructure Authority; and Brett Antle, Office of Financial Management.

LRC Staff: Don Mullis, Shawn

Bowen, Kristi Culpepper, and Samantha Gange.

Senator Carroll made a motion to approve the minutes of the January 22, 2009, meeting. The motion was seconded by Senator Tori and approved by voice vote.

Senator Leeper called on Don Mullis, Committee Staff Administrator, to discuss several items of business. Mr. Mullis said the Department of Commercialization and Innovation has transmitted correspondence to the Committee reporting an allocation of \$3.3 million from the High-Tech Investment Pool to the Kentucky Science and Technology Corporation.

Mr. Mullis said also included in members' folders was a business plan for the Kentucky State University (KSU) Center for Families and Children. [At its December 2008 meeting, during discussion of a new project for KSU to construct the Center, members requested a copy of the Center's business plan.] Folders also included proposed legislation relating to the jurisdiction of the Committee, the monthly staff update, and the market update, which is a newly added information item for members. Senator Leeper commented that he appreciated the market update addition.

Senator Leeper asked Sherron Jackson, Assistant Vice President for Equal Employment Opportunity and Finance, Council on Postsecondary Education (CPE), and Bob Wiseman, Vice President for Facilities Management, University of Kentucky (UK), to discuss a report on capital matching funds programs authorized in 2008 House Bill 406.

Mr. Jackson said the 2008 General Assembly authorized \$50 million in General Fund supported bonds for the 2008-09 Research Challenge Trust Fund to support the Endowment Match Program and a newly created Research Capital Match Program. Funds from the Research Capital Match Program will allocate \$33.3 million to UK and \$16.6 million to the University of Louisville.

HB 406 also authorized \$10 million in bond funds for the Comprehensive University Excellence Trust Fund. These funds will be allocated among the six comprehensive universities. Mr. Jackson said in September of 2008, CPE made those allocations and created a set of guidelines for the institutions to follow. Since that time, UK and Murray State University (MuSU) have determined to use a

portion of their share of those pools for capital construction. He said UK has allocated \$8.3 million (15.8% of its allocation) from the Research Capital Match Program for the Digital Village Project Phase II, and MuSU has allocated \$298,500 (19%) of its allocation from the Comprehensive University Capital Match Program for a yet to be identified project. In each case there is a requirement for a dollar for dollar match for the institutions to receive funds.

Representative Wayne asked if there was a time frame for the other universities who have not decided how to use the funds. Mr. Jackson said June 2009 was the deadline for reporting the allocation of funds.

Representative Denham welcomed Mr. Mullis to the Committee and commented that the market update addition was beneficial.

Representative Denham asked how the universities plan to fund maintenance and operational costs for the facilities constructed using these funds. Mr. Jackson said the 2008 budget does not include money for maintenance and operational costs. He said universities will most likely request funds for maintenance and operational costs in the 2010-12 budget.

Next Senator Leeper asked John Hicks, Acting Budget Director, Governor's Office for Policy and Management, and Sam Ruth, Commissioner of Facilities and Support Services, Finance and Administration Cabinet, to discuss the Finance Cabinet's monthly report.

Mr. Hicks reported the Finance and Administration Cabinet's approval of a request by the Department of Military Affairs (DMA) to initiate a \$8,794,300 project to construct Phase III of the Joint Support Counter Drug Operations Center in London, KY. The project is 100% federally-funded and will include construction of a 28,221 SF building that will serve as an aviation operation facility. The facility will contain an aircraft storage hangar and administrative areas.

In response to a question from Senator Leeper, Mike Jones, Executive Director, Office of Management and Budget, DMA, responded that this is the final phase of construction for this project and should complete the project.

In response to questions from Representative Wayne, Mr. Jones said the Governor's Task Force is in charge of the Counter Drug Opera-

tion program and is responsible for program oversight. He said the National Guard is part of the Governor's Task Force along with the State Police and the Justice Department. Mr. Jones added that three cities - Frankfort, Lexington, and London, KY - handle different aspects of the program. The London office is the main operational force during the summer months, and Frankfort is responsible for oversight and construction of the facilities.

Senator Tori asked if security measures have been included in the design of all capital projects for the DMA. Lt. Colonel Steve King, Acting Construction and Facility Management Officer, Kentucky National Guard, responded affirmatively. He said that since September 11, the Department of Defense has implemented several measures to increase security at its facilities.

Senator Carroll made a motion to approve the project. The motion was seconded by Senator Tori and passed unanimously by roll call vote.

Next Mr. Hicks reported that the Finance Cabinet has approved a \$37,400 (2.25%) restricted funds scope increase for the DMA, Bluegrass Station Helipad and Taxiway Expansion project. This project was initially approved by the Committee in November 2007 as a 100% federally-funded project at a scope of \$1,498,000. In May 2008, the Committee approved a scope increase of \$166,000 (federal funds). The revised project scope was \$1,664,000.

Representative Wayne asked why DMA would use its own funds for this project. Mr. Hicks responded that DMA incurred an unexpected expense and no further funding was available at that time. Representative Wayne asked what the payback was for DMA to invest its own funds. Mr. Hicks responded that because the client at Bluegrass Station, Special Operations Forces Support Activity (SOFSA), is one of the largest occupants of leased space at Bluegrass Station, it was necessary for them to invest their own funds.

Representative Rudy made a motion to approve the project scope increase. The motion was seconded by Senator Carroll and passed by roll call vote. One member voted "No." The revised project scope is \$1,701,400.

Mr. Hicks next reported that the Finance and Administration Cabinet has approved two unbudgeted 100% federally-funded projects for the Kentucky State Police (KSP). The Strate-

gic Voice Aid Mutual Support System has a project scope of \$10,799,200 and provides for the purchase and installation of additional equipment to enhance interoperability for public safety agencies.

Representative Wayne made a motion to approve the KSP Strategic Voice Aid Mutual Support System project. The motion was seconded by Representative Rudy and passed unanimously by roll call vote.

The second project reported for KSP was the Mobile Communications Centers (MCCs) project. The project scope is \$1,117,400 (federal funds). KSP plans to upgrade three of its MCCs and purchase four additional ones to serve as Emergency Operations Centers during times of emergencies.

Representative Rudy made a motion to approve the project. The motion was seconded and passed unanimously by roll call vote.

Mr. Hicks noted that both projects were included in the 2008-10 executive budget bill; however, they were inadvertently appropriated to the Office of Homeland Security. He said the Office of Homeland Security is the initial grant recipient, and the projects will be implemented by KSP.

Senator Leeper called on Sandy Williams, Financial Analyst, Kentucky Infrastructure Authority (KIA), to present several items. First Ms. Williams briefed the Committee on KIA's role in the federal stimulus package. KIA will receive approximately \$68-\$70 million that will come through the Clean Water and Drinking Water State Revolving Fund Programs. She said KIA sent an email to cities, counties, and utilities outlining the process that will be used to request funds. The projects must be under construction by February 2010. Ms. Williams said that the Committee might see an increase in projects coming through with a principal forgiveness component. Loans will be offered, however, the American Recovery and Reinvestment Act specifically says that 50% of the funds must be distributed as grants. Although the Kentucky Revised Statutes do not allow KIA to give grant funds under the Revolving Loan Program, KIA is allowed to give principal forgiveness.

Senator Leeper asked if any statutory language change was needed. Ms. Williams said that the current statute allows KIA to fully comply with all the requirements in the federal law.

Representative Wayne asked if federal funds can be given to water districts to retire outstanding loans. Ms. Williams said only if the debt was incurred after October 1, 2008. Representative Wayne asked how this provision maintains or creates jobs. Ms. Williams responded that these funds would be for new water and sewer projects.

In response to another question from Representative Wayne, Ms. Williams said the KIA Board will approve the loans under its current guidelines and there will be an amortization schedule created with principal and interest repayments every six months. For each one of those principal portions of the repayment, the utility will receive a credit on its bill for half of the required principal portion of each payment. Ms. Williams said the forgiveness provision will pay future debt not existing debt.

Next Ms. Williams presented a Fund F loan request for the City of Manchester, Clay County. The City is requesting an increase in the amount of \$489,578 to construct a new 3.2 million gallon-per-day water treatment plant. The loan term is for 30 years with a one percent interest rate.

Senator Carroll made a motion to approve the Fund F Loan for the City of Manchester. The motion was seconded by Representative Rudy and passed unanimously by roll call vote.

Ms. Williams reported 11 allocations from the Unobligated Bond Pool. The projects are as follows: City of Scottsville (Allen County) - \$251,085 grant to replace a pump station - total project is \$450,085; City of Murray (Calloway County) - \$158,177 grant for Phase V of a sewer rehab - total project is \$521,927; City of Flemingsburg (Fleming County) - \$150,000 grant to extend sewer to an industrial park - total project is \$900,000; City of Corinth (Grant County) - \$168,900 grant to extend sewer lines - total project is \$683,900; Purchase Public Service Corporation (Graves County) - \$20,804 grant to replace a treatment facility - total project is \$95,804; Wingo Water & Sewer (Graves County) - \$40,000 grant for a disinfection system - total project is \$50,000; City of Wurtland (Greenup County) - \$300,000 grant for regional sewer repairs and modifications - total project is \$300,000; Vanceburg Electric Plant Board (Lewis County) - \$100,000 grant for a combined sewer overflow renova-

tion – total project is \$600,000; Western-Lewis Rectorville Water and Gas (Lewis County) - \$100,000 grant to extend water lines – total project is \$3,860,300; City of Livermore (McLean County) - \$16,975 grant for water plant improvements – total project is \$216,975; and Oldham County Fiscal Court (Oldham County) - \$250,000 grant to eliminate sewer plant – total project is \$497,741.

A motion was made to approve the Unobligated Bond Pool grants. The motion was seconded by Representative Denham and passed unanimously by roll call vote.

Ms. Williams said also included in members' folders were various coal and tobacco development grants authorized by the General Assembly. Each project was authorized in a budget bill and no further Committee action was needed.

Representative Denham asked Ms. Williams if the City of Flemingsburg, Fleming County Water Resource Information System number change from WX to SX has been corrected. Ms. Williams deferred to Mr. Hicks. Mr. Hicks said that it had been corrected.

Senator Leeper called Brett Antle, Deputy Director, Office of Financial Management, to the table. Mr. Antle reported 37 new bond issues with School Facilities Construction Commission (SFCC) debt participation: Ashland Independent (Boyd County), Bardstown Independent (Nelson County) (2), Bell County, Carter County, Casey County, Crittenden County, Dayton Independent (Campbell County), Elliott County, Erlanger-Elsmere Independent (Kenton County), Ft. Thomas Independent (Campbell County), Fulton Independent (Fulton County), Graves County, Henderson County, Hopkins County, Johnson County, Kenton County, Knox County, LaRue County, Laurel County, Logan County, Marion County, Martin County, McLean County, Menifee County, Nicholas County, Owensboro Independent (Daviess County) (2), Pulaski County, Russell Independent (Greenup County), Scott County, Shelby County, Todd County, Warren County, Wayne County, and Whitley County.

Representative Rudy made a motion to approve the 37 new SFCC bond issues. The motion was seconded by Representative Denham and passed unanimously by roll call vote.

Mr. Mullis next reported thir-

teen school district bond issues with 100% local debt service support: Boone County, Fulton Independent (Fulton County), Henderson County, Knott County, Knox County, Lincoln County, Ludlow Independent (Kenton County), Owensboro Independent (Daviess County), Paducah Independent (McCracken County), Pendleton County, Todd County, Trigg County, and Warren County. All disclosure information has been filed, and no Committee action was required.

Senator Leeper said included in members' folders was the updated debt issuance calendar.

Mr. Mullis said at the January 2009 meeting during discussion of a scope increase for the Kentucky Automated Management and Eligibility System (KAMES), members raised questions regarding the number of personnel reductions the Cabinet for Health and Family Services has experienced over the last five years. The Cabinet has submitted correspondence in response to this request. He said also included in members' folders was a report to the Appropriations and Revenue Committees dated January 2009 from the Finance and Administration Cabinet. The report was submitted in response to member questions at the January 2009 meeting regarding the state's current financial position.

With there being no further business, Representative Wayne made a motion to adjourn the meeting. The motion was seconded by Representative Rudy and the meeting adjourned at 1:50 p.m.

ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE

Minutes of the January Meeting January 13, 2009

The January meeting of the Administrative Regulation Review Subcommittee was held on Tuesday, January 13, 2009, at 10:00 AM, in Room 149 of the Capitol Annex. Representative Robert R. Damron, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Elizabeth Tori, Co-Chair; Representative Robert R. Damron, Co-Chair; Senators Alice Forgy Kerr, Joey Pendleton, and Gary Tapp; Representatives Danny Ford, Jimmie Lee, and Ron Weston.

Guests: Mike Burleson, Cheryl Lalonde, Board of Pharmacy; Nathan Goldman, Suzette Scheuermann, Board of Nursing; Rick Allen, Karen Alexy, Bob Durborow, Margaret Ever-

son, Jon Gassett, Chet Hayes, Benjy Kinman, Pam Rogers, Mike Timmerman, Catherine York, Department of Fish and Wildlife Resources; Jory Becker, Melissa Brothers, Barry Elmore, Julia Kays, Aaron Keatley, Division of Water; Steve Lynn, Kentucky Law Enforcement Council; Carlos Cassady, Larry Craig, Trevor Earl, Mark Guilfoyle, Ron Jackson, Transportation Cabinet; David Stumbo, Labor Cabinet; LaTasha Buckner, Virginia Davis, Danny Reed, Stephanie Stumbo, Department of Alcoholic Beverage Control; Johnny Greene, Frank Reed, Michael Haines, Office of Mine Safety and Licensing; David Hurt, DJ Wasson, Department of Insurance; Patricia Cooksey, Marc Guilfoil, Bill Napier, Kentucky Horse Racing Commission; Elizabeth Caywood, Justin Dearing, David Gutierrez, Jeanne Keen, Department for Community Based Services; Shari Sullivan, Steve Veno, Department for Income Support.

LRC Staff: Dave Nicholas, Donna Little, Sarah Amburgey, Emily Harkenrider, Karen Howard, Emily Caudill, Jennifer Beeler, and Laura Napier.

The Administrative Regulation Review Subcommittee met on Tuesday, January 13, 2009, and submits this report:

Administrative Regulations Reviewed by the Subcommittee:

GENERAL GOVERNMENT CABINET: Board of Pharmacy: Board

201 KAR 2:105. Licensing and drug distribution requirements for wholesale distributors. Mike Burleson, executive director, and Cheryl Lalonde, board counsel and assistant attorney general, represented the board.

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

Board of Nursing: Board

201 KAR 20:161. Investigation and disposition of complaints. Nathan Goldman, general counsel, represented the board.

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

301 KAR 1:125. Transportation of fish. Karen Alexy, wildlife director; Margaret Everson, assistant attorney general; Jon Gassett, commissioner; Benjy Kinman, fisheries division director; and Darin Moore, administra-

tive director, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph to delete superfluous citations; (2) to amend the STATUTORY AUTHORITY paragraph to make a technical correction; (3) to amend Section 1 to insert a definition for "APHIS-approved laboratory"; (4) to amend Sections 1 and 4 to comply with the drafting and format requirements of KRS Chapter 13A; and (5) to amend Section 3 to clarify that the office is the APHIS Veterinary Services office. Without objection, and with agreement of the agency, the amendments were approved.

Game

301 KAR 2:251. Hunting and trapping seasons and limits for furbearers. Chet Hayes, executive director of the United Trappers of Kentucky, appeared in support of this administrative regulation.

Mr. Hayes stated that the United Trappers of Kentucky supported the snare proposals, the bobcat season, and the change to the timing of the close of the season for the purposes of removing trap lines.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to add KRS 150.120(4); and (2) to amend Sections 2, 6, and 7 to provide that persons who hold a CCDW may carry a concealed deadly weapon while hunting. Without objection, and with agreement of the agency, the amendments were approved.

301 KAR 2:300. Black bears. Rick Allen, President, League of Kentucky Sportsmen, appeared in support of this administrative regulation. Pam Rogers, Kentucky State Director of the Humane Society of the United States, and Mike Timmerman appeared in opposition to this administrative regulation.

Mr. Gassett stated that the department had never opened a season in error to the detriment of an entire species, and he requested that the administrative regulation become effective in Kentucky.

Mr. Allen stated that the League of Kentucky Sportsmen supported the proposed bear season.

Mr. Timmerman stated that this administrative regulation prohibited nonCCDW permittees from carrying firearms during archery and muzzle-loader seasons. He stated that hunters should have the right to carry

firearms, regardless of the season, for safety or self defense. He also stated his opinion that the department violated Section 1, Part 7 of the Constitution of the United States. He further stated that Section 26 of the Constitution of the United States applied, and that KRS 150.120 was therefore unconstitutional. He proposed revisions to department administrative regulations to state that “a hunter shall not use a firearm to harvest”, rather than “a hunter shall not possess a firearm.”

Ms. Rogers stated that, in her capacity as Kentucky State Director of the Humane Society of the United States, she had rarely appeared in opposition to the Department of Fish and Wildlife Resources. However to protect the black bear, the professionals at the United States Humane Society disagreed with the professionals at the department that the black bear population was resilient enough to withstand the hunting authorized by this proposal. She also stated that the department proposed to allow black bear hunting in an area previously protected. She stated that failure to protect this area may put females and cubs at added risk. She requested that the subcommittee find this administrative regulation deficient.

In response to a question by Co-Chair Damron, Mr. Moore stated that the proposed amendment did allow a permittee with a CCDW to carry a concealed or unconcealed firearm pursuant to KRS 237.110.

Mr. Gassett stated that the department was not opposed to firearms or to the second amendment to the Constitution of the United States and that the department planned to develop a task force to address statutory language during the current legislative session. He also stated that this administrative regulation protected female black bears and cubs because the proposed hunting season would be during the time when the females and cubs would be expected to be in their dens. He further stated that there would still be other areas that were completely protected.

Co-Chair Damron stated that KRS 150.120 probably was unconstitutional, but that the matter needed to be determined by the Judicial Branch. He stated that the department needed to rewrite some of their statutes and administrative regulations.

Representative Lee stated that he believed that issues on consti-

tutionality existed and that the department needed to rewrite some of their statutes and administrative regulations to comply with the second amendment to the Constitution of the United States.

Co-Chair Damron stated that he shared Representative Lee’s opinions on this matter and that the Department for Fish and Wildlife Resources had committed to developing language to conform to the Constitution of the United States during this legislative session.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to add KRS 150.120(4); (2) to amend Section 6 to provide that a person holding a CCDW may carry a deadly weapon while hunting but may not use that weapon to take wildlife unless that weapon is authorized for the taking of wildlife; and (3) to amend Sections 1, 3, 5, and 8 through 11 to comply with the formatting and drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Hunting and Fishing

301 KAR 3:022. License, tag, and permit fees

ENERGY AND ENVIRONMENT
CABINET: Department for Environmental Protection: Division of Water: Water Quality

401 KAR 5:010. Operation of wastewater systems by certified operators. Jory Becker, branch manager, and Aaron Keatley, division director, represented the cabinet.

In response to questions by Representative Ford, Mr. Keatley stated that all wastewater treatment facilities currently were required to have a certified operator. He stated that only collection systems were not previously required to have a certified operator and would be required to have one (1) as a result of these amendments. He also stated that the cabinet was not aware of the exact number of facilities without a certified operator. He explained that this proposed amendment resulted from infrastructure deterioration, numerous systems that recently entered into agreed orders, and recent spills and penalties. Mr. Keatley stated that the federal government was also considering regulating collection systems more vigorously.

Certified Operators

401 KAR 11:001. Definitions for 401 KAR Chapter 11.

401 KAR 11:010. Board of certification.

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

401 KAR 11:020. Standards of professional conduct for certified operators.

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

401 KAR 11:030. Wastewater treatment and collection operators-classification and qualification.

401 KAR 11:050. Operator certification.

In response to questions by Representative Ford, Mr. Keatley stated that Kentucky’s fees for examination and renewal were consistent with other states, and that the examination fee was \$100 and the biannual renewal fee was fifty (50) dollars. He stated that the current renewal fee was thirty-five (35) dollars.

In response to questions by Senator Tapp, Mr. Keatley stated that enforcement of the new requirements would not begin immediately, but that facilities would have a grace period in which to prepare. He stated that the cabinet would conduct multiple testing events per month and that they expected to test approximately 1,000 persons during the next year.

In response to a question by Senator Kerr, Mr. Keatley stated that facilities had been notified of the changes by Rural Water and other professional associations and through newsletters and routine training provided by the cabinet.

401 KAR 11:060. Certification fees.

JUSTICE AND PUBLIC SAFETY
CABINET: Kentucky Law Enforcement Council: Council

503 KAR 1:170. Career Development Program. Steve Lynn, assistant general counsel, represented the council.

A motion was made and seconded to approve the following amendments: (1) to amend Section 3 to add an application form for a “Telecommunications Supervisor”; (2) to amend Section 4 for clarification; (3) to amend Section 22 to add a uniform lapel pin as an item to be issued

along with a certificate for peace officers or telecommunicators who have completed a career development step; (4) to amend Section 24 to add forms incorporated by reference and to revise edition dates; and (5) to amend Sections 1 through 3 and 19 through 21 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

TRANSPORTATION CABINET:
Department of Vehicle Regulation:
Motor Vehicle Commission

605 KAR 1:060. Temporary off-site sale or display event. Carlos Cassady, executive director; Larry Craig, director; and Trevor L. Earl, legal counsel, represented the commission. Mark Guilfoyle, attorney on behalf of Kerry Automotive, and Ron Jackson, President of the Kentucky Automobile Dealer Association, appeared in opposition to this administrative regulation.

Mr. Guilfoyle stated that Franklin Circuit Court Judge Thomas Wingate determined in a preliminary decision that the five (5) mile rule established by KRS 190.047 did not apply to temporary dealership sites. He requested that the administrative regulation be changed to comply with that decision.

Mr. Earl stated that Judge Wingate had not submitted a final decision and the administrative regulation only applied to the sale of new cars to reflect franchise laws.

Mr. Jackson stated that members of the Kentucky Automobile Dealer Association were concerned about the \$500 fee, but understood the fee was needed for inspections. There was also concern about the title availability requirement since titles were not always readily available. The association did not consider the “5-mile rule” to be an issue.

Representative Lee stated that this administrative regulation was very important in order to protect consumers regarding temporary sales sites, such as tent sales. He also recommended that the cabinet work with local dealers and associations if future changes to this administrative regulation were needed.

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 6 and 8 through 11 to comply with the drafting and format

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

LABOR CABINET: Department of Workplace Standards: General

803 KAR 2:300. General. David Stumbo, safety program manager, represented the department.

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

803 KAR 2:305. Powered platforms, manlifts, and vehicle-mounted work platforms.

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

803 KAR 2:306. Occupational health and environmental controls.

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

803 KAR 2:307. Hazardous materials.

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

803 KAR 2:309. General environmental controls.

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

proved.

803 KAR 2:315. Hand and portable powered tools and other hand-held equipment.

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

803 KAR 2:316. Welding, cutting, and brazing.

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

803 KAR 2:317. Special industries.

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

PUBLIC PROTECTION AND REGULATION CABINET: Department of Alcoholic Beverage Control: Licensing

804 KAR 4:370. Entertainment destination center license. LaTasha Buckner, general counsel; Virginia Davis, internal policy analyst; and Danny Reed, distilled spirits administrator, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to correct statutory citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (3) to amend Sections 1, and 4 through 7 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

804 KAR 4:390. License renewals.

A motion was made and second-

ed to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to correct statutory citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (3) to amend Sections 1 through 5 to comply with the drafting and format requirements of KRS Chapter 13A; and (4) to amend Section 2 to incorporate by reference the updated edition of the "ABC Table of License Expiration Dates by Zip Code". Without objection, and with agreement of the agency, the amendments were approved.

804 KAR 4:400. ABC basic application form incorporated by reference.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to correct statutory citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (3) to amend Sections 1, 2, and 3 to comply with the drafting and format requirements of KRS Chapter 13A; and (4) to amend Section 3 to incorporate by reference the updated edition of the "Basic Application for Alcoholic Beverage Licenses." Without objection, and with agreement of the agency, the amendments were approved.

Quotas

804 KAR 9:010. Retail liquor license limit.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (2) to amend Sections 1 through 3 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

804 KAR 9:040. Retail package liquor license quota.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to correct statutory citations; (2) to amend the NECESSITY, FUNCTION, AND CON-

FORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (3) to amend Sections 1 through 5 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

ENERGY AND ENVIRONMENT CABINET: Department for Natural Resources: Office of Mine Safety and Licensing: Miner Training, Education, and Certification

805 KAR 7:080. Training, certification, and annual retraining of mine emergency technicians. Johnny Green, executive director; Mike Haines, general counsel; and Franklin Reed, director of training, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (2) to amend Section 1 through 4, 6, 7, 9, and 10 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the cabinet, the amendments were approved.

PUBLIC PROTECTION CABINET: Department of Insurance: Authorization of Insurers and General Requirements

806 KAR 3:170. Annual audited financial reports. Annual audited financial reports. David Hurt, chief financial examiner, and D.J. Wasson, staff assistant, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to correct a statutory citation; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (3) to amend Sections 2 and 5 for clarity; and (4) to amend Sections 1, 2, 5, 6, and 18 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Kentucky Horse Racing Commission: Harness Racing

811 KAR 1:075. Racing and track rules. Patricia Cooksey, policy advi-

sor; Marc A. Guilfoil, deputy executive director; and Bill Napier, deputy executive secretary, represented the commission.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 2, 8, 9, 10, 11, 12, and 18 to comply with the drafting and format requirements of KRS Chapter 13A; and (2) to amend Section 2(1) to delete unnecessary language. Without objection, and with agreement of the agency, the amendments were approved.

CABINET FOR HEALTH AND FAMILY SERVICES: Department for Community Based Services: Child Abuse and Domestic Violence Services

920 KAR 2:020. Domestic violence batterer intervention provider certification standards. Elizabeth Caywood, policy analyst; David Gutierrez, assistant director; and Jeanne Keen, program administrator, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend Section 12 to specify that a review or investigation conducted by the cabinet shall include precautions to avoid risk or harm to a client or a domestic violence victim; and (2) to amend Sections 1, 4, 6, 10, 11, and 12 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Department for Income Support: Child Support

921 KAR 1:020. Child support enforcement program; confidentiality, program administration contracts, and agreements. Shari Sullivan, internal policy analyst, and Steve Veno, deputy commissioner, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Section 1 to delete references to a repealed statute; (2) to amend Section 1 to add a definitions section; and (3) to amend the RELATES TO paragraph and Sections 1 and 3 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

921 KAR 1:390. Child support enforcement program paternity establishment.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Section 2 to correct statutory and regulatory citations. Without objection, and with agreement of the agency, the amendments were approved.

921 KAR 1:400. Establishment, review, and modification of child support and medical support orders.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1 and 2 to delete unnecessary or duplicative language; and (2) to amend Section 2 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Other Business:

Co-Chair Damron introduced Representative Leslie Combs. He stated that Representative Weston would be leaving the subcommittee and Representative Combs would be joining the subcommittee in February. He also introduced Senator Elizabeth Tori. Senator Tapp made a motion, seconded by Senator Pendleton, that Senator Tori be nominated for Senate Co-Chair. Senator Tori accepted the nomination. Senator Tapp made a motion, seconded by Senator Pendleton, to end Senate Co-Chair nominations. Senator Elizabeth Tori was unanimously endorsed as Senate Co-Chair of the subcommittee.

The following administrative regulations were deferred to the February 9, 2009, meeting of the Subcommittee:

GENERAL GOVERNMENT CABINET: Board of Nursing: Board

201 KAR 20:400. Delegation of nursing tasks.

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

301 KAR 2:083 & E. Holding and intrastate transportation of captive cervids.

ENERGY AND ENVIRONMENT CABINET: Department for Environmental Protection: Division of Water: Public Water Supply

401 KAR 8:010. Definitions for 401 KAR Chapter 8.

401 KAR 8:020. Public and semipublic water supplies; general provisions.

401 KAR 8:061. Repeal of 401 KAR 8:060, 8:162, 8:350, 8:400, and 8:420.

401 KAR 8:070. Public notification.

401 KAR 8:075. Consumer confidence reports.

401 KAR 8:150. Disinfection, filtration, and recycling.

401 KAR 8:200. Microbiological monitoring.

401 KAR 8:250. Inorganic and organic chemical sampling, analytical techniques, and maximum contaminant levels.

401 KAR 8:300. Lead and copper.

401 KAR 8:550. Radionuclides.

Water Quality Standards

401 KAR 10:026. Designation of uses of surface waters.

401 KAR 10:029. General provisions.

401 KAR 10:030. Antidegradation policy implementation methodology.

401 KAR 10:031. Surface water standards.

COUNCIL ON POSTSECONDARY EDUCATION: Council

785 KAR 1:010. GED Testing Program.

EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Department for Workforce Investment: Office of Employment and Training: Unemployment

787 KAR 1:090. Unemployed worker's reporting requirements.

ENERGY AND ENVIRONMENT CABINET: Department for Natural Resources: Office of Mine Safety and Licensing: Division of Mining

805 KAR 5:030. Prohibition against working or traveling under an unsupported roof; penalties.

Miner Training, Education, and Certification

805 KAR 7:060. Program approval.

Office of Mine Safety and Licensing

805 KAR 8:060. Criteria for the imposition and enforcement of sanctions against licensed premises.

PUBLIC PROTECTION CABINET: Kentucky Horse Racing Commission: Thoroughbred Racing

810 KAR 1:015. Claiming races.

Harness Racing

811 KAR 1:070 & E. Licensing standardbred racing.

CABINET FOR HEALTH AND FAMILY SERVICES: Department for Medicaid Services: Medicaid Services

907 KAR 1:645. Resource standards for Medicaid.

907 KAR 1:650. Trust and transferred resource requirements for Medicaid.

907 KAR 1:655. Spousal impoverishment and nursing facility re-

quirements for Medicaid.

Division of Family Support: K-TAP, Kentucky Works, Welfare to Work, State Supplementation

921 KAR 2:006. Technical requirements for the Kentucky Transitional Assistance Program.

921 KAR 2:017. Kentucky works supportive services.

The Subcommittee adjourned at 11:30 p.m. until February 9,

ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE

Minutes of the February Meeting February 9, 2009

The February meeting of the Administrative Regulation Review Subcommittee was held on Monday, February 9, 2009, at 1:00 PM, in Room 149 of the Capitol Annex. Representative Leslie Combs, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Elizabeth Tori, Co-Chair; Representative Leslie Combs, Co-Chair; Senators Alice Forgy Kerr, Joey Pendleton, and Gary Tapp; Representatives Robert R. Damron, Danny Ford, and Jimmie Lee.

Guests: Becky Gilpatrick, Kentucky Higher Education Assistance Authority; Robert Brown, Jaime Rice, Alicia Sneed, Education Professional Standards Board; Mark Sipek, Kentucky Personnel Board; Beau Barnes, Teachers' Retirement; Richard Dobson, Ricky Haven, Department of Revenue; Michael Burleson, Kentucky Board of Pharmacy; Jeff Boler, James Grawe, Dr. Ed Hall, Frances Short, Kentucky Board of Veterinary Examiners; Cheryl Bentley, Michael West, Kentucky Board of Licensure and Certification for Dietitians and Nutritionists; Allen Hall, Carolyn Kyler, Board of Licensed Professional Counselors; Karen Alexy, Margaret Everson, Darin Moore, Catherine York, Kentucky Department of Fish and Wildlife Resources; Sandra Gruzsky, Franklin C. Hall, Jr., Julie W. Roney, Ralph Schiefferle, Division of Water; Sean Alteri, Millie Ellis, Division for Air Quality; Tony DeName, Department for Workforce Investment; Michael Bennett, Dan Chapman, Department of Housing, Buildings and Construction; Deborah Anderson, Shirley Eldridge, Phyllis Sosa, Department for Aging and Independent Living; Virginia Carrington, Elizabeth Caywood, Shari Sullivan, Steve Veno, Cabinet for Health and Family Services.

LRC Staff: Dave Nicholas, Donna Little, Sarah Amburgey, Emily Harkenrider, Karen Howard, Emily Caudill, Jennifer Beeler, and Laura Napier.

The Administrative Regulation Review Subcommittee met on Monday, February 9, 2009, and submits this report:

Administrative Regulations Reviewed by the Subcommittee:

KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY: Division of Student and Administrative Services; Commonwealth Merit Scholarship Program

11 KAR 15:090. Kentucky educational excellence scholarship (KEES) Program. Becky Gilpatrick, Student Aid Branch manager, represented the division.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 3, 4, and 7 to correct statutory citations; and (2) to amend Sections 1 and 9 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

EDUCATION PROFESSIONAL STANDARDS BOARD: Board

16 KAR 6:010. Written examination prerequisites for teacher certifications. Robert Brown, director of professional learning and assessment; Jaime Rice, assessment consultant; and Alicia A. Sneed, director of legal services, represented the board.

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

PERSONNEL BOARD: Board

101 KAR 1:325. Probationary periods. Mark Sipek, executive director, represented the board.

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

102 KAR 1:300. Kentucky Teachers' Retirement System Trustees Education Program. Beau Barnes, deputy executive secretary and general counsel, represented the system.

Department of Revenue: Office of Sales and Excise Taxes: Sales and Use Tax; Registration and Collection

103 KAR 25:111. Repeal of 103 KAR 25:110. Richard Dobson, executive director, and Ricky Haven, direc-

tor of the Division of Sales and Use Tax, represented the department.

Sales and Use Tax; Miscellaneous Retailer Occupations

103 KAR 27:130. Printing and related industries.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (2) to amend Sections 1 and 2 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Sales and Use Tax; Administration and Accounting

103 KAR 31:190. Alternate fuel, gasification, and renewable energy facility refunds on construction costs.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to correct statutory citations; and (2) to amend Sections 2, 3, 4, and 5 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

GENERAL GOVERNMENT CABINET: Kentucky Board of Pharmacy: Board

201 KAR 2:230. Special limited pharmacy - central refill pharmacy. Mike Burtleson, executive director, represented the board.

201 KAR 2:310. Compounding for a practitioner's office or institutional administration.

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

Board of Licensure and Certification for Dietitians and Nutritionists: Board

201 KAR 33:020. Renewals. Cheryl Bentley, board chair; Frances Short, director of the Division of Occupations and Professions; and Michael West, assistant attorney general, represented the board.

In response to questions by Representative Ford, Ms. Bentley stated that LRC staff had notified the board that the authorizing statute for this

administrative regulation specifically required revocation without notice. Mr. West stated that the board intended to send the notice as a courtesy.

Subcommittee staff stated that the legislative members may want to consider amending the statute to provide for notice.

A motion was made and seconded to approve the following amendment: to amend Section 3 to delete subsection (2). Without objection, and with agreement of the agency, the amendment was approved.

Board of Licensed Professional Counselors: Board

201 KAR 36:070. Education requirements. James Grawe, assistant attorney general and general counsel for the board; Allen Hall, board chair; and Frances Short, director of the Division of Occupations and Professions, represented the board.

A motion was made and seconded to approve the following amendments: to amend Section 1 to clarify the educational requirements for an applicant with a degree in a related field. Without objection, and with agreement of the agency, the amendments were approved.

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

301 KAR 2:132. Elk depredation permits, landowner cooperator permits, and quota hunts. Karen Alexy, wildlife division director; Darin Moore, administrative director; and Catherine York, deputy general counsel, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to add KRS 150.120(4); (2) to amend Section 5 to: (a) provide that persons who hold their CCDW may carry a concealed deadly weapon while hunting; and (b) prohibit other persons from carrying certain items while hunting rather than prohibiting hunting while carrying those items; and (3) to amend Sections 3 through 5, and 11 to comply with the formatting and drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

301 KAR 2:221 & E. Waterfowl seasons and limits.

301 KAR 2:222 & E. Waterfowl hunting requirements.

ENERGY AND ENVIRONMENT CABINET: Department for Environmental Protection: Division of Water:

Public Water Supply

401 KAR 8:010. Definitions for 401 KAR Chapter 8. Sandy Gruzsky, executive director, and Julie W. Roney, Division of Water coordinator, represented the division.

In response to a question by Senator Tapp, Subcommittee staff stated that most of the proposed amendments to 401 KAR Chapter 8 were the result of changes to KRS Chapter 13A, which allowed administrative regulations to cross-reference federal regulations by citation rather than incorporating them by reference.

401 KAR 8:020. Public and semipublic water supplies; general provisions.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph to correct citations; and (2) to amend Sections 2 and 4 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 8:061. Repeal of 401 KAR 8:060, 8:162, 8:350, 8:400, and 8:420.

401 KAR 8:070. Public notification.

401 KAR 8:075. Consumer confidence reports.

401 KAR 8:150. Disinfection, filtration, and recycling.

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

401 KAR 8:200. Microbiological monitoring.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph to correct citations; and (2) to amend Section 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 8:250. Inorganic and organic chemical sampling, analytical techniques, and maximum contaminant levels.

A motion was made and seconded to approve the following amendments: to amend Sections 1 and 2 to make a technical correction. Without objection, and with agreement of the agency, the amendments

were approved.

401 KAR 8:300. Lead and copper.

A motion was made and seconded to approve the following amendment: to amend the RELATES TO paragraph to correct a citation. Without objection, and with agreement of the agency, the amendment was approved.

401 KAR 8:510. Disinfectant residuals, disinfection by-products, and disinfection by-product precursors.

In response to a question by Representative Ford, Ms. Roney stated that requirements that were new to this administrative regulation had been in effect at the federal level for years and, in essence, this amendment did not provide new requirements for public water supplies.

401 KAR 8:550. Radionuclides.

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

Division of Air Quality: New Source Standards

401 KAR 59:015. New indirect heat exchangers. Sean Alteri, assistant director, and Millie Ellis, environmental technologist, represented the division.

A motion was made and seconded to approve the following amendments: to amend Sections 7 and 8 to make technical corrections. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 59:017. Repeal of 401 KAR 59:016.

Existing Source Standards

401 KAR 61:005. General provisions.

EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Department for Workforce Investment: Office of Employment and Training: Unemployment

787 KAR 1:090. Unemployed worker's reporting requirements. Tony DeName, director, represented the office.

In response to a question by Representative Lee, Mr. DeName stated that the office had had difficulty in the last six (6) weeks with overload to the internet and telephone systems for filing for unemployment. He stated that the problems seemed to have been fixed. He also stated that the problems arose because most ap-

plicants filed on the same day, Sunday, despite the fact that they could file any day.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph to correct statutory citations; and (2) to amend Sections 2 and 3 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

PUBLIC PROTECTION CABINET: Department of Housing, Buildings, and Construction: Division of Building Code Enforcement: Manufactured Homes and Recreational Vehicles

815 KAR 25:080 & E. Requirements for certified installer seals and certification of manufactured home installers. Michael D. Bennett, staff attorney, and Dan Chapman, supervisor, represented the division.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to correct statutory citations and make a technical correction; (2) to amend Sections 1 through 3, 5, and 6 to comply with the drafting and format requirements of KRS Chapter 13A; and (3) to amend Section 6 to revise material incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

CABINET FOR HEALTH AND FAMILY SERVICES: Department for Aging and Independent Living: Aging Services

910 KAR 1:240. Certification of assisted-living communities. Deborah Anderson, commissioner, and Phyllis Sosa, branch manager, represented the department.

Department for Income Support: Family Support

921 KAR 1:410. Child support collection and enforcement. Steve Venno, deputy commissioner, represented the department.

921 KAR 1:430. Child support administrative hearings.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph to add a statutory citation; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (3) to amend Sections 4 and 7 to comply with the drafting and format requirements of KRS

Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Department for Community Based Services: Division for Family Support: K-TAP, Kentucky Works, Welfare to Work, State Supplementation

921 KAR 2:006. Technical requirements for the Kentucky Transitional Assistance Program (K-TAP). Virginia Carrington, branch manager, and Elizabeth Caywood, internal policy analyst, represented the department.

Ms. Caywood stated that comments had been received Tuesday, and the statutory deadline for the agency to propose amendments had passed. She stated that the amendment was not substantive but clarified existing provisions. Representative Lee made a motion, seconded by Senator Pendleton, to amend this administrative regulation and 921 KAR 2:370 as requested by the agency.

A motion was made and seconded to approve the following amendment: to amend Section 2 to redefine the term, "barriers", to mean a limitation in an individual's ability to become employed and self-sufficient or to comply with K-TAP requirements. Without objection, and with agreement of the agency, the amendment was approved.

921 KAR 2:017. Kentucky works supportive services.

921 KAR 2:370 & E. Technical requirements for Kentucky Works.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to clarify a definition; (2) to amend Section 2 to redefine the term, "barriers", to add to the allowable activities list in paragraph (c)12. of this section, and for other minor changes; and (3) to amend Section 3(7) to clarify that if an individual with an ADA disability was unable to participate in a countable work activity, the individual shall be provided with reasonable accommodations or program modifications. Without objection, and with agreement of the agency, the amendments were approved.

Food Stamp Program

921 KAR 3:035. Certification process.

A motion was made and seconded to approve the following amendments: to amend Sections 2, 5, and 7 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amend-

ments were approved.

921 KAR 3:042. Food stamp employment and training program.

A motion was made and seconded to approve the following amendments: to amend Sections 3, 4, and 7 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

921 KAR 3:050. Claims and additional administrative provisions.

921 KAR 3:060. Administrative disqualification hearings and penalties.

921 KAR 3:090. Simplified assistance for the elderly program or "SAFE".

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

The following administrative regulations were deferred to the March 9, 2009, meeting of the Subcommittee:

FINANCE AND ADMINISTRATION CABINET: Kentucky Employees' Retirement System: Personnel

105 KAR 1:370. Kentucky retirement systems personnel policies.

105 KAR 1:440. Kentucky retirements systems trustee education program.

GENERAL GOVERNMENT CABINET: Kentucky Board of Veterinary Examiners: Board

201 KAR 16:015. Fees. James Grawe, assistant attorney general and general counsel for the board; Dr. Ed Hall, assistant director of animal health for the Kentucky Department of Agriculture and a board member; and Frances Short, director of the Division of Occupations and Professions, represented the board.

In response to questions by Representative Lee, Dr. Hall stated that the board had reported the fee adjustment to the Kentucky Veterinary Association, but that he didn't know if the association had notified each individual veterinarian. He also stated that the board's financial analysts had indicated that, without the fee increase, the board would begin operating with a negative balance. He did not have the exact financial data with him. Mr. Grawe stated that a newsletter was sent to each veterinarian with information regarding the fee adjustment.

Representative Lee stated that a separate letter was necessary to notify each veterinarian because members may not have read the entire newsletter. He requested a commitment from the board that each licensed veterinarian would be sent a letter regarding the fee increase prior to the effective date of this administrative regulation. The board agreed.

In response to questions by Co-Chair Tori, Dr. Hall stated that the fee had not been increased in at least twenty (20) years and that the adjustment was needed because the structure and frequency of licensure had changed. He stated that the fee was the board's only source of revenue and that, while it was the only way to correct the expected deficit, their financial analysts chose the lowest fee increase that would resolve the expected deficit.

In response to a question by Representative Ford, Dr. Hall stated that \$11,000 had been swept in fiscal year 2008 and that \$139,900 was expected to be swept in fiscal year 2009 for use by the state's general fund.

In response to a question by Senator Pendleton, Dr. Hall stated that the board currently had funds they expected to be swept in fiscal year 2009.

Senator Pendleton stated that a board should only raise fees to cover costs and should not raise fees to an amount so that money would remain to be swept.

Senator Tapp requested that the board defer consideration of this administrative regulation until the March meeting of the subcommittee. His motion was seconded by Representative Ford. Mr. Grawe stated that the agency would agree to the deferral request.

Co-Chair Tori requested that the board defer consideration of this administrative regulation and stated that the subcommittee needed exact justification in the form of financial data regarding swept funds, funds expected to be swept, and how much of the fee increase would be expected to be swept. Without objection, and with agreement of the agency, this administrative regulation was deferred.

Representative Lee requested that the board return to the subcommittee meeting in March to report the board's actual financial needs.

Board of Nursing: Board
201 KAR 20:400. Delegation of nursing tasks.

Board of Physical Therapy: Board

201 KAR 22:020. Eligibility and credentialing procedure.

201 KAR 22:040. Procedure for renewal or reinstatement of a credential for a physical therapist or a physical therapist assistant.

201 KAR 22:053. Code of ethical standards and standards of practice for physical therapists and physical therapist assistants.

Department of Agriculture: Division of Regulation and Inspection: Amusement Rides

302 KAR 16:090. Rides and attractions not included in the definition of amusement ride or attraction.

302 KAR 16:100. Operate amusement ride or device defined.

302 KAR 16:110. Violations, revocations, and suspensions of business identification number.

302 KAR 16:120. Inflatable rides or attractions.

302 KAR 16:130. Maintenance and repair amusement ride or attractions.

ENERGY AND ENVIRONMENT CABINET: Department for Environmental Protection: Division of Water: Water Quality Standards

401 KAR 10:026. Designation of uses of surface waters.

401 KAR 10:029. General provisions.

401 KAR 10:030. Antidegradation policy implementation methodology.

401 KAR 10:031. Surface water standards.

JUSTICE AND PUBLIC SAFETY CABINET: Kentucky Law Enforcement Council: Council

503 KAR 1:140. Peace officer, telecommunicator, and court security officer: professional standards.

EDUCATION CABINET: Kentucky Board of Education: Department of Education: Board

702 KAR 3:090. Depository bond, penal sum.

EDUCATION AND WORKPLACE DEVELOPMENT CABINET: Department for Workforce Investment: General Admission

780 KAR 1:010. Kentucky state plan for career and technical education.

Management of the Kentucky TECH System

780 KAR 2:010. Administration of area technology centers.

780 KAR 2:060. Discipline of students.

780 KAR 2:110. Student medi-

cal and accident insurance.

780 KAR 2:140. Tuition and fees.

Personnel System for Certified and Equivalent Employees

780 KAR 3:010. Classification plan.

780 KAR 3:020. Compensation plan.

780 KAR 3:030. Appointments.

780 KAR 3:035. Employee evaluations.

780 KAR 3:040. Special appointments.

780 KAR 3:050. Employment lists.

COUNCIL ON POSTSECONDARY EDUCATION: Council

785 KAR 1:010. GED Testing Program.

ENERGY AND ENVIRONMENT CABINET: Department for Natural Resources: Office of Mine Safety and Licensing: Division of Mining

805 KAR 5:030. Prohibition against working or traveling under an unsupported roof; penalties.

Miner Training, Education, and Certification

805 KAR 7:060. Program approval.

Office of Mine Safety and Licensing

805 KAR 8:060. Criteria for the imposition and enforcement of sanctions against licensed premises.

PUBLIC PROTECTION CABINET: Department of Insurance: Agents, Consultants, Solicitors, and Adjusters

806 KAR 9:070. Examinations.

806 KAR 9:310. Life settlement broker license and notification.

806 KAR 9:320. Life settlement provider license.

Kentucky Horse Racing Commission: Harness Racing

811 KAR 1:070 & E. Licensing standardbred racing.

CABINET FOR HEALTH AND FAMILY SERVICES: Department for Medicaid Services: Division of Community Alternatives: Medicaid Services

907 KAR 1:585. Estate recovery.

907 KAR 1:645. Resource standards for Medicaid.

907 KAR 1:650. Trust and transferred resource requirements for Medicaid.

907 KAR 1:655. Spousal impoverishment and nursing facility requirements for Medicaid.

Department for Aging and Independent Living: Guardianship

910 KAR 2:040. Service provi-

sions for adult guardianship.

910 KAR 2:050. Compensation for guardianship program services.

Other Business:

Subcommittee staff introduced Representative Leslie Combs and stated that Representative Weston had left the subcommittee and Representative Damron had resigned as Co-Chair, but remained a member of the subcommittee. Representative Lee made a motion, seconded by Representative Ford, that Representative Combs be nominated for House Co-Chair. Representative Combs accepted the nomination. Representative Lee made a motion, seconded by Representative Ford, to end House Co-Chair nominations. Representative Combs was unanimously endorsed as House Co-Chair of the subcommittee.

Senator Tapp stated that he had recently attended the Health and Environmental Issues summit in Chicago and, based on information he received at that conference, he expected federal regulations to be promulgated that would impact health and environmental administrative regulations in Kentucky, especially administrative regulations relating to coal and coal mining.

The Subcommittee adjourned at 1:55 p.m. until March 9, 2009.

GOVERNMENT CONTRACT REVIEW COMMITTEE

Committee Minutes January 13, 2009

The Government Contract Review Committee met on Tuesday, January 13, 2009, at 10:00 AM, in Room 171 of the Capitol Annex. Representative Dennis Keene, Chair, called the meeting to order, and the secretary called the roll.

Present were: Senator Vernie McGaha, Co-Chair; Representative Dennis Keene, Co-Chair; Senators Julian M. Carroll, Carroll Gibson, and Elizabeth Tori; Representatives Brad Montell, and Brent Yonts.

Members: Senator Vernie McGaha, Co-Chair; Representative Dennis Keene, Co-Chair; Senators Julian M. Carroll, Carroll Gibson, and Elizabeth Tori; Representatives Jesse Crenshaw, Brad Montell, and Brent Yonts.

Guests: Ken Schwendeman, Hiren Desai, Bob Roder, Ruth Hancock, Bill Harris, LeeAnn Brewer, Tim Sheehan, Gary Freeland, Robert Brown, Brian Lykins, and Jim Bondurant.

LRC Staff: Kim Eisner, Matt Ross, B.R. Masters, Brad Metcalfe, and Becky Brooker.

A motion was made by Representative Yonts to approve Minutes of the December 15, 2008 meeting of the committee. Representative Montell seconded the motion, which passed without objection.

A motion was made by Representative Montell to approve the Deferred List of the December 15, 2008 meeting of the committee. Representative Yonts seconded the motion, which passed without objection.

A motion was made by Representative Montell to consider as reviewed, the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Representative Yonts seconded the motion, which passed without objection.

A motion was made by Representative Montell 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 Yonts seconded the motion, which passed without objection.

A motion was made by Representative Montell to consider as reviewed, the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Representative Yonts seconded the motion, which passed without objection.

A motion was made by Representative Montell 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 Yonts seconded the motion, which passed without objection.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

CRIMINAL JUSTICE TRAINING, DEPARTMENT OF:

Williamson, LLC, 0800011187.

DEPARTMENT FOR COMMUNITY BASED SERVICES:

Family and Children First, 0800009239-1.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION:

Amec Earth and Environmental, 0800011004; Stantec Consulting Services Incorporated, 0800011006.

DEPARTMENT FOR NATURAL RESOURCES:

ATC Associates Incorporated, 0800011026.

DEPARTMENT FOR PUBLIC HEALTH:

Inmark, 0800010878.
EDUCATION, DEPARTMENT OF:
Kentucky Science and Technology Corporation, 0800010835.

FAIR BOARD:
David H. Snowden, 0800010947;
Scarlett W. Mattson, 0800010951.

FINANCE AND ADMINISTRATION CABINET:

Hammond Associates, 0800009445; Patrick Welsh, 0800010363; Morgan and Pottinger, 0800011308.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING:

Bender Associates Architects, 0800011058.

JUSTICE CABINET:
Goldberg Simpson, LLC, 0800011285.

NORTHERN KENTUCKY UNIVERSITY:

Goody Clancy, 2010511; Michael Schuster Associates, 2010514.

TRANSPORTATION CABINET:

John G. Donan, Jr., 0800011103; Matriks Management, PSC, 0800011104; Greenman-Pedersen Incorporated, 0800011200; Woolpert, 0800011201; Greenman-Pedersen Incorporated, 0800011249.

UNIVERSITY OF KENTUCKY:

JRA Architects, A091110; Facility Commissioning Group, K09164; MedAssets Net Revenue Systems, LLC, K09165; Central Kentucky Interpreter Referral Incorporated, K09166.

UNIVERSITY OF LOUISVILLE:

Advances in Education, 09068; James E. Forst & Associates, 09075; Forza Architecture, 09076; Qore Property Sciences Incorporated, 09080; Luckett & Farley Incorporated, 09083; LSE Engineering Incorporated, 09084; Three I Engineering Incorporated, 09085; Staggs & Fisher Consulting Engineers, 09086; CMTA Engineering Consultants, 09087.

VETERANS AFFAIRS, DEPARTMENT OF:

American Legion, 0800011231; Veterans of Foreign Wars, 0800011256; Disabled American Veterans, 0800011257.

WESTERN KENTUCKY UNIVERSITY:

CMS Publishing, Incorporated d/b/a R&R Newkirk Company, 080975; The Regents of University of California, 080976.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

AGRICULTURE, DEPARTMENT OF:

Kentucky Grocers Association Service Corporation, 0800010322; Technology By Design, 0800010323.

DEPARTMENT FOR COMMUNITY BASED SERVICES:

The Family Place, 0800009239.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION:

Citizens Advisory Commission, 0800008551.

EDUCATION, DEPARTMENT OF:
Jennifer R. Stocker, 0800008506.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING:

Bender Associates Architects, 0700003171; Peck Flannery Gream Warren Incorporated, 0700003483; Staggs and Fisher Consulting Engineers Incorporated, 0700004025; Farris McIntosh and Tremper Incorporated, 0700006165; Entran, PLC, 0800006915; Gregory J. Winn, C-05238509-1.

POST SECONDARY EDUCATION, COUNCIL ON:

Potter & Company LLP, 0800007568.

TRANSPORTATION CABINET:

Claude W. Galloway, Jr., 0600000929; Davidson Appraisal Service Incorporated, 0600000984; Thurston Freeman, 0600001002; BTM Engineering Incorporated, 0700003469; Charles Joseph Bird, 0700003817; URS Corporation, 0700004341; Commonwealth Newscall, 0700004372; WMB, Incorporated, 0700005041; Kentucky Society of Professional Engineers Incorporated, 0800009065; DLZ Kentucky Incorporated, 0800009192; Emerson L. Richmond, 0800009539; Palmer Engineering, C-00049871-7; E A Partners, PLC, C-01192708-2; Johnson Depp and Quisenberry, C-01193010-5; Vaughn and Melton, C-03101454-1; Lochner H W Incorporated Consulting, C-03360183-1; Palmer Engineering Company, C-04050191-1; Presnell Associates Incorporated d/b/a Qk4, C-04224166-2; Michael Baker Jr Incorporated, C-05091322-4; BTM Engineering Incorporated, C-05324669.

UNIVERSITY OF KENTUCKY:
Ekhoﬀ Ochenkoski Polk Architects, A071060.

UNIVERSITY OF LOUISVILLE:

Lord, Aeck, & Sargent, Incorporated, 08086.

THE FOLLOWING MEMORANDA OF AGREEMENT WERE REVIEWED WITHOUT OBJECTION:

DEPARTMENT FOR NATURAL RESOURCES:

Big Sandy Regional Detention Center, 0800010414.

DEPARTMENT FOR PUBLIC HEALTH:

Phillips Supermarket, 0800010787.

DEPARTMENT OF ENERGY DEVELOPMENT AND INDEPENDENCE:

EnviRes, LLC, 0800010170.

DEPARTMENT OF REVENUE:

Multistate Tax Commission (MTC), 0800010795.

EDUCATION PROFESSIONAL STANDARDS BOARD:

Green River Regional Education Cooperative, 0800011217.

INFRASTRUCTURE AUTHORITY:

Elkhorn City, 0800010383; Centertown Water System, 0800010550.

MILITARY AFFAIRS, DEPARTMENT OF:

City of Murray, 0800010541; Lexington Fayette Urban County Government, 0800011152; Louisville and Jefferson County MSD, 0800011162; City of Paris, 0800011163; City of Bradfordsville, 0800011164; Lexington Fayette Urban County Government, 0800011165; Buffalo Trace Area Development District, 0800011167.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT:

City of McKee, 0800009384; Magoffin County Fiscal Court, 0800010488; Magoffin County Fiscal Court, 0800010489; Owsley County Fiscal Court, 0800010998; Union County Fiscal Court, 0800011085; Elk Hill Regional Industrial Authority, 0800011117; Jackson County Fiscal Court, 0800011130; Ohio County Fiscal Court, 0800011134; Floyd County Fiscal Court, 0800011150; City of Louisa, 0800011157; Lee County Fiscal Court, 0800011158; Ohio County Fiscal Court, 0800011159; Clay County Fiscal Court, 0800011161; City of Prestonsburg, 0800011190; Pike County Fiscal Court, 0800011192; Hopkins County Fiscal Court, 0800011193; Muhlenberg County Fiscal Court, 0800011195; Whitley County Fiscal Court, 0800011247; Louisville Metro Parks Athletics Office, 0800011251; City of Jeffersontown, 0800011253.

TRANSPORTATION CABINET:

Mammoth Cave Resource Conservation & Development Area Incorporated, 0800011032.

TRAVEL, DEPARTMENT OF:

Multi, 0800011082; Multi, 0800011086; Multi, 0800011087; Multi, 0800011088; Multi, 0800011089; Multi, 0800011091; Multi, 0800011092; Multi, 0800011093; Multi, 0800011094.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

AGRICULTURE, DEPARTMENT OF:

Multi, 0700005709.

DEPARTMENT FOR AGING & INDEPENDENT LIVING:

NKCES, 0800007507.

DEPARTMENT FOR COMMUNITY BASED SERVICES:

Blue Grass Community Action, 0800007408; Lake Cumberland CSO Incorporated, 0800007427; Community Action of Southern Kentucky Incorporated, 0800007440; Big Sandy Area Development District, 0800008751.

DEPARTMENT FOR MEDICAID SERVICES:

Kentucky Board of Nursing, 0800010089.

DEPARTMENT FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES & ADDICTION SERVICES:

Pennyroyal Mental Health, 0800008002; Green River Regional Mental Health Mental Retardation Board d/b/a Rivervalley Behavior, 0800008003; Lifeskills Incorporated, 0800008004; Seven Counties Services, 0800008006; Northern Kentucky Regional Mental Health Mental Retardation Board, 0800008007; Kentucky River Community Care, 0800008011; Cumberland River Mental Health Mental Retardation Board Incorporated, 0800008012; Bluegrass Regional Mental Health Mental Retardation, 0800008014.

EDUCATION, DEPARTMENT OF:

Madison County Board of Education, 0800007210; Elliott County Board of Education, 0800008096; Madison County Board of Education, 0800008628; Madison County Board of Education, 0800008869; Madison County Board of Education, 0800009106.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT:

Casey County Fiscal Court, 0600001633; Allen County Fiscal Court, 0600002516; Edmonson County Fiscal Court, 0600002644;

Muhlenberg County Fiscal Court, 0600002838; Casey County Fiscal Court, 0600002957; City of Olive Hill, 0600003072; City of Newport, 0700003405; Riverside the Farnsley Moremen Landing, 0700003564; City of Williamsburg, 0700003922; Louisville Metro Government, 0700004080; City of London, 0700004511; City of Mt. Vernon, 0700005661; City of Falmouth, 0700005664; Rockcastle County Fiscal Court, 0700006533; City of Harrodsburg, 0700006588; Appalachian Regional Healthcare, Incorporated, 0800007033; Breathitt County Fiscal Court, 0800007756; Breathitt County Fiscal Court, 0800007759; Breathitt County Fiscal Court, 0800007761; Letcher County Fiscal Court, 0800007765; Breathitt County Fiscal Court, 0800007768; Breathitt County Fiscal Court, 0800007771; Bluegrass Area Development District, 0800007909; Martin County Fiscal Court, 0800008792; Crittenden County Fiscal Court, 0800010637.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

CRIMINAL JUSTICE TRAINING, DEPARTMENT OF:

Williamson, LLC, 0800011187. Ken Schwendeman discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Senator Carroll seconded the motion, which passed with Representative Keene voting NO.

FINANCE AND ADMINISTRATION CABINET:

Hammond Associates, 0800009445. Hiren Desai and Bob Roder discussed the contract with the committee. A motion was made by Representative Montell to consider the contract as reviewed. Representative Yonts seconded the motion, which passed unanimously.

UNIVERSITY OF LOUISVILLE:

Advances in Education, 09068. A motion was made by Representative Yonts to defer the contract to the February meeting of the committee. Senator McGaha seconded the motion, which passed unanimously.

UNIVERSITY OF KENTUCKY:

MedAssets Net Revenue Systems, LLC, K09165. Ruth Hancock and Bill Harris discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Representative Yonts seconded the motion, which passed unanimously.

THE FOLLOWING MEMORANDUM OF AGREEMENT WAS SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR NATURAL RESOURCES:

Big Sandy Regional Detention Center, 0800010414. LeeAnn Brewer and Tim Sheehan discussed the contract with the committee. A motion was made by Representative Montell to consider the contract as reviewed. Senator Carroll seconded the motion, which passed unanimously.

THE FOLLOWING MEMORANDA OF AGREEMENT FOR \$50,000 WERE SELECTED FOR FURTHER REVIEW:

EDUCATION PROFESSIONAL STANDARDS BOARD:

Kentucky Educational Development Corporation, 0800011204; Ohio Valley Education Cooperative, 0800011205; Western Kentucky Education Cooperative, 0800011206; Northern Kentucky Cooperative for Educational Services, 0800011207; Central Kentucky Educational Cooperative, 0800011208; Fayette County Board of Education, 0800011209; Simpson County Board of Education, 0800011210; Muhlenberg County Board of Education, 0800011211; Oldham County Board of Education, 0800011212; Marion County Board of Education, 0800011213; Jefferson County Public Schools, 0800011214; Logan County Board of Education, 0800011216; McCracken County Board of Education 0800011218. Gary Freeland and Robert Brown discussed the contracts with the committee. A motion was made by Representative Yonts to consider the contracts as reviewed. Senator Carroll seconded the motion, which passed unanimously.

AUDITOR OF PUBLIC ACCOUNTS:

Brian Lykins and Jim Bondurant came before the committee to discuss the report by the Office of the Auditor of Public Accounts regarding the audit of the Kentucky Department of Education's contracts pertaining to the Commonwealth Assessment Testing System and No Child Left Behind.

With no further business before the committee, the meeting adjourned at 11:27 a.m.

**GOVERNMENT CONTRACT REVIEW COMMITTEE
Committee Minutes
February 10, 2009**

The Government Contract Review Committee met on Tuesday,

February 10, 2009, at 4:00 PM, in Room 171 of the Capitol Annex. Senator Vernie McGaha, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Vernie McGaha, Co-Chair; Senator Julian M. Carroll; Representatives Jesse Crenshaw, Brad Montell, and Brent Yonts.

Guests: Sharon Clark, Jennifer Linton, and Paul Gannoe.

LRC Staff: Kim Eisner, Matt Ross, B.R. Masters, and Becky Brooker.

A motion was made by Representative Yonts to approve Minutes of the January 13, 2009 meeting of the committee. Representative Montell seconded the motion, which passed without objection.

A motion was made by Representative Yonts to consider as reviewed, the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Representative Montell seconded the motion, which passed without objection.

A motion was made by Representative Yonts 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 Montell seconded the motion, which passed without objection.

A motion was made by Representative Yonts to consider as reviewed, the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Representative Montell seconded the motion, which passed without objection.

A motion was made by Representative Yonts 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 Montell seconded the motion, which passed without objection.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

DEPARTMENT FOR COMMUNITY BASED SERVICES:

Deloitte Consulting, 0800010728.

DEPARTMENT FOR NATURAL RESOURCES:

Summit Engineering Incorporated, 0800011254.

DEPARTMENT FOR PUBLIC HEALTH:

Heuser Hearing Institute Incorporated, 0800011288.

EASTERN KENTUCKY UNIVERSITY:

BioMedical Research Services, 10038.

FINANCE AND ADMINISTRATION CABINET:

J. Smith Lanier & Company (Assignee), 0800011259.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING:

Voelker Blackburn Niehoff Architects, 0800010857; Beaver Creek Hydrology, LLC, 0800011174; Omni Architects, 0800011282; T H E Engineers Incorporated, 0800011306.

FISH & WILDLIFE, DEPARTMENT OF:

David Buehler, 0800011081.

HISTORICAL SOCIETY, KENTUCKY:

Preferred Marketing Solutions, 0900011356.

MOREHEAD STATE UNIVERSITY:

MML&K Government Solutions, 09013.

MURRAY STATE UNIVERSITY:

Great Energy Partners Incorporated, 01109.

OFFICE OF THE SECRETARY FOR THE LABOR CABINET:

Hurt, Crosbie & May, 0800011169.

TRANSPORTATION CABINET:

Urgent Treatment Center, 0800011172.

UNIVERSITY OF KENTUCKY:

PricewaterhouseCoopers, LLP, K09167.

WESTERN KENTUCKY UNIVERSITY:

Linda Jensen Sheffield, 080977; Lori Bland, 080978.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

DEPARTMENT FOR AGING & INDEPENDENT LIVING:

Eckman, Freeman & Associates, 0800008160; Center for Comprehensive Services Incorporated, 0800010370.

DEPARTMENT FOR PUBLIC HEALTH:

Park Duvalle Neighborhood Health Center, 0800006809; Kentucky Hospital Associates, 0800008470.

EDUCATION, DEPARTMENT OF:

Paula E. Goff, 0800008575.

EDUCATIONAL TELEVISION, KENTUCKY:

James R. Slone, 0800009139; James Bugay, 0800009144; Roger

M. Bondurant, 0800009149; Michelle Larock, 0800009152; Britt Davis, 0800009156.

FINANCE AND ADMINISTRATION CABINET:

Reed, Weitkamp, Schell & Vice, 0800010100.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING:

Ross Tarrant Architects Incorporated, 0700003580; K Norman Berry Associates, C-05287667-1.

KY HORSE RACING AUTHORITY:

Stoll Keenon Ogden, PLLC, 0800010572.

MOREHEAD STATE UNIVERSITY:

Provisions Group Incorporated, 09005.

NORTHERN KENTUCKY UNIVERSITY:

Multi, 2010447.

OFFICE OF HOMELAND SECURITY:

Stantec Consulting Services Incorporated, 0800008515; Goldberg & Simpson, P.S.C., 0800008537.

PERSONNEL ADMINISTRATION, DEPARTMENT FOR:

Salvaggio Teal and Associates, M-06189445.

POST SECONDARY EDUCATION, COUNCIL ON:

Sturgill, Turner, Barker, and Moloney, PLLC, 0700003228.

TRANSPORTATION CABINET:

Charles Joseph Bird, 0700003842; Michael Baker Jr. Incorporated, 0700004078; Burgess & Niple Incorporated, 0700005365; Hmb Professional Engineers Incorporated, C-03101449-1; Parsons Brinckerhoff Quade & Douglas, C-05050906-3; Palmer Engineering Company, C-05397969; Palmer Engineering Company, C-99088912-6.

WESTERN KENTUCKY UNIVERSITY:

Western Kentucky Diagnostic Imaging, 080944; Green View Regional Hospital, 080948; Contemporary Services Corporation, 080951.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

CORRECTIONS, DEPARTMENT OF:

Boyd County Detention Center, 0800011309.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING:

Frankfort Tourist Commission, 0900011342.

INFRASTRUCTURE AUTHOR-

ITY:

Harlan County Fiscal Court, 0800010304; Harlan County Fiscal Court, 0800010314; City of Pikeville, 0900011384; Mountain Water District, 0900011386; Mountain Water District, 0900011387.

MILITARY AFFAIRS, DEPARTMENT OF:

Multi, 0800011286; Multi, 0900011320.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT:

Henderson County Fiscal Court, 0800010877; Rockcastle County Fiscal Court, 0800011160; Hopkins County Fiscal Court, 0800011297; Lebanon Tourist & Convention Commission, 0900011341; Morgan County Fiscal Court, 0900011367.

POST SECONDARY EDUCATION, COUNCIL ON:

Washington Center for Internships & Academic, 0800009790.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

ATTORNEY GENERAL, OFFICE OF THE:

Northern Kentucky Children's Advocacy Center, 0800007632.

DEPARTMENT FOR COMMUNITY BASED SERVICES:

Pennyrile Allied Community Services Incorporated, 0800007002; Community Action Lexington Fayette, 0800007415; NKCAC Incorporated, 0800007444; Northern Kentucky Area Development District, 0800007667.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES:

Green River Area Development District, 0800006794.

DEPARTMENT FOR PUBLIC HEALTH:

US Department of Interior Geological Survey Kentucky Water Science Center, 0800007993; North Key Community Care, 0800008193.

EDUCATION, DEPARTMENT OF:

Paintsville Independent Board of Education, 0800007112; Shelby County Board of Education, 0800007125; Jefferson County Board of Education, 0800007192; Carter County Board of Education, 0800007194; Webster County Board of Education, 0800007196; Christian County Board of Education, 0800007198; Warren County Board of Education, 0800007202; Jefferson County Board of Education, 0800007209; Berea Independent

Board of Education, 0800007461; Bullitt County Board of Education, 0800007612; Breckinridge County Board of Education, 0800008085; Owsley County Board of Education, 0800008422; Warren County Board of Education, 0800008426; Bowling Green Independent Board of Education, 0800009108; Floyd County Board of Education, 0800009111; Paintsville Independent Board of Education, 0800010125.

FISH & WILDLIFE, DEPARTMENT OF:

U. S. Fish & Wildlife Service, 0800007247.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT:

Cumberland County Fiscal Court, 0600002947; City of Georgetown, 0600002997; City of Georgetown, 0600002998; City of Benham, 0700003276; Leslie County Fiscal Court, 0700003569; City of Manchester, 0700003617; Cumberland County Fiscal Court, 0700003658; City of Burnside, 0700005010; City of Dayton, 0700005445; Butler County Fiscal Court, 0700005690; City of Springfield, 0700005905; Bell County Fiscal Court, 0700006403; City of Bardstown, 0700006586; Pike County Fiscal Court, 0800007752; Pike County Fiscal Court, 0800007754; Floyd County Fiscal Court, 0800007763; Estill County Fiscal Court, 0800007764; Breathitt County Museum, 0800007904; Big Sandy Area Development District, 0800007915; Barren River Area Development District, 0800008646; Big Sandy Area Development District, 0800008653; Bluegrass Area Development District, 0800008660; Buffalo Trace Area Development District, 0800008667; Cumberland Valley Area Development District, 0800008668; Pike County Fiscal Court, 0800008670; Fivco Area Development District, 0800008672; Gateway Area Development District, 0800008674; Green River Area Development District, 0800008678; KIPDA, 0800008735; Lake Cumberland Area Development District, 0800008736; Lincoln Trail Area Development District, 0800008737; Northern Kentucky Area Development District, 0800008740; Pennyrile Area Development District, 0800008742; Purchase Area Development District, 0800008746; Floyd County Fiscal Court, 0800010850; City of Richmond, M-04540491; Madisonville Community College, M-05305701-1; City of Benham,

M-05445562; City of Columbia, M-05489689.

THE FOLLOWING PERSONAL SERVICE CONTRACTS AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT OF INSURANCE

William D. Clark 0800008073. Sharon Clark discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed unanimously.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING

John L. Carman & Associates Incorporated, 0800009800. Paul Ganoe and Jennifer Linton discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Representative Yonts seconded the motion, which passed unanimously.

With no further business before the committee, the meeting adjourned at 4:30 PM.

GOVERNMENT CONTRACT REVIEW COMMITTEE

**Committee Minutes
March 10, 2009**

The Government Contract Review Committee met on Tuesday, March 10, 2009, at 5:40 PM, in Room 171 of the Capitol Annex. Representative Dennis Keene, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Vernie McGaha, Co-Chair; Representative Dennis Keene, Co-Chair; Senator Carroll Gibson; Representatives Jesse Crenshaw, Brad Montell, and Brent Yonts.

Guests: Stephen Mason, Dr. Betty Olinger, Janet Hartlage, Michelle Sutton, Linda Robinson, Lea Ann Lewis, Shawn Murphy, Michael Miller, Paul McElwain, Marvin Miller, Charlie Kendell, Prentice Harvey, Diana Barber, David Bailey, Mitchell Payne, Julia Karcher, and David Martin.

LRC Staff: Kim Eisner, Matt Ross, and Becky Brooker.

A motion was made by Representative Brent Yonts to approve Minutes of the February 10, 2009 meeting of the committee. Senator Vernie McGaha seconded the motion, which passed without objection.

A motion was made by Senator Vernie McGaha to consider as reviewed, the Personal Service Contract List, with exception of those items selected for further review by

members of the committee. Representative Brent Yonts seconded the motion, which passed without objection.

A motion was made by Senator Vernie McGaha 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 Brent Yonts seconded the motion, which passed without objection.

A motion was made by Senator Vernie McGaha to consider as reviewed, the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Representative Brent Yonts seconded the motion, which passed without objection.

A motion was made by Senator Vernie McGaha 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 Brent Yonts seconded the motion, which passed without objection.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

CORRECTIONS, DEPARTMENT OF:

Mental Health Association of Northern Kentucky, 0900011554.

CRIMINAL JUSTICE TRAINING, DEPARTMENT OF:

Concentra Laboratory, LLC, 0900011408.

DEPARTMENT FOR COMMUNITY BASED SERVICES:

Family & Children First, 0900011413.

DEPARTMENT OF INSURANCE:

Patricia Shofner, 0900011409; Jay Thompson Consulting LLC, 0900011410.

EASTERN KENTUCKY UNIVERSITY:

William Spelman Executive Search, 10040; Pappas Consulting Group Incorporated, 10042.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING:

Architectural Investments, 0800011303; Collignon & Nunley, 0900011347; Omni Architects, 0900011348.

FISH & WILDLIFE, DEPARTMENT OF:

Ducks Unlimited Incorporated, 0800011269.

JUSTICE CABINET:

Stoll Keenon Ogden, PLLC, 0900011381.

KY HORSE RACING AUTHORITY:

J. Bruce Miller Law Group, 0900011400.

MURRAY STATE UNIVERSITY:

Kelsh Wilson Design Incorporated, 01209.

TRANSPORTATION CABINET:

Florence & Hutcheson, 0900011420; Florence & Hutcheson, 0900011425; HNTB Corporation, 0900011447; HMB Professional Engineers Incorporated, 0900011452; Horn & Associates Incorporated, 0900011454; Horn & Associates Incorporated, 0900011456; Horn & Associates Incorporated, 0900011457.

UNIVERSITY OF LOUISVILLE:

Omni Architects, 09092.

WESTERN KENTUCKY UNIVERSITY:

Colwell & Salmon Communications Incorporated, 080983.

WORKFORCE INVESTMENT, OFFICE OF:

Premier Knowledge Solutions, 0900011334.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

DEPARTMENT FOR COMMUNITY BASED SERVICES:

Family & Children First, 0800009239-1.

DEPARTMENT FOR PUBLIC HEALTH:

St. Joseph Hospital, 0800008371.

EDUCATION, DEPARTMENT OF:

Bethune Institute, 0800008759; Pleasant Green Baptist Church, 0800008773; David Woods, 0800009449.

FINANCE AND ADMINISTRATION CABINET:

Stites & Harbison PLLC, 0800008354.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING:

Ross Tarrant Architects Incorporated, 0700003254; Tetra Tech Incorporated, 0700003392; Hastings & Chivetta Architects, 0700004255; Cunningham Consultants, 0700006172; Cunningham Consultants, 0700006174; Luckett & Farley Architects Engineers and Construction Managers Incorporated, C-04565284-1; Barnette Bagley Architects, C-05236808-2.

KENTUCKY HOUSING CORPORATION:

Preferred Inspections Incorporated,

rated, 20092; Middleton Reutlinger, 20098.

KENTUCKY LOTTERY CORPORATION:

Gaming Laboratories International, LLC, 0904098.

TRANSPORTATION CABINET:

Municipal Engineering Company, 0600002598; QK4, 0600002843; BTM Engineering Incorporated, 0700003282; URS Corporation, 0700003283; URS Corporation, 0700003351; American Engineers Incorporated, 0700004074; Burgess & Niple Incorporated, 0800010336; W M B Incorporated, C-00053395-3; American Engineers Incorporated, C-00121732-3; PB Americas Incorporated, C-01028512-3; Johnson Depp & Quisenberry, C-01061344-5; Municipal Engineering Company, C-01104800-5; PB Americas Incorporated, C-02201375-2; Entran, PLC, C-02269751-2; Vaughn & Melton, C-03101454-1; E A Partners, PLC, C-03194115-1; Lochner H W Incorporated Consulting, C-04223604-2; Lochner H W Incorporated Consulting, C-05396596; Burgess & Niple, LTD, C-06181634; Lochner H W Incorporated Consulting, C-99005187-4.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

EDUCATION, DEPARTMENT OF:

Jefferson County Board of Education, 0800010260; Jessamine County Board of Education, 0800010781; Glasgow Independent Board of Education, 0900011484; Carlisle County Board of Education, 0900011485; Garrard County Board of Education, 0900011487; Hardin County Board of Education, 0900011488; Henderson County Board of Education, 0900011490; Lincoln County Board of Education, 0900011492; Board of Education of Somerset School District, 0900011493.

INFRASTRUCTURE AUTHORITY:

Johnson County, 0900011558.

MILITARY AFFAIRS, DEPARTMENT OF:

Lincoln County Fiscal Court, 0800011156; Multi, 0800011229.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT:

McClean County Fiscal Court, 0800010641; Perry County Fiscal Court, 0800011299; Letcher County Fiscal Court, 0900011323; Letcher County Fiscal Court, 0900011324; Letcher County Fiscal Court, 0900011325; City of Providence,

0900011328; Perry County Fiscal Court, 0900011354; Pike County Fiscal Court, 0900011376; Pike County Fiscal Court, 0900011377; Pike County Fiscal Court, 0900011378; City of Beattyville, 0900011402; Lawrence County Fiscal Court, 0900011439; McCreary County Fiscal Court, 0900011486; City of Sturgis, 0900011496; Leslie County Fiscal Court, 0900011529; Ohio County, 0900011537.

POST SECONDARY EDUCATION, COUNCIL ON:

Kentucky Department of Education, 0900011366.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

DEPARTMENT FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES & ADDICTION SERVICES:

Administrative Office of the Courts, 0800006857.

DEPARTMENT FOR PUBLIC HEALTH:

Commonwealth of Kentucky Personnel Cabinet, 0800008044.

DEPARTMENT OF ENERGY DEVELOPMENT AND INDEPENDENCE:

Paducah Uranium Plant Asset Utilization, Incorporated, 0700003285.

EDUCATION, DEPARTMENT OF:

Department for Public Health Chronic Disease Program, 0800006946; Hazard Independent Board of Education, 0800007121; Grant County Board of Education, 0800007123; Grant County Board of Education, 0800007179; Pike County Board of Education, 0800007191; Laurel County Board of Education, 0800007205; Simpson County Board of Education, 0800007463; Mercer County Board of Education, 0800007609; Warren County Board of Education, 0800007616; Ballard County Board of Education, 0800007781; Bath County Board of Education, 0800007782; Fayette County Board of Education, 0800007791; Fleming County Board of Education, 0800007792; Franklin County Board of Education, 0800007793; Grayson County Board of Education, 0800007794; Henderson County Board of Education, 0800007795; Jefferson County Board of Education, 0800007796; Jessamine County Board of Education, 0800007797; Johnson County Board of Education, 0800007798; McCreary County Board of Education, 0800007807; Newport Independent Board of Edu-

cation, 0800007809; Trigg County Board of Education, 0800007814; Ballard County Board of Education, 0800007938; Boone County Board of Education, 0800007941; Bourbon County Board of Education, 0800007942; Casey County Board of Education, 0800007954; Carroll County Board of Education, 0800007955; Clinton County Board of Education, 0800007962; Corbin Independent Board of Education, 0800007963; Covington Independent Board of Education, 0800007964; Christian County Board of Education, 0800008090; Eminence Independent Board of Education, 0800008313; Jefferson County Board of Education, 0800008315; Lawrence County Board of Education, 0800008321; Lewis County Board of Education, 0800008323; Livingston County Board of Education, 0800008325; Marion County Board of Education, 0800008329; Monticello Independent Board of Education, 0800008334; Nelson County Board of Education, 0800008336; Owen County Board of Education, 0800008338; Owensboro Independent Board of Education, 0800008340; Paintsville Independent Board of Education, 0800008344; Robertson County Board of Education, 0800008351; Russell County Board of Education, 0800008359; Washington County Board of Education, 0800008363; Whitley County Board of Education, 0800008365; Barren County Board of Education, 0800008381; Harlan County Board of Education, 0800008401; Taylor County Board of Education, 0800008407; Paris Independent Board of Education, 0800008780; Greenup County Board of Education, 0800008832; Hazard Independent Board of Education, 0800009109; KET Foundation, 0800010944.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT:

City of Hanson, 0600001462; Webster County Fiscal Court, 0600002551; Leslie County Fiscal Court, 0700003220; Leslie County Fiscal Court, 0700003570; City of Burkesville, 0700003966; City of Elkton, 0700004476; Pike County Fiscal Court, 0700004850; McLean County Fiscal Court, 0700004962; Perry Co Fiscal Court, 0700005474; Pike County Fiscal Court, 0700005638; Hopkins County Fiscal Court, 0800007037; Elkhorn City Area Heritage Council, 0800007936;

Menifee County Sheriff's Office, 0800010595; Harlan County Fiscal Court, M-02383528-7; Knox Partners Incorporated, M-06206665.

WORKFORCE INVESTMENT, OFFICE OF:

Northern Kentucky Area Development District, 0800009145.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

MILITARY AFFAIRS, DEPARTMENT OF:

Lisa J. Gash, 0900011418; Melody J. Rutherford, 0900011419; Lesa K. Dillon, 0900011532. A motion was made by Representative Yonts to consider the contracts as reviewed. Representative Crenshaw seconded the motion, which passed unanimously.

TOURISM DEVELOPMENT CABINET:

Pros Consulting, LLC, 0900011540. A motion was made by Representative Yonts to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed unanimously.

KENTUCKY STATE UNIVERSITY:

Dr. Josepha Campinha-Bacote, KSU0905. Stephen Mason and Dr. Betty Olinger discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed unanimously.

EDUCATION, DEPARTMENT OF:

Roger Barnett, 0900011399. Janet Hartlage and Michelle Sutton. A motion was made by Senator McGaha to consider the contract as reviewed. Representative Yonts seconded the motion, which passed with Representative Montell voting NO.

EDUCATION, DEPARTMENT OF:

Kenton County YMCA, 0900011489; Lotts Creek Community School, 0900011491. Linda Robinson discussed the contracts with the committee. A motion was made by Representative Yonts to consider the contracts as reviewed. Representative Crenshaw seconded the motion, which passed unanimously.

THE FOLLOWING PERSONAL SERVICE CONTRACTS AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR PUBLIC HEALTH:

Norton Healthcare Incorporated, 0700006664. Marvin Miller, Charlie Kendell and Prentice Harvey discussed the contract with the committee. A motion was made by Sena-

tor McGaha to consider the contract as reviewed. Representative Yonts seconded the motion, which passed unanimously.

EDUCATION, DEPARTMENT OF:

Linda Martin, 0800008563. Janet Hartlage and Michelle Sutton discussed the contract with the committee. A motion was made by Senator McGaha to disapprove the contract. Representative Montell seconded the motion, which passed unanimously.

KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION:

Priority Technologies Incorporated, 09007. Diana Barber and David Bailey discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed with Senator McGaha choosing to PASS.

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

DEPARTMENT FOR COMMUNITY BASED SERVICES:

Northeast Kentucky Area Development, 0800007434. Northern Kentucky Children's Advocacy Center, 0800009582. A motion was made by Senator McGaha to consider the contract as reviewed. Representative Yonts seconded the motion, which passed unanimously.

EDUCATION, DEPARTMENT OF:

Henry County Board of Education, 0800007117. Janet Hartlage and Michael Miller discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed unanimously.

EDUCATION, DEPARTMENT OF:

Kentucky Teen Pregnancy Coalition, 0800007874. Paul McElwain discussed the contract with the committee. A motion was made by Senator Vernie McGaha to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed unanimously.

THE FOLLOWING DEFERRED CONTRACT WAS SELECTED FOR FURTHER REVIEW:

UNIVERSITY OF LOUISVILLE:

Advances in Education, 09068. Mitchell Payne, Julia Karcher, and David Martin discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Rep-

representative Crenshaw seconded the motion, which passed unanimously.

With no further business before the committee, the meeting adjourned at 6:52 PM.

PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE

Minutes
January 9, 2009

The Program Review and Investigations Committee met on Friday, January 9, 2009, at 10:00 AM, in Room 131 of the Capitol Annex. Representative Reginald Meeks, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Reginald Meeks, Co-Chair; Senators Charlie Borders, Vernie McGaha, R.J. Palmer II, Joey Pendleton, John Schickel, and Dan Seum; Representatives Dwight D. Butler, Ruth Ann Palumbo, and Ken Upchurch.

Guests: No guests were present.

LRC Staff: Greg Hager, Committee Staff Administrator; Rick Graycarek; Christopher Hall; Colleen Kennedy; Van Knowles; Jean Ann Myatt; Rkia Rhrib; Sarah Spaulding; Cindy Upton; Stella Mountain, Committee Assistant.

Representative Meeks welcomed the new committee member, Senator John Schickel, who replaced Senator Harris.

Upon nomination made by Senator Seum, and seconded by Senator McGaha, Senator Schickel was elected by acclamation without objection for the position of Senate Co-chair.

To allow staff to work on other topics to be selected, Representative Meeks recommended that the Medicaid information systems topic not be done. [The topic had been selected by the committee at its November 13, 2008 meeting.] After motion made by Senator Seum and seconded by Senator McGaha, the recommendation not to do the study on Medicaid information systems was accepted by roll call vote.

Representative Meeks said the co-chairs were recommending five more topics to be added for studies: 1) review of the Education Professional Standards Board, 2) regulation of charitable gaming, 3) foreclosures on homes in Kentucky, 4) role of schools in caring for students with diabetes, and 5) efficiency of corrections programs.

The motion by Senator Seum to

initiate these five study topics, seconded by Representative Palumbo, was approved by roll call vote.

The meeting was adjourned at 11:35 am.

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes
January 8, 2009

The 1st meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Thursday, January 8, 2009, upon adjournment of the House and Senate chambers, in Room 129 of the Capitol Annex. Representative Rick Rand, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Rick Rand, Co-Chair; Senator David E. Boswell and David Givens; Representatives Royce W. Adams, James R. Comer Jr., Charlie Hoffman, and Tom McKee.

Guests: Roger Thomas, Joel Neaveill, and Angela Blank, Governor's Office of Agricultural Policy; Michael Plumley and Dana Mayton, Office of the Attorney General.

LRC Staff: Lowell Atchley and Kelly Blevins.

Co-chair Rand opened the meeting by noting that when a quorum was reached the committee would take action on the minutes of the December meeting. He then welcomed Mr. Roger Thomas, Executive Director, and Mr. Joel Neaveill, Chief of Staff, Governor's Office of Agricultural Policy (GOAP) to the table, to report on the projects considered for funding during the December Agricultural Development Board (ADB) meeting.

Mr. Neaveill reported to the committee that the ADB had approved four model programs totaled \$110,000. He stated that three projects at their December meeting totaling \$150,050 in county funds from Boyle, Franklin, and Russell counties.

Mr. Thomas noted that the 2009 Kentucky Agricultural Development Board and Kentucky Agricultural Finance Corporation Annual Meeting will be held on January 15, in Lexington and invited members to attend. He also noted that many constituents of the committee members may be receiving awards at the luncheon and members will be made aware of who those recipients are. Mr. Thomas also noted that the June 30, 2008 Annual Report had been delivered to

the members' offices.

Mr. Thomas followed the report by explaining an insert in the members' packets of proposed changes to the model/menu programs. He noted that no changes will be made until the March meeting of the ADB in order to provide ample time for review and suggestions to be made from policy makers, extension agents, and county councils. They anticipate some policy changes from this document, he said. He said the intent of every change is to allow for more farmers around the state to be able to participate in the county model programs. Mr. Thomas explained that the proposal suggests that model programs will basically be shifting to a menu approach. Instead of offering ten or twelve model programs, all of those would be in a menu program and every item will be available to producers in that county. Another suggestion is that a maximum lifetime limits for model programs would be repealed, the \$15,000 maximum that producers can receive out of model program. He noted that eight years into the program, producers are near that limit and are proposing an annual limit of \$7,500 for county model programs for producers, enabling more farmers to participate and offering all model programs, or investment areas. He said that most feedback has been positive, and these changes will create a fairer system and enable more people to take advantage of the county programs.

Senator Givens asked Mr. Neaveill to reiterate the methods used to inform participants about the proposed changes and how they will insure that they are made aware of the changes.

Mr. Neaveill responded that the information was immediately provided to the extension agents by Dean Scott Smith of the University of Kentucky College of Agriculture. Information was also mailed to the county council chairmen, the information was posted on GOAP's Website, and project analysts sent direct emails to the extension services. He noted that time has been set aside at the Annual Meeting on January 15 to discuss suggestions and concerns. Mr. Neaveill said they have made effort to give plenty of time for these proposed changes to be reviewed, to receive feedback, and not rush any part of the process.

Mr. Thomas noted that he wanted to reiterate to the committee that these proposals were not rushed. He

said it has been evident for some time that changes needed to be made and after discussions at their planning meeting in November the ADB decided to create a five-member committee to review. This committee of the ADB spent a day and half in Frankfort with GOAP staff to discuss and prepare these proposed changes. Mr. Thomas also noted that their intent is to improve accountability following the audit done in 2008. He said they believe these changes will improve that accountability.

Senator Givens shared his experience with the county councils and the program from the early years. He said a concern that continues to come up is feedback from the farmers; he asked if GOAP has received much input from constituents. He noted he feels that what is lacking is responsibility on the farmers' part.

Mr. Neaveill said they are in the process of collecting that feedback from e-mails and they will have a review council at some point in the near future. He noted that in terms of farmer feedback it has been generally positive and from county council members also positive, he said that it is too early in the game at this point to say.

Mr. Thomas followed up by stating changes from one year to the next are usually implemented in January of the following year, but their hope that having given this process ample time to be reviewed, these changes can be implemented beginning in March.

Senator Givens asked what the proper channel is for farmers to share their agreement or disagreement with the proposal.

Mr. Thomas and Mr. Neaveill responded that the farmers should contact GOAP directly.

Representative McKee said that making model programs eligible to all producers that eliminates a first come, first serve arrangement that in some counties had caused problems. He asked about how model programs can be run on a yearly basis.

Mr. Thomas replied that there is also a proposal for a statewide scoring system and that there have been programs with a life of eighteen months; they are proposing that all programs changed to be contained in a twelve month period.

Representative McKee asked what is being done to prevent a farmer, then a spouse from applying separately and the same family or entity receives multiple funding.

Mr. Thomas noted that there have been a few instances of that happening and said they are proposing that it be tracked by a Social Security number and farm serial number. Once either is used, that is all that can be utilized for that one year.

Senator Givens mentioned the evaluation of programs and said the process should always be evolving. He noted that he applauds the changes contemplated and asked about the percentage of funding for county administration. Mr. Thomas said that the 5% allowed for administration does not change.

All documents are on file with the LRC Library

Co-chair Rand noted a quorum was present and asked for a motion on the minutes from the December meeting. Representative McKee made the motion for approval, second by Representative Adams. The minutes were approved by voice vote.

Next, Co-chair Rand welcomed Mr. Michael Plumley, Assistant Attorney General, to the committee. Mr. Plumley reported to the committee that the Office of the Attorney General (OAG) is currently pursuing \$50 million in past non-participating manufacturer (NPM) adjustments to Kentucky payments and payments from companies that have filed for bankruptcy protection. He noted that the OAG had also defended the Master Settlement Agreement (MSA) and the escrow statutes against numerous antitrust and constitutional challenges, thus far successfully. Mr. Plumley noted that since the MSA was signed in 1998, Kentucky has received over \$1 billion in total payments (\$114 million in 2008). He said that it is very difficult to predict actual payment amounts for 2009 due to sales, withholding and other possible defaults, but Kentucky should receive about \$115 million in April 2009 with a potential for \$120 million.

Representative McKee asked about violations, when companies are removed from the list of certified manufacturers, but are able to remain in the trade channel.

Mr. Plumley responded that there is no limit in current law although there is a cut-off on cigarette stamping done by the wholesalers. He noted they have had situations where companies have had a large inventory and have stamped a large amount before the deadline. They are required to give a 30-day notice and the companies are able to continue

producing and stamping is done during that time.

A copy of Mr. Plumley's remarks are on file with the LRC Library.

There being no further business the meeting was adjourned at approximately 4:30 pm.

Agriculture, from page 2

farmers as well.”

Other changes made to the county model cost-share programs by the ADB include:

- Counties will group priorities into primary and secondary focus areas. The maximum investment for each farmer in a primary area will be \$7,500. Secondary investments cannot be less than half of what is invested in a primary area.
- Each county will be limited to one administrator to streamline the process. Currently, some counties have several administrators overseeing their cost-share program.
- All contracts will be limited to 12 months.
- There will be a universal, standard application to replace the need for counties to create their own application.
- The ADB will look favorably at regional projects in which counties make significant contributions to a shared project that impacts them.
- Makes it clear to county administrators that the state has the right to audit any county funds under the cost-share program.

GOAP Executive Director Roger Thomas assured the committee that counties will still have autonomy under the new policies, using Warren County as an example.

“It doesn't mean that every penny of county funds coming to Warren County has to come through the County Agricultural Investment Program,” said Thomas. “If they choose to, if there's something in that county that's not covered under the investment program, we'd like to see them take the initiative and submit a non-model application for that project.”

Policy changes are being sent to county agricultural development councils along with county program administrators and cooperative extension services. To learn more, contact the GOAP at 502-564-4627 or by e-mail at govkyagpolicy@ky.gov.

LRC Publications

Informational Bulletins

229 General Assembly Action 2009 Regular Session

228 Final Reports of the Interim Joint, Special, and Statutory Committees 2008

227 Issues Confronting the 2009 General Assembly An update of Informational Bulletin No. 224 (2008)

226 General Assembly Action, Regular Session 2008

225 Final Reports of the Interim Joint, Special and Statutory Committees (2007)

224 Issues Confronting the 2008 General Assembly

223 General Assembly Action, Regular Session 2007

222 Final Reports of the Interim Joint, Special, and Statutory Committees (2006)

221 Issues Confronting the 2007 General Assembly

220 General Assembly Action, Regular Session 2006

219 Final Reports of the Interim Joint Special and Statutory Committees (2005)

218 Issues Confronting the 2006 General Assembly

217 General Assembly Action, Regular Session 2005

216 Final Reports of the Interim Joint, Special and Statutory Committees (2004)

215 Issues Confronting the 2005 General Assembly, An Update of Information Bulletin No. 212

214 General Assembly Action, Regular Session 2004

Session wrap-up, from page 1

windstorms and winter weather. The districts could also add 30 minutes to each school day to make up for lost time and prepare for CATS tests.

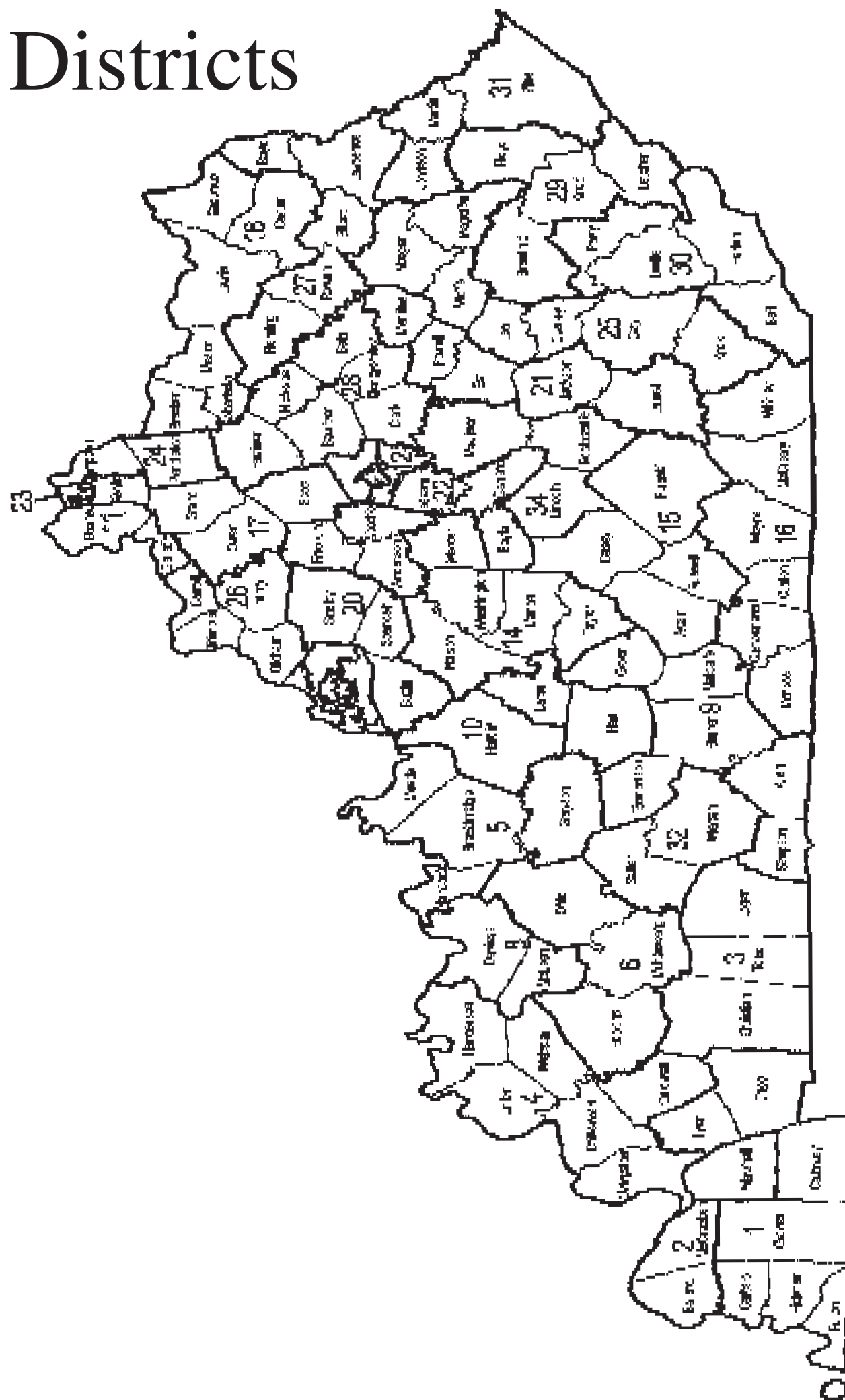
Gasoline tax. HB 374 sets the current gas tax of 22.5 cents per gallon as the new base, rather than allowing it to fall with gas prices on April 1.

School athletes. HB 383 requires all high school coaches to become certified in student safety. Beginning next school year, one certified coach must be present at every practice and game.

Payday lending. HB 444 sets up a database to enforce the state's two loan/\$500 maximum on payday loans. The bill also puts a 10-year moratorium on new payday lending stores.

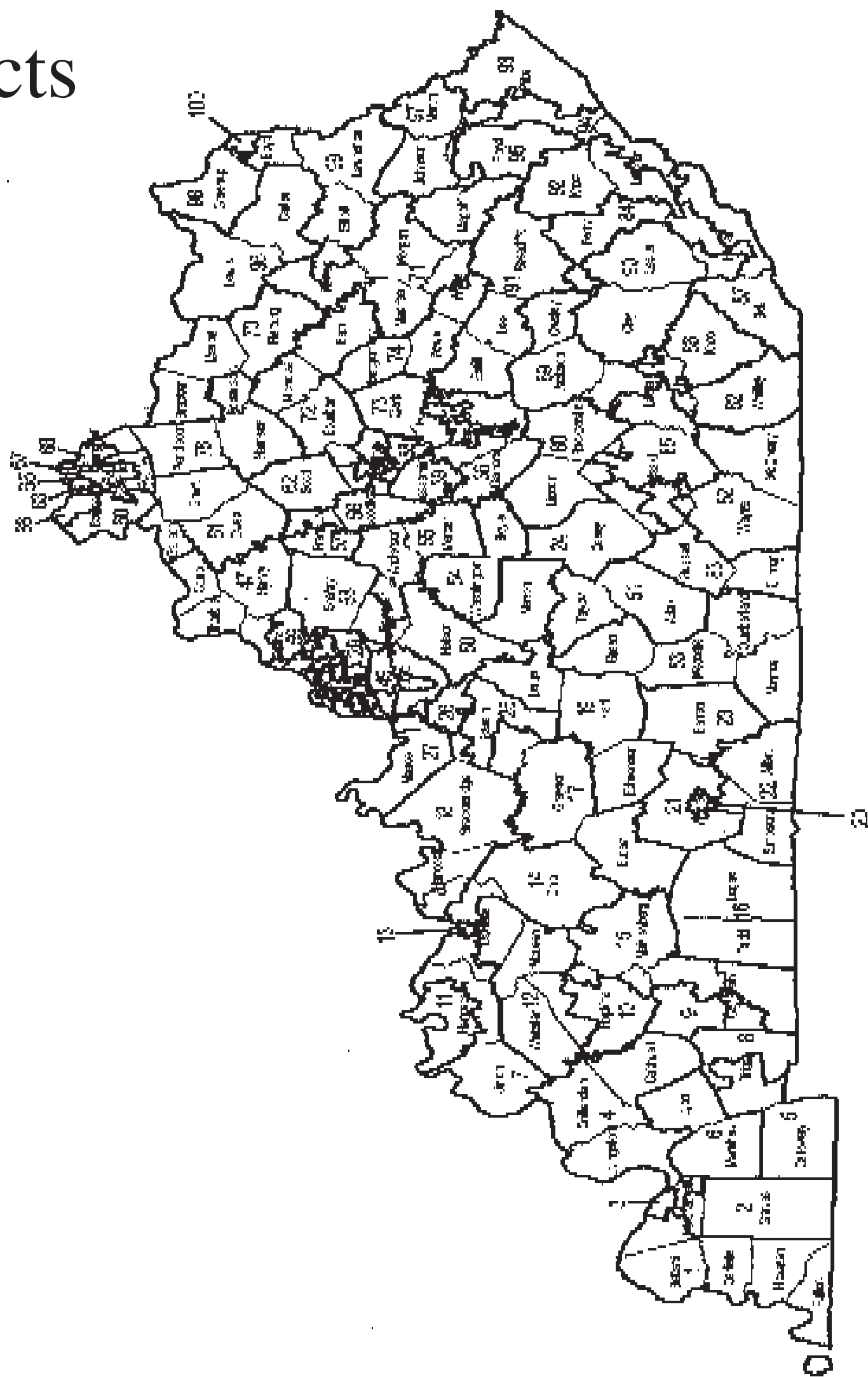
Student loans. HB 480 mandates that when money is tight, the state restricts access to new loans by the Best in Class program, which forgives loans for teachers who enter the fields of math, science, and special education. Current teachers whose loans need forgiveness would have priority in the program, which will also add nurses and public-service attorneys to the program.

Senate Districts



Senate Plan (SH001A09) became law (KRS 5.101 - 5.133) January 31, 2002, with enactment of House Bill 1.

House Districts



House Plan (HJR001A11) became law (KRS 5.201 - 5.300) January 31, 2002, with enactment of House Bill 1.



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