

2015 Interim

LEGISLATIVE

Volume 28, No. 4
July 2015

* Read online at www.lrc.ky.gov/legislation.htm

RECORD



Lawmakers discuss effects of new anti-heroin law

by Jim Hannah
LRC Public Information

A state legislative committee overseeing the implementation of the recently passed anti-heroin law heard testimony June 26 about provisions of the plan designed to get addicts treatment instead of time behind bars.

The purpose of the committee is to look at issues arising from the new law and explore solutions so legislation to address those areas can be introduced in the 2016 General Assembly, said state Rep. Denver Butler, D-Louisville, who chaired the June meeting.

"I know there are a lot of issues ... but we want to hear them," he said to the standing-room-only crowd gathered for a meeting of the SB 192 Implementation Oversight Committee. "We want to get the conversation started."

The devastation heroin is creating in both rural and urban areas of Kentucky became evident as public health advocates, prosecutors, public defenders and justice cabinet officials discussed the challenges of implementing needle exchange programs, honoring the good Samaritan immunity clause and distributing money for drug treatment.

Louisville public health officials' interpretation of the needle exchange clause raised concerns



Sen. Whitney Westerfield, R-Hopkinsville, fields questions during the June meeting on SB 192.

among some legislators on the committee. Health officials from Kentucky's largest city recently adopted a need-based needle distribution program where exchanging dirty needles is allowed but not required.

"An exchange, in the simplest sense of the

word, is what we were thinking we were going to see," said State Sen. Whitney Westerfield, R-Hopkinsville. "I feel like (the Louisville program) crosses the line to promoting or enabling more than a true exchange would."

Wayne Crabtree, administrator of clinical services for Louisville Metro Public Health and Wellness, said if the goal is to decrease the spread of disease through the use of dirty needles, public health workers need to be able to hand out free needles without being required to collect a used one. The reason, he said, was many addicts share one needle.

"I want to make it clear we strongly encourage the return of the syringes they take," Crabtree said. "It is part of our participants' ... responsibilities."

Westerfield said not requiring an exchange of needles undermines another intent of the law – the reduction of citizens and police from being poked by dirty needles that have been randomly discarded.

"The needle sticks and the danger to the rest of the public is another concern I don't want to ignore," he said.

State Sen. Christian McDaniel, R-Taylor Mill, voiced similar concerns.

"I would be remiss if I didn't say I have sub-

Continued on page 2

Lawmakers point to Virginia as a source of E. KY pollution

by Rebecca Hanchett
LRC Public Information

Talk of debris removal from Kentucky streams elicited some strong words on July 2 from state lawmakers who alleged that trash from Virginia is polluting some Kentucky waters.

Interim Joint Committee on Natural Resources and Environment Committee Co-Chair Sen. Jared Carpenter, R-Berea, told state Division of Water Director Peter Goodman that some private landowners shy away from cleaning out creeks and streams flowing through their land for fear of

violating environmental regulations. He said cleanup of waterways can be difficult from the banks—which is where the state recommends one-step non-permitted debris removal be conducted from—and that some landowners are concerned of being fined if they use removal equipment in the water.

Carpenter said education has helped show landowners "what they can and cannot do" under the one-step removal process overseen by the Division.

"People start hearing stuff from the EPA and water quality scare tactics and they're scared to death if they get in a stream and a drop of gasoline or drop of oil gets in a creek from ... trying to clean

the debris out, then they're going to get a \$50,000 fine from the Division of Water, or from some organization," said Carpenter.

Goodman said use of equipment in waterways is allowed but should be minimized, and some debris removal may require a permit, i.e. removal from bigger streams that may take on debris from nearby cities.

It wasn't long before discussion turned to the polluting of Kentucky's waterways by debris and even sewage from Virginia, the latter which was detected early this spring flowing from Vir-

Continued on page 2

Heroin, from page 1

stantial concerns about the distribution of needles without an exchange,” he said. “Whether we envisioned a one-for-one exchange or maybe a one-for-something exchange, we all envisioned an exchange. We voted for an exchange.”

Kenton County Commonwealth’s Attorney Rob Sanders was one of two felony prosecutors who asked the legislators to consider repealing the good Samaritan provision, a clause that allow people to seek medical help for overdose victims without fear of facing possession or paraphernalia charges.

“Anytime legislators create immunity of any sort, I can’t describe for you the amount of litigation that results,” Sanders said. “There are always going

Lawmakers look at growing popularity of e-cigs

by Jim Hannah
LRC Public Information

The rising popularity of electronic cigarettes sparked a debate among state legislators at a recent panel discussing the impact the nicotine-delivery devices are having on the health of Kentuckians.

“It is very obvious e-cigarette makers are trying to market to young people,” Rep. Larry Clark, D-Louisville, said at the July 10 meeting of the Interim Joint Committee on Licensing and Occupations. “This e-cigarette is just a pathway to get them hooked on nicotine and then they will smoke the rest of their life.”

Higher percentages of Kentucky’s sixth and eighth grade students are using e-cigarettes over traditional cigarettes, according to data presented to the committee from the 2014 Kentucky Incentives for Prevention (KIP) survey. Three percent of sixth graders, nine percent of eighth graders, 16 percent of 10th graders and 17 percent of 12th graders responded that they used e-cigs in the last 30 days, according to KIP.

That’s despite the passage of Senate Bill 109 during the 2014 General Assembly that banned the sale of e-cigarettes to minors. Food and Drug Administration State Tobacco Coordinator Matt Neal told state legislators that the FDA is exploring the possibility of regulating e-cigarettes but has not acted.

Rep. Clark said the number of children using e-cigarettes and the federal government’s inaction are reasons Kentucky lawmakers should further regulate e-cigarettes. Clark said he hopes to reintroduce legislation from last session that would regulate e-cigarettes as if they were traditional cigarettes.

Continued on page 3

to be people who hope to take advantage of that immunity situation.”

Kentucky Public Advocate Edward C. Monahan urged lawmakers to wait and analyze the number of people and cases where immunity is granted before changing the law.

“I would suggest let’s get the data from this to see if this is saving lives that otherwise would not be saved,” he said. “That is what we all want.”

Butler said a question he is repeatedly asked from residents across Kentucky is when the additional money for drug treatment would become available.

Justice and Public Safety Secretary J. Michael Brown testified that his cabinet is overseeing the distribution of up to \$10 million for the upcoming fiscal year for addiction treatment.

He said additional money for public defenders, prosecutors and jailers to spend on innovative outreach programs each group has developed for

Pollution, from page 1

ginia into the Levisa Fork of the Big Sandy River. Rep. Jim Stewart, R-Flat Lick, asked Goodman if Virginia was fined for the pollution event, and Goodman said no, adding that Kentucky did not take action against Virginia, but did implement a swimming advisory for the Levisa Fork above Fishtrap lake. The advisory has since been lifted.

Stewart, saying coal companies are fined when coal silt ponds break, said “I just assume we should levy a fine on them; they dumped that raw sewage on us—that’d be my take on it.”

Goodman told lawmakers recent tests show the water quality at Fishtrap Lake is “really, really good, setting aside the trash problem.”

locals call the reservoir “Trash Trap” because of all the trash that Jones said comes into the lake from Virginia.

“Virginia is a significant problem in my opinion because the trash in my opinion is coming from Virginia...,” said Jones. “They don’t really care what they do over there because their problem ends up Kentucky, and it’s something that needs to be addressed by the Executive Branch (of Kentucky) in dealing with the Commonwealth of Virginia.”

Goodman said he wasn’t aware of the trash issue on Fishtrap and that he will talk to officials in Virginia and the Army Corps of Engineers about what can be done. He said he would be in touch with Jones’ office, the Corps, and the state of Virginia about possible strategies to address concerns mentioned. Carpenter asked that he also be contacted, calling the matter involving Fishtrap and Virginia

Senate Minority Leader Ray Jones, D-Pikeville, then mentioned large amounts of trash in Pike County’s Fishtrap Lake, a 1,130-acre man-made lake in the county.

Jones said the

addicts they routinely encounter would begin being made available in July. Brown said other drug treatment programs would have to go through a lengthier grant process before being awarded any money.

The law also called for the state corrections department to purchase Vivitrol, a non-narcotic drug that blocks the effects of heroin. Brown said he has spoke with the drug maker and is working on training and education program before purchasing and distributing the drug.

Brown said he does not anticipate the establishment of a neonatal abstinence program, as the law also requires, for another fiscal year.

He said it takes time to coordinate such a program with the medical establishment and train personnel in the highly specialized skills required for such an undertaking.

Butler said he hopes to form “working groups” to explore possible solutions to the issues brought up in the meeting.



Rep. Chris Harris, D-Forest Hills, asks a question during the July 2 Interim Joint Committee on Natural Resources and Environment.

“an important issue.”

Goodman told lawmakers that recent tests show the water quality at Fishtrap Lake is “really, really good, setting aside the trash problem.”

The committee also received testimony from Madison County Judge Executive Reagan Taylor on storm damage and cleanup in that county, and was scheduled to hear from the Kentucky Department of Fish and Wildlife Resources on the state’s wetland and stream mitigation Fee in-Lieu of (FILO) Program.

Apprentice programs working for KY, lawmakers told

by Rebecca Hanchett
LRC Public Information

LOUISVILLE—Spending \$100 a year toward career training with a guaranteed job after four years is a pipe dream for most people.

For apprentices in carpentry, millwright work, floor covering and other trades in Kentucky and the region, however, it's a reality. And apprentice programs like those administered by the Indiana/Kentucky/Ohio Regional Council of Carpenters Training Center are making it happen.

Students at the 100,000 square foot training facility off Durrett Lane in Louisville spend four years learning their trade on the job and in the classroom at a personal cost of only around \$100 a year for text books. When they graduate, they have an associate's degree in Applied Science from Ivy Tech State College, an education worth approximately \$17,000, and a job as a journeyman—a step up from apprentice in the construction trades.

Kentucky Labor Cabinet Department of Workplace Standards Deputy Commissioner Mike Donta told the Interim Joint Committee on Labor and Industry on July 16 at the center that there are 2,661 active registered apprentices in Kentucky working through 142 programs and thousands of employers—some non-union, some union—who will make an average wage of \$23.73 when their apprenticeship is complete. Forty percent of those apprentices are working in construction fields, he said.

Hundreds of apprentices from the facility on Durrett Lane are working on projects across the state, from the Ohio River Bridges Project in Louisville and Indiana to construction at the University of Kentucky, said Regional Council of Carpenters Representative Tim Wireman. But not everyone in Kentucky is waiting until after high school to start in their chosen career.

A two-year-old state pre-apprenticeship program called TRACK, or Tech Ready Apprentices for Careers in Kentucky, through the state Labor Cabinet is giving hundreds of Kentucky high school students a clear path to a new career before graduation.

As with the apprenticeship program at the



Rep. Jeffery Donohue, D-Fairdale, left, and Sen. Perry Clark, D-Louisville, listen to Indiana-Kentucky-Ohio Regional Council of Carpenters' training instructor Hope Harp during a tour of the Council's Louisville facility on July 16.

Regional Council of Carpenters and programs elsewhere, the TRACK program is a great deal for students with a big payoff in the end. There are no costs for TRACK students—"except wages for the student employee," according to Kentucky's Career and Technical Education (CTE) web site—with successful completion of the program earning a student both industry certification and credit toward an apprenticeship for on-the-job hours worked.

CTE Specialist Mary Taylor, who created the program, told the Kentucky Department of Education last year that TRACK had a 100-percent rate of success in its first year of operation. All TRACK students in that inaugural year entered full-time apprenticeships with their TRACK industry partner.

"Employers are looking for employees with good people skills in addition to their workplace abilities and these students have shown they possess both," Taylor said about the program's success.

TRACK is somewhat of a national model, according to Donta. He said the program has been recognized by Education Week magazine and is in demand in presentations at national conferences.

"As we have gained momentum, we have gained nationwide publicity," he told lawmakers.

Sen. Perry Clark, D-Louisville, asked about the ages of apprentices and was told by Donta there is no age limit, although 16 is the minimum age. Potential workers are sought by outreach programs at career centers across Kentucky, Donta said.

Rep. Joni Jenkins, D-Shively, said that maybe apprenticeship programs should branch out. She said Medicaid has had a difficult time getting trained workers for its disability program. "It seems to me that would be a great fit for your all," she told Donta, who agreed it should be considered.

Back at the center on Durrett Lane, Wireman said apprentices are helping to plug a "shortage of qualified trades people" in Kentucky and across North America.

"Here at this center, we have around 500 indentured apprenticeships ("indentured" meaning the apprentice is part of a binding agreement, usually four years), and all of them are working at this time," said Wireman. They also have the opportunity with an associate's degree to further their education at college or university, should they desire, he said.

"So they could go on and pursue a bachelor's degree or master's degree—they have that foundation to work from."

E-cigs, from page 2

Hoppy Henton, of The Council of Burley Tobacco, testified that e-cigarette regulations have proven controversial in other parts of the country. He said e-cigarette advocates claim the devices provide a safer alternative to traditional cigarettes for people who already smoke.

Sen. Paul Hornback, R-Shelbyville, cautioned fellow lawmakers from passing a tax on e-cigarettes just to increase revenue. He said the General Assembly should act cautiously in regulating a device some claim is a healthier alternative to traditional cigarettes.

Orlando Chambers, of the Tobacco Research and Development Center at the University of Kentucky, said the growing popularity isn't likely to have a positive economic impact to Kentucky burley growers. He said most of the liquid nicotine in e-cigarettes comes from China and India. He said a 55-gallon barrel of it could be purchased on the Internet for \$8,500, adding the value for the liquid nicotine in one disposable e-cigarette is about 0.9 cents.

"Based on our estimates on the amount of nicotine that can be produced in an acre, you can make

three and a half million one-milliliter e-cigarettes cartridges with an acre of tobacco," Chambers said. "In terms of opportunity for growers, I think it is very limited."

He added that growers are also being paid less for tobacco going toward the manufacture of e-cigarettes than traditional cigarettes.

Steve Kelly, deputy commissioner of Department of Agriculture, said it is clear the demand for Kentucky burley tobacco is going to continue to decrease because of many developments, not the least of which is the e-cigarettes.

2015

Kentucky

GENERAL ASSEMBLY

Senate

<p>Julie Raque Adams (36) 213 S Lyndon Ln Louisville, KY 40222 (LRC) 502-564-8100 (Home) 502-744-9264</p> <p>Ralph Alvarado (28) 3250 McClure Rd Winchester, KY 40391 (LRC) 502-564-8100 (Home) 859-556-0620</p> <p>Joe Bowen (8) 2031 Fieldcrest Dr Owensboro, KY 42301 (LRC) 502-564-8100 (Home) 270-685-1859</p> <p>Tom Buford (22) 409 W Maple St Nicholasville, KY 40356 (LRC) 502-564-8100 (LRC FAX) 502-564-2466 (Home) 859-885-0606 (Home FAX) 859-885-0606</p> <p>Jared Carpenter (34) PO Box 100 Berea, KY 40403 (LRC) 502-564-8100</p> <p>Danny Carroll (2) 220 Cimarron Way Paducah, KY 42001 (LRC) 502-564-8100 (Home) 270-703-8025</p> <p>Julian M. Carroll (7) 702 Capitol Ave Annex Room 254 Frankfort, KY 40601 (LRC) 502-564-8100</p> <p>Perry B. Clark (37) 5716 New Cut Rd Louisville, KY 40214 (LRC) 502-564-8100 (Home) 502-366-1247</p> <p>C.B. Embry Jr. (6) PO Box 1215 Morgantown, KY 42261 (LRC) 502-564-8100 (Home) 270-791-1879 (Work) 270-526-6237</p> <p>Carroll Gibson (5) PO Box 506 Leitchfield, KY 42755 (LRC) 502-564-8100 (Home) 270-230-5866</p> <p>Chris Girdler (15) 702 Capitol Ave Annex Room 209 Frankfort, KY 40601 (LRC) 502-564-8100</p>	<p>David P. Givens (9) PO Box 12 Greensburg, KY 42743 (LRC) 502-564-8100</p> <p>Denise Harper Angel (35) 2521 Ransdell Ave Louisville, KY 40204 (LRC) 502-564-8100 (Home) 502-452-9130</p> <p>Ernie Harris (26) PO Box 1073 Crestwood, KY 40014 (LRC) 502-564-8100 (Home) 502-241-8307</p> <p>Jimmy Higdon (14) 344 N Spalding Lebanon, KY 40033 (LRC) 502-564-8100 (Home) 270-692-6945</p> <p>Paul Hornback (20) 6102 Cropper Rd Shelbyville, KY 40065 (LRC) 502-564-8100</p> <p>Stan Humphries (1) 763 Sinking Fork Rd Cadiz, KY 42211 (LRC) 502-564-8100 (Home) 270-522-0195</p> <p>Ray S. Jones II (31) PO Drawer 3850 Pikeville, KY 41502 (LRC) 502-564-8100 (Work) 606-432-5777 (Work FAX) 606-432-5154</p> <p>Alice Forgy Kerr (12) 3274 Gondola Dr Lexington, KY 40513- (LRC) 502-564-8100 (Home) 859-223-3274</p> <p>Christian McDaniel (23) PO Box 15231 Latonia, KY 41015 (LRC) 502-564-8100</p> <p>Morgan McGarvey (19) 2250 Winston Ave Louisville, KY 40205 (LRC) 502-564-8100 (Home) 502-589-2780</p> <p>Gerald A. Neal (33) 462 S 4th St Meidinger Twr, Ste. 1250 Louisville, KY 40202 (LRC) 502-564-8100 (Home) 502-776-1222 (Work) 502-584-8500 (Work FAX) 502-584-1119</p> <p>Dennis Parrett (10) 731 Thomas Rd Elizabethtown, KY 42701 (LRC) 502-564-8100 (Home) 270-765-4565</p> <p>Dorsey Ridley (4) 4030 Hidden Creek Dr Henderson, KY 42420 (LRC) 502-564-8100 (Home) 270-826-5402 (Work) 270-869-0505 (Work FAX) 270-869-0340</p>	<p>Albert Robinson (21) 1249 S Main St London, KY 40741 (LRC) 502-564-8100 (Home) 606-878-6877</p> <p>John Schickel (11) 2147 Natches Trace Union, KY 41091 (LRC) 502-564-8100</p> <p>Wil Schroder (24) 25 Observatory Pointe Dr Wilders, KY 41076 (LRC) 502-564-8100</p> <p>Dan "Malano" Seum (38) 1107 Holly Ave Fairdale, KY 40118 (LRC) 502-564-8100 (Home) 502-749-2859</p> <p>Brandon Smith (30) 124 Craig Street Hazard, KY 41702 (LRC) 502-564-8100 (Home) 606-436-4526 (Home FAX) 606-436-4526</p> <p>Robert Stivers II (25) 207 Main St Manchester, KY 40962 (LRC) 502-564-8100 (Home) 606-598-8575 (Work) 606-598-2322 (Work FAX) 606-598-2357</p> <p>Damon Thayer (17) 105 Spyglass Dr Georgetown, KY 40324 (LRC) 502-564-8100</p> <p>Reginald Thomas (13) 702 Capitol Ave Annex Room 255 Frankfort, KY 40601 (LRC) 502-564-8100 (LRC FAX) 502-564-0777</p> <p>Johnny Ray Turner (29) 849 Crestwood Dr Prestonsburg, KY 41653 (LRC) 502-564-8100 (Home) 606-889-6568</p> <p>Robin L. Webb (18) 404 W Main St Grayson, KY 41143 (LRC) 502-564-8100 (Home) 606-474-5380</p> <p>Steve West (27) 202 Vimont Ln Paris, KY 40361 (LRC) 502-564-8100</p> <p>Whitney Westerfield (3) 700 South Main St PO Box 1107 Hopkinsville, KY 42241- (LRC) 502-564-8100 (Work) 270-885-7671</p> <p>Mike Wilson (32) 631 Washington Ave Bowling Green, KY 42103 (LRC) 502-564-8100</p> <p>Max Wise (16) 130 High Point Crossing Campbellsville, KY 42718 (LRC) 502-564-8100</p>
---	---	--

House

Rocky Adkins (99)	PO Box 688 Sandy Hook, KY 41171 (LRC) 502-564-8100 (Home) 606-738-4242 (Work) 606-928-0407 (Work FAX) 606-929-5913
Lynn Bechler (4)	2359 Brown Mines Rd Marion, KY 42064 (LRC) 502-564-8100 (Home) 270-988-4171
Linda Belcher (49)	4804 Hickory Hollow Ln Shepherdsville, KY 40165 (LRC) 502-564-8100 (Home) 502-957-2793
Johnny Bell (23)	108 N Green St Glasgow, KY 42141 (LRC) 502-564-8100 (Home) 270-590-0110 (Work) 270-651-7005
Robert Benvenuti III (88)	2384 Abbeywood Rd Lexington, KY 40515 (LRC) 502-564-8100 (Home) 859-421-1464
Kevin D. Bratcher (29)	10215 Landwood Dr Louisville, KY 40291 (LRC) 502-564-8100 (Home) 502-231-3311
George Brown Jr. (77)	424 E Fourth St Lexington, KY 40508- (LRC) 502-564-8100 (Home) 859-312-7513
Regina Bunch (82)	179 Mountain St Williamsburg, KY 40769- (LRC) 502-564-8100 (Home) 606-549-3439
Tom Burch (30)	4012 Lambert Ave Louisville, KY 40218 (LRC) 502-564-8100 (Home) 502-454-4002
Denver Butler (38)	PO Box 9041 Louisville, KY 40209 (LRC) 502-564-8100 (Work) 502-817-3044
John Carney (51)	1079 Woodhill Rd. Campbellsville, KY 42718 (LRC) 502-564-8100 (Home) 270-403-7980
Larry Clark (46)	5913 Whispering Hills Blvd. Louisville, KY 40219 (LRC) 502-564-8100 (Home) 502-968-3546
Hubert Collins (97)	72 Collins Dr Wittensville, KY 41274 (LRC) 502-564-8100 (Home) 606-297-3152
Leslie Combs (94)	245 E Cedar Dr Pikeville, KY 41501 (LRC) 502-564-8100 (Home) 606-444-6672
Tim Couch (90)	PO Box 710 Hyden, KY 41749 (LRC) 502-564-8100 (Home) 606-672-8998 (Home FAX) 606-672-8998
Will Coursey (6)	285 Oak Level Elva Rd Symsonia, KY 42082 (LRC) 502-564-8100 (Home) 270-851-4433 (Work) 270-252-1278

Ron Crimm (33)	PO Box 43244 Louisville, KY 40253 (LRC) 502-564-8100 (Home) 502-245-8905 (Work) 502-400-3838
Jim DeCesare (17)	PO Box 122 Rockfield, KY 42274 (LRC) 502-564-8100 (Home) 270-792-5779 (Work) 270-792-5779
Mike Denham (70)	306 Old Hill City Rd Maysville, KY 41056 (LRC) 502-564-8100 (Home) 606-759-5167
Bob M. DeWeese (48)	6206 Glenhill Rd Louisville, KY 40222 (LRC) 502-564-8100 (Home) 502-426-5565
Jeffery Donohue (37)	PO Box 509 Fairdale, KY 40118 (LRC) 502-564-8100 (Work) 502-439-6175
Myron Dossett (9)	491 E Nashville St Pembroke, KY 42266 (LRC) 502-564-8100 (Home) 270-475-9503
Jim DuPlessis (25)	102 Utah Ct Elizabethtown, KY 42701 (LRC) 502-564-8100
Joseph M. Fischer (68)	126 Dixie Place Ft Thomas, KY 41075 (LRC) 502-564-8100 (Home) 859-781-6965 (Work) 513-794-6442
Kelly Flood (75)	121 Arcadia Park Lexington, KY 40503 (LRC) 502-564-8100 (Home) 859-221-3107
David Floyd (50)	102 Maywood Ave Bardstown, KY 40004 (LRC) 502-564-8100 (Home) 502-350-0986
Jim Glenn (13)	PO Box 21562 Owensboro, KY 42304 (LRC) 502-564-8100 (Home) 270-686-8760
Jim Gooch Jr. (12)	714 N Broadway B2 Providence, KY 42450 (LRC) 502-564-8100 (Home) 270-667-7327 (Work FAX) 270-667-5111
Derrick Graham (57)	702 Capitol Ave Annex Room 367A Frankfort, KY 40601 (LRC) 502-564-8100 (Home) 502-223-1769
Jeff Greer (27)	PO Box 1007 Brandenburg, KY 40108 (LRC) 502-564-8100 (Home) 270-422-5100 (Home FAX) 270-422-5100
David Hale (74)	1 Hales Ln Wellington, KY 40387 (LRC) 502-564-8100 (Home) 606-768-3474
Mike Harmon (54)	633 N 3rd St Danville, KY 40422 (LRC) 502-564-8100 (Home) 859-238-7792
Chris Harris (93)	719 Forest Hills Rd Forest Hills, KY 41527-

	(LRC) 502-564-8100 (Home) 606-237-0055
Richard Heath (2)	438 Millers Chapel Rd Mayfield, KY 42066 (LRC) 502-564-8100 (Home) 270-705-7539 (Work) 270-247-2210 (Work FAX) 270-247-2304
Jeff Hoover (83)	PO Box 985 Jamestown, KY 42629 (LRC) 502-564-8100 (Home) 270-343-2264 (Work) 270-343-5588
Dennis Horlander (40)	1806 Farnsley Rd, Ste 6 Shively, KY 40216 (LRC) 502-564-8100 (Home) 502-447-2498 (Work) 502-447-9000
Cluster Howard (91)	151 Pinehill Dr Jackson, KY 41339 (LRC) 502-564-8100
Kenny Imes (5)	4064 US 641 N Murray, KY 42071 (LRC) 502-564-8100
Joni L. Jenkins (44)	2010 O'Brien Ct Shively, KY 40216 (LRC) 502-564-8100 (Home) 502-447-4324
James Kay (56)	PO Box 1536 Versailles, KY 40383 (LRC) 502-564-8100
Dennis Keene (67)	1040 Johns Hill Rd Wilders, KY 41076 (LRC) 502-564-8100 (Home) 859-441-5894
Thomas Kerr (64)	5415 Old Taylor Mill Rd Taylor Mill, KY 41015 (LRC) 502-564-8100 (Home) 859-356-1344 (Work) 859-431-2222 (Work FAX) 859-431-3463
Kim King (55)	250 Bright Leaf Dr Harrodsburg, KY 40330 (LRC) 502-564-8100 (Home) 859-734-2173
Martha Jane King (16)	Lake Malone 633 Little Cliff Estates Lewisburg, KY 42256 (LRC) 502-564-8100 (Home) 270-657-2707 (Home FAX) 270-657-2755
Adam Koenig (69)	No 12 170 Harrington Ct Erlanger, KY 41018 (LRC) 502-564-8100 (Home) 859-653-5312
Stan Lee (45)	PO Box 2090 Lexington, KY 40588 (LRC) 502-564-8100 (Home) 859-252-2202 (Home FAX) 859-259-2927
Brian Linder (61)	16 Ridgeview Cir Dry Ridge, KY 41035 (LRC) 502-564-8100
Mary Lou Marzian (34)	2007 Tyler Ln Louisville, KY 40205 (LRC) 502-564-8100 (Home) 502-451-5032
Donna Mayfield (73)	2059 Elkin Station Rd Winchester, KY 40391 (LRC) 502-564-8100

Tom McKee (78)	(Home) 859-745-5941 1053 Cook Rd Cynthiana, KY 41031 (LRC) 502-564-8100 (LRC FAX) 502-564-0152 (Home) 859-234-5879				(LRC) 502-564-8100 (Work) 606-932-2505
David Meade (80)	PO Box 121 Stanford, KY 40484 (LRC) 502-564-8100		Ryan Quarles (62)	PO Box 1001 Georgetown, KY 40324 (LRC) 502-564-8100	
Reginald Meeks (42)	PO Box 757 Louisville, KY 40201 (LRC) 502-564-8100 (Work) 502-741-7464		Marie Rader (89)	PO Box 323 McKee, KY 40447 (LRC) 502-564-8100 (Home) 606-287-7303 (Work) 606-287-3300 (Work FAX) 606-287-3300	
Michael Meredith (19)	PO Box 292 Brownsville, KY 42210 (LRC) 502-564-8100 (Work) 270-597-6049		Rick Rand (47)	PO Box 273 Bedford, KY 40006 (LRC) 502-564-8100 (Home) 502-255-3392 (Work) 502-255-3286 (Work FAX) 502-255-9911	
Russ A. Meyer (39)	106 Lone Oak Dr Nicholasville, KY 40356 (LRC) 502-564-8100		Jody Richards (20)	817 Culpeper St Bowling Green, KY 42103 (LRC) 502-564-8100 (Home) 270-842-6731	
Suzanne Miles (7)	PO Box 21592 Owensboro, KY 42304 (LRC) 502-564-8100		Steve Riggs (31)	PO Box 24586 Louisville, KY 40224- (LRC) 502-564-8100 (LRC FAX) 502-564-6543	
Charles Miller (28)	3608 Gateview Cir Louisville, KY 40272 (LRC) 502-564-8100 (Home) 502-937-7788		Tom Riner (41)	1143 E Broadway Louisville, KY 40204 (LRC) 502-564-8100 (Home) 502-584-3639	
Jerry T. Miller (36)	P.O. Box 36 Eastwood, KY 40018 (LRC) 502-564-8100		Bart Rowland (21)	PO Box 336 Tompkinsville, KY 42167 (LRC) 502-564-8100	
Terry Mills (24)	690 McElroy Pk Lebanon, KY 40033 (LRC) 502-564-8100 (Home) 270-692-2757		Steven Rudy (1)	350 Peppers Mill Dr Paducah, KY 42001 (LRC) 502-564-8100 (Home) 270-744-8137	
Phil Moffett (32)	812 Brookhill Rd Louisville, KY 40223 (LRC) 502-564-8100		Sal Santoro (60)	596 Walterlot Ct Florence, KY 41042 (LRC) 502-564-8100 (Home) 859-371-8840 (Home FAX) 859-371-4060	
Brad Montell (58)	543 Main St Shelbyville, KY 40065 (LRC) 502-564-8100 (Home) 502-633-7533 (Work) 502-633-7017		Dean Schamore (10)	120 Ball Park Rd Hardinsburg, KY 40143 (LRC) 502-564-8100	
Tim Moore (18)	417 Bates Rd Elizabethtown, KY 42701 (LRC) 502-564-8100 (Home) 270-769-5878		Jonathan Shell (71)	PO Box 138 Lancaster, KY 40444 (LRC) 502-564-8100	
Rick G. Nelson (87)	117 Gumwood Rd Middlesboro, KY 40965 (LRC) 502-564-8100 (Home) 606-248-8828 (Home FAX) 606-248-8828		John Short (92)	PO Box 1133 Hindman, KY 41822 (LRC) 502-564-8100 (Work) 606-785-9018	
David Osborne (59)	PO Box 8 Prospect, KY 40059 (LRC) 502-564-8100 (Home) 502-228-3201 (Work) 502-645-2186		Arnold Simpson (65)	112 W 11th St Covington, KY 41011 (LRC) 502-564-8100 (Home) 859-581-6521 (Home FAX) 859-261-6582 (Work) 859-261-6577	
Sannie Overly (72)	340 Main St Paris, KY 40361 (LRC) 502-564-8100 (Home) 859-987-9879		Kevin Sinnette (100)	PO Box 1358 Ashland, KY 41105- (LRC) 502-564-8100 (Home) 606-324-5711 (Home FAX) 606-329-1430	
Darryl T. Owens (43)	1018 S 4th St, Ste 100 Louisville, KY 40203 (LRC) 502-564-8100 (Home) 502-584-6341		Rita Smart (81)	419 W Main St Richmond, KY 40475 (LRC) 502-564-8100 (Home) 859-623-7876	
Ruth Ann Palumbo (76)	10 Deepwood Dr Lexington, KY 40505 (LRC) 502-564-8100 (Home) 859-299-2597		Diane St. Onge (63)	PO Box 17351 Lakeside Park, KY 41017 (LRC) 502-564-8100	
Tanya Pullin (98)	1026 Johnson Ln South Shore, KY 41175		Fitz Steele (84)	176 Woodland Ave Hazard, KY 41701	
					(LRC) 502-564-8100 (Home) 606-439-0556 (Home FAX) 606-439-0556
			Jim Stewart III (86)	545 KY 223 Flat Lick, KY 40935 (LRC) 502-564-8100 (Home) 606-542-5210	
			Wilson Stone (22)	1481 Jefferson School Rd Scottsville, KY 42164 (LRC) 502-564-8100 (Home) 270-622-5054	
			Greg Stumbo (95)	PO Box 1473, 108 Cassidy Dr Prestonsburg, KY 41653 (LRC) 502-564-8100 (Home) 606-886-9953	
			Tommy Thompson (14)	PO Box 458 Owensboro, KY 42302 (LRC) 502-564-8100 (Home) 270-926-9736 (Work) 270-926-1740 (Work FAX) 270-685-3242	
			John Tilley (8)	126 Moreland Dr Hopkinsville, KY 42240- (LRC) 502-564-8100 (Home) 270-881-4717	
			James Tipton (53)	8151 Little Mount Rd Taylorsville, KY 40071 (LRC) 502-564-8100	
			Tommy Turner (85)	175 Clifty Grove Church Somerset, KY 42501 (LRC) 502-564-8100 (Home) 606-274-5175	
			Ken Upchurch (52)	PO Box 969 Monticello, KY 42633 (LRC) 502-564-8100 (Home) 606-340-8490	
			David Watkins (11)	1280 Taransay Dr Henderson, KY 42420- (LRC) 502-564-8100 (Home) 270-826-0952 (Home FAX) 270-826-3338	
			Gerald Watkins (3)	702 Capitol Ave Annex Room 332C Frankfort, KY 40601 (LRC) 502-564-8100	
			Jim Wayne (35)	1280 Royal Ave Louisville, KY 40204 (LRC) 502-564-8100 (Work) 502-451-8262	
			Russell Webber (26)	PO Box 6605 Shepherdsville, KY 40165 (LRC) 502-564-8100 (Home) 502-543-8209	
			Susan Westrom (79)	PO Box 22778 Lexington, KY 40522- (LRC) 502-564-8100 (Work) 859-266-7581	
			Addia Wuchner (66)	PO Box 911 Burlington, KY 41005 (LRC) 502-564-8100 (Work) 859-525-6698	
			Brent Yonts (15)	232 Norman Cir Greenville, KY 42345 (LRC) 502-564-8100 (Home) 270-338-6790 (Work) 270-338-0816 (Work FAX) 270-338-1639	
			Jill York (96)	PO Box 591 Grayson, KY 41143 (LRC) 502-564-8100 (Work) 606-474-7263 (Work FAX) 606-474-7638	

Committee Meetings

Index

A
Appropriations and Revenue, 11, 12, 13, 15

E
Energy, 18

J
Judiciary, 7

L
Labor and Industry, 9
Legislative Research Commission, 7
Licensing and Occupations, 13
Local Government, 16

P
Program Review and Investigations Committee, 21

S
SB 192 Implementation Oversight Committee, 19

LEGISLATIVE RESEARCH COMMISSION

Subcommittee on 2016-2018 Budget Preparation and Submission Minutes of the 1st Meeting of the 2015 Interim

June 11, 2015

Call to Order and Roll Call

The first meeting of the Subcommittee on 2016-2018 Budget Preparation and Submission of the Legislative Research Commission was held on Thursday, June 11, 2015, at 2:00 PM, in Room 131 of the Capitol Annex. Representative Rick Rand, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel, Co-Chair; Representative Rick Rand, Co-Chair; Senators David P. Givens and Max Wise; Representatives Leslie Combs, Kelly Flood, Marie Rader, and Arnold Simpson.

Guests: Jane Driskell, State Budget Director, and John Hicks, Deputy State Budget Director.

LRC Staff: Gregory M. Rush, Jenny Anglin, and Spring Emerson.

Jane Driskell, State Budget Director, announced the appointment of Janice Tomes to the post of Deputy State Budget Director, replacing recently retired Kevin Cardwell. John Hicks, Deputy State Budget Director, provided an overview of the state budget process and proposed changes to the draft budget instructions.

In response to questions from Representative Flood, Chairman Rand, and Representative Simpson, Mr. Hicks said capital construction projects that have not met certain progress points by the end of the biennium would be required to seek reauthorization, but there would be no new appropriated value and it would not change the number of projects in a budget bill.

In response to a question from Chairman Rand, Mr. Hicks said reporting requirements for salaries and compensation are designed to allow the reporting of restricted funds and federal funds in combination with general fund monies, if applicable. The information required is amount of actual cost.

In response to a question from Senator McDaniel, Mr. Hicks said all agency requests would be submitted electronically when the agencies have that capability.

In response to a question from Chairman Rand, Mr. Hicks said his office would look into the possibility of making the software available for electronic submission in the future for agency budget requests as well as personnel data.

In response to questions from Senator Givens, Mr. Hicks said in the past the baseline has not included all funded positions, only filled positions. The requested change is to list funded positions in the base rather than in an additional budget request.

There being no further business before the subcommittee, the meeting was adjourned at 2:48 PM.

INTERIM JOINT COMMITTEE ON JUDICIARY

Minutes of the 1st Meeting of the 2015 Interim

June 15, 2015

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Judiciary was held on Monday, June 15, 2015, at 10:00 AM, at the Hyatt Regency Hotel in Lexington, Kentucky. Senator Whitney Westerfield, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Whitney Westerfield, Co-Chair; Representative John Tilley, Co-Chair; Senators Danny Carroll, Perry B. Clark, Carroll Gibson, Ray S. Jones II, Alice Forgy Kerr, John Schickel, Wil Schroder and Dan “Malano” Seum; Representatives Robert Benvenuti III, Joseph M. Fischer, Kelly Flood, Chris Harris, Joni L. Jenkins, Stan Lee, Mary Lou Marzian, Suzanne Miles, Darryl T. Owens, Ryan Quarles, Tom Riner, Ken Upchurch, Gerald Watkins, and Brent Yonts.

Guests: Public Advocate Ed Monahan, Judge Tommy Turner, Ashli Watts, Secretary J. Michael Brown, Judge A.C. McKay Chauvin, Judge David Tapp, and Department of Corrections Division of Probation and Parole Director Bob Rodriguez.

LRC Staff: Jon Grate, Matt Trebelhorn, Alice Lyon, Chandani Jones, Elishea Schweickart, Beth Taylor, and Lindsay Huffman.

The Kentucky Department of Public Advocacy

After a brief introduction, Ed Monahan with the Department of Public Advocacy (DPA) began talking about the tasks of the Department of Public Advocacy. He expressed pride in the public defenders across the state of Kentucky, saying they an average 472 clients each year with funding of only \$245 per case.

Mr. Monahan said that public defense has important public value; there have been over 14 exonerations in Kentucky of people who have been wrongly convicted. Public defenders also reduce the cost of pretrial detention and post-adjudication incarceration cost. Although these things are being done, Mr. Monahan said that public defenders have important needs that are not being met. The average salary for public defenders is \$58,000 which is not enough to attract or retain the people needed for this line of work.

Mr. Monahan said that although he was asking for financial help, he also wanted to share ideas to help generate safe ways to save money in the criminal justice system. This could be done through a 4-point plan:

1. **Responsibly reducing unnecessary costs in the criminal justice system** – This can be done by reducing the number of cases in the system by reclassifying low level misdemeanors to violations, reducing the waste of taxpayer money by not incarcerating low and moderate risk

inmates for longer than is necessary for public safety, and creating more defense-generated community-based alternative sentencing plans.

2. Provide resources to ensure that cases are timely, fully, and fairly resolved - Increasing the time local conflict lawyers spend on conflict cases as recommended by the 2011 *KBA Task Force on the Provision and Compensation of Conflict Counsel for Indigents*, reducing the average workload of full-time public defenders to ensure cases are addressed more promptly, realigning the 33 DPA trial offices to 57 to match the Commonwealth Attorney's offices to improve the efficiency of local justice communities, and reducing the costly delays due to high turnover of defenders by establishing defender attorney positions and compensation at sufficient levels.

3. Ensure ethical workloads that allow for the timely processing of cases - Create a statute that states legal representation of indigents accused of a crime is a necessary governmental expense.

4. Ensure full, professional independence - Convert DPA to a cabinet level office in the executive branch organizational structure.

Mr. Monahan also discussed the DPA's nationally recognized Alternative Sentencing Social Workers Program. This program focuses on cases with substance abuse, mental illness, or juveniles. It promotes evidence based policies and practices that advance public safety and save incarceration cost. There are currently 23 social workers who do an average of 70 individualized plans a year, but could do more if more funding could be acquired. This program is currently being studied by the University of Kentucky and it is showing substantial savings.

Mr. Monahan then presented ten ideas to reduce waste in Kentucky's criminal justice system and reduce costs for counties and the state:

- Reclassify minor misdemeanors to violations.

- Create "gross misdemeanor" classification for low level felonies.

- Promote employment and reduce recidivism by creating Class D felony expungement.

- Reduce days in the county jail by creating "clear and convincing" standard for the pretrial release decision.

- Presume parole for eligible low-risk offenders.

- Modify violent offender and PFO statutes.

- Provide alternative sentencing plans for flagrant non-support instead of imprisonment for felony.

- Create alternatives to incarceration.

- Increase the felony theft limit from \$500 to \$2,000.

- Reduce waste by limiting capital prosecutions.

Representative Brent Yonts testified about several of the bills he filed in the 2015 session. Although these bills were not heard during the session, Representative Yonts expressed his gratitude and hope with the attention the bills had received. The bills included:

HB 305 - Reduce low level misdemeanors to violations with pre-payable fines, saving jail, prosecution, and defense expenses.

HB 286 - Permit local jailers to grant limited service credits against an inmate's sentence for good behavior and educational achievement, saving jail costs and encouraging good behavior, and also

mandate alternative sentencing for flagrant non-support instead of imprisonment, saving prison costs and better enabling delinquent parents to work to support their children.

HB 285 - Require parole after a fixed period for nonviolent offenders serving a Class D sentence and release for misdemeanants who have good behavior, saving county and state incarceration costs.

HB 284 - Adoption of a "clear and convincing" standard for pretrial release decisions and findings specific to the defendant, guaranteeing that defendants who are low-risk and entitled to release are not needlessly held in jail at county expense.

HB 304 - Modify the persistent felony offender statute, saving prison costs by reserving the highest sentences for violent offenders and career criminals.

Judge Tommy Turner, LaRue County Judge Executive, testified in support of Representative Yonts Bills. Judge Turner spoke about public safety, stating that Kentucky's crime rate and violent crime rate are lower than that of the national average. Though rates are good, county jail cost in nearly every Kentucky County is the most significant drain on tax dollars. Because of this, any measure taken that would save the counties money should be considered, and this is why he and others support Representative Yonts' proposed house bills.

Secretary J. Michael Brown, of the Justice and Public Safety Cabinet, also testified in support of Representative Yonts' recommendations. Secretary Brown stated that the parole recommendations would be helpful considering the parole board has a very large case load. Secretary Brown also touched on the fact that House Bill 463 did not address the Penal Code, but the recommendations made by Representative Yonts' would address some of the issues.

Ashli Watts, Director of Public Affairs for the Kentucky Chamber of Commerce, also spoke in favor of the bills. She spoke of "leaks" in the state government's budget system. In 2010 the Kentucky Chamber of Commerce released the original Leaky Bucket Report showing that spending on Medicaid, corrections, and public employee health insurance was growing at a faster rate than the overall state budget. Studies show that students who achieve higher education are less likely to commit crimes and this report showed that the state was failing to invest in education. Because of these findings, the Chamber of Commerce supported House Bill 463, which was expected to save about \$422 million over 10 years. The Chamber supported 2014 Senate Bill 200, which was projected to save \$ 4 million over five years. Over the last budget, corrections spending grew only 4.2 percent, less than half the rate of general fund spending. The Chamber released an updated report in 2014 which recommended continuing full implementation of the 2011 legislation to control the cost. Legislatures were also encouraged to carefully consider legislative efforts to increase penalties that would result in higher correction cost. The Chamber of Commerce also encourages the legislature to continue reviewing the Kentucky Penal Code with the goal of creating more alternatives to incarceration for low level crimes.

Mr. Monahan acknowledged the new Coalition

for Public Safety, which works across the political spectrum to pursue a comprehensive set of federal, state, and local criminal justice reforms to reduce jail and prison populations and associated costs, and end the systemic problems of over criminalization and over incarceration.

Responding to a question from Senator Westerfield, Mr. Monahan said that he had information involving flagrant non-support cases and could provide it. Mr. Monahan also suggested that flagrant non-support violators would have a better chance at becoming productive members of society if they were worked with and not just dealt with.

Responding to a question from Representative Benvenuti, Mr. Monahan said that under the current Kentucky penal code, aggravated DUI is not considered a violent offense. Mr. Monahan urged the legislature to reconsider what are labeled violent and non-violent offenses.

Responding to a question from Senator Jones, Mr. Monahan said the United States Department of Justice is now entering state lawsuits in federal court regarding the adequacy of indecent criminal defense services. He said that DPA needs help from the legislature to handle case loads and keep the system adversarial.

Responding to a question from Representative Lee, Mr. Monahan said that the prison population in Kentucky is far less than what it would have been if House Bill 463 had not passed, but all of the projected savings have yet to be met.

Implementation of SB 192 Appropriation Authority

After a brief introduction, Secretary J. Michael Brown of the Justice and Public Safety Cabinet, and Van Ingram, Executive Director for the Kentucky Office of Drug Control Policy, discussed the appropriation portion of Senate Bill 192. Secretary Brown recommended a funding level up to \$1 million to go to the Department of Corrections to provide or to contract for the provision of substance abuse treatment in county jails, regional jails, or other local detention centers that employ evidence-based practices in behavioral health treatment or medically assisted treatment for non-state inmates with opiate addiction or other substance abuse disorders. Secretary Brown recommended up to \$500,000 for KY-ASAP programs operating under KRS Chapter 15A in county jails or in facilities under the supervision of county jails that employ evidence-based behavioral health treatment or medically assisted treatment for inmates with opiate addiction or other substance abuse disorders. He recommended funding \$1.5 million to the Department of Corrections for the purchase of an FDA-approved extended-release treatment for the prevention of relapse to opiate dependence. Secretary Brown recommended funding up to \$2.6 million for KY-ASAP to provide supplemental grant funding to community mental health centers for the purpose of offering additional substance abuse treatment resources. He recommended funding up to \$1 million for KY-ASAP to address neonatal abstinence syndrome by providing supplemental grant funding to community substance abuse treatment providers to offer residential treatment services to pregnant women.

Responding to a question from Senator Westerfield, Secretary Brown said that the geographical areas of Kentucky with the most serious heroin threat will be dealt with first when it comes to funding. Van Ingram spoke of the various meetings he has had with different stakeholders on their areas and expressed hope that funding application turn out will be high.

Secretary Brown recommended up to \$1.2 million for the Department for Public Advocacy to provide supplemental funding to the Alternative Social Worker Program. He recommended up to \$1.2 million for the Prosecutors Advisory Council to enhance the use of rocket docket prosecutions in controlled substance cases. Secretary Brown recommended up to \$1 million to provide supplemental funding for traditional KY-ASAP substance abuse programming under KRS Chapter 15A. Mr. Ingram expressed how, in year two of the current budget, KY-ASAP was cut by about \$ 700,000. If those funds are restored in 2016, KY-ASAP will offer an additional round of supplemental grant funding to address prescription drug and heroin abuse.

Responding to a question from Senator Schroder, Mr. Ingram stated that the top three counties in Kentucky to experience the highest overdose deaths per capita are located in Eastern Kentucky. He said he could get exact numbers if requested. Secretary Brown said that, the way Senate Bill 192 is written, funds are directed in several categories. He also assured the members that funding will target the areas of biggest needs.

Kentucky's SMART Court Experience

After a brief introduction, Judge A.C. McKay Chauvin, Chief Regional Circuit Judge, explained the SMART Court experience to the committee members. SMART stands for Supervision Motivation Accountability Responsibility Treatment.

Judge Chauvin explained that SMART is designed to not only be tough on crime, but also smart on crime. Resources are used in a way that not only incarcerates those that need to be incarcerated, but does not incarcerate those who can be helped using alternative methods.

Judge David Tapp, Circuit Judge, discussed the process of the SMART program. The SMART program is a different way of addressing the probation population in Kentucky. There is a substantial difference in the population today than what it has been in the past; probation is no longer reserved for low risk offenders. Much of the prison population comes not from direct sentencing but probation revocations and pretrial diversions. Because of this, those on probation need to be monitored based upon their risk/needs assessment. Judge Tapp stated that at this time, the usual probation approach does not work well for high risk/high need individuals. Because usual probation is not based on one's criminogenic needs, it is not timely or effective.

The SMART program applies only to high risk/high need probationers and Judge Tapp stated that these principles should not apply to all probationers. Judge Tapp stressed that even though many individuals in the SMART program share the same criminogenic needs that some in Drug Court do, it is not the same program.

SMART has gone from monitoring behavior to modifying behavior. Some of the responsibilities of those in the SMART program are: rigorous initial reporting—24/7/365, candor is emphasized, non-appearance is punished more severely, probationers must progress, and sanctions occur immediately. Responses to violations are not only proportionate and graduated but consistent between defendants. Judge Tapp emphasized that one of the fundamental principles of SMART is the relationship between a judge and a probation officer and the officer having a manageable case load, but it is also one of the biggest challenges for the Department of Corrections.

Results from studies of the SMART program have found the SMART probationers:

Test positive less often for drugs even though they test more frequently,

Pay their fines, fees and costs with strict regularity,

Are far less likely to be re-arrested, and

Serve less jail time and save taxpayer dollars.

Judge Tapp stated that ultimately SMART is about confidence. It is about making sure that the highest risk/highest need probationers are being supervised effectively while reducing cost to the tax payers.

Responding to a question from Senator Westerfield, Judge Tapp stated that there are currently seven SMART programs across the Commonwealth. Director Bob Rodriguez, Division of Probation and Parole, also replied stating that there are 373 offenders in the SMART program. Director Rodriguez stated that, although supportive of SMART, the Department of Corrections is concerned with the program's consistency. Responding to Director Rodriguez, Judge Chauvin stated that not all offenders need to be considered high risk/high need. Judge Tapp discussed data that found that the SMART program was less costly than regular probation.

The meeting adjourned at 12:12 PM.

INTERIM JOINT COMMITTEE ON LABOR AND INDUSTRY Minutes of the 1st Meeting of the 2015 Interim

June 17, 2015

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Labor and Industry was held on Wednesday, June 17, 2015, at 10:00 AM, in Room 169 of the Capitol Annex. Senator Alice Forgy Kerr, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Alice Forgy Kerr, Co-Chair; Representative Rick G. Nelson, Co-Chair; Senators Perry B. Clark, Carroll Gibson, Chris Girdler, Denise Harper Angel, Jimmy Higdon, Wil Schroder, Reginald Thomas, and Mike Wilson; Representatives Lynn Bechler, Linda Belcher, Regina Bunch, Will Coursey, Jeffery Donohue, Dennis Horlander, Thomas Kerr, Adam Koenig, Tanya Pullin, Tom Riner, Jim Stewart III, and Brent Yonts.

Guests: Sharon Clark, Commissioner, Kentucky Department of Insurance; Dr. Kate Akers, Acting Executive Director, Kentucky Center for Education

and Workforce Statistics; and William Woodward, District Council President, Iron Workers Southern Ohio and Vicinity District Council.

LRC Staff: Carla Montgomery, Adanna Hydes, Matt Ross, and Sasche Allen.

Update of the Kentucky School Boards Insurance Trust

Commissioner Sharon Clark, Kentucky Department of Insurance, gave an update on the Kentucky School Boards Insurance Trust. The main goals of the Rehabilitation of the Kentucky School Boards Insurance Trust (KSBIT) by the Kentucky Department of Insurance have been attained. In November of 2013, the Department of Insurance filed two rehabilitation assessment plans, one for the KSBIT Workers' Compensation Fund and one for the KSBIT Property & Liability Fund, with the Franklin County Circuit Court totaling \$48.5 million. After further review by the Deputy Rehabilitator and findings of unreported claims and reinsurance issues, the total was adjusted to \$49.2 million, which includes \$34,633,573 for the Workers' Compensation assessment and \$14,583,074 for the Property & Liability assessment. Commissioner Clark said that originally the KSBIT Board of Directors had filed an assessment plan in July 2013 with the Department of Insurance totaling \$72.3 million, but after working with various entities, the board was able to reduce the amount. In March of 2014, the Franklin County Circuit Court reviewed the plans put forth by the Department of Insurance and they were approved in May 2014.

The assessment plans that were approved are partly comprised of an itemization of the amounts owed along with the percentage of the total assessment for each member. The purpose of this was to allow the members to financially prepare for what they would be responsible for and so they could include it in their budget for the upcoming fiscal year. The Deputy Rehabilitator sent notification letters to the members and schools in the summer of 2014 requesting payment of the assessment. The letter informed the members of the amount of the assessment along with flexible payment options that included paying the assessment in total, paying over a six year period without interest with the workers' compensation transaction, and using a bonding authority over the course of up to 20 years through the Department of Education. All members paid the assessment but the University of Louisville paid its assessment under protest. The Franklin County Circuit Court upheld the school's assessment and the University of Louisville appealed the assessment to the Court of Appeals.

Risk Management Services Corporation in Louisville took over the run-off of the Property & Liability Fund. Although the transfer was done in the summer of 2014, 38 percent of the claims transferred were settled in the first year, which may be a sign that all claims may be settled well before the five years that was originally projected. Kentucky Employers Mutual Insurance (KEMI) was transferred all the workers' compensation claims in November 2014 through a loss portfolio transfer. KEMI accepted all future obligations for the amount of \$35 million. Commissioner Clark commended KEMI for its work

and for providing savings to the school by offering to allow payments of the assessment over six years without interest.

Commissioner Clark said that the Department of Insurance is privileged to have a vastly knowledgeable Deputy Rehabilitator, Joe Pope, who supervises the daily operations and previously worked for the Department of Insurance as a Financial Examiner. The department is pleased with the progress and does not have any major issues with transfers of claims to Risk Management Services Corporation or KEMI.

The Kentucky Longitudinal Data System – Connecting Education and Outcomes

Dr. Kate Akers, Acting Director, Kentucky Center for Education and Workforce Statistics (KCEWS), discussed the purpose for the center and its various data and statistical analyses. The center is an independent state agency that maintains the P20 W, which is the State Longitudinal Data System (SLDS), and evaluates education and workforce at all levels. KCEWS, which builds upon the P-20 Data Collaborative, is authorized by the legislature to collect data throughout the state from all education and workforce programs. KCEWS was created in 2010 by Executive Order and was ratified into law after the 2013 regular session. The center receives a portion of state funding, \$814,000 for the 2016 fiscal year, however, it is maintained mostly through federal grants. A board of Kentucky education and workforce leaders oversees the center. Through the Kentucky Longitudinal Data System (KLDS), information is taken from different state agencies and programs and is stripped of all personal identifiers to then be analyzed. The analyses and data can be provided to state education and workforce agencies to better serve them. The KLDS has information on public K-12 students, K-12 Teachers and Staff, public and independent postsecondary institutions, proprietary colleges, teacher/educator certification, in-state employment and earnings from the unemployment insurance system, early childhood and kindergarten readiness, financial aid, career and technical education from the Kentucky Department of Education, unemployment claims from the unemployment insurance system, the Office of Vocational Rehabilitation, the Office for the Blind, and job seeker information. KCEWS is trying to expand early childhood and workforce data to better understand and offer analysis on the education to workforce pipeline. Some of the limitations of the data are that it only includes people employed in-state, it does not include federal or military employees, and it only provides quarterly reports by industry and employer location. The center is in the process of applying for grants that will help them explore out-of-state data.

One of the most recent reports that the center has completed is the 2015 Early Childhood Profiles which are available for every county in the state and there is also a state level report. The report covers kindergarten readiness and gives results by the five different domains for the kindergarten readiness screening. Currently, 50 percent of Kentucky students are ready for kindergarten. It has data regarding early childhood programs that are available. The profiles

include additional assessments such as third grade reading assessments, information pertaining to the funds spent on different programs, and the number of students served in preschool, head-start, and other child care resources.

Some of KCEWS's signature reports are the High School Feedback Reports on College Going and College Success. Dr. Akers pointed out that other states have tried to model their high school feedback reports after KCEWS's because of the specific metrics and how they are defined in the reports. The two different reports are by school, district, and region. The College Going Report gives information on recent graduates and their college readiness if they are continuing on to a postsecondary institution and the College Success Report offers data on credit hours earned, financial aid packages, and GPAs after the students have entered postsecondary. Currently, 62.8 percent of public high school graduates are exceeding the benchmarks needed for college/and or career readiness. There is a dramatic difference between students who are considered college ready and students who are not considered college ready related to their grades and earning of college credit. The average first year GPA of students considered to be college/and or career ready is 2.65 and the average first year GPA of students not considered to be college/and or career ready is 1.81. The average credit hours earned of students considered to be ready is 22.9 and for students not ready is 12.1.

KCEWS also completed a report involving K-12 Employment Outcomes and found that high school graduates not attending college earned \$7,567 per year one year out of high school and earned \$11,511 three years out. Females earned 70 percent of what males earned three years out and African American students earned 30 percent less than Caucasian students three years out. Notably, graduates with 20 or more unexcused absences in their senior year earned up to 55 percent less than those with 5 or fewer. Another report completed was on Postsecondary Employment Outcomes that found three years after students graduated 80 percent of Associate degree recipients were employed in state, 75 percent of Bachelors degree recipients were employed in state, and 30 percent of out of state students were employed in Kentucky. Other reports include the Postsecondary Feedback Report, which has information regarding enrollment, employment outcomes, wages, and dropout rates for each of Kentucky's public and independent higher education institutions, and the Teacher Preparation Feedback Reports, which are available for all in state postsecondary institutions with teacher education programs and provide a snapshot at an aggregate level by institution of enrollment, time to employment, teacher retention, and district of employment.

The Kentucky Center for Education and Workforce Statistics recently applied for an SLDS grant for \$7 million over a four year period that would allow them to complete more interactive reports. The center would also like to collect more information on those students who are deemed college/and or career ready including what colleges they are attending, what they are studying, the types of industries they are employed in, and median salary statistics. Some

of the annual upcoming reports that the center will release include reports on Adult Education Feedback, Teacher Supply and Demand, Teacher Preparation, and Postsecondary Feedback.

In response to a question from Senator Gibson, Dr. Akers pointed out that the Department of Education would have more information on how the state compares to other states in high school graduation rates and also potential solutions for the differences in high school graduation rates by county but she would work with the department to obtain that information.

Representative Horlander commended KCEWS for its work they have done and for its direction in helping the students and workers of Kentucky.

Replying to a question from Representative Belcher pertaining to students who obtain their GED, she said the statistics in the K-12 Employment Outcome Report would only include students who received their GED prior to whatever date would have been considered the end of that current school year. Dr. Akers also mentioned that he had recently brought in information from the Kentucky Adult Education agency to compile the Adult Education Feedback Report that includes GED statistics.

Senator Higdon pointed out that due to the passing of House Bill 240 in 2013, personal identifiers are not attached to the information that is collected that makes it possible for the center to create reports. He complimented the center for its work.

Dr. Akers responded to Representative Bechler by stating that the center uses the same definition of college/and or career readiness as the Kentucky Department of Education. College readiness indicates that a graduate has met the Kentucky benchmarks for English (18), mathematics (19), and reading (20) on any administration of the ACT or passed a college placement test (Compass or KYOTE). Career readiness indicates a graduate met benchmarks for Career Ready Academic (ASVAB or ACT WorkKeys) and Career Ready Technical (KOSSA or received an industry-recognized career certificate). She also said she would follow up with him with information from the Kentucky Department of Education on how the state's graduation rate and college/and or career readiness statistics compare to other states. Dr. Akers stated she has been working with offices from other states and discussing specific metrics and definitions of college/and or career readiness.

Addressing Representative Yonts, Dr. Akers stated that the center had received a Workforce Data Quality Initiative Grant that helped bring in information from the Office of the Blind and the Office of Vocational Rehabilitation which was \$1 million over three years. The 2012 SLDS grant expires this year and the center has applied for an extension. The center also will be receiving \$814,000 from the state for fiscal year 2016 but still relies mainly on grants. Responding to a follow up question, Dr. Akers said the center receives new information every fall from the previous academic year and for some reports must wait on outcome data. Representative Yonts also inquired about electronic data from postsecondary institutions. She said the center is receiving information in a timely manner electronically from those institutions and she plans

to meet with various institutions' research offices to further discuss the data and its impact soon.

Representative Nelson commended KCEWS and also spoke of Harlan County Independent School that has had all of their graduating seniors this year be accepted to college. He requested that something be sent to the school in recognition of this accomplishment.

Senator Thomas requested a large copy of the map displaying the 2014 percentage of public high school graduates ready for college/and or careers. He pointed out the achievement gaps of students in his home county of Fayette County. Dr. Akers said if the center could disaggregate some of the information then it could better address those achievement gaps. Senator Thomas also commended Woodford County for its high percentages of students who displayed kindergarten and college readiness.

Replying to Senator Wilson, she said that the early childhood profiles include students from any type of instructional setting prior to attending kindergarten and is not aggregated but she could obtain that data from the Kentucky Department of Education. Answering a follow up question, Dr. Akers said that postsecondary reports for private colleges are available online. She said that reports have been done for all Kentucky public, private, and independent colleges but not for proprietary colleges.

Responding to Representative Riner, Dr. Akers stated that KCEWS partners with the Commonwealth Office of Technology to prevent hackers from obtaining information. The center does not use personal identifiers in its database, which ensures privacy.

Dr. Akers responded to Representative Koenig explaining when it comes to teacher supply and demand information the center ensures that it communicates that it does not include out of state data. However, if the center obtains its 2015 SLDS grant, it will want to work with other states to obtain more out of state employment data.

Addressing Senator Schroder, Dr. Akers explained that kindergarten readiness is measured with the BRIGANCE K Screen that is compiled of five domains which are academic/cognitive, language development, physical development, self-help, and social-emotional. She also said that all the information is from Kentucky's public kindergartens.

Issues Concerning Falsified Welding Certificates and Testing

William Woodward, District Council President, Iron Workers Southern Ohio and Vicinity District Council, gave a presentation on matters pertaining to the falsification of welding certificates, the current and possible future outcomes of forging these documents, and his proposed legislation he believes may resolve the problem.

Mr. Woodward stated that the Iron Workers Southern Ohio and Vicinity District Council covers Indiana, Kentucky, West Virginia, and Southern Ohio. He wanted to bring the committee's attention to the issue of welding certificates being falsified and inspectors not checking the forms which could lead improper welding performed for on structural steel buildings. The actual certificate should include the test number, the person's name, the facility where the

test was given, the testing material lot number, and other things. These things are required to be present by the American Welding Society.

Mr. Woodward stated that on May 22, 2011 a new school gymnasium in McCracken County collapsed during construction and potentially as a result of unqualified welders that had forged or falsified their welding certificates to perform on this job. Mr. Woodward obtained the certificates of the welders of the company that built the structure, which Mr. Woodward claims have been altered. The welders also signed affidavits saying that they had not taken a welding test for this particular company. 31 out of 34 of the certificates had not been signed by an officer from the company and 11 out of 34 did not have a test number. The company was paid to build the structure, remove debris after the collapse, and was also paid to erect the building the second time. The insurance company did cover the collapse so Mr. Woodward submitted what he says is proof of the falsified certificates to the Kentucky Insurance Fraud Division, who then contacted the Attorney General. The company is now under investigation and has since closed. Mr. Woodward offered a list of other Kentucky projects that the company had worked on, which included judicial buildings and several schools. Repairs were eventually made to the school in McCracken County while school was in session and the building was inspected again.

There are testing facilities that have not adequately provided welding tests to individuals. For one such facility the cost to obtain a welding certificate through the mail is \$100. According to Mr. Woodward anyone can complete a weld, send it in with any name on it, and receive a welding certificate in the mail. To test this theory, a weld was sent in with the name of an animal on the application who became a certified welder. Another individual failed on a test that had been inspected before being sent in, but he was told that if he sent in another \$100 he would pass.

Mr. Woodward stated that many certificates have deleted out information and another name is inserted while the test number is not changed. Some certificates do not obtain the correct information. Some individuals have even used a dead man's certificate. Mr. Woodward has found these falsified certificates on several job sites.

Mr. Woodward believes that future legislation could limit this problem and ensure that all welders on structural steel buildings are properly certified by an accredited testing facility and proper inspections by certified welding inspectors are done on structural steel buildings.

Mr. Woodward informed Representative Yonts that to his knowledge there had been no civil suit against the company that built the collapsed school building. Representative Yonts also felt that the U.S. Attorney should be notified by Mr. Woodward. Mr. Woodward said to Rep Coursey that to his knowledge none of the projects he mentioned in his presentation have been reinspected.

Mr. Woodward said he had notified other schools and court houses of these issues in response to Representative Yonts. Mr. Woodward said the University of Cincinnati gave him the bad certificates used by a contractor now working at the University

of Kentucky but they had not gotten this information from UK. Representative Donahue appreciated the presentation and meeting with Mr. Woodward. Mr. Woodward suggested that Representative Belcher talk to the school boards who may be planning new construction or renovations since they are in charge of the general contractors used. Representative Belcher thinks the Kentucky Department of Education should be informed on this subject.

Mr. Woodward informed Senator Gibson that there are several different types of tests done for buildings versus bridges. Being state qualified is a more stringent test, but something like this could happen. Most of the time on a state job such as controlled by the Department of Transportation they want workers to do their tests on site and not bring in separate papers. He explained that different welding jobs have different requirements.

The July meeting will be in Louisville. The meeting was adjourned.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Minutes of the 1st Meeting of the 2015 Interim

June 18, 2015

Call to Order and Roll Call

The first meeting of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, June 18, 2015, at 1:15 PM, at the METS Center in Erlanger, KY. Senator Christian McDaniel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel, Co-Chair; Representative Rick Rand, Co-Chair; Senators Ralph Alvarado, Danny Carroll, David P. Givens, Denise Harper Angel, Stan Humphries, Morgan McGarvey, Dennis Parrett, Wil Schroder, Brandon Smith, Robin L. Webb, and Stephen West; Representatives Denver Butler, John Carney, Larry Clark, Ron Crimm, Mike Denham, Myron Dossett, Kelly Flood, Joni L. Jenkins, Reginald Meeks, Tanya Pullin, Sal Santoro, Arnold Simpson, Rita Smart, Jim Stewart III, Wilson Stone, Tommy Turner, David Watkins, and Jill York.

Guests: Trey Grayson, President/CEO, Northern Kentucky Chamber of Commerce; Jane Driskell, State Budget Director; John Hicks, Assistant State Budget Director; Jeff Derouen, Executive Director, Public Service Commission; Stephanie Bell, Deputy Executive Director, Public Service Commission; David Dooley, Director HR, Public Service Commission; Robyn Bender, Assistant Deputy Attorney General; and Roger Thomas, Executive Director, Governor's Office of Agricultural Policy.

LRC Staff: Pam Thomas, John Scott, Eric Kennedy, and Donna Harrod.

Public Service Commission Funding

Jane Driskell, State Budget Director and John Hicks, Deputy State Budget Director, Jeff Derouen, Executive Director, Public Service Commission; Stephanie Bell, Deputy Executive Director, Public Service Commission; and David Dooley, Director

HR, provided information on the funding sources and budget for the Public Service Commission (PSC).

Mr. Derouen presented an overview of the operations of the PSC. The PSC was created by the Kentucky General Assembly in 1934 as an independent regulatory, quasi-judicial agency. Its mission is to ensure that utility rates are fair, just and reasonable for the services provided, and that those services are adequate, efficient, and reasonable. The PSC does not set energy policy or broad utility regulatory policy. The PSC operates in accordance with statutes, regulations and judicial precedent and is funded by assessment imposed against 1,550 regulated utilities which, the utilities recover from ratepayers.

Director Driskell discussed funding for the PSC. She informed the committee that amounts collected from the assessment are deposited in the General Fund, and that pursuant to KRS 278.150 unexpended amounts generated from the assessment at the close of a fiscal year do not lapse but instead remain credited to the account of the commission. Director Driskell noted that the budget of the PSC is set by the General Assembly through appropriations in the biennial budget. Deputy Director Hicks then reviewed the history of appropriations to the PSC from FY 2006 to FY 2016.

Director Derouen reviewed a chart illustrating the jurisdictional utilities intrastate gross receipts from 2001 to 2014. He noted that the recession impacted these receipts. He explained how the millage rate imposed against the utilities is established annually by the Department of Revenue and the Finance and Administration Cabinet. Currently the millage rate is 1.901 and is capped at 2.0. Mr. Derouen also reviewed the expenses of the PSC.

Mr. Derouen shared the PSC's additional staffing needs for the next biennium.

Master Settlement Agreement

Robyn Bender, Assistant Deputy Attorney General and Roger Thomas, Executive Director, Governor's Office of Agricultural Policy provided an update on the Master Settlement Agreement (MSA). Ms. Bender gave a historical overview of the MSA, including the circumstances surrounding the agreement as originally formulated, and the changes that have occurred since. The agreement settled lawsuits filed by 45 states seeking recovery of smoking-related public health costs. Under the agreement, the Participating Manufacturers (PMs) agreed to make annual payments to states in perpetuity to address these past and future expenses. PMs are subject to restrictions on marketing and advertising. Ms. Bender also reviewed legislation enacted in Kentucky to implement and enforce the MSA from 2000 to the present, including provisions enacted to require nonparticipating manufacturers (those that did not sign the MSA) to register with the state and make escrow payments. These provisions are referred to as the "model (escrow) statutes" and are intended to "level the playing field" between manufacturers that are making payments and are subject to advertising and marketing restrictions and those that are not.

Ms. Bender reviewed the different adjustments that can be made to the amounts paid by the PMs to

states, focusing in particular on the Nonparticipating Manufacturer (NPM) adjustment that would occur if an economic firm determines that the MSA was a significant factor in market share loss of the PMs of at least 2 percent. States that were found to have not diligently enforced their model (escrow) statute by an arbitration panel would share in the payment reduction. In September of 2013, an arbitration panel found that Kentucky and five other states had not diligently enforced the model escrow statute in 2003. Twenty-two other states settled with the PMs prior to the arbitration hearing. Subsequent to the arbitration hearing, Kentucky appealed the panel's decision to the Franklin Circuit Court, then subsequently settled the case, but Kentucky's settlement was not as generous as the settlement the states settling before arbitration were able to negotiate. Kentucky is operating under a "term sheet" while the final details of the settlement are negotiated. The term sheet amends the way in which Kentucky will receive future MSA payments.

Ms. Bender reviewed the issues identified by the Attorney General's office regarding the finding of the arbitration panel. Ms. Bender said that legislation passed during the 2015 session should assist the Attorney General in diligently enforcing the model escrow statutes in the future. There are still some threats to future MSA payments such as MSA brand sales decline, e-cigarettes/vapor products sales growth, and NPM adjustments.

Mr. Thomas discussed the history of MSA payments to Kentucky and what has been done with those funds. Kentucky has received \$1.8 billion over 17 years. Each year, MSA funds have provided resources to support the Kentucky AG development fund, youth leadership programs, cancer research programs and childhood development programs. If an agreement to settle the NPM adjustment had not been reached, these programs would have suffered. There is no way to predict future payments and that based on the best estimates available currently, there could be up to a 4.5 percent decline in MSA payments over the next seven years. Mr. Thomas reviewed the historical funding chart included in the committee packets, noting the various programs and initiatives that have received funding over the years.

Representative Carney stated that he is looking for funds for the school nurses program and wondered if there is an option under the health care improvement fund to help that program. Mr. Thomas said funding provided under the Kentucky Access portion in previous years is no longer needed for the high risk pools. Disbursement of those funds would be a policy decision during the upcoming legislative session.

Senator Carroll asked what the benefits of winning the appeal would have been had Kentucky not settled. Ms. Bender stated that the appeal process would have taken years and still may have had a bad outcome. Programs would have suffered if the appeal process had continued.

As an additional response to Representative Carroll's question, Mr. Thomas noted that funds from the MSA help fund the programs he discussed previously as well as providing almost \$30 million in debt service for water and sewer projects that the state is obligated for, and if the appeal had gone

several years with no MSA payment, those debt service payments would have had to come from the General Fund.

Representative Rand expressed concern about Kentucky's monitoring process. Ms. Bender responded that there is a working group which meets quarterly to monitor the process. Better records are being kept.

Senator Parrett stated funding from the MSA has been very important to Kentucky's agriculture infrastructure, Kentucky families, and counties, as well as farmers markets across the state.

Representative Stone asked if e-cigarettes are a threat to MSA. Mr. Thomas responded that most e-cigarettes are a tobacco product and since the MSA is a declining source of revenue, policy makers may want to look at e-cigarettes in the future as a source of revenue.

Senator Webb thanked Mr. Thomas and his staff for their leadership over the years.

Other Business

The chair informed members the following documents were available in their folders for their review:

Summary of Administrative Regulations referred on May 6, 2015

List of Committee Correspondence and Items referred to the Committee

Correspondence from Jennifer Anglin, Assistant Budget Director, Office of Budget (LRC)

Review Emergency Appropriations Increases for FY 2015

Interim Allotment Adjustments for FY 2015

Interim Appropriation Revisions for Fourth Quarter FY 2015

There being no further business, the meeting was adjourned at 2:50 P.M.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE Budget Review Subcommittee on Primary and Secondary Education Minutes of the 1st Meeting of the 2015 Interim June 18, 2015

Call to Order and Roll Call

The 1st meeting of the Budget Review Subcommittee on Primary and Secondary Education of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, June 18, 2015, at 10:00 AM, at the METS Center in Northern Kentucky. Representative Arnold Simpson, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator C.B. Embry Jr., Co-Chair; Representative Kelly Flood, Co-Chair; Senators Johnny Ray Turner, and Mike Wilson; Representatives Will Coursey, Derrick Graham, and Wilson Stone.

Guests: Geoffrey S. Mearns, President, Northern Kentucky University; Robert L. King, President, Council on Postsecondary Education; Representative Rocky Adkins; Representative Diane St. Onge; and Senator David Givens.

LRC Staff: Perry Papka and Daniel Clark.

Northern Kentucky University (NKU)

President, Geoffrey S. Mearns welcomed the members to Northern Kentucky. He spoke about degree production and NKU's economic impact.

Council on Postsecondary Education (CPE)

President, Robert L. King, gave an update on the performance funding model for public postsecondary institutions.

In response to a question from Chairman Simpson, President King said that CPE's formal budget recommendations will be ready in October.

In response to a question from Representative Graham, President King said there is not complete agreement between the university presidents on how to implement the steering committee's proposed model. If no consensus is reached among the presidents, the council will have to decide how to move forward.

In response to a question from Representative Flood, President King said that incentives help but the quality of leadership at college campuses is what will ultimately help Kentucky move forward after budget cuts.

In response to a question from Senator Givens, President King answered that the formula is largely a reflection of the "campuses compete against each other" approach that was discussed earlier. He said that there is discussion of an approach that is closer to the "campuses compete against negotiated targets for amounts proportionate to their new shares."

In response to a question from Representative Clark, President King said that the model was applied towards the major universities to check for disparities and there were none.

In response to a question from Representative DeCesare, President King said that mandated programs are outside of the model. If there is a commitment from the General Assembly and an obligation on a campus, those are left intact.

In response to a question from Representative St. Onge, President King said that targets will be negotiated between CPE and universities. Metrics must be measurable in a two-year span. Targets must be set that will compel the campuses to significantly improve what they are doing.

There being no further business, the meeting was adjourned at 11:33 a.m.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE Budget Review Subcommittee on Postsecondary Education Minutes of the 1st Meeting of the 2015 Interim

June 18, 2015

Call to Order and Roll Call

The 1st meeting of the Budget Review Subcommittee on Postsecondary Education of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, June 18, 2015, at 10:00 AM, at the METS Center in Northern Kentucky. Representative Arnold Simpson, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator C.B. Embry Jr., Co-Chair; Representative Arnold Simpson, Co-Chair; Senators

Johnny Ray Turner, and Mike Wilson; Representatives Larry Clark, Jim DeCesare, Derrick Graham, Kenny Imes, and Reginald Meeks.

Guests: Geoffrey S. Mearns, President, Northern Kentucky University; Robert L. King, President, Council on Postsecondary Education; Representative Rocky Adkins; Representative Diane St. Onge; and Senator David Givens.

LRC Staff: Perry Papka and Daniel Clark.

Northern Kentucky University (NKU)

President, Geoffrey S. Mearns welcomed the members to Northern Kentucky. He spoke about degree production and NKU's economic impact.

Council on Postsecondary Education (CPE)

President, Robert L. King, gave an update on the performance funding model for public postsecondary institutions.

In response to a question from Chairman Simpson, President King said that CPE's formal budget recommendations will be ready in October.

In response to a question from Representative Graham, President King said there is not complete agreement between the university presidents on how to implement the steering committee's proposed model. If no consensus is reached among the presidents, the council will have to decide how to move forward.

In response to a question from Representative Flood, President King said that incentives help but the quality of leadership at college campuses is what will ultimately help Kentucky move forward after budget cuts.

In response to a question from Senator Givens, President King answered that the formula is largely a reflection of the "campuses compete against each other" approach that was discussed earlier. He said that there is discussion of an approach that is closer to the "campuses compete against negotiated targets for amounts proportionate to their new shares."

In response to a question from Representative Clark, President King said that the model was applied towards the major universities to check for disparities and there were none.

In response to a question from Representative DeCesare, President King said that mandated programs are outside of the model. If there is a commitment from the General Assembly and an obligation on a campus, those are left intact.

In response to a question from Representative St. Onge, President King said that targets will be negotiated between CPE and universities. Metrics must be measurable in a two-year span. Targets must be set that will compel the campuses to significantly improve what they are doing.

There being no further business, the meeting was adjourned at 11:33 a.m.

INTERIM JOINT COMMITTEE ON LICENSING AND OCCUPATIONS Minutes of the 1st Meeting of the 2015 Interim

June 18, 2015

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee

on Licensing and Occupations was held on Thursday, June 18, 2015, at 3:00 PM, at the METS Center, 3861 Olympic Blvd, Erlanger, KY. Senator John Schickel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator John Schickel, Co-Chair; Representative Dennis Keene, Co-Chair; Senators Tom Buford, Julian M. Carroll, Denise Harper Angel, Jimmy Higdon, Paul Hornback, Christian McDaniel, Dan "Malano" Seum, and Damon Thayer; Representatives Tom Burch, Denver Butler, Adam Koenig, Brad Montell, David Osborne, Ruth Ann Palumbo, Sal Santoro, Arnold Simpson, and Diane St. Onge.

Guests: Lindsey Flora, Deputy Director, Marc Guilfoil, Director of Racing, Kentucky Horse Racing Commission; Steve Humphress, General Counsel, Department of Alcoholic Beverage Control; Joe Baer President, Chris Bartley, Legislative Chairman, Kentucky Professional Firefighters Association; Dr. Francesca Litow, Johns Hopkins Bloomberg School of Health; Ronnie Day, Executive Director, Kentucky Fire Commission; David McCrady, Firefighter/cancer survivor; Scott and Jennifer Benningfield, The Thirsty Pedaler.

LRC Staff: Tom Hewlett, Bryce Amburgey, Jasmine Williams, Michel Sanderson, and Susan Cunningham.

Approval of minutes for November 14, 2014 meeting

A motion to approve the minutes of the November 14, 2014 meeting was made by Senator Carroll and seconded by Senator Buford. The motion carried by voice vote.

Consideration of Executive Reorganization Order 2015-354.

Lindsey Flora, Deputy Executive Director, Kentucky Horse Racing Commission, said the purpose of the reorganization was to clear up confusion regarding the number of employees on staff at the commission. The Board of Commissioners of the racing commission would no longer be listed as staff employees. A director's office has been created, a division of stewards, a division for pari-mutuel wagering, an incentives and developmental division, and a division of veterinary services. The licensing enforcement section was previously two divisions but is now one division with a director that supervises both.

In response to a question from Senator Thayer, Mr. Flora said the order would not increase the number of employees the commission is allowed to hire. He added that since the commission had taken over the race day lasix testing it was necessary to hire more veterinarians. It is also possible, with summer racing, that a licensing clerk and an enforcement clerk may be added. However, the commission will stay within the budgeted 35 employee cap.

There was a motion from Senator Buford, seconded by Representative Palumbo, to approve Executive Order 2015-354. The motion carried by voice vote.

HB 156 AN ACT relating to firefighters.

Chris Bartley, Legislative Chairman for Kentucky Professional Firefighters Association, said

that HB 156 passed the House in the 2015 regular session of the General Assembly but did not clear the Senate. Thirty-five states have enacted bills similar to this that create some type of cancer presumption for firefighter cancers, most recently Michigan and Arkansas. HB 156 includes restrictive coverage not found in all states, including limiting the scope of the bill to active firefighters or former firefighters for a period of five years after leaving service; individuals must be tobacco free for 10 years to be covered and the coverage only applies to bladder, brain, colon, non-Hodgkin's lymphoma, kidney, liver, testicular and cancer associated with lymphatic or hematopoietic cancer. Coverage includes paid and volunteer firefighters.

This bill is supported by the Kentucky Professional Firefighters, the Kentucky Fire Chiefs Association, the Kentucky Fire Association, the Kentucky League of Cities and the Kentucky Fire Commission. This bill will provide coverage to approximately 4,000 paid firefighters reducing cost to cities throughout the state. Claims would be paid through the Kentucky Fire Commission.

Francesca Litow, MD, Johns Hopkins Bloomberg School of Health told the committee that firefighters are exposed to a wide range of cancer causing chemicals, putting them at an increased risk to develop cancer, and that a change in the workers compensation will make a dramatic difference in the lives of firefighters who develop work related cancer. Typically, it is clear when an employee is hurt at work. For example, people witness a fall with a defined time frame of the incident. The challenge for an occupational illness such as cancers related to occupational exposure is to determine exactly when the incident happened. The burden of proof is on the person filing the claim. The legislative intent of HB 156 is to allow a firefighter to submit a claim if all criteria are met; not smoking for 10 years, being on the job for a least five years or five year post employment.

In most work places occupational exposures have declined in the past two decades through improved work-place conditions. However, firefighters have not benefited from these improvements. Studies of chemicals in the smoke that firefighters commonly encounter have documented concern of exposures. Wood, coal and diesel fuel are considered known or probable carcinogens. In a Harvard study the carcinogen Benzene was detected in 92 percent of samples at a level more than 200 times the OSHA limit. Personal protective equipment such as respirators and turn out gear is last in the hierarchy of controls. Firefighters commonly note soot on their skin after working major fires. Also, respirators removed during overhaul is common in order to better detect areas that could reignite resulting in inhalation of carcinogens.

A 2006 LeMaster study used a meta-analysis technique to determine an increased risk for certain types of cancer identified in 13 studies that supports the association between firefighting and the particular cancers studies. In 2013 a study by the U.S. National Institute for Occupational Safety and Health included data from 30 thousand career firefighters showing significant increases in diagnosis and death from

multiple cancers. Studies also show that cancer develops after multiple exposures to carcinogens, resulting in imitation, promotion and progression of a cancer after the body's natural repair defenses are overwhelmed. A period of latency between the start of exposure and the development is generally 5 to 10 years and as long as 30 to 40 years to form into a detectable tumor or cause adverse health effects. This latency period varies, therefore symptoms may not begin until long after a firefighters employment ends.

The small numbers of firefighters affected by individual cancers decreases the ability to detect increases in risks. Firefighters comprise a small occupational group, and the large number of different cancers makes it challenging to diagnose cancer as a result of their job. With the absence of presumptive legislation, the burden of proof is on the firefighter to show that the cancer is job related. When these occupationally induced cancers are not covered by workers compensation, firefighters use leave time and personal savings to cover the medical cost when their insurance coverage reaches its maximum. Firefighter exposures are dramatically different than the rest of the U.S. workforce.

In response to a question from Senator Seum, Ronnie Day, Executive Director, Kentucky Fire Commission, said the Kentucky Law Enforcement Foundation Program, created in the 1980s, is funded from a 1.5 percent insurance surcharge. Four years ago the surcharge was increased to 1.8 percent. The money is used as an educational incentive for police and firefighters. The workers comp fund is currently at \$20 million. There are about 17 thousand volunteer firefighters that are receiving workers compensation benefits which equal about \$4 million per year. However, payments have dropped in the last two years to approximately \$2.7 million. This lower payment is the result of a health and wellness program and a new drivers training program. Cities and counties purchase insurance policies for their paid firefighters thorough insurance companies. If legislation similar to HB 156 is enacted in 2017, with \$4 million for cancer presumption and workers compensation, the final cash balance at the end of 2020 will be \$16.2 million.

Mr. Day added that the cost of workers' compensation will be shifted to the Fire Commission through the insurance surcharge program but the training/education incentive program will not be affected.

In response to a question from Senator Schickel, Joe Baer, President, Kentucky Professional Firefighters Association responded that state workers compensation pays based on the previous three years experience if purchased through a third party.

In response to a question from Senator Buford, Ronnie Day said that cities and counties will no longer pay in. The fire commission will pick up the cost with funds through the insurance surcharge. The Kentucky Community and Technical College System manages the fire commission's budget. Chris Bartley added that with the policy barring those who use tobacco, about 40 to 50 percent of firefighters will not be eligible for the program.

David McCrady, retired Battalion Chief from the Owensboro Fire Department, said that on

December 27, 2013 he was told he had a mass on his brain. The next day doctors remove 99 percent of a Stage 4 Glioblastoma Multiforme followed by radiation, chemo therapy and trail drugs. There is no known cure. After the procedure, his right arm was not functional. He returned to work in March, however, due to his medical condition he was forced to retire in 2014. Cancer has affected his family and his fire department family.

Powdered Alcohol

Steve Humphress, General Counsel, Department for Alcoholic Beverage Control, informed the committee that Powdered Alcohol has been receiving national attention. Powdered Alcohol is similar to cool-aid or tang, a powder that, when mixed with water, becomes an instant alcoholic beverage drink. The developer of the product is calling it Palcohol. The palcohol is currently in production. A website states that is will be for sale by the end of summer 2015. Mixed with 6 ounces of water the product becomes ten percent alcohol by volume and comes in assorted flavors. The palcohol container is a foil type with a zipper to open similar to Capri Sun packets. The original concept for the product was to use during outdoor activities because of its ease in packing. Health officials are concerned about the potential for abuse and marketing that could attract underage drinking.

The Alcohol and Tobacco Tax and Trade Bureau initially approved powdered alcohol products. However, due to public health concerns, the approval was rescinded in April of 2014. Then in March of 2015, the TTB granted approval of the product again. Currently 39 states have proposed legislation to ban the product. U. S. Senator Chuck Schumer has filed legislation to ban powdered alcohol at the federal level.

In response to a question from Senator Schickel, Mr. Humphress said there are public health officials concerned that youth would abuse the product.

In response to a question from Representative Koenig, Mr. Humphress said this product was part of the legislative package that failed to pass last year, and both the department and the industry agreed that it should be brought forward during the coming session.

In response to a question from Senator Buford, Mr. Humphress said that once a product is purchased, its use is outside the regulation of his department.

In response to a question from Representative Keene, Mr. Humphress said the product is new and currently unavailable. States are trying to stop the product from being sold.

The Thirsty Pedaler

Jennifer and Scott Benningfield, owners of The Thirsty Pedaler, said they book two hour tours in downtown Louisville and Lexington for events such as birthday parties and bachelorette/bachelor parties. The tour stops include restaurants, bars and museums. Each bike carries up to 15 passengers. The bike travels at approximately three miles per hour. There are head lights, tail lights, and three drum brakes and two disc brakes. There is a sober driver that steers the bike along a specific route. There are

rules in place to keep the bike safe.

There are three bikes in Louisville and one currently in Lexington. However, they feel they could expand the business if statutes would allow passengers to bring their own beverages to imbibe on the bike while going from one stop to another. There are nine other states that allow this measure. The bike generates revenue at each stop it makes. Patrons spend money at each stop for food and beverages. Restaurants and bars have increased revenue from bike stops. More bikes would mean more revenue at a variety of stops along the route and additional sales tax.

In response to Senator Schickel, Scott Benningfield said at this time no one can drink on the bike. Currently they have happy hour specials or food specials worked out with the businesses on the stops they go to, but there is no imbibing on the bike.

In response to a question from Representative Palumbo, Mr. Benningfield said tours are prebooked. A private tour on a Friday or Saturday evening costs \$375. Weekend public tours are \$30 per seat. In Lexington the bike is located near the Pavilion, going from Rupp Arena to West 6th Brewery, Atomic Café and Natasha's. The bike stays away from the UK campus.

Senator Higdon commented that ABC has worked to get legislation for the 2016 General Assembly's consideration.

In response to Representative St. Onge, Mr. Benningfield there would be no glass allowed on the bike and there would be a cap on the number of alcoholic beverages allowed per patron.

Representative Montell commented that the Benningfield's have worked to accommodate requirements to have safe legislation passed and encouraged members to stop by the bike parked out front.

There being no further business to come before the committee, with a motion and second, the meeting was adjourned at 4:05 PM.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE Budget Review Subcommittee on Human Resources

Minutes of the 1st Meeting of the 2015 Interim

June 18, 2015

Call to Order and Roll Call

The 1st meeting of the Budget Review Subcommittee on Human Resources of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, June 18, 2015, at 10:00 AM, in Development Room C at The METS Center, 3861 Olympic Blvd., Erlanger, KY. Senator Ralph Alvarado, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Ralph Alvarado, Co-Chair; Senators Denise Harper Angel, Christian McDaniel, and Morgan McGarvey; Representatives Tom Burch, Donna Mayfield, and David Watkins.

Guests: Ms. Sarah Nicholson, Vice President of Government Relations, Kentucky Hospital

Association (KHA); Mr. Steve Miller, Vice President of Finance, KHA; Mr. Josh Greeman, Director of Cooperative Care, Ephraim McDowell Regional Medical Center; Ms. Martha Mather, Chief Operating Officer, Our Lady of Peace Hospital; Ms. Amber Goodpaster, Chief Financial Officer, Clark Regional Medical Center; Dr. Ron Waldrige II, KentuckyOne Health; Ms. Vickie Marshall, Central Kentucky Radiology; and Dr. Molly Rutherford, Renewed You Clinic.

LRC Staff: Cindy Murray, Jennifer Anglin, and Amie Elam.

Kentucky Hospital Association

Ms. Sarah Nicholson, Mr. Josh Greeman, Ms. Amber Goodpaster, Ms. Martha Mather, and Mr. Steve Miller spoke on the impact of Medicaid Managed Care on healthcare providers.

In response to questions from Chair Alvarado concerning national Medicare guidelines, Ms. Mather said that there should be one nationally recognized set of guidelines.

In response to a question from Chair Alvarado concerning claims paid by the Cabinet for Health and Family Services (CHFS), Ms. Mather said that claims sometimes take up to two years to be paid. Mr. Greeman said that there is a possibility that 98 percent of claims are paid, but that many of those claims were under-reimbursed.

In responses to a question from Chair Alvarado concerning Medicaid Managed Care (MMC) patients, Mr. Greeman said that about 20 percent of patients at Ephraim McDowell Regional Medical Center are on MMC, Ms. Mather stated that a majority of patients at Our Lady of Peace Hospital are on MMC, while Ms. Goodpaster said that roughly 25 percent of patients in Clark Regional Medical Center are MMC patients.

In response to questions from Chair Alvarado on the appeals process for denied claims, Mr. Greeman said that roughly half of all emergency department claims that go to appeals are recovered, but that the most challenging part of appeals is the 30 day limit to file an appeal. Ms. Goodpaster said that Clark Regional Medical Center currently has 1,215 appeals which is a significant cost to the hospital. Ms. Goodpaster said that it usually takes four to five months to receive judgment on an appeal, and the hospital only sees roughly one-third of appeals overturned. Ms. Mather said that each claim can take one person eight to ten hours to complete.

In response to a question from Rep. Burch concerning payments from those not in MMCs, Mr. Greeman said that every payer/provider relationship has issues. Mr. Greeman stated that it would be very difficult to provide care for emergency room patients on less than \$50 because of the various physicians and technicians involved.

Outpatient Healthcare Professionals

Dr. Ron Waldrige, Dr. Molly Rutherford, and Ms. Vickie Marshall spoke on the impact of Medicaid Managed Care on healthcare providers.

There being no further business before the subcommittee, the meeting was adjourned at 11:47 AM.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE Budget Review Subcommittee on Justice and Judiciary

Minutes of the 1st Meeting of the 2015 Interim

June 18, 2015

Call to Order and Roll Call

The 1st meeting of the Budget Review Subcommittee on Justice and Judiciary of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, June 18, 2015, at 10:00 AM, in Development Room A at The METS Center, 3861 Olympic Blvd., Erlanger, KY. Senator Wil Schroder, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Wil Schroder, Co-Chair; Representative Denver Butler, Co-Chair; Senators Christian McDaniel and John Schickel; Representatives Ron Crimm and Thomas Kerr.

Guests: Mr. Russel Harper, Director of Government Relations, Coventry Health Care; Ms. Kimberly Richardson, Director of Behavioral Health Department, Coventry Health Care; Dr. Lynne Saddler, MD, MPH, District Director of Health, Northern Kentucky Health Department; and Ms. Ashel Kruetzkamp, Nurse Manager, Ft. Thomas Emergency Department, St. Elizabeth Health Care.

LRC Staff: Frank Willey, Zachary Ireland, and Benjamin Thompson.

Discussion on the Issue of Substance Abuse

Mr. Russel Harper and Ms. Kimberly Richardson testified on the cost of substance abuse treatments provided by Coventry Health Care.

In response to questions from Chair Schroder concerning the increase of requests for in-patient substance abuse treatment, Ms. Richardson said that requests for in-patient treatment had risen 73 percent in one year. Although not all requests are approved, a large percentage of them are. Many times requests that had previously been denied are approved on a second review.

In response to questions from Chair Schroder concerning the fiscal impact of increased substance abuse treatment, Ms. Richardson said that since there is a significant increase in the utilization of substance abuse treatment, there is a corresponding increase in cost to Medicaid.

Dr. Lynne Saddler provided an update on the substance abuse treatment provided by the Northern Kentucky Health Department.

In response to questions from Chair Schroder regarding the cost of a needle exchange program in northern Kentucky, Dr. Saddler stated that the estimated cost for putting a needle exchange program in place will be \$216,000. Dr. Saddler said that the cost to sustain the program would be \$216,000 per year.

In response to a question from Representative Crimm concerning plans for a needle exchange program, Dr. Saddler said that the Northern Kentucky Health Department is currently finalizing the plan for a needle exchange program in the district.

In response to a question from Senator Schickel regarding the Northern Kentucky Health Board, Dr.

Saddler said that there are eight members on the Board from Boone County.

Ms. Ashel Kruezkamp provided testimony on substance abuse treatment in northern Kentucky emergency departments.

In response to a question from Chair Schroder concerning babies born into addiction, Ms. Kruezkamp said that there had been 22 babies that were addicted to heroin born in St. Elizabeth hospitals in the past month.

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

INTERIM JOINT COMMITTEE ON LOCAL GOVERNMENT

Minutes of the 1st Meeting of the 2015 Interim

June 24, 2015

Call to Order and Roll Call

The first meeting of the Interim Joint Committee on Local Government was held on Wednesday, June 24, 2015, at 10:00 AM, in Room 171 of the Capitol Annex. Representative Steve Riggs, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Steve Riggs, Presiding Chair; Senators Ralph Alvarado, Stan Humphries, Christian McDaniel, Morgan McGarvey, Dan “Malano” Seum, Damon Thayer, Representatives Linda Belcher, Ron Crimm, Mike Denham, Adam Koenig, Stan Lee, Brian Linder, Tom McKee, Michael Meredith, Russ Meyer, Jody Richards, Jonathan Shell, Arnold Simpson, and Rita Smart.

Guests: David Gordon, Executive Director, Office of Property Valuation; Tom Crawford, Director, Division of Local Valuation, Department of Revenue; Dr. John Gilderbloom, Urban and Public Affairs, University of Louisville; David O’Neill, Fayette County PVA, Kentucky PVA Association; Cindy Arlinghaus Martin, Boone County PVA, Kentucky PVA Association; Joyce Parker, Laurel County PVA, Kentucky PVA Association; and Tony Lindauer, Jefferson County PVA.

LRC Staff: Mark Mitchell, John Ryan, Joe Pinczewski-Lee, and Ashlee McDonald.

Discussion of Property Valuation Administrators

Executive Director David Gordon, of the Office of Property Valuation, said that, according to Kentucky Constitution Section 172, all property shall be assessed for taxation at its fair cash value. In 1965, in the court case of Russman v. Luckett, the Court of Appeals reiterated that property must be assessed at its fair cash value and that any retreat from this standard is not tolerated. House Bill 44 that was passed in 1979 limited an increase in property tax revenue to 4 percent without voter recall. It does not limit assessment increases. With the passage of the Kentucky Education Reform Act in 1990, as of July 1, 1994, all real property located in the state and subject to local taxation was to be assessed at 100 percent.

Tom Crawford, Director, Division of Local

Valuation, Department of Revenue, briefly explained the Kentucky property tax calendar which details the assessment dates and specifics when certain valuations and taxes are due.

Mr. Gordon explained that there are several activities that are conducted for assuring property is assessed at its fair cash value. These include having an annual conference on assessment administration, assessment classes that are provided by the Department of Revenue (DOR), a biennial performance audit by DOR, and a sales-assessment ratio study by DOR.

Mr. Crawford explained what sales-assessment ratio studies are and how they impact PVA offices. Sales-assessment ratio studies are authorized by KRS 133.250 and conducted on each PVA office on an annual basis. These studies represent the Department of Revenue’s primary way of ensuring that assessments meet the fair cash value standards mandated by the Kentucky Constitution. For example, when a house sells, the PVA uses the sale price against the assessed price and will then get a ratio. If a house sells for \$100,000 and it was assessed for \$90,000, the ratio would be 90 percent. An arms-length transaction is when an agreement is made by two parties freely and independently and without some special relationship, such as being a relative, having another deal on the side or one party having complete control of the other. Before the recession, in 2004, arms-length transactions were below 25,000 and are now trending upward.

Mr. Gordon explained that there has been an upward trend for residential sales since 2011. The ratio level measures how close to 100 percent of fair cash value the assessment level is. The Coefficient of Dispersion (COD) measures the average percentage by which individual ratios vary from the median ratio. A low coefficient of dispersion indicates that appraisals within the area or class of property are uniform.

In response to a question from Senator McDaniel, Mr. Gordon furthered explained coefficient of dispersion.

In response to a question from Chairman Riggs, Mr. Gordon explained that the department delivers its analysis of the assessment ratio study to each PVA by September 1 of each year.

Mr. Gordon stated that an annual revaluation of real property includes a physical examination of the real property being conducted at least once every four years. After the initial evaluation, digital imaging technology can be used for inspections. Kentucky’s physical examination schedule falls in the middle of the schedules in the surrounding states in terms of the time between each physical examination.

Mr. Gordon explained that the use of digital imaging technology is an alternative to periodic on-site inspections if the initial physical inspections are done in a timely completed manner.

In response to a question from Representative Smart, Mr. Gordon stated that 57 counties use Pictometry. Each county determines whether it will use Pictometry.

In response to a question from Representative Simpson, Mr. Gordon explained that counties use Pictometry with other tools to determine property

values. There are no state mandates that dictate which tools local jurisdictions use to determine property values.

In response to a question from Representative Lee, Mr. Crawford explained that although the statewide total assessment is up four billion from 2007 to the preliminary totals for 2015, and although there has been a dip in total property tax collection, the total assessment has remained stagnant.

Representative Lee said that his constituents had been noting that property values seemed to be decreasing, but their individual assessments did not seem to decrease despite being in a recession.

In response to a question from Representative Belcher, Mr. Gordon stated the cost of the Pictometry program depends on the size of the county.

In response to a question from Representative Koenig, Mr. Crawford explained that the sales assessment ratio study is conducted from a sample provided by the PVAs. A 90 percent to 110 percent range is the guideline from the International Association of Assessing Officers (IAAO). Property assessment is not an exact science.

In response to a question from Representative Meredith, Mr. Gordon explained that a physical inspection must be done every four years as found in KRS 132.690. There is no statutory definition for “physical examination.”

Chairman Riggs said that the dictionary definition of “physical” includes “sight.”

In response to a question from Representative Lee, Mr. Gordon said that he likely would have consulted with general counsel before making a determination relative to the use of Pictometry, but also that the use of digital imagery is allowed within IAAO guidelines.

Dr. John Gilderbloom, Urban and Public Affairs, University of Louisville, said that the Jefferson County PVA’s office had provided assessment data for their independent study. He provided several examples of homes in the Louisville Metro area and discussed the variations of appraisals by real estate appraisers of the values of these homes and the accuracy of the Jefferson County PVA valuations of these homes.

Urban thinking uses a classic concentric zone model that illustrates how cities grow, and are defined, and how home values change. Louisville reflected this model until after the 1980s. Now with investment, properties are increasing in the downtown areas where traditionally they lagged. Downtown property values are soaring, and this has been captured by the PVA’s office. This effect has been replicated in many cities nationally. Young people are attracted to the downtown areas for various reasons. The PVAs are capturing the values of these areas accurately because of the volume of sales activity.

Dr. Gilderbloom said there are areas in Louisville Metro that are quickly appreciating in value as well as some areas that are appreciating slowly.

There are consequences to homeowners when their property is under-appraised. Real estate appraisers, which is a different occupation than a PVA, do not appraise property fairly. They have a lack of formal education or have training in disciplines that promote inaccurate valuations. Their current

methodologies create biases against downtown neighborhoods. This can lead to difficulties in securing financing.

Representative Denham said that real-estate appraisers do not work for the banks. Banks do not interact with appraisers to avoid the accusations of manipulating the appraisers.

Dr. Gilderbloom said that appraisers are not familiar with local neighborhoods. He suggested that improvements can be made in education to improve the accuracy of real estate appraisers.

Representative Denham said that the appraisers' issue is different than a banking issue.

Dr. Gilderbloom said that PVAs use advanced, scientifically-based assessment methodologies that real estate appraisers do not, such as hedonic regression equations. In particular, his research indicated that the Jefferson County PVA's analysis is without bias. About 95 percent of the time, the Jefferson County PVA gets the value within 90 percent to 110 percent of the actual value.

In response to a question from Senator Seum, Dr. Gilderbloom said that his determination with a very small margin of statistical error itself indicates that the target value of 90 percent to 110 percent is being met by the PVAs.

In response to a question from Representative Lee, Dr. Gilderbloom said that historically the rich and powerful complain about taxes. They fail to account for the increase in their property investment. Historically the poor and minorities pay more. The PVAs in Kentucky do a good job using their analytics to ensure equitable assessments are provided for everyone. The "rich" were defined as those living in high income neighborhoods, and that tax justice is that everyone pays their fair share based on the value of their house. For awhile, some people were not paying their fair share.

Representative Meredith said that banks do not hire appraisers. Customers hire the appraisers. The banks may act as clearing agents, though.

Dr. Gilderbloom said that the appraisers are selected randomly. Sometimes a person hires a good appraiser and sometimes a person hires a poor one.

In response to a question from Senator Thayer, Dr. Gilderbloom said that his definition of "rich" in terms of his testimony was when people sell property in excess of \$500,000. In terms of being wealthy, the top 5 percent make over \$100,000 a year.

Senator Thayer said he feels the use of code words such as "tax justice" and "fair share" when used in relation to wealth make it sound like being wealthy is bad. The wealthy create the jobs and pay the taxes that make the country work.

Dr. Gilderbloom said that what he meant by justice is "fairness." There has been a history in this country in relation to property tax assessments of the poor carrying the burden. He said that Kentucky is doing it right.

In response to a question from Representative Linder, Dr. Gilderbloom said that he felt that where the PVAs throughout Kentucky use proper assessment tools, they are doing as well as the Jefferson County PVA. It was the Jefferson County PVA's assessment methodologies that he had studied in detail and determined to be accurate and without bias. State law

requires a certain level of accuracy by all PVAs.

Mr. O'Neill, Fayette County PVA, said that PVAs reflect the market, but do not set the market. Appraisals are different than valuations conducted by PVAs. The "high water mark" in sales in Fayette County was in 2005, after which they declined. Kentucky did not have the huge bubble in property values as in other states. Kentucky's values stayed somewhat flat during that time. The number of house sold dropped dramatically, though, in 2008, when the recession began reaching the low point in 2011. PVAs needed a critical mass of sales to conduct reassessment.

In response to a question from Chairman Riggs, Mr. O'Neill said that he did not believe the state law requiring valuations to be done every year needed to be changed. There are 110,000 parcels of property in Fayette County. The Department of Revenue conducts reviews to include the assessment ratio study. The newspaper also conducted an in-depth article that found that all the PVAs were within the assessment ratio guidelines.

PVAs are required to assess each parcel at 100 percent of its fair cash value. House Bill 44 limits the total funding to a tax district to 4 percent of its previous year's revenue without a referendum. However, there is no similar 4 percent limitation for individual properties. There is no 10 percent deviation standard set by the Department of Revenue for individual real property assessments. There is an acceptable range of 90-110 percent sales ratio that reflects the median of all arms length transactions in a county, arrayed as the sale price divided by the assessment. In addition to reassessments of the properties in the quadrants, the Department of Revenue may direct the PVAs to conduct reassessments in other areas outside the quadrants where sales ratios do not meet acceptable standards.

In response to a question from Chairman Riggs, Mr. O'Neill said that the PVAs know that they have to assess all properties at 100 percent fair cash value every year and physically inspect all properties once every four years.

In response to a question from Representative Shell, Mr. O'Neill said that the letter from the Department of Revenue to the Jefferson County PVA was intended for clarification for that particular county. Aerial mapping is available, but as long as resources exist, he plans to continue to perform physical inspections of properties. Each county in Kentucky has unique circumstances.

In response to a question from Chairman Riggs, Tony Lindauer, Jefferson County PVA, Kentucky PVA Association, explained that Pictometry has proved to be more efficient and accurate.

Joyce Parker, Laurel County PVA, said that it would cost Laurel County \$70,000.00 each time the Pictometry software is flown over the county for revaluation.

Mr. Lindauer said that he uses "Change Finder," which is an add-on to Pictometry. It enables the user to set notification parameters that will alert the user to changes in the footprint of properties.

In response to a question from Representative McKee, Mr. Lindauer affirmed the responsibility of property owners to list additions that affect their

property values with the PVA. However, there is no obligation for property owners to note changes in their subdivision, which might increase their own property values and report the value increase in their property to the PVA. The appeals process is a safety net for assuring accurate valuation.

In response to a question from Representative Meredith, Ms. Parker said that, while still conducting physical inspections, Pictometry would aid in finding property changes in the field that are otherwise difficult to locate. Building permits are only required in the city. Mr. Lindauer said that, in the first year Jefferson County used Pictometry, it added \$35,000,000 of undocumented properties in inaccessible places.

In response to a question from Representative Meredith, Mr. O'Neill stated that he has 23 employees in his office. Mr. Lindauer has 60 employees. State law dictates how many employees are permitted.

In response to a question from Representative Smart, Mr. Lindauer replied that the use of Pictometry is being requested in the next budget cycle.

Representative Bratcher said he had asked for an investigation of the PVA because there are so many red flags associated with the Jefferson County PVA. The significant property valuation increases after a period of no increases. There are questions relating to the letter of the law. The people of Jefferson County are upset. An investigation should be conducted. He inquired about the frequency of required PVA audits and what was mandated in statute. In conversations with the Commissioner of the Department of Revenue, the 2012 audit was just being completed, and the 2014 audit would be started.

Mr. Lindauer read portions of the summary from the 2012 audit for Jefferson County that was recently released. It noted the advantageous use of electronic media and the fact that it passed the audit.

In response to a question from Chairman Riggs, Ms. Martin said that it is not uncommon for properties to go up in a period of eight or so years in an amount of 10 percent to 15 percent, or even 20 percent. Mr. O'Neill said that there were a few properties in Fayette County that saw similar increases. Mr. Lindauer noted that he thought some of the spikes in Jefferson County were a result of map corrections, resulting from refining the actual boundaries of the original subdivisions.

In response to a question from Representative Crimm, Mr. Lindauer stated that he served the people of Jefferson County and apologized for a remark that was quoted in the newspaper. The remark should have been that property values had remained so low for a period of time and now that the market has improved. Certain people are hurting because of the increase in property values. Changes to the homestead exemption may be considered.

Representative Crimm said that the PVAs must be able to explain changes in property value when asked to do so by the property owners in conference.

Representative Simpson suggested that the PVAs and the Department of Revenue carefully consider the letter of the law and provide recommendations in amendments to the KRS should they be deemed necessary, to ensure that current practice and the law are harmonious.

There being no further business, the meeting

SPECIAL SUBCOMMITTEE ON ENERGY

Minutes of the 1st Meeting of the 2015 Interim

June 19, 2015

Call to Order and Roll Call

The 1st meeting of the Special Subcommittee on Energy was held on Friday, June 19, 2015, at 10:00 AM, in Room 131 of the Capitol Annex. Senator Jared Carpenter, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jared Carpenter, Co-Chair; Senators Ernie Harris, Jimmy Higdon, Dorsey Ridley, Brandon Smith, and Robin L. Webb; Representatives Rocky Adkins, Hubert Collins, Leslie Combs, Tim Couch, Will Coursey, Jim Gooch Jr., Sannie Overly, Tom Riner, John Short, Kevin Sinnette, and Fitz Steele.

Guests: Virginia Carrington, Assistant Director, Division of Family Support, Department for Community Based Services, Todd Trapp, Branch Manager, Policy Development Branch, Division of Family Support, Department for Community Based Services, Cabinet for Health and Family Services; Robert Jones, Executive Director, Community Action Kentucky; Ron Willhite, Director of School Energy Managers Program, Kentucky School Boards Association; Jim McClanahan, Energy Manager for Woodford and Scott County Schools, and Ralph Slone, Head Custodian, Woodford County Schools.

LRC Staff: D. Todd Littlefield, Janine Coy-Geeslin, and Susan Spoonamore, Committee Assistant.

Virginia Carrington, Assistant Director, Division of Family Support, Department for Community Based Services, Cabinet for Health and Family Services; Todd Trapp, Branch Manager, Policy Development Branch, Division of Family Support, Department for Community Based Services, Cabinet for Health and Family Services, and Robert Jones, Executive Director, Community Action Kentucky, discussed the Low Income Home Energy Assistance Program (LIHEAP) Block Grant Application for Fiscal Year 2016.

Presentation and public hearing on the Low Income Home Energy Assistance Program (LIHEAP) Block Grant Application – FY16

Mr. Todd Trapp explained that the LIHEAP program offers low-income individuals with a safety net for their heating and cooling costs and energy conservation efforts. Assistance is targeted toward households with the lowest incomes. LIHEAP received \$29.9 million of which ninety percent is used directly for Kentucky citizens. He said that \$25,000 is reserved to assist families with an energy payment, if it results in the removal of a child from the family.

Mr. Trapp stated that there are 3 components to the program: subsidy, crisis and weatherization assistance. He said that in order to receive benefits, an application must be completed. Once eligibility is established, payment is made to the heating fuel provider or utility. The six primary heating fuels are

natural gas, electric, fuel oil, propane, coal and wood. Based on the average cost per unit of fuel, he said that propane and fuel oil represent the highest cost of heating fuels. Benefit amounts are designed so that the highest level of assistance will be provided to households with the lowest incomes, relative to the federal poverty guidelines, and the highest heating season energy costs.

Mr. Trapp said that the crisis component is for those who have received a past-due or disconnect notice if natural gas or electric is the heat source. For those using propane, fuel oil, coal, wood or kerosene, they must be within four days of running out of fuel. The maximum amount of benefits that any household can receive is \$250 for gas or electric or up to two tons of coal, two cords of wood, or 200 gallons of propane, fuel oil or kerosene. The Cabinet for Health and Family Services (CHS) may approve increases if program funding is enhanced through a federal or state award. Mr. Trapp said that each eligible household, except those in the 0 – 74 percent poverty level must pay a co-payment. Households residing in subsidized housing are responsible for a higher co-payment since they receive a utility allowance.

Mr. Trapp said that the weatherization assistance program gives priority to families residing in high energy consuming units, those families who have a high-energy burden, those families who have vulnerable members and families with children who are at risk of being removed from their homes.

In response to Senator Higdon, Robert Jones, Executive Director, Community Action Kentucky (CAK) said that ten percent of LIHEAP Block Grant funds are used for administration. Senator Higdon stated it would be better to have more money in the subsidy program rather than the crisis component. Mr. Jones said that any money that has not been expended in the subsidy program is rolled into the crisis component.

Representative Gooch stated that the proposed Environmental Protection Agency (EPA) regulations could cause utility rates to go up which will increase the number of applicants applying for LIHEAP.

In response to Representative Collins, Mr. Trapp said that an eligible applicant will only receive one payment for utility bills. He also agreed that some people who need help will be left out because the funds have been depleted.

In response to Senator Carpenter, Mr. Trapp said that a portion of LIHEAP funds are transferred to the weatherization program which helps with energy efficiency. He also said that payments from LIHEAP are paid directly to the vendor.

In response to Representative Riner, Mr. Trapp said the Cabinet would review the recommendations contained in a letter from the Metropolitan Housing Coalition.

In response to Representative Coursey, Mr. Jones explained that an energy efficiency audit is performed on a residence and the information from that audit details what type of weatherization is needed. He said that some types of weatherization can include water heaters, insulation, windows and doors. Roofing is expensive and an eligible household can only receive up to \$6,500 for weatherization. Contractors can get on a vendor list at the Community Action Kentucky.

Mr. Jones said it was hard to find contractors to do the necessary work because reimbursements were low.

In response to questions from Senator Higdon, Mr. Trapp said that programs in other states are probably structured differently than Kentucky's. He said that the Cabinet is mandated to run a crisis program. Ms. Carrington said that there are opportunities for program changes if necessary. She also said that the Cabinet does not have direct dialogue with the Metropolitan Housing Corporation.

In response to Senator Webb, Mr. Jones said that on an operational level, Community Action Kentucky oversees the program through a distribution formula. He said that the Cabinet does an audit to ensure that CAK complies with the funding requirements. He also described three primary factors in the distribution formula: prior usage, poverty rate and population. The formula does a good job balancing between usage and population but some areas will run out of funding and other areas may not use all their funds. Mr. Jones stated that Kentucky faces challenges especially in the areas that use more deliverable fuel which increases the cost. He said that he would provide a map showing the distribution of funds, surplus of funds and funds that were depleted before the heating season was done.

In response to Representative Collins, Ms. Carrington stated that the maximum benefit for a household is \$250 unless the Cabinet approves an increase to the benefit amount. This may occur if program funding is enhanced through a federal or state award. Mr. Jones said that so far CAK has not encountered any issues with partially filling up a propane tank.

Cathy Hinko, Director, Metropolitan Housing Coalition (MHC), explained that the Coalition is based in Louisville, Kentucky, and is a non-profit organization focusing on fair and affordable housing in the Louisville Metropolitan Statistical area. She stated that MHC is concerned about the policies relating to the crisis component of LIHEAP. She said that an analysis of the policies showed a deliberate and systemic bias to siphon off funds for urban areas so extra funds may be redistributed to non-urban areas which undermine the distribution mandated by federal law. The bias masks itself as policies applied to households in an area with metered utilities and policies applied to areas where heating is through the purchase of bulk fuel. The inequity is increased by apportioning part of the crisis funds based on the prior year's expenditure.

She stated that Jefferson County was home to 43.39 percent of all African Americans living in Kentucky and they are disproportionately lower-income compared to whites. She said that in Louisville 11 percent of whites lived in poverty compared to 26 percent of African Americans. Additionally, African Americans in Louisville live in extreme segregation and those areas have the oldest housing. Both by poverty level and neighborhood, there is disproportionate need for energy assistance by the African American population. Ms. Hinko stated that this is a racially disparate impact that violates Section VI of the Civil Rights Act and the policies should be reviewed for compliance with all federal laws.

Ms. Hinko noted the following proposed

solutions for changes at the state level which would allow low-income households in Jefferson County to fully benefit from energy assistance as intended by the federal program. They are as follows:

Make LIHEAP a year-round program using best practice of states using the funds year round;

Review the disbursement to make sure that urban areas are not still being punished for failing to spend all monies in prior years (part of the distribution formula);

Allow for self-declaration of need in metered areas in the crisis component;

Use a fixed allocation for crisis that would reflect dollars spent per person in non-metered areas and make any increase equitable;

Allow any unspent funds from the heating season to be held by the local Community Action agencies until the cooling season and/or be used for energy efficient modifications to residences; and

Review the allocation to spend more funds on energy efficient rehabilitation.

The proposed findings of fact regarding the LIHEAP Block Grant were approved by roll call vote, upon motion made by Senator Webb and a second by Representative Short.

Successes in School Energy Efficiency

Mr. Ron Willhite, Director of School Energy Mangers Program, Kentucky School Boards Association, Jim McClanahan, Energy Manger for Woodford and Scott County Schools and Ralph Slone, Head Custodian, Woodford County Schools discussed successes in school energy efficiency.

Mr. Willhite said that pursuant to House Bill 2 (2008) schools were directed to develop, implement and monitor an Energy Management Plan. The Kentucky School Boards Association (KBA) collects annual reports and sends the results to the local Department of Education and the Legislative Research Commission.

He said that the average school district in Kentucky, K-12 (excluding Jefferson and Fayette), spends approximately \$843,000 per year on energy costs. He stated that school culture is very different compared to businesses. A teacher can bring portable heaters, refrigerators, additional lights, and microwaves. Some teachers even have control over the temperature in their rooms.

Mr. Willhite said there is a funding challenge in school districts where the districts do not have cash or bonding capacity to invest in energy efficiency. It is even a challenge to find an energy manager in a teaching position or otherwise. Because energy technology is becoming more sophisticated it is important to have an energy manager in the school.

Mr. Willhite said that Kentucky's School energy efficiency average was 60 compared to the national level of 73. In Kentucky's best district, the energy star level was 35 compared to the national level of 50.

In response to Representative Collins, Mr. Willhite said the numbers of 75 and 60 reflect the amount of energy used per square foot, with a lower number reflecting a more energy efficient building.

Mr. Willhite said more schools were becoming Energy Star buildings. He said that Kentucky went from being number 4 in the nation as Energy Star

Certified to being number 2. From 2008 to 2014 school districts have saved \$48 million by focusing on energy management.

Mr. McClanahan stated that energy management has changed the culture and lifestyles of teachers and students at school and at home. He said that the School Energy Management (SEMP) program was initiated in 2009 by conducting a utility study at Scott County. He explained that Woodford County was not a growing district but once money was obtained the school personnel asked Mr. McClanahan for assistance.

Mr. McClanahan explained that Scott County was the largest district with all schools meeting the Energy Star standards. He said Scott County went from number 25 in the nation to number 5. The cumulative cost saved was \$2,200,000. He said that Woodford County came onboard in 2014 and so far there have been four schools to reach Energy Star level. The cumulative cost avoided in Woodford County has been \$470,000.

In conclusion, Mr. McClanahan said that there were several key factors for having a successful energy management program; the program must be supported by the school board, superintendent, principals, faculty, staff and students by educating all individuals on saving energy. It was also important to recognize the achievements and hard work of each improving school.

Mr. Ralph Slone, head custodian and energy efficiency practitioner, Woodford County School District, said that when he was first approached about the Energy Savings Program he was skeptical. As time went on and he started doing small things like cutting off lights, turning the heat and air off when rooms were not in use. When the results came back and showed the decrease in the amount of energy used then he got on board with the program and became a believer. He stated that energy costs were going to increase and it was important to keep on with the momentum, funding and training. He also said that all school districts do not have an energy manager because of the lack of funding or being able to hire the right people with proper training. He said if every school in the state was part of the program, the annual savings potential could reach \$62,000,000.

Mr. Slone stated that it would be important to consider approving the Energy Cabinet's budget expansion of \$750,000 next biennium to fund continuation of KSBA and SEMP Core Leadership Group. He also emphasized the importance of an Energy Manager and the need for funding. In closing, he asked that consideration be given to creating a mechanism to fund energy improvement projects up to \$1,000,000.

In response to Representative Collins, Mr. McClanahan said that Woodford County saved approximately \$70,000 in electricity costs last year. If all the schools across the state reached Energy Star level, there could be an annual savings of \$39 million.

There being no further business, the meeting was adjourned.

SB 192 IMPLEMENTATION OVERSIGHT COMMITTEE

Minutes of the 1st Meeting of the 2015 Interim

June 26, 2015

Call to Order and Roll Call

The 1st meeting of the SB 192 Implementation Oversight Committee was held on Friday, June 26, 2015, at 10:00 AM, in Room 131 of the Capitol Annex. Representative Denver Butler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel, Co-Chair; Representative Denver Butler, Co-Chair; Senators Morgan McGarvey and Whitney Westerfield; Representatives David Floyd, Joni L. Jenkins, and John Tilley.

Guests: Dr. Rice Leach, Lexington/Fayette Health Department; Leigh Ann Roberts, Office of the Commonwealth's Attorney; Dave Roberts, Kentucky State Police; Jennifer McMinn and Donald Davis, Volunteers of America; Harold Tomlinson, retired County Judge; Steven Kelley, Office of the Commonwealth Attorney; Jim Baiting, Transitions, Inc.; Joan Arlinghaus, PAR; Russ Read, Kentucky Harm Reduction Coalition; Stephanie Stidham, Louisville Criminal Justice Commission; Becky Smith, UofL Kent School; Steve Florian, Eva Hager, and Daniel Schubert, Kentucky Department of Public Advocacy; Susan Ely, Jefferson County Attorney's Office; Andrea Renfrow, Bullitt County Health Department; Jason Merrick, People Advocating Recovery; David Waters, Crossroads Counseling; Kraig Humbaugh, Kentucky Department for Public Health; Kay Combs, PAL, Scott County; Steve Durham, LMDC; Laura Woodrum, LCDHD; Keith McKenzie and William Gillen, GLCC.

LRC Staff: Alice Lyon, Jon Grate, Sarah Kidder, Jonathan Scott, Cindy Smith, Matt Trebelhorn, and Miranda Deaton.

Implementation of SB 192 Appropriations Authority

Secretary J. Michael Brown, Justice and Public Safety Cabinet said that Senate Bill 192 (SB192) from the 2015 Regular Session of the General Assembly gave the Secretary of the Justice and Public Safety Cabinet express authority to determine the distribution of up to \$10 million for programs to combat prescription drug and heroin abuse in Kentucky. He reported that in 2014 for KSP laboratories, testing for heroin represented 17 percent of the crime labs' load. For the Northern Kentucky crime lab, that number was 40 percent. The Jefferson County lab was 27 percent for heroin.

The following are the recommended proposed funding levels from SB 192: up to \$1 million for substance abuse treatment in jails or detention centers that employ evidence-based practices in behavioral health treatment or medically assisted treatment for non-state inmates with opiate addiction or other substance abuse disorders; up to \$500,000 for KY-ASAP programs operating under KRS Chapter 15A in county jails or in facilities under the supervision of county jails that employ evidence-based behavioral health treatment or medically assisted treatment for

inmates with opiate addiction or other substance abuse disorders; up to \$1.5 million to purchase an FDA-approved extended-release treatment for the prevention of relapse to opiate dependence with a minimum of 14 days effectiveness with an opioid antagonist function for use as a component of evidence-based medically assisted treatment for inmates with opiate addiction or substance abuse disorders participating in a substance abuse treatment program operated or supervised by the department; up to \$2.6 million for KY-ASAP to provide supplemental grant funding to community mental health centers for the purpose of offering additional substance abuse treatment resources through programs that employ evidence-based behavioral health treatment or medically assisted treatment; up to \$1 million for KY-ASAP to address neonatal abstinence syndrome by providing supplemental grant funding to community substance abuse treatment providers to offer residential treatment services to pregnant women through programs that employ evidence-based behavioral health treatment or medically assisted treatment; up to \$1.2 million to the Department for Public Advocacy to provide supplemental funding to the Social Worker Program for the purpose of creating additional social worker positions to develop individualized alternative sentencing plans; up to \$1.2 million to the Prosecutors Advisory Council to enhance the use of rocket docket prosecutions in controlled substance cases; and up to \$1 million to provide supplemental funding for traditional KY-ASAP substance abuse programming under KRS Chapter 15A.

Secretary Brown said the State Budget Office will transfer the funds to the Justice and Public Safety Cabinet for distribution. Some of the funds will be distributed as early as the first week of July.

Kevin Pangburn, Division of Substance Abuse, Department of Corrections (DOC) discussed substance abuse programming. He reported that in 2005 jails and prisons combined had 475 treatment beds, whereas there are 3490 beds in 2015. Twenty jails or detention centers substance abuse programming in-house with 985 beds for inmates. The Department contracted with 14 community mental health centers for 1400 out-patient treatment slots, providing coverage in all counties of the state, with 525 slots contracted for out-patient programs in metropolitan areas.

Mr. Pangburn also said that the DOC monitoring process identified a need for increased jail substance abuse treatment slots for the male population. DOC will create 200 additional jail substance abuse treatment beds with SB 192 funding, serving approximately 400 additional inmates annually.

Secretary Brown said many portions of the bill direct funding to KY-ASAP for distribution to community mental health centers and other providers. The Cabinet will disseminate all the funding opportunity announcements for all the individuals that provide these types of services. There will be an open invitation to submit proposals. The Cabinet will also hold an informational webinar for the eligible provider organizations, and a multi-tiered application review and selection process.

In response to a question by Representative

Butler, Secretary Brown said his agency will receive the funds the first week of July and will be able to turn some around rapidly. Some will require an application process and that will go as quickly as possible.

In response to a question by Senator McDaniel, Secretary Brown said most of the individuals that need to be on the distribution list are well known to the Cabinet. If there are others that want to be included, those individuals need to contact Secretary Brown's office, or the Office of Drug Control Policy.

In response to a question by Senator McDaniel regarding funding for relapse prevention medications like Vivitrol in correctional facilities, Secretary Brown said both jails with and without in-house substance abuse programs will have access to the medication program.

Senator McDaniel emphasized the importance of the programs in Northern Kentucky. He also said it is important that there is not a lapse as individuals transition from jails into Medicaid and other programs.

Representative Butler commented that continuity of care is a re-occurring theme not just with Corrections, but with medical care, and pregnant mothers.

Representative Jenkins said that she recently spoke with the Virginia Medicaid director. Virginia recently changed from a state that terminated Medicaid when a client was incarcerated to a state that suspends it, and has already seen successes in connecting people to substance abuse treatment at the point of release from incarceration. She encouraged the committee to look further into that issue.

In response to a question by Representative Floyd regarding Vivitrol funding, Secretary Brown said an Administrative Office of the Courts' pilot project provided the first dose of Vivitrol to those under drug court supervision.

Authorization and Implementation of Needle Exchanges

Scott Lockard, Director, Kentucky Health Departments Association and Director, Clark County Health Department said the Health Departments have done a lot of work since the passage of SB 192 regarding to implement the component allowing participants to exchange needles and syringes. The Department of Public Health put together a statewide workgroup to look at best practices across the nation. A key component of the bill was giving local control. The local board of health would need to adopt a resolution in support and then they would need to go to the local policy makers to get them to adopt ordinances. As expected, the urban areas are moving the fastest on this, but there is movement in the rural areas as well. Substance abuse is an issue that faces communities all across the Commonwealth.

Dr. Lynne Sadler, Director, Northern Kentucky Independent Health District said that in Northern Kentucky they are concerned about IV drug use and what the statutory mandate is for sharing needles. One of the fundamental statutory requirements for public health is to stop the spread of disease, and to prevent disease outbreaks. All the diseases are very expensive to treat. In 2012, Hepatitis C discharge billings in Kentucky hospitals were \$348 million for in-patient

hospitalization, and \$23 million for emergency visits for Hepatitis C.

Sadiqa Reynolds, Chief of Community Building from the Louisville Mayor's Office said there has been a suggestion that there should be a one-for-one needle exchange, which implies that everyone in the community uses one needle each and that no one is sharing needles. However, the sharing of needles is why the spread of disease has increased and is the reason needle distribution is a public health initiative.

Wayne Crabtree, M.Div CADC, Administrator of Clinical Services, Louisville Metro Public Health and Wellness said that the Louisville Needle Exchange Program operates 6 days per week and that the interventions are changing lives. In the first two weeks of operation the program had 100 participants, 20 of whom were voluntarily tested for HIV, and 9 who were referred for drug treatment.

In response to a question by Senator Westerfield, Ms. Reynolds said as awareness of the program grows, there will be more exchanging of syringes and needles. Requiring a one-to-one exchange would violate the spirit of the program. Clients are individuals who have addictions and some are bringing needles, some are not. This should not be seen as a promotion of drug use, but instead a way trying to prevent disease and the spread of disease. Ms. Reynolds is confident that over time, there will be decrease in the number of needles in the park, a decrease in the number of police officers getting stuck, and an increase in the number of needles being brought in to the exchange.

Representative Butler said that he and Representative Jenkins toured the needle exchange program and it was very eye opening. The individuals operating the program have to develop a program from the ground up, and have to gain the trust of the individuals coming to the program, and they are doing an amazing job. Mr. Crabtree said that teaching addicts what they have to do to stay healthy and to keep others healthy is an opportunity to provide interventions to people who are very difficult to reach.

Senator McDaniel spoke about the language in SB 192. Local health departments are not prohibited from operating substance abuse treatment outreach programs which allow participants to exchange hypodermic needles and syringes. SB 192 language does not say "distribute" or "receive," but "exchange." He added that, if employees of the Louisville program are being allowed to distribute without an exchange, they are operating in contravention to the law and opening themselves to criminal liability. He said that an Attorney General's opinion has been requested.

Representative Butler said that, under SB 192, needle exchanges are operated by local option. In Louisville's case, the Health Department presented the program to the 26 members of Metro Council, and the Health Department's General Counsel advised that the exchange fell under SB 192. The County Attorney's office also reviewed the bill independently and said that the program fit into SB 192 and all 26 members of the Metro Council voted for it. The bill allows, but does not require, participants to exchange.

Senator McDaniel said he expected an exchange or there would not be a program.

Ms. Reynolds said she takes issue with someone

saying employees of the Louisville needle program are going to face criminal charges because the word “allows” makes it clear that this is not criminal. An exchange is allowed but is not required by law. Mr. Crabtree added that the program strongly encourages the return of distributed needles, making returns part of the Participants’ Rights and Responsibilities form provided to each client.

In response to a question by Senator Westerfield, Representative Butler said the program is tracking how many needles are given out and how many are coming in. They also teach the participants how to safely dispose of the needles if they are not going to bring them back in.

Dr. Rice Leach, Director, Lexington – Fayette County Health Department said he is one doctor taking care of 330,000 people in Fayette County. Some of those people use heroin and leave needles lying around, while many do not. All are at some risk of catching HIV or Hepatitis. When Lexington – Fayette County establishes a needle exchange program for those using IV drugs, they will be given needles and expected to bring some back.

In response to a question by Representative Floyd, Ms. Sadler said that research she has read says that if someone comes in with one needle and is given one needle, but uses 4-5 per day, they are going to continue sharing needles and spreading diseases that are trying to be prevented.

Good Samaritan Immunity

Hon. Rob Sanders, Kenton County Commonwealth’s Attorney said there are problems with the Good Samaritan portions of SB 192. Anytime legislators create immunity of any sort, he sees resulting litigation from people that hope to take advantage of that immunity where it was never intended to apply because defense attorneys are required to pursue these avenues to help clients. Specifically with immunity granted in SB 192, no evidence was presented that significant numbers of people hesitated to call 911 when witnessing or experiencing an overdose. He believes that if the numbers are weighed between when someone called 911 and when they did not call 911, the times that 911 is called are significantly higher. His concern is that those who need treatment the most are turned back out into the community with just a piece of paper telling them where to get treatment. The bill is written as if those overdosing will receive medical treatment beyond the administration of Narcan and be transferred to a hospital. However, the 911 immunity broadly applies no matter who calls 911, and there are other ways of accomplishing the goal and getting people into treatment.

Mr. Sanders discussed Kenton County’s Heroin Expedited Addiction Recovery Treatment (HEART) Program. Each addict arrested for a drug or drug paraphernalia possession-only offense is evaluated by a clinician certified for addiction assessments. Between the arraignment and the preliminary hearing, the clinician makes a recommendation to the judge regarding which treatment program is best suited to handle the addict’s needs. At the hearing, the Judge asks if the individual wants to be in the program. If they do, the bond is set at “own recognizance” and they are released the next day to a municipal bus that

drives them straight to their treatment program.

Hon. Leigh Ann Roberts, Carroll County Assistant Commonwealth’s Attorney said she echoed much of what Mr. Sanders said. There are differences with what happens in the rural areas with what is available in cities. In 2010, she prosecuted just over 300 felonies a year. By 2012, there were over 500, which is primarily because of the possession and trafficking of heroin offenses. In her role as prosecutor, she has to deal with non-drug crimes that are occurring as a result of high levels of heroin addiction. If one of the goals of SB 192 is to preserve life, lives can be saved more readily without the immunity clause in the legislation. A focus could be to ensure that treatment funds are available, and to increase communication between different agencies. She said the problem her office has with the Good Samaritan immunity is that it is hard to understand that the intent of the legislation was to de-criminalize the possession of heroin in those circumstances. She urged that the committee revise SB 192 in general and consider the repeal of the Good Samaritan clause.

Hon. Susan Ely, Assistant Jefferson County Attorney said prosecutors throughout the state have struggled with the Good Samaritan laws. She said she works with thousands of cases per year. She and Jefferson County Attorney Mike O’Connell are supportive of the Good Samaritan provisions, although they do agree there are valid questions being brought up. She said they are working closely with the Jefferson County’s Commonwealth Attorney and community programs, similar to the other prosecutors. In Jefferson County they are trying to get a grant specifically to deal with heroin prosecution.

Representative Jenkins mentioned that there are 25 states that have similar Good Samaritan laws like Kentucky and asked if staff could communicate with prosecutors in those states to see if they are experiencing the same difficulties and how they handle them.

Daniel Schubert, Assistant Public Advocate, Kenton County, advocated for the preservation of the Good Samaritan immunity provision as is. He said that immunity is important for all in order to get life-saving medicine to individuals. If people are worried about the consequences of making a phone call, that will obstruct the swift medical response. He said that he represents thousands suffering from heroin addiction. They all want help, but they do not view criminal prosecution as help. Even with intervention like the HEART program, people face prison sentences as a result of their overdoses and the evidence left behind, and that risk that will make people avoid calling for emergency services.

Eva Hager, Assistant Public Advocate, Campbell County asked the committee not to repeal the Good Samaritan law without obtaining the data. She asked the members to look at the reporting requirements of the law before making any decisions. If the numbers are not reviewed, policy makers will not know if the Good Samaritan law is working or not.

Steve Florian, Assistant Public Advocate, Boone County said that charging people with felonies and incarcerating them so they are forced into treatment has gone on for decades and it does not work. The same people are in the court system repeatedly and it

is clogging the dockets. He asked that the immunity provision stay in the legislation.

Public Advocate Ed Monahan closed by saying that it is premature to call for a repeal of the Good Samaritan immunity until more data is collected. The immunity is a critical provision and it needs to be given a chance. It is in 22 states for a reason. Immunity, well crafted by General Assemblies and courts, is important to the proper functioning of society.

Senator McDaniel said he did not think that Mr. Sanders suggests to incarcerate ourselves out of the problem. Instead, he heard a call to take a look at whether more lives were being saved by forcing more people into treatment via these mechanisms versus them being allowed to have immunity when they called.

In response to a question by Representative Tilley, Mr. Florian said that as a defense attorney he will always advocate for the best result for his client.

Representative Tilley said he is willing to review the process and make it what it is supposed to be. He said that in an overdose situation, we need to work to save lives first and sort things out later.

In response to a question by Representative Tilley, Mr. Monahan said that current law allows for involuntary commitment in some circumstances. He added that the current Good Samaritan provision applies to possession of drugs or paraphernalia, it does not apply to trafficking. He encouraged the members to get the data and then see if something needs to be changed.

There being no further business, the meeting was adjourned at 12:04 p.m.

PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE

Minutes

July 9, 2015

Call to Order and Roll Call

Program Review and Investigations Committee met on Thursday, July 9, 2015, at 10:00 AM, in Room 131 of the Capitol Annex. Senator Danny Carroll, Chair, called the meeting to order. He welcomed new staff members and the secretary called the roll.

Present were:

Members: Senator Danny Carroll, Co-Chair; Senators Perry B. Clark, Christian McDaniel, Dan “Malano” Seum, Stephen West, and Whitney Westerfield; Representatives Tim Couch, David Meade, Terry Mills, Ruth Ann Palumbo, Rick Rand, and Arnold Simpson.

Legislative Guest: Representative Steve Riggs

Guests: Marvin Miller, Assistant Director, Division of Adult and Child Health Improvement; Fran Hawkins, Nutrition Services Branch; David Lovely, Staff Attorney; Cabinet for Health and Family Services

LRC Staff: Greg Hager, Committee Staff Administrator; Chris Hall; Chris Riley; Colleen Kennedy; William Spears; Shane Stevens; Joel Thomas; Ashleigh Hayes and Laura Tapp, Graduate Fellows; Kate Talley, Committee Assistant.

Minutes for June 11, 2015

Upon motion by Senator McDaniel and second by Senator Clark, the minutes for the June 11,

2015, meeting was approved by voice vote, without objection.

Presentation on the Kentucky Special Supplemental Nutrition Program for Women, Infants and Children

Marvin Miller made a presentation on the Kentucky Special Supplemental Nutrition Program for Women, Infants and Children (WIC). WIC, established in 1966, is governed by the US Department of Agriculture (USDA). The first WIC clinic was in Pineville in 1974. The four pillars of WIC are nutrition education, healthy food, healthcare referrals, and breastfeeding support. Studies have measured the positive outcomes for WIC services. For example, WIC prenatal care reduces the rate of preterm births and very low birth weight babies. Four or five year olds whose mother participated in WIC had higher vocabulary test scores.

As of September 2014, there were 123,123 participants in WIC in Kentucky (29,519 women; 30,930 infants; and 62,674 children).

USDA provides 100 percent of the funding. Funding for federal fiscal year 2015 is \$88.6 million: \$66.5 million for food benefits; \$7.9 million for nutrition education; \$946,800 for breastfeeding education, support, and promotion; \$13.3 million for client services, and \$9.5 million for program management. Program management includes vendor monitoring.

Eligible WIC participants are women who are pregnant, breastfeeding, or postpartum; infants less than 1 year old; and children aged 1 to 5. Participants must be Kentucky residents and meet income eligibility criteria. The income criterion is 185 percent of poverty level or through participation in another income-based program such as Medicaid. Each participant gets an individualized package of food based on her or his needs that can be purchased with an eWIC card. There are approximately 400 food packages.

Vendors are governed by federal and state regulation. They must complete the application process, meet authorization criteria and be approved before redeeming eWIC cards. Applicant vendors receive an onsite visit to review inventory and pricing. Kentucky has 753 authorized vendors. Vendors are monitored at least once every 2 years; receive training annually, either face to face or through video conference or a memo/newsletter; and receive technical assistance or training based upon monitoring or review of transactions. Five percent of vendors receive compliance investigations. Vendors who violate the program receive sanctions, which can include disqualification from the program. Examples of violations are sale of alcohol in exchange for WIC benefits, overcharging, providing unauthorized food items, and charging for food items not received. A vendor has a right to a hearing.

In response to questions from Senator McDaniel, Mr. Miller said the agency does not approve beverages and food with high sugar content for WIC purposes. Restaurants are not approved as WIC vendors. Convenience stores can be approved if they meet certain requirements. That is important because WIC recipients need program flexibility so they can purchase some items such as milk as

they run out. The eWIC card allows this flexibility. Mr. Miller said WIC currently has about 115,000 recipients compared to 130,000 in past years. This downward trend in WIC participation has probably resulted from the decline in available jobs since 2008. If a community lacks WIC-approved food vendors, community leaders encourage local stores to apply to become WIC vendors.

In response to a question from Senator Carroll, Mr. Miller differentiated WIC from SNAP by explaining that SNAP allows purchases of food and drink that would not be allowed under WIC. Examples include soft drinks and potato chips. Ms. Hawkins added that another difference is that WIC food categories are time-limited.

In response to a question from Senator Seum, Mr. Miller said the WIC program follows the child, meaning the child receives food under WIC even if a caretaker is not eligible.

In response to questions from Representative Riggs, Ms. Hawkins said WIC vendor investigation is conducted on two levels. An evaluation is conducted every 2 years. A separate compliance review is conducted on 5 percent of all WIC stores annually. Vendors can be trained via in-person training sessions once per year or via newsletter articles updating them on recent program changes. The agency asks vendor management whether or not they wish to receive additional training.

In response to a question from Representative Riggs, Mr. Lovely said the Cabinet for Health and Family Services (CHFS) does not provide the names, addresses, and websites of vendors in connection with their being investigated for fraud in accordance with USDA responses to public comment in the Federal Register. USDA officials have indicated their position is that identifying information about vendors undergoing a fraud investigation cannot be released publicly.

Representative Riggs raised the question of whether the name of a WIC recipient being investigated for WIC fraud can be made public. The answer was left undetermined.

Representative Riggs and Mr. Lovely noted different ways in which other states interpret the USDA regulation on publicly identifying WIC vendors undergoing WIC fraud investigation.

In response to questions from Senator Carroll, Ms. Hawkins said the sanctions invoked against WIC vendors found to have committed fraud are WIC penalties. A criminal charge would be brought by another entity, not by WIC. Law enforcement approaches the agency if it independently suspects a criminal violation.

Mr. Lovely added that the agency is not required to notify law enforcement of a WIC violation, since WIC only enforces administrative sanctions. The agency would cooperate with law enforcement if asked. An administrative sanction resulting from fraud would remove the vendor from the WIC program.

Upon a further question from Senator Carroll, whether or not the agency has a duty to report a violation of law was left undecided.

In response to a question from Representative Riggs, Mr. Lovely said he was not sure if there are

other kinds of businesses in which the state keeps identity confidential where a law has been violated.

In response to a question from Senator Carroll, Mr. Lovely said he did not know of another state being sanctioned for releasing identity information concerning a vendor found to have violated WIC program regulations.

In response to a question by Representative Couch, Ms. Hawkins said that WIC vendors are required to keep on their shelves four gallons of whole milk and 10 gallons of 1 percent milk. At the time the vendor described in a June 13, 2015 Lexington Herald-Leader article was approved as a WIC vendor, it met required criteria.

In response to a question from Senator McDaniel, Mr. Lovely explained further that the agency does not release the name and address of stores found to be in violation of WIC program regulations.

Representative Palumbo commented that she would like to work with CHFS to ensure vendors who sell over-priced food in the WIC program be removed from the program.

In response to a question from Senator Westerfield, Mr. Lovely said the USDA seems to be considering a change in its regulation and intent and the agency plans to monitor for changes.

Senator Westerfield asked Mr. Lovely to look into what sanction would occur if confidentiality was violated.

In response to questions from Senator Carroll and Senator McDaniel, Mr. Lovely said that even when an investigation is completed, release of vendor identify can only be made to specified entities. Such entities include other WIC vendors and vendor applicants but do not include the general public.

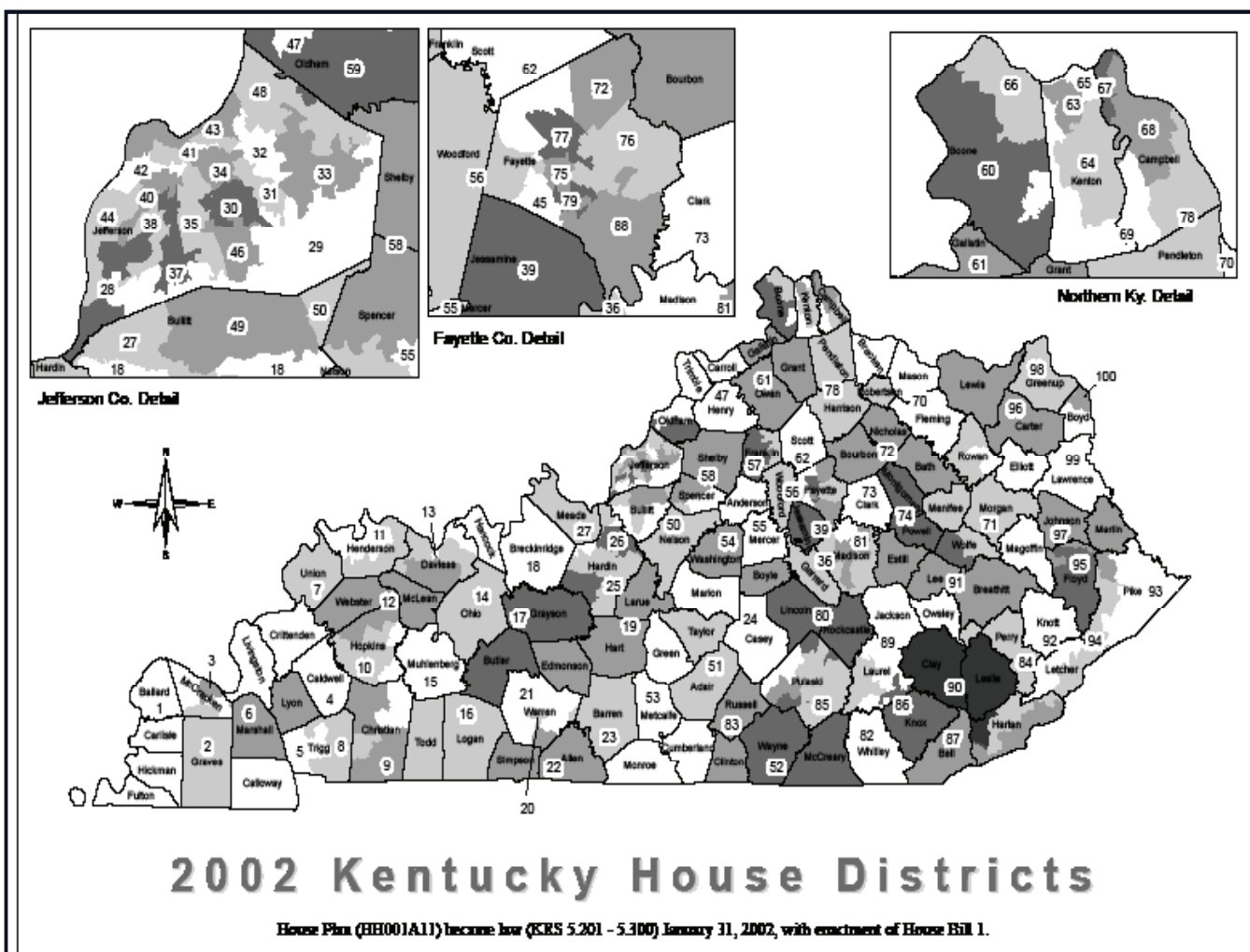
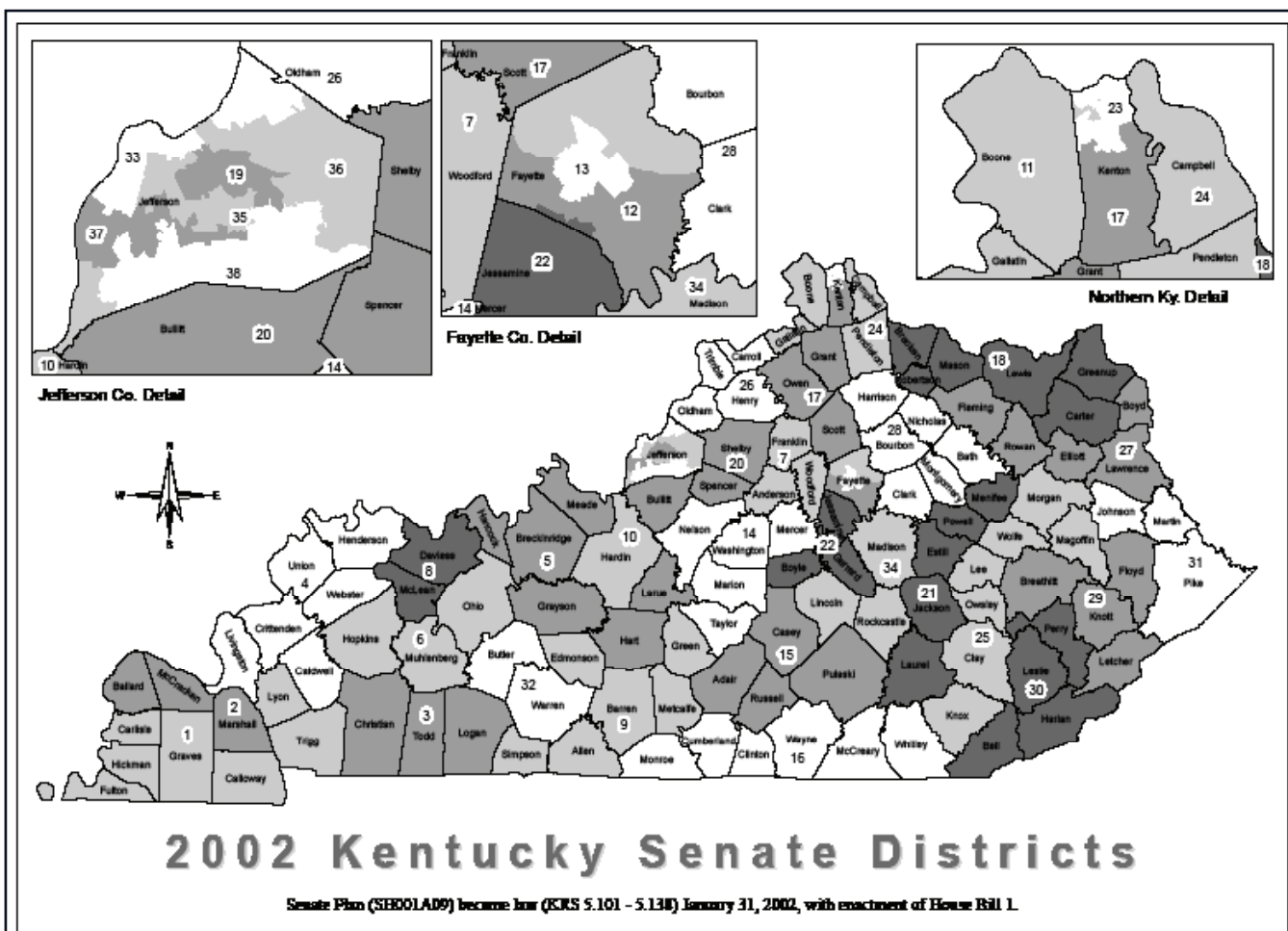
In response to questions from Senator West, Mr. Lovely said that he has discussed the agency's interpretation of the relevant federal regulation with USDA officials. It is their opinion that states have no leeway to release the information in question to the public.

In response to a question from Senator Carroll, Ms. Hawkins said two of the most common WIC vendor offenses are overcharging and providing unauthorized food. Some vendors are repeat offenders. Ms. Hawkins explained that certain requirements must be met to be released from the program, such as two overcharge offences.

In response to a question from Representative Mills, Mr. Lovely said it is possible a legislator setting policy could be given the names of offending vendors on a need-to-know basis but he did not have a definitive answer.

In response to a follow-up question from Representative Mills, Mr. Lovely said the agency could provide the number of violations and the geographic locations in which they occurred.

The meeting was adjourned at 11:25 am.



2015 Interim

LEGISLATIVE RECORD

Published monthly by the Legislative Research Commission, the *Interim RECORD* is designed to inform the citizens of Kentucky of the between-sessions work of the General Assembly.

Paper subscriptions are free upon request. Contact the LRC Public Information Office, Capitol Annex, Frankfort KY, 40601 at 502-564-8100, ext. 307 to subscribe.

The Interim RECORD can also be read on-line at www.lrc.ky.gov/legislation.htm. *If you have a paper subscription and would like to end your subscription and read the Interim RECORD on-line only, please contact the LRC Public Information Office at 502-564-8100, ext. 307.* Stories and photographs may be reprinted without permission, although credit is appreciated.

Printed with state funds

Marcia Seiler
Acting Director
Legislative Research
Commission

Robert Jenkins
Deputy Director for
Committee and Staff
Coordination

Rob Weber
Public Information Officer

Joe Cox
Publications and Printing
Officer

Rebecca Mullins Hanchett
Editor, Typography and
Design

Mike Sunseri
Chief Photographer

Public Information Staff

Karen Bourne
Jeff Fossett
Steve Gatewood
Bruce Phillips
Bud Kraft
Keith Krey
Jeanie Mitchell
Jim Hannah



The Kentucky Legislative Research Commission is a 16-member committee of the majority and minority leadership of the Kentucky Senate and House of Representatives. Under Chapter 7 of the Kentucky Revised Statutes, the LRC constitutes the administrative office for the General Assembly. Its director serves as chief administrative officer of the Legislature when it isn't in session.

The Commission and its staff, by law and by practice, perform numerous fact-finding and service functions for members of the Legislature, employing professional, clerical and other employees required when the General Assembly is in session and during the interim period between sessions. These employees, in turn, assist committees and individual legislators in preparing legislation. Other services include conducting studies and investigations, organizing and staffing committee meetings and public hearings, maintaining official legislative records and other reference materials, providing information about the Legislature to the public, compiling and publishing administrative regulations, administering a legislative intern program, conducting orientation programs for new legislators, and publishing a daily index and summary of legislative actions during sessions.

The LRC is also responsible for statute revision, publishing and distributing the Acts and Journals following sessions, and for maintaining furnishings, equipment and supplies for the Legislature. It also functions as Kentucky's Commission on Interstate Cooperation in carrying out the program of the Council of State Governments as it relates to Kentucky.

Robert Stivers
SENATE PRESIDENT

David Givens
PRESIDENT PRO TEM
Damon Thayer
MAJORITY FLOOR LEADER

Ray Jones
MINORITY FLOOR LEADER

Dan Seum
MAJORITY CAUCUS CHAIRMAN

Gerald Neal
MINORITY CAUCUS CHAIRMAN

Jimmy Higdon
MAJORITY WHIP

Julian Carroll
MINORITY WHIP

Greg Stumbo
HOUSE SPEAKER

Jody Richards
SPEAKER PRO TEM
Rocky Adkins
MAJORITY FLOOR LEADER

Jeff Hoover
MINORITY FLOOR LEADER

Sannie Overly
MAJORITY CAUCUS CHAIRMAN

Stan Lee
MINORITY CAUCUS CHAIRMAN

Johnny Bell
MAJORITY WHIP

Jim DeCesare
MINORITY WHIP

2015 Interim

LEGISLATIVE RECORD

KENTUCKY GENERAL ASSEMBLY
700 Capitol Avenue
Frankfort, Kentucky 40601

Change Service Requested

Pre Sorted Standard
U.S. Postage
PAID
Frankfort, Kentucky
Permit Number 308