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## Legislators discuss steelmaking, jobs

Rob Weber  
*LRC Public Information*

State lawmakers came to a steel mill on the banks of the Ohio River on June 21 to hold discussions about job creation and manufacturing at a state-of-the-art facility that turns scrap metal into gleaming coils of new steel.

Two legislative panels – the Economic Development and Workforce Investment Committee and the Tourism, Small Business, and Information Technology Committee – met at Nucor Steel Gallatin in Gallatin County. A conversation centered on steelmaking's role in modern society also touched upon economic development and tariffs on foreign steel.

The nation's steel industry supports 2 million jobs and contributes \$520 billion to the economy, according to John Farris, Vice President and General Manager of Nucor Steel Gallatin. Farris told lawmakers that Kentucky's focus on growing its manufacturing base is good for the steel industry's future.

"I appreciate all the work you all do to help grow the manufacturing base and be a leader in advanced manufacturing," Farris said to lawmakers. "Hearing about your intent to grow our manufacturing base is music to our ears. We also want that because that's our customer base."

That positive outlook for manufacturing factored into Nucor's decision to dramatically expand in Gallatin with the construction of a hot band galvanizing line that will help supply



Lawmakers and legislative staff members received a tour of Nucor Steel Gallatin following a June 21 committee meeting.

the auto industry. The project represents a \$170 million investment in a site that will be the world's largest in terms of production capability when it opens next year.

Rep. Kim King, R-Harrodsburg, asked Farris whether any specific state legislation encouraged the expansion. Farris said the state's focus on manufacturing growth rather than any specific legislation provided a boost.

"The climate within the state of Kentucky

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## GF revenue up for June, panel told

by Rebecca Hanchett  
*LRC Public Information*

FRANKFORT—State General Fund revenues were up in June, exceeding the state's revenue estimate by \$114.4 million, state lawmakers were told in a June 28 meeting.

Office of State Budget Director Deputy Director Greg Harkenrider told the Interim Joint Committee on Appropriations and Revenue that the state estimated receiving \$959.6 million in revenues in June but said that goal was met early.

The surplus funds will help meet the state's Necessary Government Expenditures, or NGEs, which are expenses not included as line items in the state budget but rather paid for with surplus funds or from the state Budget Reserve Trust Fund, Harkenrider said.

"To put that in perspective--the NGEs were estimated to be around \$85 (million)," he told the committee. Now the NGEs are expected to be around \$82 million, he said, giving the state "at least enough to cover the current year NGEs" from the General Fund surplus account.

The fiscal boost comes from a number of sources including the Kentucky Lottery,

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## Steel, from page 1

and the support we have received for manufacturing from all of you ... has just been wonderful and has given us a lot of confidence that this is a good place for Nucor to invest," he said.

Rep. Adam Koenig, R-Erlanger, asked Farris about reaction to U.S. tariffs on foreign steel.

"We're supporters of the tariff," Farris replied. "We feel some of our trade relations around the world, especially in our industry space in steel and aluminum, have been unfavorable to U.S. producers. So we support what President Trump is doing. ... I do believe he is bringing everyone back to the table so that we can talk about those trade agreements. The thing about free trade is it sounds good and it feels good ... but behind every one of those free trade agreements is an agreement that should be mutually beneficial for both countries and for the longest time in our industry it has not been."

Upon the conclusion of the legislative meeting, lawmakers were given a tour inside the mill where Nucor produces steel that its

A Nucor Steel Gallatin official explains the production process to state lawmakers during the Economic Development and Workforce Investment Committee and the Tourism, Small Business and Information Technology Committee meeting at the Nucor Steel Gallatin facility in Gallatin County.



customers turn it into products as varied as car parts, pipes, lawnmower blades, propane tanks,

and bands for bourbon barrels.

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## General Fund, from page 1

which Harkenrider said is paying the state \$35.5 million in dividends in June –\$10 million more than the state anticipated. Growth in individual income and sales tax revenue will also buoy receipts, he said.

A delay in processing \$20 million in General Fund receipts due to updates to state's electronic financial system called eMARS (Enhanced Management Administrative Reporting System) creates a "caveat" but, Harkenrider explained, will cause no long-term harm since those receipts will be accounted for in June.

Next fiscal year's revenues also look promising, Harkenrider said, largely due to tax changes made by the 2018 General Assembly. His office is estimating a \$208.2 million increase in sales tax dollars and a \$130 million increase in tobacco tax dollars as a result of reforms, with corporate and individual income tax revenues expected to fall.

"We're just champing at the bit to see how accurate these estimates might be," he said.

More state revenue is also expected as a result of the recent United States Supreme Court ruling in *South Dakota v. Wayfair, Inc.* That ruling held that states can tax purchases

made from out-of-state sellers that do not have a physical presence in those states, including many Internet vendors. Harkenrider said the ruling will impact sellers with over \$100,000 in receipts or 200 transactions annually in Kentucky, a member of the national Streamlined Sales and Use Tax Agreement designed to "substantially reduce the burden of tax compliance," according to the Streamlined Sales Tax Governing Board.

Rep. Ken Fleming, R-Louisville, questioned Harkenrider about the Wayfair decision and how it will impact Kentucky.

"I understand it's going to be sort of a soft approach and given the financial situation we're in, dealing with pensions and other things we're faced with, I'd like your comments on that," Fleming asked Harkenrider, who said first that Kentucky would not seek back taxes but would take a "prospective" approach by encouraging retailers to register in Kentucky.

He said the state hopes to get as many vendors as possible signed up early in the 2019 fiscal year, which began on July 1. He also said lawmakers need to be measured about how quickly they expect results from the Wayfair

ruling in terms of revenue.

"I would just encourage you to not get the big eyes and think too much for fiscal 2019 because it's going to be a growing process," he said. "But, this is also going to be a high priority."

Sen. Robin Webb, D-Grayson, asked how approaching tax changes will impact government agencies and their staff. "Are we going to be stressed in either infrastructure or agency for implementation, processing and enforcement at some point with the agencies that are tasked with this?" she asked.

As far as the Wayfair decision is concerned, Harkenrider said vendors can be automatically registered in Kentucky because of its participation in the Streamlined Sales and Use Tax Agreement. As far as state agencies are concerned, he said there is some extra work.

"The sales tax people (in the Department of Revenue) are working some overtime right now," he said.

Also addressed was the state Road Fund, which Harkenrider said had little growth in motor fuels tax revenue in June. He said a "flat June" yielded only \$3.2 million more than anticipated.



# Youth violence seen as health crisis by experts

by Jim Hannah

LRC Public Information

FRANKFORT – A legislative panel explored the issue of violence, mental health and guns among Kentucky's youth during a recent gathering.

"This is a topic that we talk about amongst each other ... but it's something we haven't really talked about publicly yet," Sen. Julie Raque Adams, R-Louisville, said during the July 18 meeting of the Interim Joint Committee on Health and Welfare and Family Services. "I think it deserves a forum."

Dr. Brit Anderson, who practices pediatric emergency medicine in Louisville, testified that she realized discussions about firearm injuries can be a divisive topic, but firearm injuries among children is a public health problem. She said recognizing that can allow society to change the conversation and its approach to these injuries.

"Many people read about children killed or seriously injured in the newspaper," Anderson said, "but before that story is written, I meet that child. I'm sorry to be graphic but it is a reality. I know what it is like to lead a team to save a life. Sometimes we succeed, sometimes we do not. I know how hard it is to watch a child bleed, cry, or worse yet, not respond at all."

"I have choked back tears trying to remain professional as I call a time of death and look



Interim Joint Committee on Health and Welfare and Family Services Co-Chair Rep. Addia Wuchner, R-Florence, asks questions about the welfare of Kentucky's youth during the committee's July 18 meeting.

down at a tiny body. And I know the horrible, chilling, heart-wrenching wail of a parent who has just lost a child."

Anderson was among a group of doctors and health professionals who testified. She said the group included gun owners, non-gun owners, Republicans and Democrats brought together because they all treat children impact-

ed by firearm injuries.

Dr. Cynthia Downard, a pediatric surgeon in Louisville, said suicide is the third-leading cause of death for people 10 to 24 years of age in the United States. But in Kentucky, it is the second leading cause of injury-related deaths in this age group. And 58 percent of those deaths are suicides.

"I think this is, again, a significant public health problem we need to pay attention to," Downard said. "As Dr. Anderson said, the sound of a mother losing her child is something you never forget and I would never want to hear again."

Dr. Christopher Peters, an adolescent psychiatrist in Louisville, said policymakers need to think of suicide as a preventable death. He said the most common way someone takes their own life is by a self-inflicted gunshot wound.

"The CDC recently reported a 30 percent increase in the rate of suicide for this country since 1999," Peters said. "Kentucky has its own increase within that average of 30 percent."

He said teenagers who live in homes with a loaded, unlocked gun are at four times greater risk of killing themselves than if it was unloaded and locked away.

Adams said the group's presentation was not a referendum on gun ownership or non-gun ownership. She said it just reflected the violence

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## New state laws went into effect July 14

by Rob Weber

LRC Public Information

FRANKFORT – Most new laws approved during the Kentucky General Assembly's 2018 session went into effect on Saturday, July 14.

As a result, drivers are now required to leave at least three feet of space between their vehicles and cyclists they pass. Children under the age of 17 are not be allowed to get married. And penalties are tougher for those who post sexually explicit images online without the consent of the person depicted.

The Kentucky Constitution specifies that new laws take effect 90 days after the adjournment of the legislature unless they have a special effective date, are general appropriations measures, or include an emergency clause that makes them effective immediately upon

becoming law. Final adjournment of the 2018 Regular Session was on April 14, making July 14 the effective date for most bills.

Laws that took effect that day include measures on the following topics:

**Abstinence Education.** Senate Bill 71 requires inclusion of abstinence education in any human sexuality or sexually transmitted diseases curriculum in Kentucky high schools.

**Bicycle safety.** House Bill 33 requires drivers to keep their vehicles at least three feet away from bicyclists during an attempt to pass. If that much space isn't available, drivers must use reasonable caution when passing cyclists.

**Breweries.** House Bill 136 increases what breweries can sell onsite to three cases and two kegs per customer. The new law also allows breweries to sell one case per customer at fairs and festivals in wet jurisdictions.

**Dyslexia.** House Bill 187 requires the state Department of Education to make a "dyslexia toolkit" available to school districts to help them identify and instruct students who display characteristics of dyslexia.

**Financial literacy.** House Bill 132 requires Kentucky high school students to pass a financial literacy course before graduating.

**Foster Care and Adoption.** House Bill 1 takes steps to reform the state's foster care and adoption system to ensure that a child's time in foster care is limited and that children are returned to family whenever possible. It expands the definition of blood relative for child placement and helps ensure that children in foster care are reunified with family or placed in another permanent home in a timely manner.

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# 2018



# General Assembly

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### INTERIM JOINT COMMITTEE ON HEALTH AND WELFARE AND FAMILY SERVICES

#### Minutes of the First Meeting of the 2018 Interim

June 20, 2018

##### Call to Order and Roll Call

The first meeting of the Interim Joint Committee on Health and Welfare and Family Services was held on Wednesday, June 20, 2018, at 10:00 a.m., in Room 129 of the Capitol Annex. Representative Addia Wuchner, Co-Chair, called the meeting to order at 10:07 a.m., and the secretary called the roll.

Present were:

Members: Representative Addia Wuchner, Co-Chair; Senators Ralph Alvarado, Danny Carroll, Julian M. Carroll, David P. Givens, Denise Harper Angel, Alice Forgy Kerr, Stephen Meredith, Reginald Thomas, and Max Wise; Representatives Danny Bentley, Larry Brown, George Brown Jr, Daniel Elliott, Joni L. Jenkins, Mary Lou Marzian, Chad McCoy, Russ A. Meyer, Kimberly Poore Moser, Melinda Gibbons Prunty, Steve Riley, and Russell Webber.

Guest Legislators: Senator Jimmy Higdon and Representative Linda Belcher.

Guests: Vicki and Makayla Pesty, Kentucky Lyme Disease Association; Adam Meier, Secretary, and Kristi Putnam, Deputy Secretary, Maik Schutze, Chief Analytics Officer, Eric Clark, Chief of Staff, Robert Butt, Executive Director, Office of Health Data and Analytics, Jill Hunter, Acting Commissioner, Department for Medicaid Services, Elizabeth Caywood, Acting Commissioner, Department for Community Based Services and Christa Bell, Child Care Division, Department for Community Based Services, Cabinet for Health and Family Services; Jason Gerling and Anne Jacobs, Navigant; Jason Dunn, Kentucky Voices of Health; David P. Jude, Deloitte; Steve McGuire, Child Care Advocates of Kentucky; Louis Kelly, Kentucky Board of Physical Therapy; Rachel Fitzgerald, Kentucky Primary Care Association; Pat Niceley and Jack Coleman, Community Action Kentucky; Adrienne Bush, Homeless & Housing Coalition; Sarah S. Nicholson, Kentucky Hospital Association; Philip Micali, Conduent, Inc.; and Greg Thursten.

LRC Staff: DeeAnn Wenk, Ben Payne, Chris Joffrion, and Gina Rigsby.

##### Consideration of Referred Administrative Regulations

The following administrative regulations were on the agenda for consideration: **201 KAR 020:056 regular** - Advanced practice registered nurse licensure and certification requirements; **201 KAR 020:070 regular** - Licensure by examination; **201 KAR 020:110 regular** - Licensure by endorsement; **201 KAR 020:225 regular** - Reinstatement of licenses; **201 KAR 020:370 regular** - Applications for licensure; **201 KAR 020:411 regular** - Sexual Assault Nurse Examiner Program standards and credential requirements; **201 KAR 020:470 regular** - Dialysis technician credentialing requirements and training program standards; **201 KAR 022:020 Emergency** - Eligibility and credentialing procedure; **201 KAR 022:040 Emergency** - Procedure for renewal or reinstatement of a credential for a physical therapist or a physical therapist assistant; **201 KAR 022:070 Emergency** - Requirements for foreign-educated physical therapists; and **921 KAR 002:015 Emergency** - Supplemental programs for persons who are aged, blind, or have a disability. A motion to accept the administrative regulations was made by Senator Alvarado, seconded by Representative Bentley, and accepted by voice vote.

##### Lyme Disease

Senator Jimmy Higdon stated that he would file legislation relating to Lyme disease in the 2019 Regular Session similar to Senate Bill 170 from the 2018 Regular Session.

Vicki Pesty, Founder, Kentucky Lyme Disease Association, and her daughter, Makayla, stated that individuals in Kentucky with Lyme disease have to travel out of state to receive treatment. Doctors and the public need to be educated about the disease. Some people are misdiagnosed, because the disease can come on very slowly and have confusing symptoms that mimic other diseases such as Multiple Sclerosis. Tests to diagnosis Lyme disease are unreliable. The disease can be congenital and transmitted from mother to child. Ticks carry the disease which can cause multiple infections. Although it is a chronic disease for anyone who contracts it, the Centers for Disease Control and Prevention (CDC) do not recognize Lyme disease. Long-term antibiotics can help the immune system fight off the disease. Kentucky has a large number of Lyme disease cases. Representative Wuchner stated that there is a need to learn more about the disease.

##### Legislative Review of the Child Care and Development Fund Block Grant

Elizabeth Caywood, Acting Commissioner, and



Christa Bell, Child Care Division, Department for Community Based Services, Cabinet for Health and Family Services were present to answer questions. The block grant can be found at <https://chfs.ky.gov/agencies/dccbs/dcc/Pages/default.aspx>. A motion to accept the block grant was made by Senator Danny Carroll, seconded by Senator Alvarado, and accepted by voice vote.

#### **Kentucky HEALTH: 1115 Medicaid Waiver Rollout Update**

Kristi Putnam, Deputy Secretary, Cabinet for Health and Family Services, stated that 19 percent of Kentuckians live in poverty, and nearly one-third of the population is enrolled in Medicaid. Kentucky has poor health outcomes despite high Medicaid expenditures. Kentucky's projected spending on expanded Medicaid over the next five years is \$1.2 billion. Every \$1 spent on expanded Medicaid is \$1 not spent on coverage for pregnant women, children, and individuals who need Medicaid due to age, blindness, or having a disability. Kentucky HEALTH (Helping to Engage and Achieve Long Term Health) is the new health and well-being program for certain low-income adults and their families. Kentucky will begin to enroll non-disabled adult and children beneficiaries in July 2018. An individual may be Medicaid eligible if a household size is from one to four or more with an income beginning at less than \$16,394 up to \$33,534. Medicaid populations not included in Kentucky HEALTH are individuals who qualify for traditional Medicaid that covers the aged, blind, and disabled. Medicaid populations included in Kentucky HEALTH are non-disabled income-eligible caretakers of a child, income-eligible adults, pregnant women, children, medically fragile adults, former foster youth up to age 26, and adult expansion individuals. Income-eligible adults will have the Kentucky HEALTH Alternative benefit plan and medically frail adults, former foster youth to age 26, income-eligible parents or guardians and transitional medical assistance, pregnant women, and children will be covered under the Kentucky HEALTH Medicaid State Plan or CHIP.

Adam Meier, Secretary, Cabinet for Health and Family Services, stated that the key components of Kentucky HEALTH are cost sharing, deductible account, My Rewards Account, PATH (Partnering to Advance Training and Health) Community Engagement Program, and employer sponsored insurance that begins in 2019.

Deputy Secretary Putnam stated that some adults on Medicaid will need to participate in 80 hours of Community Engagement activities each month to keep their medical benefits. Individuals can choose community engagement activities based on their goals and skills. Kentucky HEALTH is working

with Kentucky Career Centers and adult education agencies across the Commonwealth. If a beneficiary is receiving SNAP or KTAP benefits, the SNAP or KTAP work program and applicable exemptions apply instead of PATH. Qualifying activities include job skills training, Kentucky Career Center (KCC) skills and goals assessment, job search activities, GED programs, employment, apprenticeships or internships, community service or volunteering, caregiving services, or participation in a substance use disorder treatment. Statistics from the National Skills Coalition analysis of Bureau of Labor Statistics Occupational Employment Statistics by State, May 2015 and American Community Survey data, 2015, indicate that middle-skill jobs account for 58 percent of Kentucky's labor market, but only 48 percent of the state's workers are trained to the middle-skills level. According to the Kentucky Chamber of Commerce, 2016 data shows that Kentucky would need to add more than 165,000 people to the workforce to reach the national average participation rate of 62.7 percent. PATH Community Engagement will roll out on a county by county basis starting with Campbell County on July 1, Boone County on August 1, and Kenton County on September 1. All counties will roll out the program by December 1, 2018 except eight counties in eastern Kentucky.

Stakeholder Advisory Forums provide an avenue for constructive feedback and solutions to help ensure a successful transition for eligible Medicaid beneficiaries. Contact [KYHealthTeam@KY.gov](mailto:KYHealthTeam@KY.gov) to be included on future communications regarding these meetings. The Kentucky HEALTH website [www.KentuckyHEALTH.ky.gov](http://www.KentuckyHEALTH.ky.gov) was launched on January 12, 2018 and provides detailed information on how to enroll, questions and answers, and helpful resources.

Beginning April 1, 2018, individuals who qualified for Kentucky HEALTH and who had a My Rewards Account were able to view the My Rewards Account balance on Citizen Connect. Citizen Connect is a citizen-facing system used for reporting activities and tracking a recipient's benefits. Individuals can take courses on Citizen Connect and get preventive health services to continue earning My Rewards dollars that go toward their My Rewards Account balance. Currently, there is \$7.8 million in active accounts. Some beneficiaries were able to use the dollars in their My Rewards Account when Kentucky HEALTH went live in July 2018. Populations that may have a My Rewards Account are income eligible adults, medically frail adults and former foster youth up to age 26, income eligible parents or guardians, and pregnant women. Children do not have access to a My Rewards Account. Pregnant women do not need to pay premiums access to a My Rewards Account. Dental and vision services are paid by the Managed

Care Organization (MCO) for all populations except income eligible adults. There is no cap on how many dollars can be earned for the My Rewards Account. Webinars are being offered for providers in the month of June. Additional information can be found on the Kentucky HEALTH website about more webinars that will be provided in the future.

Secretary Meier stated that oral arguments to the federal lawsuit were held on June 15, 2018 in Washington D.C., and the judge stated a ruling would occur prior to July 1, 2018. An adverse ruling could have the following consequences: (1) technology changes and/or costs; (2) communication changes could cause significant confusion among recipients, providers, and MCOs; (3) immediate benefits cuts to dental and vision and possibly pharmacy benefits removed for low-income adult eligibility groups; and (4) inability to maintain expanded Medicaid.

In response to questions by Representative Jenkins, Deputy Secretary Putnam stated that DMS worked with DCBS and the Kentucky Coalition Against Domestic Violence (KCADV) to try to designate victims of domestic violence and interpersonal violence as a medically fragile category and be exempt from Kentucky HEALTH but be in the state benefit plan. Unfortunately, CMS would not allow Kentucky to establish victims as a medically frail category through the amendment process. At the initial application is filed at a DCBS office or an open case already exists, a domestic violence and interpersonal violence victim an exception would be applied. Although it would not be ready on July 1, DMS is working on a solution that would allow someone to input information into the self-service portal.

In response to questions by Representative Marzian, Secretary Meier stated that the Kentucky Career Centers will be a clearinghouse where members can have an assessment done and a career plan developed to help choose the best way to be engaged in the community. Each workforce area will have 1 to 2 hubs with several spokes throughout the county. Individuals can also go to any non-profit and self-serve if they already have a job or volunteer opportunity. Individuals can use smart phones and input the number of hours, and it will automatically let them know how many hours they have worked or completed in another activity. The cabinet has automated and streamlined the process for Medicaid and Supplemental Nutrition Assistance Program (SNAP) and is now looking to do the same for Temporary Assistance for Needy Families (TANF) program. The \$300 million budgeted includes upgrading the infrastructure for multiple programs such as Medicaid Management Information System (MMIS) and enterprise data warehouse and some

administrative costs. Currently, the cabinet has spent less than \$10 million in state funds. The cost savings from switching from kynect to healthcare.gov should cover the state's share of the implementation costs.

In response to questions by Senator Meredith, Secretary Meier stated a large part of investment is in the enterprise data warehouse to upgrade technology. The cabinet and the University of Pennsylvania will submit an annual report to CMS and it will be publicly available. Deputy Secretary Putnam stated that quarterly monitor reports would be submitted to CMS as well.

In response to questions by Representative Moser, Deputy Secretary Putnam stated that having a felony does not disqualify someone for Medicaid benefits. Many employers and businesses have suggested that they need to revisit hiring practices and what is or is not allowed to be a part of its workplace.

In response to questions by Senator Thomas, Deputy Secretary Putnam stated a person with 30 hours of employment does not need to engage in community activities. If the hours fall below 30 for a month, it would need to be reported. A person meeting 20 hours is still considered meeting the requirement. Secretary Meier stated that someone's hours will be averaged on a monthly basis.

In response to questions by Senator Danny Carroll, Secretary Meier stated that the amount Medicaid recipients on an employer's insurance pay depends on what categories of insurance are offered to all employees, and the employer pays the rest. The requirement does not go into effect until 2019. Employees may receive better coverage in private market plans. Medicaid recipients would receive wraparound services for what is not offered through an employer's insurance coverage.

In response to questions by Representative Gibbons Prunty, Deputy Secretary Putnam stated that changes in income for longer than 30 day period is a Medicaid requirement because it may impact eligibility for different programs. As a general rule for Medicaid eligibility, income is reconfirmed at the time of redetermination on an annual basis. If someone's income has a change up or down during the year, it has to be reported. Secretary Meier stated that this is not a new requirement.

In response to questions by Representative George Brown, Secretary Meier stated that paper forms are still an option to maintain accessibility for everyone who does not have access to technology. The goal is to teach and encourage individuals to learn and use technology needed for successful employment. Deputy Secretary Putnam stated that there is a 90-day grace period for the community engagement and premium payment before a suspension goes into effect. The cabinet is implementing strategies so no

one slips through the cracks.

In response to questions by Representative Wuchner, Secretary Meier stated that traditional Medicaid is impacted by the expansion of Medicaid. Initially there was no match to the Commonwealth for expanded Medicaid, so there were no funds allocated for the expansion. There is no way to drive enrollment to private market coverage or a way to increase better utilization through incentives, so there is no way to have the financial sustainability of the expansion. The 1115 is a comprehensive waiver where all the pieces work together, and if one is taken away, it cannot work. Eligibility, mandatory and optional benefits, and the budget appropriation control spending in Medicaid. The expansion population added an entirely new category to eligibility that takes away from the traditional Medicaid population if there is no additional revenue to cover this population.

In response to questions by Representative Jenkins, Secretary Meier stated that Kentucky would see savings within the first year after implementation of Kentucky HEALTH. When the waiver was first submitted, actuaries predicted that the savings would be \$2.4 billion, and of this amount, approximately \$340 million would be state general fund dollars. Because the waiver was something new, the census forecast group did not try to forecast any savings when the budget was being put together. Low-income parent caretakers are a traditional Medicaid category that will be included in the Kentucky HEALTH waiver. A person who is not a primary caretaker of a dependent or not in SNAP or TANF would be required to fulfill the community engagement requirement. Through the community engagement piece of the waiver, these individuals would potentially find better employment with a higher income and would transition from Medicaid to private market coverage. These parent caretakers will have no change in benefits of traditional Medicaid, but would be covered under the waiver to promote family coverage. The parent caretakers are in the traditional Medicaid category and do not have the same eligibility as the adult expansion group covered under the waiver.

In response to questions by Senator Alvarado, Deputy Secretary Putnam stated as part of the approval from CMS, there is a requirement that Kentucky has to have the measures in place to stop the capitation payment when someone is suspended from eligibility. There is a 60-day grace period plus the extra 30 days where someone shows as pending suspension, and MCOs have enhanced efforts to assist in community engagements.

In response to questions by Senator Givens, Secretary Meier stated that the CMS is given a wide degree of discretion when approving 1115 waivers as long as the waiver is consistent with the objectives of

the Medicaid program. The lawsuit is about whether or not a comprehensive program designed to improve health outcomes is consistent with the objectives of the Medicaid program. The cabinet and CMS both think the waiver is consistent with the objectives of the Medicaid program. Deputy Secretary Putnam stated that the administrative regulations for the waiver will be filed before the July 1. Secretary Meier stated that to avoid any confusion about having to refile the administrative regulations if there is an adverse ruling, the cabinet is waiting to file the administrative regulations close to the July 1 court ruling. Brandon Smith, Executive Director, Legislative and Regulatory Affairs, stated that some of the administrative regulations are finished and others are very close to being finished and ready to file when necessary.

#### **Legislative Review of Executive Order 2018-325 Relating to Reorganization of the Cabinet for Health and Family Services**

Eric Clark, Chief of Staff, Cabinet for Health and Family Services, stated that the cabinet will have the following changes in organization structure: The Office of Health Data and Analytics is created and the Division of Health Benefit Exchange, Division of Health Information, and Division of Analytics are created within this office. The Office of Health Policy is abolished and all function are transferred to the Division of Analytics. The Division of Certificate of Need is created within the Office of Inspector General. The Governor's Office of Electronic Health Information is abolished and functions are transferred to the Division of Health Information.

The Public Protection Cabinet shall have the following changes: The Division of Kentucky Access and the Kentucky Health Care Improvement Authority within the Department of Insurance are abolished and the functions of each are transferred to the Office of Health Data and Analytics within the Cabinet for Health and Family Services.

The organizational enhancements being made to the cabinet are designed to improve efficiencies, advance capabilities, and appropriately satisfy state and federal requirements for an exchange that is a state-based model on the federal exchange platform.

#### **Federal Health Benefit Exchange: Kentucky Enrollment and Call Center**

Maik Schutze, Chief Analytics Officer, Cabinet for Health and Family Services, stated that 89,569 individuals signed up on HealthCare.gov during the 2018 benefit year, and 27,598 of them were new consumers. Open enrollment ran from November 1, 2017 to December 15, 2017 compared to November 1, 2016 to January 30, 2017. A new Direct Response Outreach strategy using email, texts, and voice messages was used instead of formal print or media advertising. The website listed assister contact and

event information. The Centers for Medicare and Medicaid Services (CMS) has set the user fee for state-based exchange –federal platforms (SBE-FP) at 3.0 percent of premium for the 2019 benefit plan year which is an increase from 2.0 percent in 2018. Plan management and rate review is handled by the Department of Insurance. Decommissioning for [kynect.ky.gov](http://kynect.ky.gov) started in October 2016 and Phase 5 will be completed by 2025. Eric Clark, Chief of Staff, Cabinet for Health and Family Services, and Robert Butt, Executive Director, Office of Health Data and Analytics, Cabinet for Health and Family Services were available for questions.

#### **Department for Community Based Services Out-of-Home Placements Update**

Representative Addia Wuchner provided members with a copy of the Statewide Foster Care FACTS for all children in Out of Home Care as of June 3, 2018 from the Cabinet for Health and Family Services.

#### **1915 Waiver Redesign**

Jill Hunter, Acting Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services, stated that the cabinet hired Navigant to assess the waiver programs and make recommendation for improvements. Anne Jacobs stated that Navigant submitted preliminary recommendations to the cabinet on April 20, 2018. The three areas Navigant was to assess were the operational redesign, the waiver redesign, and stakeholder engagement. The operational design focused on existing policies and procedures and other tools that influence how cabinet staff do their work and how they work with providers, participants, and other stakeholders. The waiver redesign involved setting goals for the waiver programs and then looking at ways to manage and configure the waivers to help meet those goals. The cabinet realizes change impacts people, so the cabinet wants to take the time to really understand policies and the contents of the waivers and make informed decisions about which options will help achieve the goals. Stakeholder engagement has been a critical part of the assessment by using different methods of engagement such as focus groups, town halls, general information sharing at public meetings, public comment email inbox, and engaging with the General Assembly.

Anything the cabinet does with the home and community based services (HCBS) waiver programs has to be feasible. The goals are to enhance the quality of care to participants, maximize consistency of definitions and requirements across waivers, implement a universal assessment method and individual budgeting methodology, slow preventable increase in the total spent for HCBS programs, establish procedures for all waiver management

administration activities, diversify and grow the provider network, design services that address participant's community based needs, including populations who are underserved or not served by today's waivers, make provider funding consistent with reasonable and necessary HCBS program costs, and optimize case management to support person-centered planning and abide by conflict free case management regulation.

Jason Gerling, stated that Navigant has been working diligently behind the scenes to identify recommendations to improve the HCBS waiver process. A very important element of HCBS is quality care and the home of a person's choosing. HCBS waivers that are not well written and lack sound underlying policy and methodologies that everyone can understand are at risk for problems. Program elements include the case management system and a well-designed participant directed services system for individuals who choose to self-direct their own care. Waivers must meet local and state requirements as well as federal requirements enforced by CMS that help protect participants from abuse or poor quality service delivery. Stakeholder engagement acknowledges how important it is to work in a partnership to have a strong HCBS system. Instead of just focusing on what needs to be fixed now, the Department for Medicaid Services (DMS) and the cabinet can start to work with stakeholders to identify broader improvements that are needed to drive future outcomes and participant's experience on waivers. Navigant looked at the cabinet's entire structure to understand how different changes may have different impacts.

Navigant's recommendations are: (1) Standardize provider and service definitions across 1915(c) waivers, including waiver-specific Kentucky administrative regulations; (2) Move to needs-based care planning with a universal assessment tool, completed by an independent entity; (3) Implement needs-based individual budgeting methodology, moving away from retrospective budgeting; (4) Develop a sound rate-setting methodology, informed by a study of the reasonable and necessary costs incurred by providers to serve waiver participants; (5) Develop consistent operational guidelines and update training and workflows for each waiver oversight unit with the cabinet; (6) Establish and implement case management standards and training for both traditional case management and support brokers; (7) Streamline Participant Directed Service (PDS) delivery by reducing the disparity between fiscal management agency (FMA) operations, and strengthening program policies and procedures; (8) Centralize operations and oversight under one quality management business unit such as DMS; (9) Implement an ongoing,

formal stakeholder engagement process including improved use of Technical Assistance Committees (TACs) and Medicaid Advisory Committee (MAC); (10) Implement a quality improvement strategy to increase emphasis on improving service outcomes and participant experience; and (11) Conduct a future assessment of the need for waiver reconfiguration, once aforementioned recommendations are implemented and reviewed for effectiveness.

Acting Commissioner Hunter stated that the cabinet conducted statewide town halls including a period for stakeholder testimony. The cabinet has spent the past year assessing the current system, and Navigant has released its preliminary recommendations to the public. Now that the town halls are finished, Navigant will consider stakeholder reactions to the recommendations. By the end of June, Navigant will issue its final recommendations, and the cabinet will make decisions on which recommendations to implement. While the public comment period for the initial recommendations has ended, the cabinet continues to seek out and value input. Comments from the public can still be submitted to [Medicaidpubliccomments@ky.gov](mailto:Medicaidpubliccomments@ky.gov).

Representative Jenkins thanked Acting Commissioner Hunter for addressing her concerns so quickly.

In response to questions by Senator Danny Carroll, Acting Commissioner Hunter stated that the public will have an opportunity to submit comments after the final recommendations are released. The cabinet is already communicating with CMS about changes to the HCBS waivers. Senator Carroll stated that the 10 percent increase in the Supports for Community Living (SLC) waiver will make a huge impact statewide for providers.

Representative Wuchner stated that while there has been an increase in the number of participants in the exchange, less money has been spent.

#### **Adjournment**

There being no further business, the meeting was adjourned at 12:13 p.m.

Committee meeting materials may be accessed online at <http://www.lrc.ky.gov/CommitteeMeetingDocuments/7>

## **INTERIM JOINT COMMITTEE ON JUDICIARY**

### **Minutes of the 1st Meeting of the 2018 Interim**

June 1, 2018

#### **Call to Order and Roll Call**

The 1st meeting of the Interim Joint Committee on Judiciary was held on Friday, June 1, 2018, at 10:00 AM, in Room 171 of the Capitol Annex. Senator Whitney Westerfield, Chair, called the meeting to



order, and the secretary called the roll.

Present were:

**Members:** Senator Whitney Westerfield, Co-Chair; Representative Joseph M. Fischer, Co-Chair; Senators Danny Carroll, Perry B. Clark, Ray S. Jones II, Dan “Malano” Seum, Robert Stivers II, and Robin L. Webb; Representatives John Blanton, McKenzie Cantrell, Jeffery Donohue, Daniel Elliott, Joni L. Jenkins, Chad McCoy, Reginald Meeks, Jason Nemes, Jason Petrie, Brandon Reed, and Gerald Watkins.

**Guests:** Senator Jimmy Higdon, Heather Wagers, Sgt. Tim Moore, Aariah Faulkner, Kelly Stephens, Jason Cloyd, Laura Sudkamp, Turney P. Berry, and John T. McGarvey.

**LRC Staff:** Katie Comstock, Alice Lyon, Matt Trebelhorn, Breanna Miller, and Yvonne Beghtol.

Chairman Westerfield welcomed Calista Petrie, in attendance with Representative Petrie.

#### **Expungement: 18RS SB 171**

Senator Higdon gave an update on 2016 HB 40, an expungement bill, and some concerns with its current standing. He sponsored SB 171, which did not pass, to try to rectify some of these concerns. SB 171 would have encouraged economic development, by allowing those who have made a mistake a better opportunity at entering the workforce. A four-tier system of 5, 10, 15, and 20-year eligibility was suggested, where the individual must have a clean record and pay the \$500 expungement application fee to cover the costs incurred in expunging the record. The fee would be distributed to the Kentucky State Police, Commonwealth Attorneys, and Library and Archives. Some convicted before 1975 are currently not eligible for expungement. SB 171 would give them the option to apply if they meet the criteria. Senator Higdon would like to see judges, prosecutors, attorneys, and victims given more discretion in evaluating the eligibility of each application. The felony of complicity, currently not expungable, would become eligible under SB 171.

In response to Senator Carroll’s comment that only those who committed their offense before the age of 25 should be eligible to apply, Senator Higdon said he was open to suggestions and believes that giving judges more discretion would help address the concern. Senator Stivers commented that he does not believe age to be a factor.

Senator Webb expressed concern with veterans and women who medicate due to mental health issues, and their eligibility.

Representative Watkins believes the fee amount may be an obstacle for many and suggests reducing the amount.

In response to Senator Stivers’ question as to the feedback Senator Higdon has received from prosecutors regarding the changes in SB 171, Senator

Higdon gave examples of prosecutors’ concerns and assured that he is taking those into consideration to reach a common ground on the expungement criteria. He continues to consult with others in an effort to make SB 171 presentable and passable.

Representative Nemes stated that he agrees that these people have earned the right to request an expungement based on having completed their time and not having any further offenses. He said that SB 171 does not go far enough and that misdemeanors after 5 years and no further offenses should automatically come off the individual’s record at no cost.

Representative Cantrell mentioned the Reily Reentry Project in Louisville, which offers a clinic on the expungement process, provides volunteer attorneys, pays expungement fees, and gives information on moving forward. She agrees that the \$500 filing fee is an issue for most applicants and would like to see it reconsidered.

Senator Higdon clarified that the application fee is \$50. Courts would have the discretion for the additional \$450 in fees.

#### **Expungement Certification Process**

Heather Wagers, with the Kentucky State Police (KSP), introduced Sgt. Tim Moore, who explained that arrest records and court records are used to determine if the individual qualifies for expungement. At times there are inaccuracies found in the record system due to human error in data entry. Those inaccuracies are often found during the certification process and corrected.

Aariah Faulkner, Program Coordinator with KSP, reviewed the expungement process. KRS 431.079 went into effect in January of 2014, requiring each expungement request to include a Certificate of Eligibility. The \$40 certification fee is split between the Administrative Office of the Courts (AOC) and KSP. A maximum of 60 days to complete the request is allotted and is valid for 30 days upon completion. The certificate must be filed with the application. An expungement certification can be requested online, in person, or by mail. If applying online, the applicant can check the status of their request online. When completed, they will receive an email notification. If applying in person or by mail, the results will be mailed to the applicant.

One reason KSP and AOC’s records differ is because AOC purges most misdemeanors after 5 years, whereas KSP retains theirs for 80 years. Another reason is that AOC records any offense, whereas KSP records only those that required fingerprinting. KSP reviews each charge for accuracy. AOC’s records are based on name, birthdate, and other identifiers, while KSP’s records are based on fingerprinting. This is where discrepancies are found and addressed.

Each charge is evaluated for eligibility based on the expungement statutes. The average number of charges per certification is 57, which can take hours to evaluate. The certification contains the certification notice, KSP’s criminal report, and AOC’s criminal report.

Kelly Stephens, with AOC, reviewed the effects of the passing of HB 40 in 2016. The number of requests rose from 7,889 in 2015 to 11,148 in 2016 and have remained steady. The number of granted expungements after the passing of HB 40 are evident in the increase from 83 in 2016 to 912 in 2017. The increase of acquitted, dismissed, and misdemeanor conviction expungements has also increased from 4,367 in 2016 to 7,733 in 2017.

In response to Chairman Fischer’s question as to whether there is data to show how many of those convicted of the 61 listed felonies would become eligible for expungement, Ms. Stephens explained that there is no data because eligibility is not based solely on the charge but also on the defendant’s circumstances. AOC hopes to track the information to get a better sense of that data.

Ms. Stephens reported on the difficulty in determining eligibility due to statutes being amended through the years, changing the penalty levels, underlying offense, and the scope. Chairman Westerfield asked if language could be added to the statute to overcome this issue. Ms. Stephens believes there is some wording in SB 171 that may address this issue. Another issue is if the offense qualifies based on whether it was dismissed with or without prejudice. AOC feels the judge should be able to determine whether a case is eligible, regardless of prejudice, based on the case, consulting with the prosecutor, and reviewing the record individually. This is one area in which KSP and AOC sometimes view eligibility differently, but they are working to make sure they are in compliance. There is concern as to whether a grand jury or district court judge should review the case. Making sure all agencies that have records actually expunge them is another concern. Regardless of the effort to completely expunge a record, there are always agencies or websites that may have a photo or document pertaining to the case available.

Expungement workshops have been offered throughout the Commonwealth. AOC reaches out to help those who are eligible. Expungement encourages rehabilitation and SB 171 is a positive expansion of this effort.

Senator Jones gave examples of inaccuracies in the certification process. One gentleman was charged with another person’s felony due to a data entry error. Another individual was sure he had a felony, but the expungement certification did not list one. The person did not have a case number or disposition

and could not tell if it had been dismissed or if other action had occurred. Further research showed that the FBI had reported the felony. Knowing how to file can be an issue. Jason Cloyd, with AOC, said that data entry errors have been an issue, but working through the expungement process is bringing these issues to light and they are being corrected. Ms. Wagers and Ms. Faulkner said that they are highly committed to working with AOC to cross-reference information to rectify these discrepancies. Ms. Stephens said that nothing replaces the original court records, so they can refer to those for guidance in what the offense record should be, along with information received from the agencies, the defendant, and the files available

Senator Seum suggested that, due to the complexity of some of these cases, having a particular judge and attorney who specializes in the expungement process may be helpful, or even having an Expungement Court that specializes in just this matter.

Representative Reed questioned how the fees are to be distributed. There are several agencies and departments that are given additional work in the expungement process. Ms. Stephens believes a portion is directly attributed to the District Court Clerk's fund.

#### **Safe Act Update**

Laura Sudkamp, Laboratory Director with KSP, reported that the number of rape kits submitted have increased since the passing of SB 63. Because some cases require several assignments, backlog on completing cases has been a concern. When new information is received on a case, it goes back to the initial date when the case was received, so it is difficult to determine the turnaround time on an individual case. Due to loss of staffing and training new employees, the completion rate dropped in 2013. If staff can be retained, the number of completed cases should increase. KSP's Forensic Analyst and Forensic Supervisor salaries are below the national average. Cases are required to be completed within 90 days, but they are currently delayed about 6 months. If staffing can be maintained and salaries increased, she hopes to be down to 90 days by the end of this year.

Safe Act 2016 requires law enforcement to submit kits to the lab within 30 days. A Kit Tracking System is in place in which the hospital can enter information the date the victim was seen, and the process can begin. This will help KSP see if the kits are being submitted within 30 days from the start date. Law enforcement is required to retain evidence either 10 or 50 years unless certain conditions are met. This is not always done. Law enforcement is to inform a victim if there is a "hit" on DNA in the database. Chairman Westerfield asked if not having contact information for the victim is a major reason

why this may not be happening. Ms. Sudkamp agreed but believes it still needs to be worked on. Due to the DANY Grant, SAKI Grant, and SB 63 all coming into effect at the same time, Ms. Sudkamp chose to hold off on kit tracking. She is now prepared to look for grant money for kit tracking. Idaho has a system they are willing to share at no cost. Victims will be able to log on and view and track their kits.

In response to Senator Carroll's question about the ability of contracting cases out to private labs, Ms. Sudkamp said they outsourced the DANY kits, but it requires three review processes and it is almost more time efficient to do it themselves. There is also the issue of subpoenaing an analyst, should it be required, and how difficult that can be when outsourced.

Chairman Westerfield recognized Ms. Sudkamp and her lab team for working so hard and efficiently under such difficult staffing situations and at such a low pay grade. He then noted that Ms. Sudkamp receiving the Briggs J. Wright award earlier this year.

Ms. Sudkamp responded to Representative Meeks question as to how much the DANY and SAKI grants cost and how many kits they would fund. The DANY grant was for \$1.9 million, which processed 3,173 kits, from which over 800 profiles have been entered into the database with around 400 hits. The SAKI grant, through the Attorney General's office from the Bureau of Justice Assistance, allows them to outsource 1,500 kits. Those have been shipped out but have not gotten the results yet.

In response to Representative Blanton's question as to what the current \$32,000 entry level position salary will be raised to with the new budget, Ms. Sudkamp's estimates \$36,000, which still keeps Kentucky at the bottom of the pay grade. Ms. Sudkamp says they are looking at other creative ways to find funding to increase salaries and retain their staff. Representative Blanton noted that agencies across the state receive information at no cost from the KSP lab, so keeping the lab well-staffed and efficient is beneficial for all. Ms. Sudkamp said they operate for 15 to 20 million dollars a year.

#### **Uniform Fiduciary Access to Digital Assets Act**

Turney P. Berry of Wyatt, Tarrant & Combs stated that the Uniform Fiduciary Access to Digital Assets Act has been adopted in 42 states. The issue it intends to resolve is to grant access to an executor of a deceased person's electronic accounts. Currently, a federal statute denies access. There is also the privacy concern. The Terms of Service prohibit a person from giving access to the account to anyone. However, a person can include in a will that a fiduciary should have access to email. An executor sends a certificate of qualification to the internet provider to allow access. There is a case of a man who died in 2006 giving

rights to his executor, and 12 years later the case is still being appealed. The difficult issues here are privacy, contracts, and the necessity of making a will and keeping it updated.

John T. McGarvey, legislative liaison for the Kentucky Uniform Law Commission, noted that all of Kentucky's bordering states have accepted the Act, once Missouri votes to approve it. Fiduciaries have always had access to manage tangible assets, and this would give them the right to manage electronic assets.

In response to Representative Cantrell, Mr. Berry said that the Act deals with access only, not to what someone may post about anyone else.

Mr. McGarvey stated that a person can also use a power of attorney, a will, or an online tool that gives the specific option to grant a fiduciary access to digital accounts.

In response to Chairman Westerfield's question as to whether providers are starting to offer this as an option in their online Terms of Agreement, Mr. Berry said that Google has an online tool, but it is difficult to find. Some providers use no access as a positive area of competition, stating they offer better security or privacy than other providers. Other providers boast that they are more access friendly.

Chairman Westerfield announced that his desire was to see the original version of the Act passed, which does not require a subscriber to opt in. Just as no judge would question an executor's power to have access in obtaining any item from the house to distribute as seen fit, so should an executor have access to online assets.

Mr. Berry justified the revised version of the Act by explaining that people once considered email to be something that was private, that no one would have access to. People now know that this is not true; privacy is a persuasive argument for the reformed version.

Mr. McGarvey said he came around to the revised version of the Act when he considered that communication by mail could be torn up, pitched, or burned. Email is archived. There are things that some people do not want known, which is why he believes the revised version is a better version. He said that bankers would like to see the Act in place so that the digital accounts can be managed by the fiduciary.

Chairman Westerfield reminded members of the free CLE courses offered by LRC on June 6 and 27, and also of the July 6 meeting to be chaired by Chairman Fischer.

There being no further business, the meeting adjourned at 12:05 pm.

# INTERIM JOINT COMMITTEE ON STATE GOVERNMENT

## Minutes of the 1st Meeting of the 2018 Interim

June 27, 2018

### Call to Order and Roll Call

The first meeting of the Interim Joint Committee on State Government was held on Wednesday, June 27, 2018, at 1:00 PM, in Room 154 of the Capitol Annex. Senator Joe Bowen, Chair, called the meeting to order, and the secretary called the roll.

Present were:

**Members:** Senator Joe Bowen, Co-Chair; Representatives Jerry T. Miller, Co-Chair, and Kenny Imes, Co-Chair; Senators Ralph Alvarado, Denise Harper Angel, Christian McDaniel, Dorsey Ridley, Albert Robinson, and Damon Thayer; Representatives Lynn Bechler, Kevin Bratcher, Tom Burch, McKenzie Cantrell, Will Coursey, Joseph Fischer, Derrick Graham, Mark Hart, Richard Heath, DJ Johnson, Mary Lou Marzian, Reginald Meeks, Phil Moffett, Jason Nemes, Sannie Overly, Rick Rand, Jody Richards, and Tommy Turner.

**Guests:** William C. “Chris” Biddle and Hiren Desai, Kentucky Public Employees’ Deferred Compensation Authority.

**LRC Staff:** Alisha Miller, Karen Powell, Daniel Carter, Brad Gross, Kevin Devlin, Michael Callan, Bo Cracraft, Jennifer Hans, Roberta Kiser, and Peggy Sciantarelli.

Senator Bowen welcomed two new members of the Committee: Representative McKenzie Cantrell and Representative Mark Hart.

### Overview of Kentucky Public Employees’ Deferred Compensation Authority (KDC)

Invited guest speakers from KDC were William C. “Chris” Biddle, Executive Director, and Hiren Desai, General Counsel. They provided copies of their PowerPoint presentation.

Mr. Biddle said that KDC is the official supplemental retirement system for employees of the Commonwealth of Kentucky, local governments, public school systems and public universities, and other political subdivisions. KDC is authorized by statute (KRS 18A.230-18A.350) and attached to the Personnel Cabinet for administrative purposes; it is self-funded and receives no General Fund revenue. Fees for the program are capped at \$237 annually per account. To incur that amount in fees would require a minimum account balance of approximately \$120,000 to \$130,000. Otherwise, there are no fees except for managed account service.

KDC is under the direction of a 7-member Board of Trustees and an executive director. The Board meets quarterly. The State Controller, Secretary of the Finance and Administration Cabinet, and the

Secretary of the Personnel Cabinet are ex-officio members; four at-large members are appointed by the governor to 4-year terms. KDC has 26 administrative staff. Recordkeeping, marketing, and communications services are provided by Nationwide Retirement Solutions through a bonded contract that was bid and established through the state procurement process.

KDC offers the following defined contribution savings plans: 457(b), 401(k), and IRA. The 457(b) plan has been offered since 1975 to state and public education employees. The 401(k) was started in 1986. All plans are reviewed and approved by the Tax Exempt Governmental Entity Division of the Internal Revenue Service (IRS). As of December 31, 2017, there are approximately 74,644 participants in the plans—36 percent state, 35 percent public education, and 29 percent governmental agencies. Approximately 44,000 participants are actively deferring, with the remainder being retirees. There are 992 participating employers. KDC assets under management totals \$2.9 billion. The average participant account balance is \$39,000.

Plan participants make their own investment elections from a spectrum of investment options approved by the board. KDC’s investment consultant and the investment subcommittee make recommendations on investments to the full board. The investment consultant—currently Callan—is selected through the state procurement process. There are more than 20 investment options. (Mr. Biddle’s slide presentation included a chart showing the four-tier investment fund structure and individual investment holdings.)

In 2017, KDC sent \$33.3 million to the Teachers’ Retirement System, Kentucky Employees Retirement System, and the Judicial Form Retirement System for the purchase of service credits, averaging \$2.8 million per month. During the last five years, \$118 million was sent. Both the 457(b) and the 401(k) plans offer the following benefit payout options: total or partial lump-sum distribution, installment payments for a fixed period, or fixed dollar payments.

Concluding his presentation, Mr. Biddle said that KDC works in concert with the Personnel Cabinet and other state agencies to utilize shared information and provide message coordination. Continued cooperation with the Personnel Cabinet, Nationwide Retirement Solutions’ new Participant Engagement Plan, and the use of webinars will enable KDC to deliver benefits to employees in a more effective and efficient manner.

Mr. Desai said KDC is aggressively partnering with the Department of Education to spread awareness of the program to school districts. KDC is also working to automate the process for transmitting contribution information. He said he has been a plan

participant since 1999. The program continues to grow and excel, but he is surprised at how few people know about it.

Representative Miller agreed that deferred compensation is a wonderful program. When he asked about administrative costs, Mr. Biddle said that the assets of \$2.9 billion are in trust. KDC’s operating budget is approximately \$9 million annually; of that amount, about \$5 million is paid to Nationwide Retirement Solutions for marketing, communications and recordkeeping services.

Senator Bowen said he felt it was important for the committee to receive information about the deferred compensation program, which is also available to legislators. He thanked Mr. Biddle and Mr. Desai for their presentation.

### Public Pension Oversight Board Overview and Update

Senator Bowen, who is also co-chair of the Public Pension Oversight Board (PPOB), said that in today’s world PPOB may be the most important of the statutory legislative committees. He invited everyone to attend the monthly meetings.

LRC staff members Brad Gross, Jennifer Hans, and Bo Cracraft, presented an overview and update of PPOB. Mr. Gross, Committee Staff Administrator, reviewed their PowerPoint presentation as follows.

PPOB, created in 2013 by SB 2, is authorized by KRS 7A.200-7A.260 to review, analyze, and provide oversight to the General Assembly on the benefits, administration, investments, funding, laws and administrative regulations, and legislation pertaining to the state-administered systems. Oversight was initially limited to Kentucky Retirement Systems (KRS)—comprised of the Kentucky Employees Retirement System (KERS), County Employees Retirement System (CERS), and State Police Retirement System (SPRS). KERS and CERS include both non-hazardous (NH) and hazardous (H) benefit and contribution structures. In 2015, oversight was extended to the Teachers’ Retirement System (TRS) and the Judicial Form Retirement System (JFRS). All of the systems have pension and retiree health funds, and TRS also has a life insurance fund. PPOB has 19 members—12 legislators, three ex officio members (state budget director, Auditor of Public Accounts, and Attorney General’s designee), two appointed by the governor, and one each appointed by the Senate President and the Speaker of the House. The four appointed members are required to have 10 years of investment or retirement experience.

As of June 30, 2017, KRS membership totaled 372,522, with the County Employees Retirement System-nonhazardous (CERS-NH) having the largest membership—217,359. Active members



are employees who are contributing to the systems; inactive members are former employees with accounts who have not yet retired; and retired members include both retired employees and beneficiaries. KERS-NH and SPRS have more retired members than active members. KRS is the most complex system and has the most benefit tiers. Membership in KRS, TRS, and JFRS totals 549,959. Assets under management by all the systems totaled \$36.8 billion as of June 30, 2017. TRS has the greatest amount of pension assets of all the systems. (Slides 3 and 4 provide additional detail.)

Actuarial valuation results for 2017 indicate that KERS-NH had 13.6 percent in pension assets on hand, with a pension unfunded liability of \$13.468 billion. Each year all the systems furnish PPOB with actuarial valuation data for their pension and health insurance funds. (Slide 5 provides detailed 2017 funding level percentages and amount of unfunded liability for each of the systems.)

Mr. Gross said that twice yearly Mr. Cracraft performs a statutorily required bi-annual investment review to compare returns/asset allocation of the 50 states, analyze investment fees, and review historical and recent changes to returns/asset allocations. Other reviews by PPOB staff have focused on investment return and payroll growth assumption, transparency trends, investment expense disclosure and trends, funding policy, administrative expense, and a national comparison review of board governance. (Slide 6 provides additional detail regarding 2016 and 2017 reviews and studies and the type of relevant testimony provided at PPOB meetings.) Mr. Gross added that Ms. Hans regularly produces for PPOB members a legislative update on pension related matters. PPOB staff also draft annual reports that include system summaries, study information and testimony, and recommendations. (Today's meeting materials included a copy of the 2017 report, LRC Research Memorandum No. 524.)

SB 2, enacted in 2017, dealt with transparency. It changed the systems' board governance to add gubernatorial appointees with investment experience, subject to Senate confirmation. It established standards for reporting investment return and expense disclosure and required a consistent process for reporting investment fees for each system, asset class, and manager. SB 2 placed the systems under the Model Procurement Code but excepted procurement policy for investment contracts adopted by a board and approved by the Secretary of the Finance and Administration Cabinet. It also required the CFA Institute's Code of Conduct for staff, trustees, and contracted investment advisors, and also required public disclosure of offering documents and contracts.

Staff has been directed to research and review the effectiveness of the 2017 pension transparency

reforms instituted under SB 2 and to report their findings to PPOB in order to determine whether additional transparency or accountability measures are needed. At the June 25 PPOB meeting, Ms. Hans reported on the results of questionnaires that were sent to the systems to ascertain whether they are in full or partial compliance with SB 2. The compliance review is ongoing.

Mr. Gross discussed the issue of CERS separation. SB 226 (2017) would have separated CERS from the administration of Kentucky Retirement Systems. That bill did not pass. Section 86 of SB 151 (2018 RS) directed PPOB to establish an advisory committee to study the benefits and drawbacks of separating CERS or restructuring the administration of the systems administered by Kentucky Retirement Systems. A report on this directive is due by December 1, 2019. Subject to LRC approval, an 8-member advisory committee was established for this purpose at the June 25 PPOB meeting. KRS 7A.260 previously authorized PPOB to establish advisory committees.

Mr. Gross gave an overview of legislation that was enacted to address the issue of agencies' ceasing participation in KERS or CERS. As employer rates have increased, agency participation issues have grown. HB 62 (2015) allowed certain agencies in KERS and CERS to voluntarily cease participating in the systems by paying full actuarial costs. HB 351 (2017) established required assumptions for employers exiting the systems, but this increased the cost and removed the installment payment option. In the 2018 regular session, HB 362 would have provided a window for eligible agencies to cease participating in KERS or CERS by paying actuarial costs through installments without interest over 30 years; however, HB 487 was subsequently passed and removed the window passed by HB 362 for agencies ceasing participation. HB 362 also would have allowed additional quasi-state agencies to exit the systems. HB 265 provided one year of employer rate relief to quasi-state agencies in KERS and kept the rate at 49.47 percent of pay for those employers instead of 83.43 percent of pay. This issue will be studied by PPOB in 2018. Kentucky Retirement Systems is working on potential options and will provide that information to PPOB and the General Assembly prior to the 2019 regular session. In 2018, PPOB will also focus on annual investment reviews, quarterly investment and cash flow updates, cash flow review, actuarial valuations and financial data, and the 2018 annual report and recommendations.

Senator Bowen complimented staff for the thoroughness of the presentation. He said that, by and large, the function of PPOB is an exercise in objectivity that is based on the data that it receives. Determining a viable solution for quasi-governmental agencies that

want to exit the systems is a major challenge facing the General Assembly, and State Budget Director John Chilton is working on that issue.

Representative Rand asked about the status of funding levels after passage of the pension reform legislation in 2013. Mr. Gross said that that funding levels dropped below the 15 or 16 percent that had been anticipated. This was due partly to experience, but assumption changes also were a factor. The unfunded liabilities are larger in general than anticipated simply because of function changes and plan experience. Mr. Cracraft said that from 2016 to 2017 almost all of the increase in the unfunded liability was due to assumption changes at KRS. Both KERS and CERS plans saw reductions in payroll growth and the assumed rate of return. Mr. Gross added that in the short term, the decision to pay the ARC and the changes in retiree health insurance also had an impact.

When Representative Rand inquired about the status of the health insurance funds, Mr. Gross said that Kentucky is considered a solid performer in funding retiree health insurance. At one time retiree health represented most of the unfunded liability, but over time those liabilities have decreased due to additional funding and changes that were implemented in 2003, 2004, and 2008. Claims experience has been good on both the under-65 plans and the Medicare-eligible plans administered by the retirement systems. There has even been some deflation on the Medicare-eligible side. Today the predominant share of the unfunded liability is on the pension side.

Representative Miller said he participated in a recent National Conference of State Legislatures conference call in which discussion focused on retiree health insurance—the “other post-employment benefit” (OPEB)—an issue on the radar nationally. Kentucky did the right thing to begin prefunding the OPEB faster than many other states.

In response to a question from Representative Rand, Mr. Gross explained that the combined total unfunded liability reported by the retirement systems is \$43.8 billion (as shown on slide #5). That number is used for funding purposes and is based on the 2017 actuarial valuation results. He acknowledged that multiple numbers have been reported regarding the unfunded liability—some as high as \$60 billion or \$80 billion. He said those higher totals are based on different sets of assumptions, and \$80 billion would be more in line with the 30-year treasury rate.

Representative Nemes said that recent testimony in federal court by former deputy attorney general Tim Longmeyer relating to bribery in the awarding of state contracts had alluded to the possibility of operating a similar scheme within the state retirement systems.

He asked whether there are restrictions in place that would protect the retirement systems and, if not, what type of preventives should be implemented. Mr. Gross said that is a good but difficult question. He said he would be willing to research the issue. He emphasized the need for transparency and disclosure and the importance of continued input and involvement by the PPOB. Senator Bowen said he believes that the recent request by a hedge fund to withdraw from KRS serves as a testament to the effectiveness of the standards that were put in place by SB 2.

Representative Fischer asked about reliability of the underlying assumptions for the 2017 actuarial valuation. Mr. Gross said that the investment return assumption for KERS-NH and SPRS is 5.25 percent. The assumed rate of return for KERS-H, CERS-NH and CERS-H is 6.25 percent; for JFRS it is 6.5 percent. The numbers have to be viewed from both the liability and asset sides and the expected 30-year return. When costs go up, it is because of liability and change in the discount rate. Senator Bowen said that retirement systems' representatives expressed confidence in the reported numbers at the most recent PPOB meeting.

Responding to further questions from Representative Fischer, Mr. Gross said that the pension plans conduct annual valuations. Nationally, experience studies are typically done every 5-10 years. The KRS board decided to adjust the payroll growth assumption for KERS and SPRS from 4 percent to zero percent, which for all intents and purposes would move it to a level-dollar basis. CERS payroll growth was adjusted from 4 percent to 2 percent, and TRS is at 3.5 percent. Senator Bowen stated that it was difficult for TRS to justify 3.5 percent since payroll growth for that system had averaged only 1.84 percent in the last 10 years.

There were no further questions. Senator Bowen said it is important for assumptions to be accurate and that funding should be at the level required by the assumptions. It is also important to ensure that actuaries are doing a good job in providing the information on which the assumptions are based. He thanked staff for the presentation, as did several members of the committee.

Representative Graham urged the committee to attend PPOB meetings and engage as much as possible in the work of that statutory committee. He also spoke about recent incidents when anti-poverty citizen groups were denied access to the Capitol building. He requested that appropriate officials be invited to a future interim meeting to clarify the procedures and mechanisms relating to access by the public. Senator Bowen said that Representative Graham's request will be taken under advisement.

There being no further business, the meeting was adjourned at 2:13 p.m.

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

### **Minutes of the 1st Meeting of the 2018 Interim**

June 21, 2018

#### **Call to Order and Roll Call**

The 1st meeting of the Interim Joint Committee on Tourism, Small Business, and Information Technology was held on Thursday, June 21, 2018, at 10:00 AM, in Ghent, Ky. 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 Diane St. Onge, Co-Chair; Senators Perry B. Clark, Jimmy Higdon, Stephen Meredith, Wil Schroder, and Reginald Thomas; Representatives Linda Belcher, John Blanton, Jeffery Donohue, Robert Goforth, Jim Gooch, Jr., David Hale, Chris Harris, Kim King, Michael Meredith, Rick Nelson, Melinda Gibbons-Prunty, Brandon Reed, John Sims, Jr., and Jill York

Guests: John Farris, Vice President and General Manager, Nucor Steel Gallatin.

LRC Staff: Carla Montgomery, Andrew Manno, Chip Smith and Emma Mills.

Chairwoman Kerr welcomed Representative Rick Rand, representative of District 47 in which Nucor Steel Gallatin is located, Megan McCain, Field Representative for Senator Mitch McConnell, and Stacie Rockaway, Field Representative for Congressman Thomas Massie.

Representative Webber made a motion to approve the minutes of the May 21, 2018 meeting of the Interim Joint Committee on Economic Development and Workforce Investment, seconded by Representative Wuchner. The motion passed by voice vote.

#### **Nucor Steel Gallatin**

John Farris, Vice President and General Manager of Nucor Steel Gallatin, discussed Nucor Steel's presence in Kentucky, including investments in various steel processing plants along the Ohio River. Nucor Steel began in 1905 as REO Motor Company under Ransom E. Olds, specializing in Department of Defense contracts. In 1955, Nuclear Consultants, Inc., purchased the company to form the Nuclear Corporation of America. Under Ken Iverson, Nuclear Corporation of America started investing in steel technologies, selling inefficient divisions in nuclear technologies. In 1971, Nuclear Corporation of America was shortened to Nucor and was listed on the New York Stock Exchange in 1972.

Mr. Farris discussed Nucor's goals as a company, including "Pay for Performance," an incentivized pay scale, noting that for the average employee, two-thirds of take-home pay is dependent on how well the plant runs; "Right to be Treated Fairly," which gives employees an opportunity to give feedback on the management of the company; "Avenue of Appeal," an open-door policy providing employees the right to air grievances or disagreements without fear of retribution; and "Do Your Job Well and Have it Tomorrow," an assurance to employees that there will not be layoffs during downturns in the market. Nucor has never laid off an employee due to lack of work. Another employee incentive discussed is the Nucor Foundation, which provides college scholarships to every child, spouse, and employee of Nucor.

Mr. Farris said that Nucor is the largest steel producer in the United States, capable of producing about 27 million tons of steel per year. Nucor is also North America's largest recycler, recycling 18.8 million tons in 2017; 100 percent of the steel produced by Nucor is from scrap steel. The company employs more than 25,000 in over 200 facilities across North America. Nucor is the number one producer of structural steel, rebar steel, merchant bar steel, cold finish bar steel, joist and deck, rebar fab and distribution, steel piling distribution, and metal buildings in North America. Nucor falls well below the national industry average of occupational injury and illness rates.

The plant in Ghent, Kentucky, produces sheet metal. Nucor acquired the Gallatin Steel Company in 2014, primarily for its location and good cultural fit with the company. Nucor immediately impacts 14 additional steel processing, recycling and scrap metal companies in the state. In addition to sheet metal processing, Nucor Steel Gallatin is building additional facilities onsite--a \$176 million investment--to produce galvanized steel to be opened for production in 2019. It will be the largest production capability facility in the world. Mr. Farris thanked the legislators on behalf of the company for supporting Kentucky's manufacturing base.

Environmentally, Nucor produces approximately half the global average of CO2 emissions. The amount of energy saved from being a scrap-based steel plant could power about 500,000 Kentucky homes for a year.

Mr. Farris emphasized the impact American steel has on the economy, both nationally and within Kentucky. Nationally, the steel industry supports about two million jobs and contributes \$520 billion to the economy. In Kentucky, 39,782 jobs are supported by the steel industry, while it contributes \$11.3 billion to the economy. The Nucor Steel Gallatin plant generates about \$1 billion per year in sales revenue.



Kentucky manufacturing holds the 6<sup>th</sup> highest share of gross state product in the United States.

Responding to questions from Representative St. Onge about the integrity of recycled steel, Mr. Farris said that steel can be recycled indefinitely, though the residual content of the steel increases. To combat this problem, the company adds more raw iron units to the steel mix to drive residuals back down. Structurally, the steel maintains its integrity through the recycling process. The Nucor Steel Gallatin plant has not experienced shortages of qualified job applicants. The company works with local educational and technical schools that provide skilled workers if positions become available that are not filled from within the company. Nucor estimates that it has have 40 or 50 qualified applicants for each open position, although maintenance positions are harder to fill.

In response to a question from Representative Belcher regarding employee training, Mr. Farris indicated Nucor does not have a formalized apprenticeship program, but employees are trained in house by shadowing trained employees. The company partners with BCTC and local technical schools to provide an avenue for hiring into positions.

Responding to questions by Senator Kerr, Mr. Farris and his colleagues estimated the plant does business with 25 other companies in the Kentucky/Southern Indiana/Southern Ohio area and serves about 40 customers. Mr. Farris also estimated that 80 percent of the sale output is consumed within a 200 miles radius of the plant. There will be 75 additional jobs added with the expansion of the new facility at the plant.

In response to a question from Representative King, Mr. Farris indicated the company started working on plans for their expansion in 2015, though there was no specific legislation through the Kentucky General Assembly to incentivize the expansion.

Responding to a question from Representative Koenig regarding tariffs implemented by the federal government, Mr. Farris acknowledged that the company's order numbers are stronger, but he attributes that more to the recent tax plan passed by Congress more than tariffs. Nucor supports the tariffs in general to limit cheaper imported steel in the market.

In response to a question from Representative Wuchner, Mr. Farris repeated that, between 1971 and 2017, the steel production capability has been reduced by 60 million tons per year though the demand has increased. Mr. Farris discussed how the facility evaluates the chemical composition of all of the scrap metal coming into the plant to determine any additional components needed to increase the integrity of the steel produced.

Responding to a question from Representative

Miller regarding waste products from the plant, Mr. Farris said that Nucor has a company that processes slag, impurities that come off the steel during the steel making process, all of which is then sold to be reused in recovering roadways and driveways. KO61 emissions, which are a hazardous waste, are captured coming directly from the arc furnace, which is recycled and sold to people extracting zinc out of the waste. He said that Nucor produces military grade steel, but not specifically at the Gallatin facility.

Senator Kerr queried about the number of Kentucky students who were using the scholarship money provided by the Nucor Foundation. Mr. Farris said that about 60 Kentucky students have utilized the scholarship money since 2014.

Senator Kerr said that the interim committees will next meet on July 19, 2018 in Frankfort.

There being no further business, the meeting was adjourned at 11:32 a.m.

## **INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND WORKFORCE INVESTMENT**

### **Minutes of the 2nd Meeting of the 2018 Interim June 21, 2018**

#### **Call to Order and Roll Call**

The 2nd meeting of the Interim Joint Committee on Economic Development and Workforce Investment was held on Thursday, June 21, 2018, at 10:00 AM, in Ghent, Ky. 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 Phillip Pratt, Co-Chair; Senators Perry B. Clark, Jimmy Higdon, Stephen Meredith, Wil Schroder, and Reginald Thomas; Representatives Lynn Bechler, McKenzie Cantrell, Daniel Elliott, Joni L. Jenkins, James Kay, Kim King, Adam Koenig, Jerry T. Miller, Rob Rothenburger, Diane St. Onge, Walker Thomas, Russell Webber, and Addia Wuchner.

Guests: John Farris, Vice President and General Manager, Nucor Steel Gallatin.

LRC Staff: Carla Montgomery, Andrew Manno, Chip Smith and Emma Mills.

Chairwoman Kerr welcomed Representative Rick Rand, representative of District 47 in which Nucor Steel Gallatin is located, Megan McCain, Field Representative for Senator Mitch McConnell, and Stacie Rockaway, Field Representative for Congressman Thomas Massie.

Representative Webber made a motion to approve the minutes of the May 21, 2018 meeting of the Interim Joint Committee on Economic Development and Workforce Investment, seconded

by Representative Wuchner. The motion passed by voice vote.

#### **Nucor Steel Gallatin**

John Farris, Vice President and General Manager of Nucor Steel Gallatin, discussed Nucor Steel's presence in Kentucky, including investments in various steel processing plants along the Ohio River. Nucor Steel began in 1905 as REO Motor Company under Ransom E. Olds, specializing in Department of Defense contracts. In 1955, Nuclear Consultants, Inc., purchased the company to form the Nuclear Corporation of America. Under Ken Iverson, Nuclear Corporation of America started investing in steel technologies, selling inefficient divisions in nuclear technologies. In 1971, Nuclear Corporation of American was shortened to Nucor and was listed on the New York Stock Exchange in 1972.

Mr. Farris discussed Nucor's goals as a company, including "Pay for Performance," an incentivized pay scale, noting that for the average employee, two-thirds of take-home pay is dependent on how well the plant runs; "Right to be Treated Fairly," which gives employees an opportunity to give feedback on the management of the company; "Avenue of Appeal," an open-door policy providing employees the right to air grievances or disagreements without fear of retribution; and "Do Your Job Well and Have it Tomorrow," an assurance to employees that there will not be layoffs during downturns in the market. Nucor has never laid off an employee due to lack of work. Another employee incentive discussed is the Nucor Foundation, which provides college scholarships to every child, spouse, and employee of Nucor.

Mr. Farris said that Nucor is the largest steel producer in the United States, capable of producing about 27 million tons of steel per year. Nucor is also North America's largest recycler, recycling 18.8 million tons in 2017; 100 percent of the steel produced by Nucor is from scrap steel. The company employs more than 25,000 in over 200 facilities across North America. Nucor is the number one producer of structural steel, rebar steel, merchant bar steel, cold finish bar steel, joist and deck, rebar fab and distribution, steel piling distribution, and metal buildings in North America. Nucor falls well below the national industry average of occupational injury and illness rates.

The plant in Ghent, Kentucky, produces sheet metal. Nucor acquired the Gallatin Steel Company in 2014, primarily for its location and good cultural fit with the company. Nucor immediately impacts 14 additional steel processing, recycling and scrap metal companies in the state. In addition to sheet metal processing, Nucor Steel Gallatin is building additional facilities onsite--a \$176 million investment--to produce galvanized steel to be opened for production



in 2019. It will be the largest production capability facility in the world. Mr. Farris thanked the legislators on behalf of the company for supporting Kentucky's manufacturing base.

Environmentally, Nucor produces approximately half the global average of CO2 emissions. The amount of energy saved from being a scrap-based steel plant could power about 500,000 Kentucky homes for a year.

Mr. Farris emphasized the impact American steel has on the economy, both nationally and within Kentucky. Nationally, the steel industry supports about two million jobs and contributes \$520 billion to the economy. In Kentucky, 39,782 jobs are supported by the steel industry, while it contributes \$11.3 billion to the economy. The Nucor Steel Gallatin plant generates about \$1 billion per year in sales revenue. Kentucky manufacturing holds the 6<sup>th</sup> highest share of gross state product in the United States.

Responding to questions from Representative St. Onge about the integrity of recycled steel, Mr. Farris said that steel can be recycled indefinitely, though the residual content of the steel increases. To combat this problem, the company adds more raw iron units to the steel mix to drive residuals back down. Structurally, the steel maintains its integrity through the recycling process. The Nucor Steel Gallatin plant has not experienced shortages of qualified job applicants. The company works with local educational and technical schools that provide skilled workers if positions become available that are not filled from within the company. Nucor estimates that it has have 40 or 50 qualified applicants for each open position, although maintenance positions are harder to fill.

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Senator Kerr queried about the number of Kentucky students who were using the scholarship money provided by the Nucor Foundation. Mr. Farris said that about 60 Kentucky students have utilized the scholarship money since 2014.

Senator Kerr said that the interim committees will next meet on July 19, 2018 in Frankfort.

There being no further business, the meeting was adjourned at 11:32 a.m.

## **INTERIM JOINT COMMITTEE ON LOCAL GOVERNMENT**

### **Minutes of the 1st Meeting of the 2018 Interim**

June 27, 2018

#### **Call to Order and Roll Call**

The first meeting of the Interim Joint Committee on Local Government was held on Wednesday, June 27, 2018, at 10:00 AM, in Room 171 of the Capitol Annex. Representative Rob Rothenburger, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Joe Bowen, Co-Chair; Representative Rob Rothenburger, Co-Chair; Senators Ralph Alvarado, Christian McDaniel, Dorsey Ridley, Albert Robinson, Dan "Malano" Seum, and Damon Thayer; Representatives Danny Bentley, George Brown Jr, Ken Fleming, Kelly Flood, Kenny Imes, DJ Johnson, Kim King, Adam Koenig, Stan Lee, Michael

Meredith, Jerry T. Miller, Robby Mills, Phil Moffett, Arnold Simpson, and John Sims Jr.

Guests: Casey Hall and Michael Kurtsinger, Kentucky Fire Commission; Michael Poynter and Chuck O'Neal, Kentucky Board of Medical Services; Stuart Foster, Kentucky Mesonet; Ron Wolf, Associated General Contractors of Kentucky; and Bryanna Carroll, Kentucky League of Cities.

LRC Staff: Mark Mitchell, John Ryan, Joe Pinczewski-Lee, and Cheryl Walters.

### **New Active Shooter Training for First Responders**

After brief introductory remarks from Michael Kurtsinger, Legislative Director, Kentucky Fire Commission, Mr. Casey Hall, Curriculum Coordinator, Kentucky Fire Commission, said that a task force workgroup was formed in March to look into what steps could be taken in light of active shooter/hostile events. It was decided to deliver awareness courses around the state for emergency responders. The task force recommended that a hands-on, tactical course be developed and delivered to build on concepts discussed in the awareness program.

Most fire service training is based on National Fire Protection Association (NFPA) Standards. The current Awareness Level Active Shooter/Hostile Events course offering was developed in 2017, which was based on several NFPA standards and other best practices. The course objectives included: (1) introduction of Tactical Emergency Casualty Care (TECC) principles and practices; (2) pre-incident planning and recommendations for standard operating procedures; (3) describing best response practices; (4) tactical emergency casualty care skills; and (5) lifting techniques for casualty evacuation. As of June 20, 2018, 45 classes have been held statewide, with 1239 students being served, and 13 future classes scheduled.

To address the urgent public safety needs, NFPA 3000, Standard for an Active Shooter/Hostile Events Program was issued on May 1, 2018. NFPA 3000 builds on information contained in other standards as well as concepts from the National Incident Management System (NIMS). New training programs and curriculum will be developed around this standard. How this standard is ultimately applied is up to each local jurisdiction. The need for multiple agencies cooperatively working together in a unified command setting is a major concept of this standard.

The task force will continue to meet and make recommendations. State Fire Rescue Training will continue to deliver classes statewide to engage emergency responders on active shooter/hostile events.

In response to a question from Representative

Johnson, Mr. Hall stated that body armor will be assigned to the emergency responder and would normally be left on the truck. The body armor will not be worn every day, just in certain life-threatening situations.

Representative Rothenburger commented that hostile events are not limited to urban areas. They strike rural areas as well. The active shooter program is designed for departments with limited resources.

#### **Community Paramedicine Program**

Mr. Michael Poynter, Executive Director of the Kentucky Board of Medical Services (KBEMS), first listed some “fast facts” about Emergency Medical Services (EMS): there are 13,447 certified or licensed providers; 220 licensed EMS agencies; 1,060 ground ambulances; 71 helicopter ambulances; four fixed wing ambulances. In 2017, there were responses to 913,800 EMS incidents. One out of every five citizens comes in contact with EMS annually. Of those, 68 percent are 50 or older.

EMS agencies were required to submit electronic data as of January 1, 2015, by KBEMS, and there are up to 225 data points for each patient contact. All 220 licensed EMS agencies have reported.

The new Community Paramedic Program closes the community health service and EMS coverage gap by expanding the role of EMS personnel. The primary focus of the Program is to: (1) correctly navigate low acuity patients (super users) away from urgent resource utilization; (2) engage in proactive efforts to improve community health and wellness; and (3) provide continued care for an acute event to prevent unnecessary re-admission back to inpatient facilities.

There are seven pilot programs in total including Jefferson, Fayette, Oldham, Calloway Montgomery, and Warren Counties. The Lexington Fire/EMS started a pilot program in late February of this year. There has been an estimated decrease of 1,000 EMS incidents in four months. There was a savings of \$750,000 in EMS runs and a \$7,500,000 in hospital stays.

Mr. Poynter noted KBEMS’ Annual Report which was distributed to committee members.

In response to a question from Representative Flood, Mr. Poynter said he would have to check on other states’ EMS usage rates to see how Kentucky compares and get back with her.

In response to a question from Senator Alvarado, Mr. Poynter stated that he did not have the actual percentage of calls that are true emergencies because, for example, Louisville Metro has higher numbers of non-emergency calls per capita than rural areas. Defining which calls are urgent must also be determined. KBEMS will research these numbers and get back with him. Additionally, two-way telemedicine is evolving and can solve a lot of problems.

Mr. Chuck O’Neal, Deputy Director of the Kentucky Board of Medical Services, commented that the telemedicine program has been a slow process to get started in Kentucky because of reimbursement and staffing concerns. There needs to be a collaboration of EMS agencies with health care facilities that have telemedicine.

Representative Rothenburger commented that he hopes there is open dialogue on reimbursements.

In response to a question from Senator McDaniel, Mr. Poynter stated that there are no reimbursement protocols for superusers calling when there is no medical emergency. Through use of the program, EMS can decrease the run volume and see savings.

Senator McDaniel commented that there should be a way to charge those people who abuse the system and that there should be reimbursement.

Mr. O’Neal said that ambulances are reimbursed only when transportation is provided. Local governments absorb the costs for other expenses. Medicare and Medicaid cannot be billed when there is no patient transportation. There is a push on the national level to change the reimbursement model from a transportation-based model to a service-provision model, wherein payments can be made for the healthcare that was provided.

In response to questions from Representative Meredith, Mr. Poynter said there are more paramedics than there, but there also are more incidents. It is true that some people call an ambulance knowing that their wait time in an emergency room will likely be less than going to the emergency room by personal transportation. The cost for an ambulance service run varies by agency, run volume, staffing levels, and government subsidies, and can be between \$250 and \$650. Most EMS units in the state lose money per call.

In response to a question from Representative Miller, Mr. O’Neal said that the standards for becoming a paramedic are national. Mr. Poynter said that a person can become a paramedic without being an EMR or an EMT.

Representative Flood noted her support of the program because it “filled in the gap” while improvements are made in the management of health care.

#### **Weather Station Program**

Dr. Stuart Foster, Director of the Kentucky Mesonet, said that a mesonet is a dense network of automated “ground truth” weather stations. Its success depends upon partnerships for station locations. In 2007, the Kentucky Mesonet was recognized as the official source of climatological observations for the state and was approved for federal funding via the National Weather Service. Kentucky is one of three states possessing a world class research grade weather

monitoring network.

The vertical integration of the Kentucky Mesonet includes testing and calibrating of instruments, installing and maintaining instruments, quality assurance and disseminating of data, and archiving data and system metadata. Station instrumentation includes standard instrumentation (air temperature, precipitation, leaf wetness, solar radiation, relative humidity, wind speed and direction); base infrastructure (data logger controls station operations, cellular modem enables two-way communication via AT&T, and batteries are trickle charged via solar or AC power); and supplemental instrumentation (soil moisture and temperature, barometer, camera, and multi-level temperature).

There is spring, summer, and fall site maintenance to maintain station network infrastructure where personnel checks and cleans instrumentation, periodically swaps out instruments and replaces batteries, cuts vegetation, and takes site photographs. Personnel also fixes instruments when issues are found.

Regarding the metadata database, there is inventory of all scientific instrumentation, including serial numbers, deployment sites and dates, and calibration history. Records of visits to all sites for both regular maintenance and trouble tickets are kept.

There are over 200,000,000 data values collected, processed, and archived each year across the network for quality assurance.

Local sponsorships, state appropriations (which are leveraged), federal grants, and public-private partnerships fund the weather program. Examples of local partnerships include Standard Station Installation Agreements—estimated station cost is \$25,000 (local sponsor’s portion is the first \$15,000 with the Mesonet’s match of the remaining \$10,000); Sponsorship Agreements—annual contribution up to \$5,000, but currently \$3,000 supports cost of maintaining station, priority site for instrumentation enhancements; and Site License Agreements.

There are opportunities for outreach, including an available mesonet app. The Temperature Inversion Monitoring System is an experimental project supported by the United States Department of Agriculture’s Midwest Climate Hub. Multi-level temperature measurements help to determine when the potential for a temperature inversion is high. Farmers can determine when conditions are right for applying chemical treatments to crops without contaminating undesignated crops. This information can be used for other applications.

A grant from the National Integrated Drought Information System (NIDIS) was used to develop the Kentucky Drought Early Warning System. The mesonet is also working with rural water associations

and the Kentucky Division of Water. Drought declarations come from the U.S. Drought Monitor which derives part of its dataset from Kentucky's mesonet. It has a direct implication for water management and an indirect effect on federal disaster systems programming.

The Vegetation Health Indicator is an experimental project for Drought Impact Monitoring. There is visual imagery to document landscape condition, and infrared imagery to document vegetation health.

The weather program is a world-class infrastructure benefitting rural and urban communities across Kentucky. It is enhancing public safety in partnership with the National Weather Service, and strengthening economic competitiveness and development of weather-sensitive industries. Money invested in the mesonet is leveraged and provides value in terms of services back to local communities. It is a priority to grow Kentucky's "knowledge economy" through research and development partnerships.

In response to a question from Representative Brown, Dr. Foster stated that the Mesonet provides data to FEMA for reports that are used in disaster declarations and additional weather related incidences.

In response to a question from Representative Bentley, Dr. Foster said there needs to be local partners in order to install more weather stations. He would like to speak with local governments about forming partnerships and adding more stations. The World Meteorological Organization provides a guideline-based scoring system for the optimal location of stations. The mesonet is interested in improving public safety from an immediate weather perspective and industry from a climate perspective.

In response to a question from Representative Rothenburger, Dr. Foster indicated that the mesonet can provide "ground truth" over time to augment radar-based weather conditions that can improve guidance for the issuance of severe weather alerts.

There being no further business, the meeting was adjourned at 11:40 a.m.

## **INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE**

### **Minutes of the 1st Meeting of the 2018 Interim June 28, 2018**

#### **Call to Order and Roll Call**

The 1st meeting of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, June 28, 2018, at 1:00 PM, in Room 154 of the Capitol Annex. Senator Christian McDaniel, Chair, called the

meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel, Co-Chair; Representative Steven Rudy, Co-Chair; Senators Ralph Alvarado, Danny Carroll, Rick Girdler, David P. Givens, Dennis Parrett, Wil Schroder, Robin L. Webb, and Stephen West; Representatives Tim Couch, Myron Dossett, Ken Fleming, David Hale, Regina Huff, Suzanne Miles, Jason Nemes, Ruth Ann Palumbo, Jody Richards, Sal Santoro, Arnold Simpson, Jim Stewart III, James Tipton, Russell Webber, Susan Westrom, and Jill York.

Guests: Greg Harkenrider, Deputy Executive Director, Governor's Office for Economic Analytics; Charles George, VP of Government Affairs, Kentucky Society of CPAs; Eric Scott, Tax Senior Manager, Ernst & Young; and Kevin Doyle, CFO, Congelton-Hacker Company

LRC Staff: Cynthia Brown, Katy Jenkins, Micah Johnson, and Jay Jacobs.

#### **Introduction of New Appropriations and Revenue Committee Staff**

Chairman McDaniel introduced Katy Jenkins, Legislative Committee Analyst, and Micha Johnson, Graduate Fellow, as new committee staff.

#### **Update on Receipts**

Greg Harkenrider, Deputy Executive Director, Governor's Office for Economic Analytics, gave a revenue update for fiscal year 2018. He reviewed revenue patterns, past forecasting accuracy, and receipts month to date, and discussed general fund and road fund predictions for June 2018.

In response to a question by Chairman McDaniel, Mr. Harkenrider stated that, according to HB 303, 50 percent of the excess revenues goes to the permanent pension fund, and 50 percent goes to the budget reserve trust fund.

In response to questions by Representative Fleming, Deputy Executive Director Harkenrider stated that his office will be taking a prospective position on implementation on the *Wayfair* decision by the Supreme Court. The hardest part about getting money will be getting new members to register. The executive branch is trying to inform people as fast as it can but there will be some challenges such as the diminimus standard of 200 transactions or \$100,000 in gross receipts.

In response to a question by Senator West, Mr. Harkenrider said that the threshold for someone doing business in Kentucky is \$100,000 of revenue or 200 transactions.

In response to questions by Senator Givens, Mr. Harkenrider stated that the fiscal year high was \$1,560,400,000 in 2014. The one stop portal is the best place for businesses to get questions answered and get registered.

In response to a question by Co-Chair Rudy, Mr. Harkenrider stated that he is holding off on revenue estimates for the *Wayfair* ruling until after more people have registered through open enrollment. The GAO estimate of over \$93,000,000 seemed overstated.

In response to a question by Senator Web, Mr. Harkenrider stated that sales tax staff are working overtime and are stretched to capacity working on implementation of the new sales taxes. One thing that helps is that Kentucky is an active streamline participant.

In response to a question by Representative Tipton, Mr. Harkenrider stated that the original budget reductions from the forecasted budget deficit from the consensus forecast group were fully implemented in Fiscal Year 2018.

In response to a follow up question by Representative Tipton, Deputy State Budget Director Kevin Cardwell stated that surplus revenues are split according to HB 303: 50 percent to the Budget Reserve Trust Fund, 25 percent to the Teachers Retirement, and 25 percent to the Kentucky Employees Retirement System. Mr. Harkenrider stated that there have been changes in tax collection for nonprofits. The biggest change affects admissions to events but not collecting taxes on fees for classes within the church; he will ask the Department of Revenue to clarify. The Department of Revenue's website provides some clarifications.

In response to a question by Senator West, Mr. Harkenrider stated that he does not know the thresholds for the streamline process but will verify with the Department of Revenue.

#### **Limited Liability Entity Tax-Cost of Goods Sold Definition**

Charles George, VP of Government Affairs, Kentucky Society of CPAs, discussed the Limited liability entity tax (LLET) that applies to all entities that offer limited liability to its owners.

Eric Scott, Tax Senior Manager, Ernst & Young gave a breakdown of how the tax is calculated with two alternative calculations of gross receipts or gross profits. He stated that 92 percent of the entities that file the LLET pay the minimum tax of \$175. He summarized how Cost of Goods sold is viewed and what can be deducted. He reviewed how the owner receives credit on his or her personal income tax.

Mr. George reviewed the projected fiscal year 2019 revenue considerations and options for increasing the tax and how it would impact the Commonwealth.

In response to questions by Chairman McDaniel, Mr. Scott stated that the real issue is what happens in the definitions as it relates to gross profit calculations over \$6,000,000. Mr. George stated, as relates to cost of goods sold, he recommends that the language of definitions mirror federal definitions. The bill that has



been filed in the past struck through language and did not add new language to limit the cost of goods sold calculation.

In response to questions by Senator West, Mr. Scott stated the definition differs with the federal definition of cost of goods sold. The statutory language never changed, but the interpretation of the language changed. Kentucky is the only state that disallows certain costs based on this interpretation in the same way that the department of revenue has interpreted it. Mr. George stated that the best way to clear this up would be through as statutory change.

In response to questioned by Representative Fleming, Mr. Scott stated that about 15,000 companies pay one or the other calculations, which equates to eight percent of the 170. The CPA is the compliance cost for companies to stay in compliance. He does not have access to these compliance numbers. Mr. George stated that the level of complexity is high and difficult to quantify.

In response to questions by Senator Givens, Mr. Scott stated that, if the state simplified the process, compliance costs would decrease. There was no statutory change to language in 2013 for LETT; it was created in 2007, replacing the unpopular business license tax.

#### **Correspondence Received**

Senator McDaniel reviewed correspondence received since the last meeting.

#### **List of Reports Received Since November, 2017**

Senator McDaniel reviewed reports received since the last meeting.

With no further business, the meeting was adjourned.

## **INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE**

### **Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement Minutes of the 1st Meeting of the 2018 Interim**

June 28, 2018

#### **Call to Order and Roll Call**

The first meeting of the Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, June 28, 2018, at 10:00 AM, in Room 149 of the Capitol Annex. Senator Danny Carroll, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Danny Carroll, Co-Chair; Representative Suzanne Miles, Co-Chair; Senators

Julie Raque Adams, Dennis Parrett, and Johnny Ray Turner; Representatives Richard Heath, Kenny Imes, Kim King, Adam Koenig, Michael Meredith, and Phil Moffett.

Guests: Brent Burchett, Director, Plant Division, Office of Agriculture Marketing, Kentucky Department of Agriculture (KDA); Joe Bilby, General Counsel, KDA; Doris Hamilton, Manager, Industrial Hemp Research Pilot Program, KDA; Chad Rosen, Hemp Processor, Victory Foods, Campbellsburg, Kentucky; and, Ben Furnish, Farmer, Cynthiana, Kentucky.

LRC Staff: Tammy Branham, Liz Columbia, Zachary Ireland, Nick Peak, Justin Perry, David Talley, and Spring Emerson.

Representative King welcomed her constituent from Mercer County, Doris Hamilton, who is the manager of the Industrial Hemp Research Pilot Program for the KDA.

#### **Update on Industrial Hemp in Kentucky**

Mr. Burchett, Mr. Bilby, and Ms. Hamilton provided an update on the Industrial Hemp Research Pilot Program within the KDA. Mr. Rosen provided an overview of hemp processing, and Mr. Furnish provided an overview of hemp farming.

In response to questions from Senator Parrett, Ms. Hamilton said even though multiple hemp processors are considering fiber processing, currently there is only one fiber processor in the state. Ms. Hamilton said the law does not require growers to report to the USDA Farm Service Agency (FSA). Hemp crops are not insurable. Mr. Burchett said the universities are conducting research on spraying hemp crops for weed control due to the variable nature of herbicide resistance.

In response to questions from Representative Meredith, Mr. Bilby said the 2018 Federal Farm Bill will have far-reaching implications that plague the entire agricultural sector. Some elements of the Bill are more permanent in nature, and industrial hemp provisions are more stable or permanent. More information will be provided to the subcommittee at a later date. Mr. Burchett said Congress set the legal limit of tetrahydrocannabinol (THC) based on years of precedence set in other countries. Mr. Burchett said some growers are retrofitting existing equipment. Ms. Hamilton added that 100 percent of all the fiber and grain crops can use current equipment for mechanical harvesting, but only 60 percent of floral material harvesting can be done mechanically due to the necessity of a labor force. Mr. Furnish said there is plenty of room in the floral market for smaller operations; however, it is labor intensive, like tobacco. Ms. Hamilton added that there are more license holders for ten acres or less than there are for larger crops.

In response to a question from Chair Carroll, Mr. Furnish said growing hemp is less expensive than tobacco due to the fact that the plants, fertilizer, and other necessary items are supplied to the farmer.

In response to a question from Representative King, Mr. Burchett said the recently FDA-approved epilepsy medication, Epidiolex, has gone through clinical trials and is based on cannabidiol (CBD). CBD oil is found in both industrial hemp and marijuana but has no psychoactive components.

In response to a question from Representative Moffett, Ms. Hamilton explained that even though some processors are licensed as labs and test products, the official testing for THC legality is performed by the University of Kentucky, Division of Regulatory Services.

In response to a question from Senator Turner, Ms. Hamilton said 90 percent of applications received last year were approved. There is a list of criteria and regulations on the KDA/Hemp website that must be met in order to get a license. An applicant can appeal a denial.

In response to questions from Chair Carroll, Mr. Burchett said 0.3 percent THC is allowable in industrial hemp, and whether that would show up on a drug test would depend on the type of test that was used. Mr. Burchett said that loosening federal restrictions would impact a viable part of the agriculture economy and would fit in different ways.

In response to questions from Representative Imes, Ms. Hamilton said the universities actively involved in the 2018 program are the University of Kentucky, University of Louisville, Kentucky State University, Morehead State University, Sullivan University, Murray State University, and Western Kentucky University. In past years, Eastern Kentucky University, Berea College, and Pikeville University were also involved. The potential is great for hemp fiber being used for plastic injection molding and other uses, which is currently taking place. Last year, Kentucky produced about 100 acres of hemp fiber; this year, the state has already produced about 1,000 acres. Mr. Burchett said the fees collected for the growth and processing of hemp are not enough to cover the full program costs, but they are enough to cover two of four personnel and other program costs.

Chair Carroll thanked the presenters for their excellent testimony on a very interesting topic, and expressed interest in hearing more on the subject in the future.

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 Education Minutes of the 1st Meeting of the 2018 Interim

June 28, 2018

#### Call to Order and Roll Call

The first meeting of the Budget Review Subcommittee on Education of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, June 28, 2018, at 10:00 AM, in Room 154 of the Capitol Annex. Representative Regina Huff, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen West, Co-Chair; Representatives James Tipton, Co-Chair, and Regina Huff, Co-Chair; Senator C.B. Embry Jr.; Representatives Danny Bentley, George Brown Jr, Kelly Flood, Rick Rand, Jody Richards, and Steve Riley.

Guests: Dr. Wayne Lewis, Interim Commissioner, Kentucky Department of Education; Robin Kinney, Associate Commissioner, Office of Finance and Operations Support, Kentucky Department of Education; and Representatives Jeffery Donohue and Mary Lou Marzian.

LRC Staff: Chuck Truesdell, Joe Lancaster, Jennifer Krieger, Jonathan Eakin, and Amie Elam.

#### Kentucky Department of Education

Dr. Wayne Lewis and Robin Kinney, Kentucky Department of Education (KDE), testified regarding the Fiscal Year 2019 budget implementation. KDE's presentation included information on budget appropriations, program eliminations, and expenditures.

In response to a question from Chair Huff, Robin Kinney said that all 25 positions that will be eliminated are district related. Most positions are administrative, but all positions work closely with districts.

In response to a question from Senator West, Ms. Kinney said that the Department would provide the SEEK funding information to the committee.

In response to a statement from Representative Flood, Dr. Lewis said the Commonwealth could not underestimate the impact that poverty has on receiving a good education. He reiterated the importance of Family Resource and Youth Service Centers (FRYSCs). Dr. Lewis stated that policy and leadership decisions should be data informed. Dr. Lewis said that, when it comes to impacting student learning, there is nothing more important than having a high quality teacher in the classroom.

In response to a question from Representative Rand, Ms. Kinney said textbooks and computers are

purchased with instructional resource funds. School districts may move instructional resource funds to flex focus to support district needs in other flex categories. Dr. Lewis said that a cost estimate for the potential takeover of Jefferson County Public Schools has not been completed at this time. Dr. Lewis said that regulation prevents him from having a plan regarding state management of Jefferson County Public Schools. Dr. Lewis said that he would provide the report that was given to the Kentucky Board of Education outlining his priorities as commissioner. His priorities include tackling the skills gap, improving primary literacy and numeracy, and making sure that students are completing high school graduation requirements. Dr. Lewis said it is unconscionable that 35 percent of Kentucky high school graduates are not college or career ready.

In response to a question from Chair Huff, Dr. Lewis stated that regulations prohibit making an improvement plan before approval from the Kentucky Board of Education, which keeps KDE from providing a cost estimate.

In response to a question from Representative Brown, Ms. Kinney said the Kentucky Center for School Safety conducts safety audits and provides funding to local school districts directly. Dr. Lewis said there was a decrease in funding for public preschool. The SEEK formula only provides for half-day kindergarten, therefore many districts use other funding sources to pay for full-day programs. The request for full-day funding would allow districts to use those funds in other areas, such as public preschool programs.

In response to a question from Chair Huff, Dr. Lewis said that fewer than 20 districts have half-day kindergarten. KDE will provide the exact number to the committee.

In response to a question from Representative Tipton, Ms. Kinney said that every FRYSC dollar appropriated to KDE goes directly to the Cabinet for Health and Family Services.

In response to a question from Representative Richards, Dr. Lewis stated there is a federal grant for a reading program called Striving Readers, in addition, to Read to Achieve. Postsecondary education includes four-year degrees, two-year degrees, applied associates degrees, and certificate credentials. Representative Richards explained the importance of emphasizing the value of four-year degrees to students.

In response to a question from Senator West, Ms. Kinney said that KDE's Frankfort operations were included in the \$54 million cut.

In response to a question from Representative Riley, Dr. Lewis said the goal is to increase the number of students who pursue postsecondary education and not to deemphasize four-year degree programs.

There being no further business to come before the subcommittee, the meeting adjourned at 11:12 a.m.

## INTERIM JOINT COMMITTEE ON TRANSPORTATION

### Minutes of the 2nd Meeting of the 2018 Interim

July 9, 2018

#### Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Transportation was held on Monday, July 9, 2018, at 10:00 AM, in the Auditorium of the Kentucky Transportation Cabinet. Senator Ernie Harris, Chair, called the meeting to order, and the secretary called the roll. The Minutes from the Committee's June 5, 2018 meeting were approved.

Present were:

Members: Senator Ernie Harris, Co-Chair; Representative Ken Upchurch, Co-Chair; Senators C.B. Embry Jr., Dorsey Ridley, Albert Robinson, Brandon Smith, Johnny Ray Turner, and Mike Wilson; Representatives Lynn Bechler, Linda Belcher, Tim Couch, Ken Fleming, Chris Fugate, Al Gentry, Robert Goforth, David Hale, Chris Harris, Kenny Imes, James Kay, Suzanne Miles, Charles Miller, Robby Mills, Tim Moore, Steve Riggs, Sal Santoro, John Sims Jr, Jim Stewart III, and Walker Thomas.

Guests: Greg Thomas, Secretary, Kentucky Transportation Cabinet (KYTC); Paul Looney, Deputy Secretary, KYTC; Andy Barber, State Highway Engineer, KYTC; Robin Brewer, Executive Director, Office of Budget and Fiscal Management, KYTC; Noelle Hunter, Ph.D., Executive Director, Kentucky Office of Highway Safety, Acting Director, Division of Incident Management, KYTC; Jerame Brown, Administrative Branch Manager, Transportation Operations Center, Division of Incident Management; and William Hayes, Administrative Branch Manager, Roadway Assistance Branch, Division of Incident Management.

LRC Staff: John Snyder, Brandon White, Dana Fugazzi, and Christina Williams.

#### Overview of the Division of Incident Management

Greg Thomas, Secretary, Kentucky Transportation Cabinet (KYTC), welcomed members and guests and introduced several members of the cabinet, including Deputy Secretary Paul Looney, State Highway Engineer Andy Barber, and Executive Director Robin Brewer, Office of Budget and Fiscal Management.

Noelle Hunter, Ph.D., Executive Director, Kentucky Office of Highway Safety, Acting Director, Division of Incident Management, KYTC, testified about the Division of Incident Management. Dr. Hunter stated KYTC's mission is to provide a

safe, efficient, environmentally sound and fiscally responsible transportation system that delivers economic opportunity and enhances the quality of life in Kentucky. The Kentucky Office of Highway Safety's mission is to reduce Kentucky's highway crashes, injuries, and fatalities through education, enforcement, and response. The Division of Incident Management, which includes the Transportation Operations Center, and the Roadway Assistance Branch are under the Kentucky Office of Highway Safety. The SAFE Patrol West Section, SAFE Patrol Central Section, and the SAFE Patrol East Section are under the Roadway Assistance Branch. The Division of Highway Safety Programs, which includes the Safety Education Branch and the Grants Management Branch, is under the Office of Highway Safety.

Dr. Hunter stated the Division of Incident Management's annual budget of approximately \$2 million is invested primarily in trucks, equipment, and personnel costs. The Roadway Assistance Branch consists of 21 operators, three section support staff, two additional support staff, and five positions that are vacant. The Traffic Operations Center consists of four first shift operators, four second shift operators, three third shift operators, and three support staff.

The Transportation Operations Center (TOC) is a 24/7 point of contact for KYTC. The center coordinates and disseminates information on traffic, road closures, and weather events. The Safety Assistance for Freeway Emergencies (SAFE) Program is also dispatched out of the TOC. The center supports KYTC District Incident Management Teams and provides an expansion of roles to support the Division's Incident Management initiatives. The TOC also manages the dynamic message signs (DMS) campaign, of which there are 75 signs on interstates and parkways.

Dr. Hunter stated that, within the SAFE Patrol and Safety Program, there are 26 Highway Safety Patrol Operators that consist of 13 crews with three sections, and three section supervisors. There are also three Regional Safety Administrators who are Incident Management Coordinators and have the cabinet's authority for response and assets coordination.

Dr. Hunter testified about the Incident Management Task Force. The mission is to improve safety of first responders and motorists and reduce delay on Kentucky's roadways by providing oversight and direction to the Highway Incident Management Program. The goals are to improve safety of responders, highway workers, and motorists, reduce traffic delay, improve motorist awareness of highway incidents, and improve responder and highway worker preparedness. The Incident Management Task Force partners with KYTC, U.S. Department of Transportation Federal Highway Administration,

Kentucky Office of Homeland Security, Towing and Recovery Association of Kentucky, the Kentucky Trucking Association, and the Kentucky Association of Chiefs of Police. The task force has several workgroups that focus on the strategic highway safety plan, public policy and education, capabilities and assets, and incident response and management. Kentucky is a leader in Traffic Incident Management (TIM) training. Only Oklahoma and Puerto Rico have more responder training than Kentucky.

Jerame Brown, Administrative Branch Manager, Transportation Operations Center, Division of Incident Management presented legislative recommendations from the Incident Management Task Force Cabinet. A main concern was the need to align KRS 189.450, KRS 189.753, and 502 KAR 15.020 to all have the same guidelines for the timeframe on the clearing of abandoned vehicles. It was suggested that the allotted time to be 24 hours in statute before removal of an abandoned vehicle is permitted. The alignment of these statutes will prevent crashes, injuries, and fatalities involving abandoned vehicles, vehicle strikes and property damage to emergency vehicles, wide loads, and severe weather maintenance vehicles.

In response to a question asked by Chairman Harris concerning the 48 hour and 24 hour discrepancy within the statutes concerning the abandoned vehicles, Mr. Brown stated 24 hours was the response time required for interstates and highways and the 48 hour rule was more for county roads.

In response to a question asked by Senator Embry, Mr. Brown stated that a towing company must notify the owner of an abandoned vehicle within 10 days of pickup of the vehicle. It can hold the automobile for 45 days; after that period of time, it may sell the vehicle.

In response to a question asked by Representative Bechler, Mr. Brown stated that the Kentucky State Police has a list of approved towing companies. To be on that list, the towing company must apply, meet the requirements, and be approved. A towing company cannot legally pick up a vehicle on public property or roadways unless instructed to do so by law enforcement. He said that he is unaware of specific practices used by local law enforcement agencies for the selection of towing companies.

In response to a question asked by Representative Sal Santoro, Mr. Brown stated there is no federal regulation concerning the timeframe for pickup of an abandoned vehicle.

In response to a question asked by Chairman Harris, Mr. Brown stated the proposed cancellation of the requirement for law enforcement notifications to the last registered owner of abandoned vehicles

to be sent by certified mail, was requested by law enforcement due to the savings of time and money. Towing companies will still be required to use certified mail.

William Hayes, Administrative Branch Manager, Roadway Assistance Branch, Division of Incident Management testified about the Roadway Assistance Branch and operation of SAFE Patrol. A chart highlighted SAFE Patrol activity from 2008-2017. There were 70,743 responses to traffic control at incident scenes, 52,607 responses for green tagging abandoned vehicles, 19,465 responses for changing tires, 45,364 responses to remove road debris, 8,651 responses to provide fuel, 5,067 responses to jump batteries, and 13,627 responses for law enforcement assistance. Partner agencies within the SAFE Patrol program include the Kentucky State Police, Commonwealth of Kentucky Division of Emergency Management, Kentucky Board of Emergency Medical Services, Kentucky Public Health, Kentucky fire Commission, and the Kentucky National Guard, and many more.

Mr. Hayes internal workings of the mobile operations center, the satellite data trailer, and the mobile repeater trailer. The Mobile Operations Center is for preplanned events such as the Kentucky Derby, Kentucky Oaks, the Kentucky Speedway race weekends, and the Eclipse that occurred in 2017. SAFE Patrol trucks maintain the flow of traffic, but do not generally direct traffic.

In response to a question asked by Representative Riggs, Mr. Hayes stated there have not been any SAFE Patrol operators who have been injured or killed on duty. One SAFE Patrol truck was struck while unoccupied. One truck has been totaled and three have been damaged since the inception of the program.

In response to a question asked by Representative Miles, Mr. Hayes stated the budget for the SAFE Patrol Program was \$4.3 million last year.

With no further business, Chairman Harris adjourned the meeting at 10:57 AM. Upon adjournment, members and staff were invited to tour the assets demonstration and the Fusion Center at KYTC.

## **INTERIM JOINT COMMITTEE ON TRANSPORTATION**

### **Minutes of the 1st Meeting of the 2018 Interim**

June 5, 2018

#### **Call to Order and Roll Call**

The 1st meeting of the Interim Joint Committee on Transportation was held on Tuesday, June 5, 2018, at 1:00 PM, in Room 149 of the Capitol Annex. Senator Ernie Harris, Chair, called the meeting to order, and the secretary called the roll.



Present were:

**Members:** Senator Ernie Harris, Co-Chair; Representative Ken Upchurch, Co-Chair; Senators C.B. Embry Jr., Jimmy Higdon, Paul Hornback, Gerald A. Neal, Dorsey Ridley, Albert Robinson, Brandon Smith, Johnny Ray Turner, and Mike Wilson; Representatives Lynn Bechler, Linda Belcher, Tim Couch, Ken Fleming, Chris Fugate, Al Gentry, Robert Goforth, Chris Harris, Toby Herald, Kenny Imes, James Kay, Suzanne Miles, Charles Miller, Tim Moore, Rick Rand, Sal Santoro, John Sims Jr, Jim Stewart III, and Walker Thomas.

**Guests:** Greg Thomas, Secretary, Kentucky Transportation Cabinet (KYTC), Matt Henderson, Commissioner, Department of Vehicle Regulation, KYTC, and Heather Stout, Executive Director, Office of Information Technology.

**LRC Staff:** John Snyder, Brandon White, Dana Fugazzi, and Christina Williams.

### **KAVIS**

Matt Henderson, Commissioner, Department of Vehicle Regulation, KYTC, and Heather Stout, Executive Director, Office of Information Technology, gave a brief update on KAVIS, the Commonwealth's new vehicle information system. Ms. Stout discussed implementation of the point of sale portion of the process. The state-wide point of sale solution was completed by March of 2018. This includes the ability to automatically record all transactions from AVIS (the existing system) into KAVIS, improving the ease of learning the systems, storing five years' worth of data versus one year, and ensuring information is configurable at the county level. The point of sale solution also improves processes for reconciliation, mid-day sweeps, NSF management, and has the ability to email receipts. It also has support that includes bookkeeping, reports, and normal operations with AVIS processes and procedures, and it enables the use of automated cash drawers. From January 1, 2018 to May 31, 2018, 1,452,325 receipts were reviewed, 8,001,198 total sale items were processed, 1,679,062 citizens were served, and \$438,654,260 in revenue was collected.

Ms. Stout stated that some implementation challenges have been faced, most notably on the January 2, 2018 implementation. At that time, clerks were ready for the process roll out and the business application functionality was well tested. However, end-to-end load testing was not performed, and system optimization was needed. Because of that need, there was a rollback on January 2<sup>nd</sup> and January 3<sup>rd</sup> that included a configuration of more robust end-to-end load testing tools that found the optimization needed within the application and infrastructure. The solutions to these issues required multiple agencies to work together on the same problems,

which created an environment for success through collaboration. A technical solution was developed to allow a phased approach for implementation county by county. This prepared the teams to handle testing and communication differently with future module releases.

Ms. Stout reiterated that, on January 2, 2018, there was a KAVIS production launch. From January 2 to January 22, there was a rollback, regroup, and relaunch of the system. On January 23, 2018, Jefferson County was the first to volunteer to utilize the system. On February 12, 2018, there was a first wave of volunteers to utilize the system consisting of 19 counties. On February 19, 41 additional counties followed suit and volunteered. There was a third wave of volunteers of 54 counties on February 22, 2018. On February 26, 2018, one county volunteered, and on April 9, 2018, the last way of four counties volunteered. The third and fourth quarter of 2018 will be used for training and acclimation of the system.

A chart was provided to explain in detail the KAVIS Program modular approach. Print on demand decals, web renewals, module one (menu and disabled placards), and module 2 (point of sale state wide) have been completed. Module three (boats) is expected to be completed by February 2019. The boat module is important because it involves most of the shared characteristics of motor vehicle titling and registration. Modules four through eleven should be completed in about 36 months. The print on demand vehicle decal portion of the system was completed by May 2015, which allowed immediate access to documents by multiple agencies, decreased time in office for customers, eliminated double entry of data for clerks, reduced paper handling and archiving, reduced postage for clerks and mother vehicle licensing, reduced annual audit time, and greatly improved access to vehicle documents. The print on demand boat decal process was completed in March 2018.

The web renewal enhancement phases are complete and new web renewal sites were deployed in summer of 2015. Enhanced usability through design improvements and immediate clerk receipt of money collected are two portions of the web renewal enhancement phases. Also, all eligible plates are renewable online, which has streamlined the process for clerks to approve renewals. The disabled placard portion of KAVIS was completed in January 2016, which enabled a transition to a web based application solution. It shifted from a vehicle centric model to a customer centric model, and there were hardware and software implementations to drive accuracy and precision of data. The bar code reader deployment was rolled out in 2016 which enabled driver's license verification integration between driver's license and

KAVIS, and it merged customer functionality.

Currently in development for KAVIS is the BTR (boat title registration) module which includes continual hands-on feedback throughout a development process focusing on iterative releases and foundational application functionality. The target implementation date for the BTR module is early 2019.

In response to a questions asked by Chairman Ernie Harris, Ms. Stout stated there are approximately 19 counties that are not doing web renewals, but of the counties that are doing so, workload has decreased slightly and should continue to decrease. The new disabled placard law should help with that issue.

### **Title Issuance**

Matt Henderson, Commissioner, Department of Vehicle Regulation, KYTC, discussed the titling process. The first step is for the customer or dealer presents title documentation to the county clerk. The documentation is scanned and emailed to KYTC. The title documentation is then received and reviewed by the Department of Vehicle Regulation and sent to American Bank Note, which prints the title and mails it to the customer. Commissioner Henderson then provided a chart showing the titles received per month. There were 342,561 titles received from January 2017 to April 2017. Comparatively, there were 466,906 titles received from January 2018 to April of 2018, an increase of 124,345 titles. Commissioner Henderson provided a chart showing the total number of titles completed per month. Most notably was March 2017, which showed 101,410 title applications completed, and March 2018, which showed 125,038 title applications completed.

The Division of Motor Vehicle Licensing Title Branch Verification Section has two permanent employees and 19 temporary employees who review an average of 400 applications per day. There are 51 total employees within the Division of Motor Vehicle Licensing, which is a historically low number considering that, in the early 2000s, there were 102 employees in the division.

Commissioner Henderson discussed rebuilt titles. There are only four states, including Kentucky, that allow other state's junk, parts only, or otherwise unrebuildable title certificates to be rebuilt and retitled. In 2015, 19,219 rebuilt titles were processed. In 2017, 52,113 rebuilt titles were processed, and from January to April 2018, 24,468 rebuilt titles were processed. This increase is at least partially tied to two major hurricanes last year, resulting in a large number of storm damaged vehicles. There are three permanent employees and five temporary employees who are processing rebuilt titles. It takes approximately six to eight weeks to process a rebuilt title.

In response to a question asked by Representative Tim Moore concerning the steps that the staff take to process title applications, Commissioner Henderson stated that, first, transfer documents are received, and the staff review all signature requirements. A national crime database is consulted to ensure the vehicle has not been stolen. The chain of title history is reviewed to ensure there are no liens on the vehicle or outstanding obligations on the title. Employees also will review the amount that the person paid for the vehicle and the odometer reading.

In response to a question asked by Representative Ken Fleming, Commissioner Henderson stated a possible explanation for the influx of title applications in March could be due to the recent tax reform or families receiving income tax refunds and purchasing vehicles around that time.

Representative Sal Santoro stated he would like to see a quicker turnaround on the rebuilt titling process.

#### **Special License Plates**

Commissioner Henderson stated that on June 1, 2016, there was a moratorium placed on special license plates due to production costs. Kentucky spends approximately \$36,000 to plate, replate, and redesign an organization's license plate. The process includes plate sheeting. A plate sheeting roll generally produces 1,750 plates at a cost of \$2.96 per plate; 1,750 plates cost \$5,180. The AVIS programming for a special license plate costs \$85 per hour and typically takes 296 hours for a total cost of \$25,160. User acceptance testing and analyst support takes approximately 80 hours and costs \$65 per hour for a total cost of \$5,200.

Commissioner Henderson stated that there are several additional issues related to special license plates. Some additional issues include the requirement of 900 signatures to begin the special license plate process. Kentucky has 105 special plates. There are a few plates that have a low purchase rate, such as the Kentucky Dental Association at 428 plates and the Kentucky Chiropractor Association at 158 plates. Another issue is that there is an increasing number of customers who opt out of voluntary donations to the respective organizations. The Friends of Coal organization has had an opt-out rate of 51.52 percent, the Masonic organization has had an opt-out rate of 36.51 percent, and the farm tags have had an opt-out rate of 55.4 percent.

Commissioner Henderson stated that, to address these issues, suggestions include requiring organizations to pay all of the upfront costs for producing special license plates, and that there would be no minimum applications required. Also suggested was establishing a threshold for organizations to achieve and maintain a number of plates after two

years of availability. A mandatory donation to the respective organization is also suggested.

In response to a question asked by Representative Sal Santoro, Commissioner Henderson stated the special license plates that were in the process of being produced and introduced are not part of the moratorium and will continue in the process.

#### **Implementation of 2018 Legislation**

Greg Thomas, Secretary, KYTC, stated that, within the 2018 to 2024 highway plan, the SHIFT program was implemented, over-programming was reduced from 200 percent to 28 percent, and there was a primary focus on assets and addressing backlogs. Priorities include 583 SHIFT projects, 400 bridges, and 1,275 miles of pavement authorized in the biennium. In the 2018 construction season, the priorities are still safety, bridging and paving needs, and direct job growth. There is a great deal of activity during construction season, and KYTC closely monitors the cash flow. The projected debt service payments and revenue sharing during June, July, and August 2018 are approximately \$359,600,000.

Secretary Thomas broke down \$8.5 billion in additional revenue needs in the following areas: projects added by the General Assembly, as well as Highway Plan Appendix A projects: \$7.6 billion; I-69 construction cost, estimated toll revenue bonds, and the remaining costs of the I-69 project: \$455 million; Brent Spence Bridge I-71 and I-75 construction and reconstruction: \$385 million.

Secretary Thomas provided an "Even if" balance sheet that provided numbers that assumes tolling for I – 69 Henderson bridge project, a self-supporting financing mechanism for the Brent Spence Bridge Project, and a generous \$100 million in Federal INFRA Grant funds received for both projects. The document removes all the dedicated funds to the Metro Planning Organization, The Highway Safety Improvement Plan, and other required spending. What remains is a federal spending pool that ranges from \$342 million to \$474 million and a state pool of \$132 million to \$370 million left available for projects from 2019 to 2024. Secretary Thomas stated maintenance and repair of structures, roads, and bridges continues to be a priority, so the costs are deducted. The I-69 project assumes INFRA Grants, and the money up front is the design, right-of-way, and Kentucky's share of the \$700 million gap in 2022 and 2024.

On the Brent Spence Bridge, KYTC is calculating in an INFRA Grant, but in all likelihood, that would just go into reducing tolls as much as possible. KYTC is still in the design, right-of-way portion of the I-75/ I-275 reconstruction project. Most people do not realize that, when there is a major project, the state must spend traditional, federal-state dollars for

design and right of way even before approaching a financing mechanism. Therefore, there will be some upfront costs from traditional funds.

Secretary Thomas stated because toll credits, which the state has used to match federal highway funds, are expiring in 2020, the need to use road fund money to match federal money will reduce the money available for projects. Currently, each time Kentucky spends federal dollars, the state matches it with 20 percent actual state dollars instead of credits. The bottom line is that, after all these expenses, the available money for new projects is approximately \$840 million over six years, an average of \$140 million per year. The amount is total federal and state projects if Kentucky constructs the two major bridge projects ahead. The figure is also competing with \$4.6 billion of projects in the road plan and another \$5.9 billion unfunded and listed in the appendix. Because there is \$140 million per year competing for \$10.5 billion worth of projects, the outlook is dire.

Secretary Thomas stated a 2015 study indicated that Kentucky was 43<sup>rd</sup> in revenue per mile maintained. State funds are critical to leveraging federal grants. The INFRA Grant (formerly FASTLANE) contains \$4.5 billion available for FY 2016 to FY 2020, however, FY 2017 and FY 2018 INFRA Grants have not yet been awarded. There is \$900 million available in FY 2019 for projects nationwide, and \$1 billion available in FY 2020 for projects nationwide in INFRA grants. The INFRA grant can provide no more than 60 percent of funding, and state and/or local entities must provide 20 percent of the funding.

Secretary Thomas added there is \$1.5 billion available nationwide in FY 2018 for the BUILD Program (formerly TIGER). The BUILD Program grants up to \$25 million per project with no state receiving more than \$150 million. There is also a 20 percent match required for urban projects. Secretary Thomas quoted the United States Department of Transportation, stating "states with a sustainable revenue plan will be the winners going forward. Leverage is the key."

In response to a question by Representative Suzanne Miles, Secretary Thomas stated there is currently a study underway in Indiana to toll their interstate systems.

Senator Paul Hornback thanked KYTC for responding quickly to a traffic incident in Shelby County recently. He said there is a need to increase revenue to maintain Kentucky's roads and bridges. Many times, tolling saves people with efficiencies; it is something that must be evaluated for future projects.

In response to a question asked by Senator Dorsey Ridley, Secretary Thomas stated that Kentucky's 65 percent funding responsibility for the I-69 bridge is due to the amount of construction

needed on Kentucky's side of the river. However, the cost of the bridge will be split 50/50.

In response by Representative Sal Santoro, Secretary Thomas stated that there are 563 electric cars and 31,500 hybrid vehicles on Kentucky roads. These vehicles make up less than 1 percent of the 3.6 million vehicles on the road. Using those figures and the most aggressive estimates, Secretary Thomas indicated that, in 10 years, the number of electric and hybrid vehicles on the road will only grow to approximately 3 percent.

Representative Lynn Bechler stated he would like to evaluate and determine if there is a better way to collect motor fuels tax than using the current method of taxing the wholesale price of gasoline. Secretary Thomas stated the majority of states use the calculation as Kentucky, basing the tax on the wholesale price of gasoline. Approximately 25 states have increased motor fuels taxes since 2013. At this time, it is the most efficient collection structure for collecting user fees.

With no further business to come before the Committee, Chairman Harris adjourned the meeting at 2:18 P.M.

## **GOVERNMENT CONTRACT REVIEW COMMITTEE**

### **Committee Minutes**

June 12, 2018

#### **Call to Order and Roll Call**

The Government Contract Review Committee met on Tuesday, June 12, 2018, at 10:00 AM, in Room 131 of the Capitol Annex. Senator Stephen Meredith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Senators Julie Raque Adams, Julian M. Carroll, and Paul Hornback; Representatives Al Gentry, and Mark Hart.

Guests: Hannah Hodges, Brian Perry, Joe Mattingly, Rachel Johnson, Douglas Allen, Lee Smith, Shannon Rickett, Mark Blackwell, Cassaundra Weiss, Charles Harman, Joe Bilby, Brent Burchett, Mike Rodman, Greg Jones, Laura Hagan, Danny Peake, and John Murray.

LRC Staff: Kim Eisner, Jarrod Schmidt, and Kim Smith.

#### **DEFERRED ITEMS:**

##### **EASTERN KENTUCKY UNIVERSITY**

Safety Research Corporation of America, LLC, 20-013. A motion was made by Senator Carroll to defer the contract to the July 2018 meeting of the committee. Senator Raque Adams seconded the

motion, which passed.

##### **KENTUCKY RETIREMENT SYSTEMS**

Seiller Waterman, LLC, 1800001418; Phillips, Parker, Orberson & Moore, PLC, 1800001496. Mark Blackwell and Cassaundra Weiss discussed the contracts with the committee. A motion was made by Senator Carroll to consider the contracts as reviewed. Senator Hornback seconded the motion, which passed.

##### **DEPARTMENT OF EDUCATION**

John Thompson, 1600001317. Charles Harman discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Representative Gentry seconded the motion, which passed with Senator Raque Adams, Senator Hornback, and Representative Hart voting no. A motion was made by Senator Carroll to address a letter to the two co-chairs of the Education committee regarding changing KRS 160.210 to place responsibility for filling vacancies on local boards with its local staff instead of the Department of Education. Representative Hart seconded the motion, which passed without objection.

##### **DEPARTMENT OF EDUCATION**

Nelson, Mullins, Riley Scarborough, LLP, 1800001037. Charles Harman discussed the contract with the committee. A motion was made by Senator Carroll to consider the contracts as reviewed. Senator Hornback seconded the motion, which passed with Representative Gentry voting to pass.

A motion was made by Senator Carroll to approve Minutes of the May 2018, meeting of the committee. Representative Hart seconded the motion, which passed without objection.

A motion was made by Senator Carroll to consider as reviewed the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed with Senator Hornback and Representative Gentry voting no.

A motion was made by Senator Carroll to consider as reviewed the Personal Service Contract Amendment List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed with Senator Hornback and Representative Gentry voting no.

A motion was made by Senator Carroll to consider as reviewed the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed with Senator Hornback and Representative Gentry voting no.

A motion was made by Senator Carroll to consider as reviewed the Memoranda of Agreement Amendment List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed with Senator Hornback and Representative Gentry voting no.

A motion was made by Senator Carroll to consider as reviewed the Film Tax Incentive List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed with Senator Hornback and Representative Gentry voting no.

A motion was made by Senator Carroll to consider as reviewed the Film Tax Incentive Amendment List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed with Senator Hornback and Representative Gentry voting no.

A motion was made by Senator Carroll to consider as reviewed the Correction List. Representative Hart seconded the motion, which passed with Senator Hornback and Representative Gentry voting no.

## **THE FOLLOWING PERSONAL SERVICE CONTRACTS**

### **WERE REVIEWED WITHOUT OBJECTION:**

#### **AGRICULTURE, DEPARTMENT OF**

Saybolt LP, 1800002184; Miss Kentucky Scholarship Organization, 1900000537.

#### **AUDITOR OF PUBLIC ACCOUNTS, OFFICE OF THE**

Mountjoy Chilton Medley, LLP, 1800002149; Tichenor and Associates, 1900000991; RFH, PLLC, 1900001015; Dean Dorton Allen Ford PLLC, 1900001044.

#### **DEPARTMENT FOR INCOME SUPPORT**

Brandee Denise Wimberly, 1800000821.

#### **DEPARTMENT OF INSURANCE**

Taylor & Mulder, Inc., 1800001820; Ami Risk Consultants, Inc., 1800001824; Prometric, LLC, 1800001828; PSI Services, LLC, 1800001829; Actuarial Resources Corporation, 1800001830; Madison Consulting Group, Inc., 1800001832; United Health Actuarial Services, Inc., 1800001852; Lewis & Ellis, Inc., 1800001853; Highland Clark LLC, 1800001857; Taylor-Walker Consulting, LLC, 1800001859.



DEPARTMENT OF REVENUE

Billy Whittaker, 1900000020.

DEPARTMENT OF WORKPLACE STANDARDS

John Grzywacz, 1800002053.

EASTERN KENTUCKY UNIVERSITY

iModules Software, Inc., 20-001; Stoll Keenon Ogden, PLLC, 20-004; Cammack Retirement Group, 20-010; BioMedical Research Services, 20-017; Multi, 20-049; Multi, 20-050; Multi, 20-051; Multi, 20-052; Multi, 20-053; Multi, 20-054; Multi, 20-055; Multi, 20-056; Multi, 20-057; Multi, 20-058; Multi, 20-059; Multi, 20-060; Alexander Haas, Inc., 20-061; Dr. Vincent J. Mullen II, 20-063; Stoll Keenon Ogden, PLLC, 20-071; McBrayer, McGinnis, Leslie & Kirkland (MML&K), 20-073; Stoll Keenon Ogden, PLLC, 20-076; MCM CPAs & Advisors, LLP, 20-094; Crowe Horwath, LLP, 20-095.

ECONOMIC DEVELOPMENT - OFFICE OF THE SECRETARY

MCM CPAs & Advisors, LLP, 1900000035; Finn Weisse, 1900000234; Stoll Keenon Ogden, PLLC, 1900000293; Anderson Economic Group, LLC, 1900000612; Hunden Strategic Partners, Inc., 1900000643.

EDUCATION PROFESSIONAL STANDARDS BOARD

Paul Hamann, 1900000090; Gess Mattingly and Atchison, 1900000301.

EDUCATION, DEPARTMENT OF

Sivic Solutions Group, LLC, 1900000535.

EDUCATIONAL TELEVISION, KENTUCKY

Rex Hart Consulting, 1900000167.

FAIR BOARD

Scarlett W. Mattson, 1900000534.

FINANCE AND ADMINISTRATION CABINET

Madison Consulting Group, Inc., 1900000732; Merlinos & Associates, Inc., 1900000736; Vericclaim, Inc., 1900000740; Vericclaim, Inc., 1900000741; American Municipal Tax-Exempt Compliance Corporation, 1900000743; Arbitrage Compliance Specialists, Inc., 1900000744.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING

Stantec Consulting Services, Inc., 1800002120.

HIGHER EDUCATION ASSISTANCE AUTHORITY, KENTUCKY

Strothman and County PSC, 1900001121; Strothman and County PSC, 1900001124; Rosen

Harwood, P.A., 1900001126.

JUSTICE CABINET

Balance Dynamics Motorcycle Training Center, Inc., 1800002084; Harley Davidson Bowling Green, 1800002085; Man O' War Harley Davidson, 1800002086; Tim Cody, 1800002087; Kentucky Driving School, 1800002249; Kentuckiana Motorsports, LLC, 1800002250; Wildcat Motorsports, LLC, 1800002251; Schipper Enterprises, LLC, 1800002252.

JUVENILE JUSTICE, DEPARTMENT OF

Guardian Healthcare Providers, Inc., 1800002059; Onsite Vision Plans, Inc., 1900000033; Mid America Health, Inc., 1900000061; Thomas J. Hellmann Attorney-At-Law, PLLC, 1900000093.

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

Global Skills Exchange, 725; Franklin Covey Client Sales, 732; Elaine L. Craft Educational Consulting, LLC, 734; Elaine L. Craft Educational Consulting, LLC, 735; Preston Pulliams, d/b/a Gold Hill Associates, 737; Hanna Resource Group, LLC, 738; Myers McRae, Inc., 739; Association of Community College Trustees, Inc., 740; Harold D. Smathers Jr. (Smathers & Associates Consulting, Inc.), 741; Centurion Solutions, LLC, 742; Summit 7 Systems, 743; Crowe Horwath, LLP, 744; The Slater Group, LLC, 745; Sierra-Cedar Inc., 747; eBusiness Advantage, Inc., 748; Sign Language Network, Inc., 749; Deaf and Hard of Hearing Interpreter, Referral and Advocacy Services, LLC, 751; Central Kentucky Interpreter Referral, Inc., 752; Interpreting Services of the Commonwealth, LLC, 753; Johnson Family Chiropractic, 756; Center for Occupational Research and Development, 757; Lake Cumberland CDL Training School, Inc., 758; Scoppechio, 767.

KENTUCKY EMPLOYERS MUTUAL INSURANCE

Hanna Resource Group, 19-HRG-001.

KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION

Strothman & Company, PSC, 19-001.

KENTUCKY HOUSING CORPORATION

Crowe Horwath LLP, 2019-40.

KENTUCKY LOTTERY CORPORATION

Smartplay International, Inc., 18-12-011; Affiliated Forensic Laboratories, Inc., 18-17-011; TEK Systems, 19-11-040; Goldberg Simpson, LLC, 19-16-024-1; Bandy Carroll Hellige, 19-16-044-1; The Buntin Group, 19-16-044-2; Volta, Inc., 19-18-027; Blue & Company, 19-18-046.

KENTUCKY RETIREMENT SYSTEMS

Dressman Benzinger Lavelle, PSC, 1800001493.

KENTUCKY RIVER AUTHORITY

Lloyd Thomas Russell, 1900000017.

KENTUCKY STATE UNIVERSITY

SUP Kentucky, 18-14; SUP Kentucky, 19-01; Judith K. Jones-Toleman, 19-02; Sturgil, Turner, Barker & Maloney, PLLC, 19-03; Dr. Julie Bebak, 19-04; Crowe Horwath, LLP, 19-05.

LEGISLATIVE RESEARCH COMMISSION

Dinsmore & Shohl, LLP, 18/19-38.

MOREHEAD STATE UNIVERSITY

Dean Dorton Allen Ford, PLLC, 19-001.

NORTHERN KENTUCKY UNIVERSITY

Isaacson Miller, Inc., 2019-112.

PERSONNEL-OFFICE OF THE SECRETARY

Clifton Larson Allen, LLP, 1800001544; Callan, LLC, 1800001782; Reed, Weitkamp, Schell & Vice, LLC, 1800001790.

POST SECONDARY EDUCATION, COUNCIL ON

AGB Search, LLC, 1800002239.

TRANSPORTATION CABINET

Wyatt Tarrant and Combs, 1800001356; Cole and Moore PSC, 1800001357; Embry Merritt Shaffar Womack, PLLC, 1800001362; Ferreri Law Group, PLLC, 1800001363; Fogle Keller Walker, 1800001364; Fox Wood Wood and Estill, 1800001366; Fulton Devlin & Powers, LLC, 1800001367; Gerner & Kearns County PSC, 1800001368; Gess Mattingly and Atchison, 1800001369; Goldberg Simpson, LLC, 1800001370; Goodrum & Downs, PLLC, 1800001371; The Law Offices of Jason G Howell, PLLC, 1800001372; Jones & Walters, PLLC, 1800001373; Kerrick Bachert PSC, 1800001374; Logan & Gaines, PLLC, 1800001375; McMurry and Livingston, 1800001376; Morgan & Pottinger, P.S.C., 1800001377; Patrick Law Firm, 1800001378; Pohl and Aubrey PSC, 1800001379; Reed Weitkamp Schell and Vice, 1800001380; Reynolds Johnston Hinton and Pepper, 1800001381; Robert L Roark, PLLC, 1800001382; Sturgill, Turner, Barker & Moloney, PLLC, 1800001383; Tooms Dunaway & Webster, 1800001384; Urbon Yonts, PLLC, 1800001385; Vanantwerp Attorneys, LLP, 1800001386; Wallace Boggs, PLLC, 1800001387; Whitlow, Roberts, Houston & Straub, PLLC, 1800001388; Wanda Ballard Repasky Attorney At Law, 1800001389; Crown Title, LLC, 1800001412; Alicia A. Sneed, 1800001413; Bertram Cox & Miller, LLP, 1800001414; Daniels Law Office PSC, 1800001415; Embry Merritt Shaffar Womack, PLLC,

1800001416; Fox Wood Wood and Estill, 1800001417; Gerner & Kearns County PSC, 1800001419; Gess Mattingly and Atchison, 1800001420; Greg Taylor, 1800001421; Hoffman & Barnes, 1800001422; The Law Offices of Jason G Howell, PLLC, 1800001423; Kerrick Bachert PSC, 1800001424; The Law Office of Kim Hunt Price, PLLC, 1800001425; Legacy Title Company, LLC, 1800001426; Logan & Gaines, PLLC, 1800001427; McMurry and Livingston, 1800001428; Osborne & Heaberlin PSC, 1800001430; Reynolds Johnston Hinton and Pepper, 1800001433; Tooms Dunaway & Webster, 1800001434; Wallace Boggs, PLLC, 1800001435; Whitlow, Roberts, Houston & Straub, PLLC, 1800001436; Family Medicine Associates of Flemingsburg, 1800001440; Paula B. Freeman, 1800001450; Mary E. Martins, 1800001451; David Owen, 1800001452; John E. Witt, 1800001453; Tim Long M.D., 1800001454; Disa Global Solutions, Inc., 1800001483; St. Elizabeth Business Health, 1800001501; Kentucky Society of Professional Engineers, Inc., 1800001508; Strothman and County PSC, 1800001565; PFM Financial Advisors, LLC, 1800001568; Frost Brown Todd, LLC, 1800001580; Cambridge Systematics, Inc., 1800001601; Mackey Group, LLC, 1800001602; Bluegrass Valuation Group, LLC, 1800001729; Baumgardner and Associates PSC, 1800001735; Bluegrass Valuation Group, LLC, 1800001736; Charles Joseph Bird, 1800001737; Thurston Freeman, 1800001739; Thomas Ray Garner, 1800001741; Thoroughbred Real Estate Services, LLC, 1800001742; J. Michael Jones and Associates, 1800001743; Tammy L. Barnes, 1800001744; Lisa Keaton, 1800001745; Intequal, Inc., 1800001746; Edward L. Beck, 1800001748; Russell M. Sloan, 1800001749; John Daniel Lyons, 1800001751; McPherson Appraisal Service, 1800001752; Kentucky Field Service Realty, 1800001753; Stephen G. Raleigh, 1800001754; Appco Appraisal Service, Inc., 1800001755; Darin Sizemore, 1800001756; James A. Turner, 1800001799; Assured NL Insurance Services, Inc., 1800001817; Dale Crump, 1800001835; Matthew L. Chapman, 1800001871; Matthew L. Chapman, 1800001872; Construction Estimating Institute, 1800002038; Michael Baker International, Inc., 1800002105; Kimley-Horn and Associates, Inc., 1800002160; Stantec Consulting Services, Inc., 1800002163; WSP USA, Inc., 1800002166; Stantec Consulting Services, Inc., 1800002171; HMB Professional Engineers, Inc., 1800002174; Blue & Company, LLC, 1800002180; Vaughn & Melton Consulting Engineers, Inc., 1800002226.

#### TURNPIKE AUTHORITY OF KENTUCKY

American Municipal Tax-Exempt Compliance Corporation, 1900000066; Blue & Company, LLC, 1900000074.

#### UNIVERSITY OF KENTUCKY

Staggs & Fischer Consulting Engineers, A181160; JMIS Kentucky, LLC, K19-101; Commonwealth Economic Partners, K19-102; Grace Consulting, Inc., K19-103; Huron Consulting, K19-104; BKD, LLP, K19-105; CMTA, Inc., K19-106; Cenergistic, LLC, K19-107; Fund Evaluation Group, K19-108.

#### UNIVERSITY OF LOUISVILLE

Huron Consulting Services, LLC, 19-004; Aon, 19-005; Simpson Scarborough, LLC, 19-006; Multi, 19-007; VB Consulting, 19-008; Embry, Merritt, Shaffar, Womack, PLLC, 19-009; Swope Design Group, 19-010; Multi, 19-011; Multi, 19-012; Multi, 19-013 A-O; Multi, 19-014 A-E; Multi, 19-015; Project Control of Texas, Inc., 19-016; Laureate Consulting Group, Ltd., d/b/a/ Chartwell Business Advisors, Ltd., 19-017; Clifton Larson Allen, LLP, 19-018; Integrity HR, Inc., 19-020; Crowe Horwath, LLP, 19-021.

#### VETERANS AFFAIRS, DEPARTMENT OF

Howroyd-Wright Employment Agency, Inc., 1800001253; Premier Integrity Solutions, 1800001935; Mark Tackett, MD, 1800001944; Multi, 1800001970; Trilogy Healthcare Holdings, Inc., 1800002225; Disabled American Vets, 1900000044; Veterans of Foreign Wars, 1900000047; American Legion of Kentucky, Inc., 1900000050; Hargis & Associates, LLC, 1900000052; Baptist Healthcare System, 1900000076; Baptist Healthcare System, 1900000105; Baptist Healthcare System, 1900000150; Multi, 1900000201; Multi, 1900000221; Mountain Mobile Diagnostics, Inc., 1900000247; 360care, LLC, 1900000255; Multi, 1900000323; Multi, 1900000326; Express Mobile Diagnostic Services, LLC, 1900000778; Premier Integrity Solutions, 1900000795; Amerathon, LLC, 1900000828.

#### WESTERN KENTUCKY UNIVERSITY

Huron Consulting Group, 182012; Crowe Horwath, LLP, 182013.

#### Workers Claims, Department of

Underwriters Safety and Claims, Inc., 1900000355; Fair Health, 1900000458.

#### THE FOLLOWING PERSONAL SERVICE AMENDMENTS

#### WERE REVIEWED WITHOUT OBJECTION:

#### DEPARTMENT FOR BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES

Crown Services, Inc., 1700001512; Guardian Angel Staffing Agency, 1700001513; Guardian

Healthcare Providers, 1700001514.

#### DEPARTMENT FOR PUBLIC HEALTH

Multi, 1700002194; Multi, 1700002723.

#### DEPARTMENT OF INSURANCE

INS Consultants, Inc., 1600002568.

#### EASTERN KENTUCKY UNIVERSITY

Carol Lee, 18-017; Stoll Keenon Ogden, PLLC, 18-054.

#### FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING

Entran, PLC, 1000000856; EOP Architects, PSC, 1100002570; Third Rock Consultants, LLC, 1200003126; Godsey Associates Architects, Inc., 1300002655; S&ME, Inc., 1300003119; Murphy & Graves & Trimble, PLLC, 1500000604; AMEC Environment & Infrastructure, Inc., 1500000606; Clotfelter Samokar, PSC, 1500000669; CMTA, Inc., 1500000925; Omni Architects, 1500000941; Ross Tarrant Architects, Inc., 1500001017; Stantec Consulting Services, Inc., 1500002881; Facility Commissioning Group, 1600000180; AMEC Foster Wheeler Environment & Infrastructure, Inc., 1600000665; Ensaf, Inc., 1600002252; S&ME, Inc., 1700001104; Ensaf, Inc., 1700001146; Neel-Schaffer, Inc., 1700001479; Redwing Ecological Services, 1800002056.

#### KENTUCKY LOTTERY CORPORATION

Mountjoy Chilton & Medley, 18-16-011.

#### MOREHEAD STATE UNIVERSITY

Pam Mattox, 18-035.

#### MURRAY STATE UNIVERSITY

Deaf & Hard of Hearing Interpreter, Referral & Advocacy Services, LLC, 006-16; Peck, Shaffer & Williams, a division of Dinsmore & Shohl, LLC, 018-14; Dean Dorton Allen Ford, PLLC, 018-18; ERS Group, 100-18; Sloan Appraisal & Realty Services, 101-16; Sirk Appraisal Company, 102-16; Trifecta Real Estate Services, 103-16; Greg T. Taylor / Greg Taylor & Associates, 103-17; Murphy Napier & Company, 104-16.

#### PSYCHOLOGISTS, BOARD OF EXAMINERS OF

Drive Paula Berry, 1600003917.

#### TRANSPORTATION CABINET

HMB Professional Engineers, Inc., 1100001265; HMB Professional Engineers, Inc., 1100002335; Cultural Resource Analysts, Inc., 1200003583; J. M. Crawford & Associates, Inc., 1300000071; HMB Professional Engineers, Inc., 1300000186; HMB Professional Engineers, Inc., 1300000190;



HMB Professional Engineers, Inc., 1300002470; URS Corporation, 1400000710; Burgess and Niple, Inc., 1400002443; Cultural Resource Analysts, Inc., 1500000058; URS Corporation, 1500000075; HMB Professional Engineers, Inc., 1500000216; HMB Professional Engineers, Inc., 1500000232; Stantec Consulting Services, Inc., 1500000298; CDP Engineers, Inc., 1500001103; Booker Engineering, Inc., 1500001398; Stantec Consulting Services, Inc., 1500001400; HMB Professional Engineers, Inc., 1500002143; Palmer Engineering Company, 1500002150; American Engineers, Inc., 1500002154; Palmer Engineering, 1500002566; Strand Associates, Inc., 1600000440; HDREngineering, Inc., 1600000468; HMB Professional Engineers, Inc., 1600000469; KPMG, LLP, 1600001561; Baptist Health Medical Group, Inc., 1600002044; QK4, Inc., 1600002562; Palmer Engineering, 1600002564; Linebach Funkhouser, Inc., 1600003502; Lee Engineering, LLC, 1600003503; Stantec Consulting Services, Inc., 1600003832; Burgess and Niple, Inc., 1600003837; Palmer Engineering County, 1600003894; Stantec Consulting Services, Inc., 1700000307; HMB Professional Engineers, Inc., 1700000309; Michael Baker International, Inc., 1700000732; QK4, Inc., 1700001237; Palmer Engineering County, 1700002768; DLZ Kentucky, Inc., 1800000123; GRW Engineers, Inc., C-01125603-2; Gresham Smith and Partners, C-99005237-5.

UNIVERSITY OF KENTUCKY

GBBN, A151180; Ross Tarrant Architects, Inc., A161110; Ross Tarrant Architects, Inc., A181120; VisionPoint Media, Inc. d/b/a VisionPoint Marketing, K17-243; APAX Software, K17-244; Stoll Keenon Ogden, K18-107; The Expo Group, Inc., K18-138.

UNIVERSITY OF LOUISVILLE

K. Norman Berry Associates Architects, 16-002; Huron Consulting Services, LLC, 18-065.

VETERANS AFFAIRS, DEPARTMENT OF

Premier Integrity Solutions, 1800001459; Symphony Diagnostics Services No1, LLC, 1800001537.

THE FOLLOWING MEMORANDA OF AGREEMENTS

WERE REVIEWED WITHOUT OBJECTION:

AGRICULTURE, DEPARTMENT OF

Northern Kentucky Area Development District, 1900000049; Dare To Care, Inc., 1900000055; Purchase Area Development District,

Inc., 1900000056; Gods Pantry Food Bank, Inc., 1900000058; Feeding America, Kentucky's Heartland, 1900000059; Northern Kentucky Area Development District, 1900000064; Purchase Area Development District, Inc., 1900000067; Dare To Care, Inc., 1900000069; Gods Pantry Food Bank, Inc., 1900000071; Feeding America, Kentucky's Heartland, 1900000072; Kentucky Association of Food Banks, Inc., 1900000384; University of Kentucky Research Foundation, 19000000670.

DEPARTMENT FOR MEDICAID SERVICES

Commonwealth Office of Technology, 1800000998.

DEPARTMENT OF INSURANCE

Kentucky Community and Technical College System, 1800001826.

EDUCATION PROFESSIONAL STANDARDS BOARD

University of Kentucky Research Foundation, 1900000307.

EDUCATION, OFFICE OF THE SECRETARY

Governors Scholar Program, Inc., 1900000684.

HIGHER EDUCATION ASSISTANCE AUTHORITY, KENTUCKY

Kentucky Higher Education Student Loan Corporation, 1900001125.

KENTUCKY COMMISSION ON MILITARY AFFAIRS

Kentucky Science and Technology Corporation, 1900000653.

KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION

Kentucky Higher Education Assistance Authority, 19-005.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT

Union County Fiscal Court, 1800002167.

PERSONNEL-OFFICE OF THE SECRETARY

University of Kentucky, 1800001618.

TRANSPORTATION CABINET

University of Kentucky Research Foundation, 1800001354; University of Kentucky Research Foundation, 1800001487; Federal Highway Administration, 1800001505; University of Kentucky Research Foundation, 1800001510; Kentucky Department of Corrections, 1800001579; Kentucky Division of Water, 1800001589; Kentucky Waterways Alliance, 1800001594; US Army Corps of Engineers, 1800001595; Kentucky Natural Lands Trust, Inc., 1800001596; Kentucky Division of Forestry,

1800001620; Graves County, 1800001621; Colorado State Patrol Family Foundation, 1800001703; University of Kentucky Research Foundation, 1800001704; University of Louisville Research Foundation, 1800001728; Marshall University Research Corporation, 1800001730; Kentucky Heritage Council, 1800001798; African American Heritage Foundation, Inc., 1800001801; City of Cadiz, 1800001886; Eastern Kentucky University, 1800002034; Kentucky Community and Technical College System, 1800002066.

VETERANS AFFAIRS, DEPARTMENT OF

Brain Injury Alliance of Kentucky, 1900000031; Epilepsy Foundation of Kentuckiana, Inc., 1900000038; Kentucky Transportation Cabinet, 1900000256; Department of Medicaid Services, 1900000260.

WORKFORCE INVESTMENT, OFFICE OF

Cabinet for Economic Development, 1800002035; Project Lead the Way, Inc., 1800002146; Wendell Fosters Campus for Developmental Disabilities, 1900000018; University of Kentucky Research Foundation, 1900000022; Kentucky Transportation Cabinet, 1900000040; Kentucky Chamber Foundation, Inc., 1900000231; Kentucky Valley Education, 1900000721.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS

WERE REVIEWED WITHOUT OBJECTION:

AGRICULTURE, DEPARTMENT OF

Multi, 1700001659.

DEPARTMENT FOR AGING & INDEPENDENT LIVING

Multi, 1700002624.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Kentucky Association of Sexual Assault Programs, 1600001348; Big Sandy Area Development District, 1600001912; Jobs for the Future, 1600002681; Kentucky Community and Technical College System, 1600002682; Department of Workforce Investment, 1800000856.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES

Multi, 1700001812; Multi, 1700001818; Multi, 1700001829.



EDUCATION, DEPARTMENT OF

Jefferson County Board of Education,  
1700002808.

HERITAGE COUNCIL

City of Bardstown, 1800000119; City of Bardstown, 1800000125; City of Bellevue, 1800000130; City of Bellevue, 1800000132; City of Campbellsville, 1800000133; City of Campbellsville, 1800000142; City of Covington, 1800000144; City of Covington, 1800000145; City of Danville, 1800000146; City of Danville, 1800000148; City of Horse Cave, 1800000149; City of LaGrange, 1800000150; City of Maysville, 1800000153.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT

Letcher County Fiscal Court, 1400000437; Martin County Fiscal Court, 1700000666.

POST SECONDARY EDUCATION, COUNCIL ON

Washington Center for Internships and Academic, 1600000465.

THE FOLLOWING FILM TAX INCENTIVES

WERE REVIEWED WITHOUT OBJECTION:

TOURISM DEVELOPMENT CABINET

A Cut To The Chase Productions, LLC, 1800001864; RSP 2017 Funding 004, LLC, 1800002151; Social Experiment Film, LLC, 1800002152; Atticus Brown, LLC, 1800002162; Becky The Movie, LLC, 1800002164; Touring Goes Wrong, LP, 1800002165; LRB Productions, LLC, 1800002214; The Haunted Doll Company, LLC, 1800002215; Unbridled Film, LLC, 1800002216; Walros Pictures, LLC, 1800002228.

THE FOLLOWING FILM TAX INCENTIVE AMENDMENTS

WERE REVIEWED WITHOUT OBJECTION:

TOURISM DEVELOPMENT CABINET

Kedric Jones, 1700002944.

THE FOLLOWING PERSONAL SERVICE CONTRACTS

WERE SELECTED FOR FURTHER REVIEW:

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

Thorn Run, LLC, 746. Hannah Hodges, Brian Perry, and Joe Mattingly discussed the contract with the committee. A motion was made by Senator Hornback to disapprove the contract as reviewed. With no second, the motion failed. A motion was made by Senator Carroll to defer the contract to the July 2018 meeting of the committee. Senator Raque Adams seconded the motion, which passed.

KENTUCKY STATE UNIVERSITY

McCarthy Strategic Solutions, LLC, 19-06. Rachel Johnson and Douglas Allen discussed the contract with the committee. A motion was made by Senator Carroll to defer the contract to the July 2018 meeting of the committee. Representative Gentry seconded the motion, which passed.

UNIVERSITY OF LOUISVILLE

McCarthy Strategic Solutions, 19-019. Lee Smith and Shannon Rickett discussed the contracts with the committee. A motion was made by Senator Carroll to defer the contract to the July 2018 meeting of the committee. Representative Hart seconded the motion, which passed.

THE FOLLOWING MEMORANDA OF AGREEMENTS

WERE SELECTED FOR FURTHER REVIEW:

AGRICULTURE, DEPARTMENT OF

University of Kentucky, 1900000360. Joe Bilby and Brent Burchett discussed the contract with the committee. A motion was made by Senator Hornback to consider the contract as reviewed. Senator Carroll seconded the motion, which passed.

MEDICAL LICENSURE, BOARD OF

Kentucky Physicians Health Foundation, 1900000024. Michael Rodman and Greg Jones discussed the contract with the committee. A motion was made by Senator Hornback to consider the contract as reviewed. Senator Carroll seconded the motion, which passed.

TRANSPORTATION CABINET

Dry Stone Conservancy, 1800001584. Laura Hagan, Danny Peake, and John Murray discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Representative Gentry seconded the motion, which passed.

EXEMPTION REQUEST:

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

The Kentucky Council on Postsecondary Education requests an exemption from the committee's routine review process for the following Grants/MOAs and will provide quarterly reports:

Title II of the workforce Innovation and Opportunity Act (formerly Workforce Investment Act)

Title IV for the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Grant

Improving Teacher Quality (IEQ) State Grant (part of the No Child Left Behind Act)

Paths 2 Promise Federal Grant (pass-through funds from Department of Community Based Services' USDA primary grant, Supplemental Nutrition Assistance Program (SNAP))

Perkins Federal Grant (pass-through funds from Department of Education Services' USDOE primary grant, Perkins Leadership Program)

A motion was made by Senator Carroll to grant the request to June 30, 2020. Representative Hart seconded the motion, which passed without objection.

KENTUCKY INFRASTRUCTURE AUTHORITY

The Kentucky Infrastructure Authority (KIA) requests an exemption from the biennium contract period restrictions for 17 Coal Severance Grant Projects for an extension of time only. A motion was made by Senator Carroll to grant the request to June 30, 2020. Representative Hart seconded the motion, which passed without objection.

There being no further business, the meeting adjourned at 12:09 PM.

**ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE**

**Minutes of the May Meeting**

May 8, 2018

**Call to Order and Roll Call**

The May meeting of the Administrative Regulation Review Subcommittee was held on Tuesday, May 8, 2018, at 1:00 PM, in Room 149 of the Capitol Annex. Senator Ernie Harris, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Ernie Harris, Co-Chair;

Representative David Hale, Co-Chair; Senators Perry B. Clark, and Alice Forgy Kerr; Representatives Mary Lou Marzian, Jason Petrie, and Tommy Turner.

Guests: Arica Brandford, Ruby King, Board of Nursing; Louis Kelly, Board of Physical Therapy; Amber Arnett, Steve Beam, Karen Waldrop, Department of Fish and Wildlife Resources; Clint Quarles, Department of Agriculture; Amy Barker, James Erwin, Hannah Gibson, Chris Kleymyer, Randy White, Department of Corrections; Ann Dangelo, Jamir Davis, Wanda Ballard Repasky, Department of Transportation; Steve Humphress, Carol Beth Martin, Trena Summers, Department of Alcoholic Beverage Control; Elizabeth Caywood, Maribeth Schneber-Rhemrev, Department for Community Based Services.

LRC Staff: Senators Ernie Harris, Perry Clark, and Alice Forgy Kerr; and Representatives David Hale, Mary Lou Marzian, Jason Petrie, and Tommy Turner.

The Administrative Regulation Review Subcommittee met on Tuesday, May 8, 2018, and submits this report:

Administrative Regulations Reviewed by the Subcommittee:

BOARDS AND COMMISSIONS: Board of Nursing

201 KAR 20:056. Advanced practice registered nurse licensure and certification requirements. Arica Brandford, nursing consultant, and Ruby King, branch manager, represented the board.

In response to questions by Co-Chair Harris, Ms. King stated that all applicants were required to submit to a background check upon initial application; however, the annual renewal process did not include the background check. The board did not expect the background check requirements to overwhelm the system. The fee for the background check was paid for by the applicant.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph and Sections 1 and 6 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to amend Section 6 to include the simplified criminal background check requirements for a reinstatement applicant. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 20:070. Licensure by examination.

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

201 KAR 20:110. Licensure by endorsement.

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

201 KAR 20:225. Reinstatement of license.

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

201 KAR 20:370. Applications for licensure.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph and Section 4 to comply with the drafting requirements of KRS Chapter 13A; and (2) to update the Annual Licensure Renewal Application. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 20:411. Sexual Assault Nurse Examiner Program standards and credential requirements.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph and Sections 2, 7, 9, and 11 to comply with the drafting and for-matting requirements of KRS Chapter 13A; (2) to amend Sections 7 and 9 to include the simplified criminal background check requirements for a SANE credential applicant; and (3) to up-date the annual credential renewal applications. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 20:470. Dialysis technician credentialing requirements and training program standards.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph and Sections 2, 4, and 15 to comply with the drafting and format-ting requirements of KRS Chapter 13A; (2) to amend Sections 2 and 4 to include the simplified criminal background check requirements for a dialysis technician applicant; (3) to amend Section 12 to lower the name change fee from thirty-five (35) dollars to twenty-five (25) dollars for consistency; and (4) to update the Application for Renewal of Dialysis Technician Credential. Without objection, and with agreement of the agency, the amendments were approved.

Board of Physical Therapy

201 KAR 22:020 & E. Eligibility and credentialing procedure. Louis Kelly, general counsel, represented the board.

In response to questions by Co-Chair Harris, Mr. Kelly stated that the background check requirements applied to initial application or application after licensure lapse. The background check did not

apply to renewals. The board did not anticipate the background check requirements to overwhelm the system. The fee for the background check was paid for by the applicant.

A motion was made and seconded to approve the following amendments: to amend Sections 2 and 10 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

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

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

201 KAR 22:070 & E. Requirements for foreign-educated physical therapists.

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

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

301 KAR 2:049. Small game and furbearer hunting and trapping on public areas. Amber Arnett, staff attorney; Steve Beam, Division of Wildlife Director; and Karen Waldrop, deputy commissioner, represented the department.

In response to questions by Representative Turner, Mr. Beam stated that the check-in and check-out procedures were performed at kiosks at the entrance or entrances to the WMA. The purpose was for data collection regarding intensity of small game hunting. The kiosks might not be at each gate, but will be at multiple, convenient locations. The tag or card will be pro-vided at the kiosks. Employees will not continuously monitor the kiosks but will ensure that an adequate supply of tags or cards is always available.

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

GENERAL GOVERNMENT: Department of Agriculture: Division of Regulation: Amusement Rides

302 KAR 16:020. Inspection and operation of amusement rides or amusement attractions. Clint Quarles, staff attorney, represented the division.

In response to questions by Co-Chair Harris, Mr. Quarles stated that requirements for aerial

recreational devices were already established in 302 KAR Chapter 17. This package included “clean-up” amendments. There was not a gap in coverage for these requirements.

A motion was made and seconded to approve the following amendments: to amend Sections 1, 3, and 6 through 10 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

302 KAR 16:081. Repeal of 302 KAR 16:080.

302 KAR 16:091. Rides and attractions not included in the definition of amusement ride or attraction.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to comply with the drafting requirements of KRS Chapter 13A; and (2) to amend Section 1 to include “turbo bungees,” which was the synonym for “Euro bungees.” Without objection, and with agreement of the agency, the amendments were approved.

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

501 KAR 6:170. Green River Correctional Complex. Amy Barker, assistant general counsel; James Erwin, interim commissioner; and Hannah Gibson, program administrator, represented the department.

In response to a question by Co-Chair Harris, Mr. Erwin stated that restricted housing was the segregation unit for inmates who exhibited disciplinary problems during incarceration. These inmates were served three (3) daily meals; however, they were not allowed to have much extra food from the canteen in the unit. Graduation from the restricted unit to a transition unit incentivized good behavior by allowing extra food from the canteen.

501 KAR 6:270. Probation and parole policies and procedures.

In response to questions by Representative Petrie, Ms. Gibson stated that these policies were being updated to ensure efficiency and effectiveness. Changes included eliminating the pre-sentence investigation update, which was duplicative. Ms. Barker stated that some changes were for compliance with interstate commerce requirements.

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

Capital Punishment

501 KAR 16:290. Preliminary and post-

execution procedures concerning condemned person. Amy Barker, assistant general counsel, and James Erwin, interim commissioner, represented the department.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Sections 1 and 6 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 16:300. Execution procedures concerning attorneys representing the condemned, witnesses, visitors, and demonstrators.

A motion was made and seconded to approve the following amendments: to amend Sections 2, 4, and 8 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 16:310. Pre-execution medical actions.

In response to questions by Representative Marzian, Ms. Barker stated that this administrative regulation required, under certain circumstances, a psychologist to review the condemned inmate’s department medical records for a diagnosis of intellectual disability or an IQ test score of seventy-five (75) or lower. For an intellectual disability, it was the responsibility of the condemned person to pursue the matter through the court system, and the Department of Corrections had limited ability to participate. The process was intended to occur within thirty (30) days of the warrant if it had not been initiated prior.

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

501 KAR 16:330. Lethal injection protocols.

Representative Marzian requested to be recorded as voting in opposition to this administrative regulation and 501 KAR 16:340.

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

501 KAR 16:340. Electrocutation protocol.

TRANSPORTATION CABINET: Office of Civil Rights and Small Business Development: Office of Minority Affairs

600 KAR 4:010. Certification of disadvantaged business enterprises. Ann D’Angelo, assistant general counsel; Jamir Davis, executive director; and Wanda Repasky, contract attorney, represented the office.

In response to questions by Co-Chair Harris, Ms. Repasky stated that the Office of Civil Rights and

Small Business Development had been operating, although under various names, since at least 1989. Mr. Davis stated that the office processed certifications of disadvantaged businesses pursuant to the federal program. Approximately 400 businesses were certified as disadvantaged businesses with the cabinet.

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

PUBLIC PROTECTION CABINET:  
Department of Alcoholic Beverage Control: Quotas

804 KAR 9:051. Repeal of 804 KAR 9:010, 804 KAR 9:040, and 804 KAR 9:050. Steve Humphress, general counsel; Carol Beth Martin, malt beverage administrator; and Trena Summers, distilled spirits administrator, represented the department.

In response to questions by Co-Chair Harris and Representative Petrie, Mr. Humphress stated that because the package license quotas were established by statute, the administrative regulation being repealed was no longer necessary. There would no longer be a quota for drink licenses. Cities still had authority to establish related ordinances. A licensee could transfer or sell a license, but the licenses had very little value. The department did not expect an increase in sales of these licenses. There was no policy shift other than no arbitrary limit on the number of licenses.

In response to a question by Co-Chair Hale, Mr. Humphress and Ms. Martin stated that the repeal applied essentially to the quota for drink licenses because the package license quotas were established by statute.

In response to a question by Co-Chair Harris, Ms. Martin stated that the prior package license quotas were set at one (1) license per 2,300 population. Mr. Humphress stated that there would always be at least two (2) licenses available to prevent a monopoly.

HEALTH AND FAMILY SERVICES CABINET:  
Department for Community Based Services: Division of Family Support: K-TAP, Kentucky Works, Welfare to Work, State Supplementation

921 KAR 2:015 & E. Supplemental programs for persons who are aged, blind, or have a disability. Elizabeth Caywood, chief of staff, and Maribeth Schneber-Rhemrev, represented the division.

The following administrative regulations were deferred or removed from the May 8, 2018, subcommittee agenda:

EDUCATION AND WORKFORCE  
DEVELOPMENT CABINET: Education Professional Standards Board: Teaching Certificates

16 KAR 2:010. Kentucky professional and provisional teacher certificates.

Administrative Certificates



16 KAR 5:030. Proficiency evaluation.

BOARDS AND COMMISSIONS: Board of Podiatry

201 KAR 25:090. Prescribing and dispensing controlled substances.

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

401 KAR 51:240. Cross-State Air Pollution Rule (CSAPR) NOx annual trading program.

401 KAR 51:250. Cross-State Air Pollution Rule (CSAPR) NOx ozone season group 2 trading program.

401 KAR 51:260. Cross-State Air Pollution Rule (CSAPR) SO2 group 1 trading program.

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

501 KAR 6:030. Kentucky State Reformatory.

TRANSPORTATION CABINET: Department of Vehicle Regulation: Division of Driver Licensing: Administration

601 KAR 2:030 & E. Ignition interlock.

HEALTH AND FAMILY SERVICES CABINET: Department for Public Health: Division of Public Health Protection Safety: Sanitation

902 KAR 10:040. Kentucky youth camps.

Office of Inspector General: Division of Healthcare: Health Services and Facilities

902 KAR 20:016. Hospitals; operations and services.

Department for Community Based Services: Division of Child Care: Day Care

922 KAR 2:090 & E. Child-care center licensure.

922 KAR 2:100 & E. Certification of Family Child-Care Homes.

922 KAR 2:111E. Repeal of 922 KAR 2:110.

922 KAR 2:120 & E. Child-care center health and safety standards.

922 KAR 2:180 & E. Requirements for registered child care providers in the Child Care Assistance Program.

922 KAR 2:190 & E. Civil penalties.

The subcommittee adjourned at 1:35 p.m. The next meeting of the subcommittee is tentatively scheduled for June 12, 2018, at 1 p.m.

## SCHOOL SAFETY WORKING GROUP

### Minutes of the 2nd Meeting of the 2018 Interim

June 11, 2018

#### Call to Order and Roll Call

The 2nd meeting of the School Safety Working Group was held on Monday, June 11, 2018, at 3:30 PM, in Room 154 of the Capitol Annex. Co-Chair Wise called the meeting to order, announced the

newly appointed ex-officio members and consultants, and the secretary called the roll.

#### Present were:

Guests: Chris Barrier, Director of Law Enforcement, Montgomery County Schools; Mark Filburn, Former Commissioner, Department of Criminal Justice Training; and Frank Kubala, Staff Assistant to the Commissioner, Department of Criminal Justice.

Members: Senators Danny Carroll, Ray S. Jones II, Alice Forgy Kerr, Johnny Ray Turner, and Max Wise; Representatives John Blanton, George Brown Jr, John Carney, and Will Coursey.

Ex-Officio Members: Dr. Joe Bargione, Licensed Psychologist and Certified School Psychologist in Kentucky; Mrs. Jody Glass, Social Studies Teacher, Greenwood High School, Bowling Green, Kentucky; Mr. Keith Griesser, Principal, Paris Elementary School, Paris, Kentucky; and Dr. Henry Webb, Superintendent, Kenton County Schools.

Consultants: Dr. John Akers, Kentucky Center for School Safety; General Jerry Humble, Retired U.S. Marine Corp.

LRC Staff: Jo Carole Ellis, Yvette Perry, Lauren Busch, and Christal White.

The new consultants identified themselves as Dr. John Akers, Executive Director, Kentucky Center for School Safety (KCSS); and Retired Major General Jerry Humble, a 34-year military veteran specializing in world counter terrorism and counter narcotics. General Humble now assists in an active school safety training program with the Daviess County Sheriff's Department and also serves with the Joint Terrorism Task Force in Western Kentucky through the FBI, Department of Justice.

The six ex-officio members also gave a brief summary of their positions and experience.

Dr. Henry Webb is the Superintendent of Kenton County Schools.

Mr. Keith Griesser, Principal of Paris Elementary School, is enrolled in the Principal Partnership Project offered by the Kentucky Department of Education (KDE).

Teacher Representative, Mrs. Jody Glass, Social Studies teacher at Greenwood High School, Bowling Green, Kentucky.

Student Representative, Ms. Nasim MohammadZadeh, a junior student at Dunbar High School, Lexington, KY, was announced by Senator Wise in her absence.

Representing Commissioner Alex Payne, Department of Criminal Justice Training, was Frank Kubala, Staff Assistant to the Commissioner.

Dr. Joe Bargione, Licensed Psychologist and Certified School Psychologist in Kentucky, has practiced for over 25 years in urban, rural and

suburban school districts throughout different states. A major focus of his effort is concentrating on behavioral and mental health and ensuring children are college or career ready in academics, critical thinking, relationships, and social skills. He also served as a facilitator/crisis-responder team leader in two Kentucky school shootings.

Senator Wise asked members to share their email and contact information with Yvette Perry, Committee Analyst, upon adjournment of today's meeting.

Each legislative member identified the respective areas they represent.

Senator Wise said the ex-officio members and consultants were selected from a list of qualified individuals and includes a diverse group from various backgrounds with school safety knowledge. The presentations in the Interim Joint Committee on Education (IJCE) provided good information to start an honest and open discussion on school safety.

Representative Carney said while Kentucky has great policy, he questioned whether tracking is being done to determine how many districts are not participating in required trainings. Mr. Akers said each school and district must sign an assurance documenting that the required drills and review of emergency management plans have been completed. The KCSS conducts follow-up assessments with teachers, students and educational professionals to ensure drills are comprehensive. Mr. Akers stated that district requests for walk-throughs increased following the Marshall County incident on January 23, 2018. Representative Carney said it is necessary for districts to take advantage of any Educational Opportunity Programs (EOP) but even more crucial to make recommended changes identified as safety issues afterwards. Mr. Akers said the EOP Federal Grant was initially designed to work with school districts on developing a district plan in addition to a school plan.

In response to a question by Senator Carroll as to what schools are doing to ensure safety, Mr. Akers said the passage of Senate Bill 8, KRS 158.447 required school districts to go through a Crime Prevention Through Environmental Design (CPTED) checklist, including risks and opportunities children encounter between home and school as well as hazards and risks on school property. Mr. Akers said the Kentucky Department of Education (KDE) developed the program where districts must sign off with the design professional, registered engineer, landscape architect, and superintendent or board's designee. He said upgrades such as the installation of metal detectors, dual alarm systems on exterior doors and cameras at exit doors are steps implemented toward school safety improvement. Additionally, schools are using private

companies to watch social media in their areas, searching over 400 key words to identify any issues that could progress into a dangerous situation.

Dr. Webb said Kenton County has 17 schools being retro-fitted to safely secure the schools built prior to CPTED and said a lockdown procedure automatically dials 911 dispatch. Kenton County has a Security Resource Officer (SRO) in every school and has shifted from active-shooter drills to actual scenarios. Representative Carney asked to be kept informed on the progress of retro-fitting and expressed the need to streamline the BG1 paperwork process by KDE regarding retro-fitting guidelines in order to ensure timely installation/construction.

Senator Wise questioned if adding SROs is a funding or cultural issue in the areas where there is soft presence. Mr. Webb said Eastern Kentucky has a funding issue, but encouraged working with local municipalities, sheriffs, and county officials to provide additional funding. Mr. Barrier agreed that proper selection of an SRO is critical and referred to a map from KCSS that details SRO's throughout Kentucky. He pointed out that SROs in Pike County are less concentrated than the remainder of the state due to layout and size.

Dr. Bargione said a layered effect is needed to meet the needs of the students and schools, including professional development for all school employees. The SRO must gain trust by building student relationships and must possess key elements including observing students' mental health, identifying conflict, peer mediation, developing critical-thinking skills, and self-regulation. Dr. Bargione said this requires involvement from community mental health partners.

Senator Wise questioned whether the Law Enforcement Officers Safety Act (LEOSA) Program is being utilized for armed protection, including former law enforcement and former military. Mr. Barrier said many Kentucky school districts contract their SRO from local protection agencies and two SROs in Pike County are former military personnel. He is unaware of any programs that specifically seek out veterans.

In response to Senator Wise's question regarding standards for the number of training hours, whether to require conceal-carry permits, and administering quarterly background checks, General Humble said sharing both proven and ineffective practices with schools across the state is essential. Mr. Filburn said one practice is to lock rifles in a cabinet and require ammunition be kept in another location. He said the SRO is important particularly in grade school due to the ability to build trust with younger children. General Humble favors highly trained and armed SROs.

In response to a question by Representative

Blanton, Mr. Barrier said the statute requires basic and advanced SRO courses; however, the specialized courses which are required need a more clear definition. Representative Blanton said refresher training should be more consistent and include training with guidance counselors and mental health professionals on social issues, although the lack of funding exists.

Senator Kerr was pleased to see a teacher representative as an ex-officio member. Mrs. Glass said while she is pro 2<sup>nd</sup> Amendment, she does not believe teachers should be armed with guns since she feels it adds a negative component to teaching. She stressed the importance of building a relationship with SROs. Senator Kerr said engaging and noticing the characteristics of all children is crucial, not just those who involve themselves with the SRO.

Mr. Barrier said while Montgomery and Scott counties both have two SROs, most spend their time at the middle and high schools. He said only 118 out of 173 districts have SROs.

Senator Carroll praised the legislative funding provided in the 2017 budget which allows state police officers to work a part-time job.

Dr. Webb said financial issues are a reason many areas do not have an SRO, but further stated that partnering with existing law enforcement has been useful in districts that are thriving. Mr. Griesser asked to be provided a list of counties who have no SROs and if lack of funding is the cause.

In response to a comment by Representative Coursey, General Humble said the Department of Justice's Bureau of Statistics has FBI data to show 18-20 percent of the first shots fired often miss their intended targets in panic situations; however, that percentage is not solely related to school shootings. Other variables are distance, lighting, and weather conditions and is why consistent and constant training is mandatory.

Dr. Bargione said self-control is needed for young students to articulate important psychological safety. While some feel safe in schools, others may not.

Mr. Akers said increased law enforcement, mental health, and recovery treatment were provided for students, teachers, and staff following school shooting sprees. Shelby County does a good job of coordinating responders and school personnel once monthly to discuss issues, current plans, and changes that may be necessary. Violence on television and in video games and the ability to enforce truancy with consequences more quickly are both issues that need to be addressed to adjust behaviors.

Senator Wise asked all members to bring future agenda topics and announced the next meeting of the SSWG will be held July 9, 2018, in Trigg County.

There being no further business, the meeting adjourned at 5 p.m.

## **ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE**

### **Minutes of the June Meeting June 12, 2018**

#### **Call to Order and Roll Call**

The June meeting of the Administrative Regulation Review Subcommittee was held on Tuesday, June 12, 2018, at 1:00 PM, in Room 149 of the Capitol Annex. Representative David Hale, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Ernie Harris, Co-Chair; Representative David Hale, Co-Chair; Senators Julie Raque Adams, Perry B. Clark, and Alice Forgy Kerr; Representatives Jason Petrie, and Tommy Turner.

Guests: Leanne Diakov, Board of Medical Licensure; Julie Campbell, Board of Cosmetology; Amber Arnett, Steve Beam, Karen Waldrop, Department of Fish and Wildlife Resources; Joe Bilby, Brent Burchett, Meagan Pickett, Clint Quarles, Department of Agriculture; Sean Alteri, Chris Ewing, Tony Hatton, Department of Environmental Protection; Amy Barker, Ashley Short, Department of Corrections; Virginia Moore, Rachel Morgan, Commission for Deaf and Hard of Hearing; Steve Davis, Jamie, Gitzinger, Office of Inspector General; Melissa Banks, Christa Bell, Elizabeth Caywood, Phillip Smith, Department for Community Based Services

LRC Staff: Sarah Amburgey, Stacy Auterson, Emily Caudill, Betsy Cupp, Ange Darnell, Emily Harkenrider, Karen Howard, and Carrie Klaber.

The Administrative Regulation Review Subcommittee met on Tuesday, June 12, 2018, and submits this report:

Administrative Regulations Reviewed by the Subcommittee:

BOARDS AND COMMISSIONS: Board of Medical Licensure

201 KAR 9:021. Medical and osteopathic schools approved by the board; denial or withdrawal of approval; application of KRS 311.271; postgraduate training requirements; approved programs; recognition of degrees. Leanne Diakov, general counsel, represented the board.

201 KAR 9:031. Examinations.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and STATUTORY AUTHORITY paragraphs and Sections 1 through 3 to comply with the drafting

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

Board of Cosmetology

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

In response to questions by Co-Chair Harris, Ms. Campbell stated that Kentucky's cosmetology schools had great job placement statistics. HB 260 of the 2017 Regular Session of the General Assembly removed the apprentice program, which was a restricted licensure pro-gram. The removal of that program significantly enhanced job placement rates. The board was licensing 150 to 300 students per month. Hair braiding was no longer in the jurisdiction of the board.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2, 5, 18, 21, and 29 to comply with the drafting requirements of KRS Chapter 13A; and (2) to amend Section 21 to clarify that the scenario described is for the enrollment correction fee. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 12:260. Fees.

A motion was made and seconded to approve the following amendments: to amend Sections 1, 2, and 4 to clarify that a "limited facility permit" shall be for a threading facility, lash extension facility, and makeup facility. Without objection, and with agreement of the agency, the amendments were approved.

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

301 KAR 2:221. Waterfowl seasons and limits. Amber Arnett, counsel; Steve Beam, Wildlife Division Director; and Karen Waldrop, deputy commissioner, represented the department.

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

301 KAR 2:222. Waterfowl hunting requirements on public lands.

In response to a question by Senator Kerr, Ms. Waldrop stated that the Sauerheber and Jenny Hole units were part of the Sloughs WMA.

In response to a question by Co-Chair Hale, Ms. Waldrop stated that waterfowl hunting was halted at Barren River, Grayson Lake, Pennyryle Lake, and Rough River Lake due to the conflict between hunting times and peak park visitation times. The hunts were intended to help with nuisance issues but conflicted with times of increased park visitation.

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

GENERAL GOVERNMENT: Department of Agriculture: Office of Agricultural Marketing: Industrial Hemp

302 KAR 50:050. THC Sampling and testing; post-testing actions. Joe Bilby, general counsel; Brent Burchett, director of plant marketing; and Clint Quarles, staff attorney, represented the department.

In response to questions by Senator Clark, Mr. Burchett stated that hemp crops were tested for a zero and three tenths (0.3) percent THC limit. Plants that exceeded the limit were destroyed. Last year, less than one (1) percent of the hemp crop had been destroyed due to exceeding the THC limit. Exceedance was not deliberate on the part of the grower. Senator Clark stated that the limit was artificial. Mr. Burchett stated that the limit was artificial but internationally recognized and established at the federal level.

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

401 KAR 51:240. Cross-State Air Pollution Rule (CSAPR) NOx annual trading program. Sean Alteri, director, and Tony Hatton, commissioner, represented the division.

In response to questions by Co-Chair Harris, Mr. Alteri stated that these administrative regulations referenced the federal requirements without change. Kentucky sources were in compliance with cross-state air pollution requirements; therefore, from a practical standpoint there was no change for regulated utilities. These administrative regulations allowed Kentucky to account for emissions reductions in the State Implementation Plan (SIP). The Utility Information Exchange of Kentucky supported these administrative regulations during the public comment period.

401 KAR 51:250. Cross-State Air Pollution Rule (CSAPR) NOx ozone season group 2 trading program.

401 KAR 51:260. Cross-State Air Pollution Rule (CSAPR) SO2 group 1 trading program.

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

501 KAR 6:030. Kentucky State Reformatory. Amy Barker, assistant general counsel, and Ashley Short, corrections program administrator, represented the department.

In response to a question by Senator Kerr, Ms. Barker stated that suicide prevention measures included mental health assistance and physical

prevention. A person was referred for mental health assistance as needed. If an officer witnessed something concerning about a person's mental health, the person could be referred as a result. There may also be an inmate observer to physically monitor a person. Mental health assistance was available on location, depending on the facility.

EDUCATION AND WORKFORCE DEVELOPMENT: Commission on the Deaf and Hard of Hearing: Telecommunication Devices for the Deaf

735 KAR 1:010. Eligibility requirements, application and certification procedures to receive specialized telecommunications equipment for the deaf, hard of hearing, and speech impaired. Virginia Moore, executive director, and Rachel Morgan, executive staff interpreter, represented the commission.

In response to questions by Co-Chair Harris, Ms. Moore stated that, at first, the commission collected six (6) cents per month per land-line phone. Later, cell phone providers were included, bringing all fees to four (4) cents per month per phone. The commission got two (2) of that four (4) cents per month per phone. The commission and the relay service received approximately \$97,000 per month from the fees. Some states also collected from internet providers. Kentucky was not currently doing that, although some internet providers were contributing voluntarily. The commission may consider making internet provider contributions mandatory in the future. The captioning referenced in these administrative regulations pertained to telephone conversation captioning.

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

735 KAR 1:020. Processing system including vendor participation, security, and maintenance and repair for specialized telecommunications equipment.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Sections 1, 3, and 4 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Interpreter Referral Services

735 KAR 2:010. Definitions for 735 KAR Chapter 2.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and



Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

735 KAR 2:020. KCDHH Interpreter Referral Services Program parameters.

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

735 KAR 2:030. Interpreter qualifications.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph and Section 1 to comply with the drafting requirements of KRS Chapter 13A; and (2) to amend Section 1 to refer to an “assigned” interpreter, instead of a “freelance” interpreter. Without objection, and with agreement of the agency, the amendments were approved.

735 KAR 2:040. Interpreter protocols.

In response to a question by Senator Kerr, Ms. Moore stated that attire protocols were necessary to ensure a dress code that was professional and appropriate for each venue. Ms. Morgan stated that there were dress code standards for visually impaired clientele. For example, wearing blue might be a problem for some clients with certain visual impairments. Typically, an interpreter should wear all black.

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

735 KAR 2:050. Processing of requests for services.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Section 1 to comply with the drafting requirements of KRS Chapter 13A; and (2) to amend Section 1 to use the term “certified,” rather than “freelance,” interpreter. Without objection, and with agreement of the agency, the amendments were approved.

735 KAR 2:060. Grievance procedures.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to: (a) use the term “interpreter,” rather than “freelance” or “assigned” interpreter; and (b) clarify the burden of proof and types of grievance findings for terminating contractual or employment relationships, or to cease providing services for a state agency; and (2) to amend

the RELATES TO paragraph and Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

HEALTH AND FAMILY SERVICES:  
Department for Public Health: Office of Inspector General

906 KAR 1:200. Use of civil money penalty funds collected from certified long-term care facilities. Steve Davis, inspector general, and Jamie Gitzinger, executive advisor, represented the department.

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

Department for Community Based Services:  
Division of Child Care: Day Care

922 KAR 2:090 & E. Child-care center licensure. Christa Bell, director, and Elizabeth Caywood, acting commissioner, represented the division.

In response to a question by Co-Chair Harris, Ms. Bell stated that 922 KAR 2:090 & E and 922 KAR 2:180 & E revised background check standards based on federal requirements. The fingerprint-based background checks included checking systems of the FBI, state criminal repository, national sex offender registry, and child abuse and neglect registry. HB 374 of the 2017 Regular Session of the General Assembly established the authority for more robust background checks. Prior to this, child-care provider staff background checks were only state, not national.

922 KAR 2:100 & E. Certification of Family Child-Care Homes.

922 KAR 2:111E. Repeal of 922 KAR 2:110.

Day Care

922 KAR 2:120 & E. Child-care center health and safety standards.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Sections 1 through 4, 7, 8, and 10 through 13 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

922 KAR 2:171E. Repeal of 922 KAR 2:170 and 922 KAR 2:210.

922 KAR 2:180 & E. Requirements for registered child care providers in the Child Care Assistance Program.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1, 3 through 5, 7, 8, and 10 to comply with the drafting

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

922 KAR 2:190 & E. Civil penalties.

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

922 KAR 2:270 & E. Kentucky All STARS quality-based graduated early childhood rating system for licensed child-care centers and certified family child-care homes.

In response to a question by Senator Clark, Ms. Bell stated that this program’s incentives were based on quality and derived from the Race to the Top grant system. This system established more flexibility and was intended to serve the most vulnerable children in high-quality child-care centers.

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

The following administrative regulations were deferred or removed from the June 12, 2018, subcommittee agenda:

EDUCATION AND WORKFORCE DEVELOPMENT: Education Professional Standards Board: Teaching Certificates

16 KAR 2:010. Kentucky professional and provisional teacher certificates.

Administrative Certificates

16 KAR 5:030. Proficiency evaluation.

BOARDS AND COMMISSIONS: Board of Podiatry

201 KAR 25:090. Prescribing and dispensing controlled substances.

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

301 KAR 2:172. Deer hunting seasons, zones, and requirements.

301 KAR 2:228. Sandhill crane hunting requirements.

JUSTICE AND PUBLIC SAFETY: Department of Juvenile Justice: Child Welfare

505 KAR 1:120. Department of Juvenile Justice Policies and Procedures Manual: Health and Safety Services.

505 KAR 1:140. Department of Juvenile Justice Policies and Procedures Manual: detention services.

TRANSPORTATION: Department of Vehicle Regulation: Division of Driver Licensing: Administration

601 KAR 2:030 & E. Ignition interlock.

ENERGY AND ENVIRONMENT: Public Service Commission: Utilities

807 KAR 5:022. Gas service.

807 KAR 5:026. Gas service; gathering systems.

PUBLIC PROTECTION: Department of Housing, Buildings and Construction: Division of Building Code Enforcement: Kentucky Building Code

815 KAR 7:110. Criteria for expanded local jurisdiction.

815 KAR 7:120. Kentucky Building Code.

815 KAR 7:125. Kentucky Residential Code.

Division of Heating, Ventilation and Air Conditioning: Heating, Ventilation, and Air Conditioning Licensing Requirements

815 KAR 8:011. Repeal of 815 KAR 8:007 and 815 KAR 8:045.

815 KAR 8:070. Installation permits.

815 KAR 8:080. Inspections and requests.

815 KAR 8:100. Criteria for local jurisdiction HVAC programs.

HEALTH AND FAMILY SERVICES: Department for Public Health: Division of Public Health Protection Safety: Sanitation

902 KAR 10:040. Kentucky youth camps.

Department for Public Health: Office of Inspector General: Division of Healthcare: Health Services and Facilities

902 KAR 20:016. Hospitals; operations and services.

The subcommittee adjourned at 1:40 p.m. The next meeting of the subcommittee is tentatively scheduled for July 10, 2018, at 1 p.m.

## PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE

**Minutes**  
**2018 Interim**  
 June 14, 2018

### Call to Order and Roll Call

The Program Review and Investigations Committee met on Thursday, June 14, 2018, at 10:00 AM, in Room 131 of the Capitol Annex. Greg Hager, Committee Staff Administrator, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Danny Carroll, Co-Chair; Representative Lynn Bechler, Co-Chair; Senators Perry B. Clark, Dan “Malano” Seum, Reginald Thomas, and Stephen West; Representatives Chris Fugate, Adam Koenig, Ruth Ann Palumbo, Rob Rothenburger, Arnold Simpson, and Walker Thomas.

Guests: Representative Joni Jenkins; Elizabeth Caywood, Acting Commissioner, Department for Community Based Services, Cabinet for Health and Family Services; Lesa Dennis, Director, Division of

Service Regions, Department for Community Based Services, Cabinet for Health and Family Services; Charlie and Kay Meyers, citizens; Hans Herklotz, General Counsel, Cabinet for Health and Family Services; and Jill Hunter, Acting Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services.

LRC Staff: Greg Hager, Committee Staff Administrator; Chris Hall; Colleen Kennedy; Van Knowles; Jean Ann Myatt; William Spears; Shane Stevens; Joel Thomas; Richard Schufelt, Graduate Fellow; and Kate Talley, Committee Assistant.

Greg Hager asked for nominations for Senate co-chair.

Senator West nominated Senator Carroll. Senator Seum seconded the motion. Senator Clark made a motion that the nominations cease and that Senator Carroll be elected by acclamation. Senator Seum seconded the motion, and Senator Carroll was elected by acclamation.

Senator Carroll asked for nominations for House co-chair.

Representative Rothenburger nominated Representative Bechler. Representative Koenig seconded the motion. Representative Palumbo made a motion that the nominations cease and that Representative Bechler be elected by acclamation. Representative Rothenburger seconded the motion, and Representative Bechler was elected by acclamation.

### Minutes for November 9, 2017

Upon motion by Representative Simpson and second by Representative Palumbo, the minutes for the November 9, 2017, meeting were approved by voice vote without objection.

### Selection of Study Topics for 2018

Representative Thomas moved to study the Kentucky Wired Program. Representative Rothenburger seconded the motion and the topic was adopted by roll call vote.

Representative Bechler explained that Kentucky Wired, created to provide internet statewide, is behind schedule and over budget. The General Assembly approved additional appropriations to continue with the program only because it would cost more money to stop the program.

Representative Simpson moved to study the retention rates of Kentucky’s community colleges. He would like to look at the need for an adequate workforce, the economic status of students, the composition of student bodies, and make recommendations for policy. Many students are overwhelmed by student debt, and some become homeless as a result.

Senator Seum endorsed Representative Simpson’s proposal but discussed issues he has with

Kentucky universities. For example, the University of Louisville reported a decrease in state appropriations in a misleading way in order to increase tuition more than was merited. Dormitories are too expensive. A printout of University of Kentucky nonmedical personnel making at least \$250,000 was more than 9 pages long. Universities say their funding must also cover research and development but could not delineate what research was done and for what benefit.

Senator Thomas said Kentucky is the only state to cut funding for higher education over the past 12 years. State funding of higher education in the 2018-2020 budget is the same as it was in 1994. About 83 percent of the University of Louisville’s funding comes from sources other than state government, so these are not truly state universities. He supports salaries that are high enough to attract top academics so that the University of Kentucky can become a top US university. Dormitories are nicer than in the past, but that is to compete for current students, who want good living conditions.

Representative Palumbo noted that the suggested topic is about community colleges, not state universities.

Representative Simpson moved again to accept this topic for study, and Representative Palumbo seconded the motion. The topic was approved by a roll call vote.

Senator Carroll stated that the Senate minority and majority topics will be discussed at the next meeting.

Senator West requested that all committee members receive a copy of the Kentucky Wired contract. Representative Simpson said a summary of the contract would be useful.

### Staff Report: Kentucky’s Foster Care System

Mr. Hall said that today’s presentation would cover the report’s nine recommendations. Program Review staff heard from several sources that the 45-day period for a temporary custody order is often not long enough. Recommendation 1.1 is that the Department for Community Based Services (DCBS) and the Administrative Office of the Courts (AOC) should cooperate to determine a reasonable period for the temporary custody order and propose legislative to the General Assembly.

DCBS and AOC were unable to provide reliable data that would allow for analysis of whether foster care hearings were meeting the statutory time frame. Recommendation 1.2 is that they should cooperate to ensure the collection of the date of any foster care court action, the type of hearing, and the result. Data should be analyzed regularly to identify problems. Recommendation 1.3 is that AOC should encourage any court hearing foster care cases to use appropriate AOC forms.

DCBS publishes a monthly Diligent Recruitment Report, which is used to help regional and county DCBS offices recruit new foster families. A calculation in the report is potentially inaccurate. Recommendation 1.4 is that DCBS should use existing data to calculate a more accurate “percent of need met” figure in the report.

DCBS reports the average number of times foster children moved while in state custody. Recommendation 1.5 is that DCBS should indicate disruptive, neutral, and positive reasons for placement changes in its reports.

DCBS’s new method for calculating caseloads excludes caseworkers who are not working at full capacity but includes the cases they are working on. This inflates the caseload average. Recommendation 3.1 is that DCBS should develop a method for calculating or estimating the number of cases assigned to staff not currently carrying full caseloads and the contributions of such staff to state, regional, and county workloads. The workloads of these staff should be included in the calculation of average caseloads along with past due cases.

Recommendation 3.2 in the November 2017 report draft was removed because HB 1, enacted in the 2018 Regular Session, made the suggested change.

Nearly 70 percent of respondents to a Program Review survey of DCBS social workers said that the most time consuming task each day was documenting their work and entering information into case management software. Recommendation 3.2 is that DCBS should develop a strategy to lessen the administrative burden of caseworkers so that they can spend more time working with foster children and their families.

Recommendation 3.3 is that DCBS should develop a method for determining caseloads that is based on analysis of its workforce and workloads. This information should be used to determine the appropriate caseload standard for Kentucky social workers and necessary strategies to meet this standard. The standard should be aligned with principles established by current national standards and should focus on ensuring that as few caseworkers as possible are assigned caseloads that exceed the new standard.

A review of research literature and staff’s survey of DCBS workers found that noncompetitive salaries and high caseloads are significant causes of caseworker turnover. Recommendation 3.4 is that DCBS should request funding and authorization to increase caseworker salaries to a competitive level; to increase the number of caseworkers; to offer geographic salary differentials and flexible scheduling; to expand employee recruitment, development, and recognition programs; and to develop further improvements in

the hiring process. The agency should also promote expansion of undergraduate social work programs.

Mr. Hall noted that HB 200, enacted in the 2018 Regular Session, allocated nearly \$14 million for both FY 2019 and FY 2020 for increasing the salaries of DCBS social workers and approximately \$35 million for both FY 2019 and FY 2020 for hiring additional social workers.

In response to a question from Senator Carroll, Mr. Hall said a list of changes from the passage of HB 1 to the initial report presented on November 9, 2017, is included in member’s folders.

In response to questions from Senator Carroll, Ms. Caywood said that while the legislature did not address all recommendations in the study, the state did increase salaries and lowered caseloads for DCBS social workers. Morale has begun to improve.

In response to questions from Senator West about the recommendation that DCBS develop a strategy to lessen the administrative load of caseworkers, Ms. Caywood said the department is developing a new technology platform to ease administrative work. The platform should be available later this year. The federal government limits what DCBS can do regarding caseworkers’ workload, but the department is doing everything it can.

In response to questions from Representative Bechler, Ms. Caywood said DCBS is close to full capacity for caseworkers. The department hopes to have reorganization and personnel plans implemented by October 2018. The department will be doing more hiring.

Representative Bechler noted that the General Assembly would like to have more caseworkers in the field soon.

In response to a question from Representative Rothenburger, Ms. Caywood said AOC had not indicated whether more judges are using the AOC forms in child custody court decisions.

In response to a question from Senator Carroll, Ms. Dennis said DCBS has been working on technological enhancements to the call centers system. Kentucky now has a call center in each of the nine service regions.

In response to a question from Senator Carroll, Ms. Caywood said the newly implemented technology system will create a better platform to allow DCBS to monitor all calls in the call centers.

Upon motion by Representative Simpson and second by Representative Palumbo, the report was adopted by roll call vote.

#### **Changes to Foster Care System from HB 1**

Mr. Hall summarized changes that HB 1 made to foster care and adoption. The bill established the Child Welfare Oversight and Advisory Committee, made

the Office of the Ombudsman a stand-alone agency within the cabinet for Health and Family Services (CHFS), and required the cabinet to standardize the procedure and requirements for home studies. The bill requires CHFS to implement performance-based contracting for licensed child-care facilities and child-placing agencies by July 1, 2019, and to make recommendations about the feasibility of privatizing all foster care services in Kentucky by that date.

Procedural changes HB 1 made to dependency, neglect, and abuse court cases include requiring CHFS to review cases after the child has been in care for 6 months and every 3 months thereafter, to submit a petition to terminate parental rights no later than after a child has been in care for 15 cumulative months out of 48 months, and to submit necessary paperwork no later than 30 working days after a court terminates parental rights.

Under HB 1, a court may now grant an involuntary termination of parental rights (TPR) when a child is diagnosed with neonatal abstinence syndrome at the time of birth. A court must make a final judgment within 6 months of the filing of a petition for an involuntary TPR, an appeal to the judgment must be made within 30 days, and the court must make its final ruling on the appeal within 90 days. When TPR is voluntary, a court must now enter its final judgment within 6 months.

HB 1 requires local Citizens Foster Care Review Boards to hold public forums at least twice a year and to report public concerns to the state board. The bill also created a putative father registry, which is a statewide database that protects putative father’s rights in cases in which the mother wants to give the child up for adoption.

#### ***D.O. v. Glisson Ruling***

Mr. Hall summarized an October 2017 ruling of the US 6<sup>th</sup> Circuit Court of Appeals that requires CHFS to pay per diems to caregivers who are relatives and fictive kin of the child in the same manner it pays certified foster parents who are not relatives. Based on the ruling, CHFS established three eligibility criteria:

A court must have placed the child in CHFS custody during the current removal episode,

A court must then have granted temporary (not permanent) custody to the relative or fictive kin during the current removal episode, and

CHFS must have approved the home by conducting a home study and background check.

Mr. Hall explained the criteria and, based on actual cases, described how each criterion has been used to rule that a relative or fictive caregiver was ineligible for the requested per diem.

According to CHFS, there is no administrative appeals process once an eligibility determination is made. The only recourse for a denied caregiver is to



bring a court action against the cabinet.

As of May 30, 2018, CHFS's Kinship Support Hotline had received nearly 15,000 calls from relative and fictive caregivers inquiring about eligibility for the per diem. By that date, the cabinet had determined that 1,083 were eligible, and 349 had signed an agreement with CHFS to receive the per diem.

In response to questions from Representative Bechler, Ms. Caywood said DCBS will have a process in place by the end of the year for answering all calls.

In response to questions from Representative Bechler and Senator West, Mr. Hall said CHFS has interpreted *Glisson* to mean that kinship payments are only applicable after the time of the ruling. Ms. Caywood said that so far, 956 children have qualified. The department does not yet know how many more need a determination. DCBS is trying for a 45-day turnaround in its responses.

Audience members Charlie Meyers and his wife, Kay Meyers, appeared before the committee. Mr. Meyers said they were awarded temporary custody of a grandchild, whom they have cared for since the now 2-year old was 5 days old. At the birth hospital, a state social worker said the parents were not fit to care for the child and sent the child home with Mr. and Mrs. Meyers, to whom a judge awarded temporary custody of the child. Their attorney advised the Meyers to try to qualify for grandparent funding.

Mrs. Meyers said they received a letter from CHFS stating they qualified except that the child went directly to their home, not initially to DCBS custody.

In response to a question by Senator Carroll, Mr. Herklotz said there is a pending lawsuit to expand the ruling.

Senator Carroll cautioned that the committee should be careful in its discussion because of the pending lawsuit.

In response to questions from Senator Thomas, Mr. Meyers said a social worker was at the hospital when they took the child, but he does not know if the social worker was from DCBS.

Representative Palumbo said the intent of HB 1 was to cover people like the Myers. Its intent was that if grandparents become the caregivers, they should receive financial help and should not have to wait for a ruling.

In response to a question from Senator Carroll, Ms. Caywood said an appeals process will be part of the new array of services.

Senator Carroll said legislators will have to review this. He commended the Meyers for taking their grandchild in. It makes a difference when legislators hear how a statute is working in practice. He would like to meet with Ms. Caywood concerning further needed legislation.

**Staff Update: Supports for Community Living**

Mr. Knowles said that while Program Review staff were studying Supports for Community Living (SCL) reimbursement rates, the Department for Medicaid Services hired a consulting firm to advise the state on redesigning SCL and similar Medicaid programs. A redesign would include changes in the types of services provided and the rates paid to providers. If the department proceeds to conduct a rate study, Program Review staff will observe and evaluate the rate-setting process and present a final report with recommendations after the new rates have been determined.

Today's presentation, which summarizes information obtained as of December 2017, includes information on types of residential settings and changes in rates paid to SCL providers since 2004. The rate for staffed residences has increased slightly in nominal dollars since 2004 but has declined when adjusted for inflation. The rates for direct personal services, case planning, and therapy fell. Rates for group homes, residential family care, and employment services increased in both nominal and adjusted dollars.

In 2004, the General Assembly enacted a tax on providers of intermediate care facilities and SCL services, with some of the revenue to be used to increase reimbursement rates.

Inflation has offset most of the increases in rates since 2004.

The amount spent per member has been stable since late 2006, but the number of members served has increased, causing the overall SCL budget to increase. Most SCL funds are spent on residential services; that is, group homes, staffed residences, and adult foster homes.

Analysis of spending on different types of services indicates that providers shifted the types of services they delivered in ways that probably increased their revenues or reduced their costs.

States are free to set Medicaid rates as they choose and are not required to ensure provider profitability. Federal law simply requires a state to ensure that there are enough providers to offer adequate services where they are needed. It appears from Kentucky's waiver applications that the state has set rates that kept spending within budgeted limits since 2006.

Providers will receive a 10 percent rate increase as specified in the 2018 budget bill.

In response to a question from Representative Rothenburger, Mr. Knowles said that a combination of all services such as personal aides and respite services resulted in, on average, \$2.79 per unit.

Representative Rothenburger said he is concerned that some personal caregivers are paid \$8.00 per hour. The legislature should review this so the program is retaining qualified people.

Senator Carroll said that his agency has multiple sources of revenue and does not depend on a specific waiver, so it is able to survive. There is competition among providers to try to contract with the best people, leading to higher salaries. His agency's revenue sources are diversified, and quality is always a concern. He would like to see providers paid more to attract more good providers.

Ms. Hunter said her department is working with Navigant Consulting for possible help with a redesign of the six waivers. The redesign is on track. Stakeholder interviews have been completed. The department is beginning a provider cost survey and study. A 10 percent increase for SCL was approved by the US Centers for Medicare and Medicaid Services beginning July 1, 2018. Navigant has drafted recommendations.

Representative Rothenburger said he serves as co-chair of the Local Government Committee. There is a need to look at saving money. For example, ambulances are sometimes called for nonemergency situations. Working with ambulance services can result in savings.

Senator Carroll said anything on the federal level we can do to treat potential emergency situations for less money should be reviewed. He asked if there were any federal rules that prevent providers from offering low-level medical care on site rather than sending members to the emergency room. Ms. Hunter stated that she would find out.

Senator Carroll said some fees for services his agency provides seem high. The program should streamline such areas to cut costs. His agency is considering private pay consumers to help sustain the programs. He complimented Ms. Hunter and her staff for being responsive to legislators' calls and questions.

Audience member Kitty Davidson, with Tri-Generations, spoke. She is an SCL provider. She said that when residential home provider rates increased, they did not cover respite care.

Senator Carroll said that his center covers respite care for adult foster care homes.

Ms. Davidson clarified that in the old waiver, money was set aside for respite services, which mandated family home providers receive 60 days per year. Family home provider rates increased, but funding for respite care was removed, resulting in a net loss.

Senator Carroll agreed that there was a net loss of revenue.

The meeting adjourned at 11:53 am.

## SCHOOL SAFETY WORKING GROUP

### Minutes of the 1st Meeting of the 2018 Interim

June 4, 2018

#### Call to Order and Roll Call

The first meeting of the School Safety Working Group (SSWG) was held on Monday, June 4, 2018, at 1:00 PM, in Room 129 of the Capitol Annex. Senator Max Wise, Co-chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Max Wise, Co-chair; Representative John Carney, Co-chair; Senators Danny Carroll and Alice Forgy Kerr; Representatives John Blanton, George Brown Jr, Will Coursey, and Brandon Reed.

Legislative Guests: Representatives Mark Hart and Rob Rothenburger.

Guests: Keen Babbage; Eric Kennedy, KSBA; Wayne Young, KASA, Christina Weeter, KDE; Robert King, CPE; Sheila Schuster, KY Mental Health; and Lisa Willner, Kentucky Psychological Association.

LRC Staff: Yvette Perry, Chris White, and Lauren Busch.

Co-chair Wise called the meeting to order and the secretary called the roll.

Members of the SSWG gave a brief introduction of their credentials and the knowledge each member brings to the working group.

The next two meetings of the SSWG will be held immediately upon adjournment of the regularly scheduled meeting of the Interim Joint Committee on Education (IJCE), scheduled at 1 p.m. on the second Monday of each month.

Meeting #2 of the SSWG will be held on June 11, 2018, in Room 154 of the Capitol Annex. Senator Wise strongly encouraged members of the SSWG to attend the 1:00 p.m. IJCE meeting, if possible, as the meeting will include school safety presentations which will be valuable information for the subsequent SSWG.

The third meeting of the SSWG will be held on July 9, 2018, in Trigg County, immediately following the IJCE meeting. The IJCE meeting topic is "Securing our schools - with a culture of 'connectiveness.'" Presentations will be made and the information will be discussed during the SSWG meeting to follow.

A list of further discussion topics will be developed as the committee moves forward.

Regarding the appointment of ex-officio members, Co-chairman Wise asked that suggestions for consideration be submitted from colleagues and constituents within two to three days. The members selected will include representatives from various

groups or individuals with expertise on school safety.

Co-chairman Wise announced the next meeting will be held on June 11, 2018, upon adjournment of the IJCE in Room 154 of the Capitol Annex.

There being no further business to discuss, the meeting was adjourned at 1:50.

## MEDICAID OVERSIGHT AND ADVISORY COMMITTEE

### Minutes

June 20, 2018

#### Call to Order and Roll Call

The Medicaid Oversight and Advisory Committee meeting was held on Wednesday, June 20, 2018, at 1:30 PM, in Room 131 of the Capitol Annex. Representative Kimberly Poore Moser, Chair, called the meeting to order at 1:35 PM, and the secretary called the roll.

Present were:

Members: Senator Ralph Alvarado, Co-Chair; Representative Kimberly Poore Moser, Co-Chair; Senators Danny Carroll, Morgan McGarvey, and Stephen Meredith; Representatives Jim Gooch Jr. and Melinda Gibbons Prunty.

Guests: Adam Meier, Secretary, Eric Clark, Chief of Staff, Cabinet for Health and Family Services; Jill Hunter, Acting Commissioner, Steve Bechtel, Chief Financial Officer, John Inman, Chief of Staff, Stephanie Bates, Deputy Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services; Deck Decker, Executive Director, Office of Administrative and Technology Services, Cabinet for Health and Family Services; David P. Jude, Deloitte Consulting LLC; Keith Mason, United Healthcare; and Sarah S. Nicholson, Kentucky Hospital Association.

LRC Staff: DeeAnn Wenk, CSA and Becky Lancaster.

#### Approval of Minutes

A motion to approve the minutes from the October 11, 2017, November 15, 2017, and December 13, 2017 meetings was made by Senator Alvarado, seconded by Representative Gooch, and approved by voice vote.

#### Introduction of Acting Commissioner

Steve Bechtel, Chief Financial Officer, Department for Medicaid Services (DMS), Cabinet for Health and Family Services (CHFS), stated that DMS is projecting an approximate budget shortfall of \$154 million in state fiscal year (SFY) 2019 and a \$140 million shortfall in SFY 2020. DMS worked with the CHFS budget staff and the Office of the State budget staff to create a consensus forecast. A 10 percent support for community living (SCL) rate increase, a pharmacy rate increase, a June 29 cycle paid out of the new year appropriations, and a disproportionate share hospital (DSH) reduction

freeze, added to the expenditures of the consensus forecast completed in November 2018. Eligibility, benefits, and appropriations drive the Medicaid budget. Centers for Medicare and Medicaid Services (CMS) states that there are eligibility groups and benefits that are considered mandatory or optional. With the projected shortfall, DMS must consider a plan for the optional eligibility groups and benefits. Appropriations allocated fund the mandatory and optional eligibility groups and benefits.

Jill Hunter, Acting Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services, stated that DMS is finalizing the managed care organizations (MCOs) contracts to be effective July 1, 2018 through June 30, 2019. DMS has added the 1115 Kentucky HEALTH waiver expectations into the contracts. DMS expects to develop a request for proposal (RFP) for new MCO contracts by early 2019. The 1115 Kentucky HEALTH waiver is a priority and is ready to function on July 1, 2018.

Adam Meier, Secretary, Cabinet for Health and Family Services, stated that oral arguments regarding the 1115 Kentucky HEALTH waiver were heard on June 15, 2018 in Washington D.C. The presiding judge signaled that a ruling is likely to occur prior to July 1, 2018. An adverse ruling could affect technology changes and costs, communication changes, or immediate benefit cuts to optional eligibility groups. Commissioner Hunter stated that DMS and Navigant Consulting Inc. conducted 10 town hall meetings statewide to present the preliminary recommendations and solicit stakeholder feedback with over 500 individuals in attendance. Navigant Consulting Inc. is working to finalize recommendations and compile a comprehensive report. DMS is expecting the project to review and revise the waiver program to last until 2020. Secretary Meier stated that waiver project would incorporate the Red Tape Reduction initiative to continue to streamline the processes within the Medicaid system.

In response to questions from Senator Meredith, Secretary Meier stated that there are many unknowns regarding the projected savings with the 1115 Kentucky HEALTH waiver. The savings that the 1115 Kentucky HEALTH waiver may produce were not considered in the consensus forecast. Secretary Meier stated that CHFS has a provider portal in a pilot stage that automates many of the provider licensure applications and processes.

In response to questions from Senator Alvarado, Mr. Bechtel stated that there will be a \$2 increase on the MCOs pharmacy dispensing fees in the contracts starting on July 1, 2018. DMS has requirements in the MCOs contracts that Pharmacy Benefit Managers (PBMs) be more transparent. Mr. Bechtel clarified

that who is eligible for the Medicaid expansion can be optional. Commissioner Hunter stated that there are 200 additional brain injury waiver openings. There are opportunities to work with MCOs and to teach members that there are other alternatives than going to the emergency room first.

In response to questions from Representative Moser, Secretary Meier stated that with the 21<sup>st</sup> Century Cures Act, one of the restrictions is it that cannot replace another federal funding stream. The 21<sup>st</sup> Century Cures Act helps to drive down substance use disorder and the need for Medicaid services.

#### **Update on House Bill 69**

John Inman, Chief of Staff, Department for Medicaid Services, Cabinet for Health and Family Services, stated that the Uniform Credentialing Verification Organization (CVO) has unified the process that was fractured amongst MCOs. DMS has started the initial drafting stages of the RFP requirements. DMS has received input from other Medicaid departments in Indiana, Texas, and Georgia regarding the CVO process. DMS is working on technology coordination. DMS has created a Partner Portal that will eliminate paper applications for enrollment and speed up the process of credentialing a provider. DMS has spent approximately \$7 million on the project. DMS has prepared the Advance Planning Document (APD) for Federal Financial Participation (FFP) that would allow for advance funding streams for technology implementation.

#### **Presentation on Benefind**

Deck Decker, Executive Director, Office of Administrative and Technology Services, Cabinet for Health and Family Services, stated that Benefind or Integrated Eligibility and Enrollment System (IEES) provides Medicaid benefits to over 1.4 million persons and delivers over \$1 billion dollars in Supplemental Nutrition Assistance Program (SNAP) and Kentucky Temporary Assistance Program (KTAP) benefits every year. The Benefind programs are operated by 1,800 workers in the 120 county offices throughout the Commonwealth. DMS is incorporating the 1115 Kentucky HEALTH waiver into Benefind and the Medicaid Management Information System (MMIS). DMS has added the Child Care Assistance program and there has been a positive impact for the Department for Community Based Services (DCBS) workers and children. DMS is continually working to improve fraud detection, security, and system updates. Benefind has reduced provider billing issues, and implemented data and process integration across multiple systems. DMS has estimated that Benefind has created over \$20 million in savings per year.

Benefind has eliminated annual recertification interviews by automating the process that verifies Medicaid recipients' information using federal

and state data sources. There has been a three percent reduction in DCBS front-line staff and the elimination of mandatory 10 percent overtime. DCBS is processing task completions in less than one day on average. Productivity improvements have resulted in \$9 million of annual savings, allowing workers to focus on better customer service with a reduction in fraud and waste.

The Child Care Assistance Program has created a savings of \$8 million per year by not renewing the Child Care Council contract. There has been 3,500 new child care applications per month since October 2017. Benefind enabled CHFS to confirm appropriate eligibility for 9,193 cases and close more than 1,000 incorrect child care cases. The Asset Verification System (AVS) implemented real time and yearly verification for citizen's asset data preventing fraudulent reporting by citizens and issuing accurate benefits.

Kentucky Medicaid has transitioned to the Federal Facilitated Marketplace (FFM) via HealthCare.gov to process Qualified Health Plans (QHPs) and Advanced Premium Tax Credits (APTC) eligibility. FFM has resulted in \$2 million savings in annual operating costs. Kentucky moved from JP Morgan Chase to FIS as its electronic benefit transfer (EBT) vendor. The transition was carried out with no interruption to client benefits or service interruptions to the retailers. DMS has added waiver case management with Benefind to improve self-service capabilities to bring more accountability and transparency to the program. The DMS application processing scorecard produces metrics that report daily on case backlogs and call times. For the week of June 6, 2018 to June 14, 2018, the longest wait time for a call to be answered was 23 minutes with an average of 11 to 15 minutes. Call times usually spike during the open enrollment period in October. Before Benefind, the average call wait time was approximately one hour with a maximum of two hours.

In response to questions from Representative Moser, Mr. Decker stated that the abandonment rate relates to when the phone lines are too busy, the caller is kicked off the line and must call back.

#### **Adjournment**

There being no further business, the meeting was adjourned at 2:24 PM.

## **CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE**

### **Minutes**

June 19, 2018

#### **Call to Order and Roll Call**

The Capital Projects and Bond Oversight Committee meeting was held on Tuesday, June 19,

2018, at 1:00 PM, in Room 169 of the Capitol Annex. Senator Stan Humphries, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stan Humphries, Co-Chair; Senators Julian M. Carroll and Christian McDaniel; Representatives Larry Brown, Steven Rudy, and Diane St. Onge.

Guests: Ms. Janice Tomes, Deputy State Budget Director; Mr. Scott Aubrey, Director, Real Properties; Ms. Donna McNeil, Executive Director, Kentucky Infrastructure; Mr. Ryan Barrow, Executive Director, Office of Financial Management; Mr. Ryan Green, Executive Director, Budget and Financial Planning, Eastern Kentucky University; Mr. Chris Brumett, Director of Asset Management, Kentucky Community and Technical College System; Ms. Katie Smith, Commissioner, Department for Financial Services, Cabinet for Economic Development; and Colonel Steven King, Kentucky National Guard Construction and Facility Management Officer, Department of Military Affairs.

LRC Staff: Katherine Halloran, Committee Staff Administrator; Julia Wang, Legislative Analyst; and Jenny Wells Lathrem, Committee Assistant.

#### **Introduction of New House Members**

Senator Humphries welcomed two new House committee members: Representatives Horlander and St. Onge.

#### **Election of House Co-Chair**

Representative Rudy nominated Representative Brown for the position of House Co-Chair. The motion was seconded by Representative St. Onge. Representative Rudy moved that motions cease and that Representative Brown be elected by acclamation. The motion was seconded by Representative St. Onge and approved by voice vote.

#### **Approval of Minutes (April 13, 2018)**

A motion was made by Representative Rudy to approve the minutes of the April 13, 2018 meeting. The motion was seconded by Representative Brown and approved by voice vote.

#### **Correspondence Items**

Ms. Halloran reported on correspondence regarding the cancellation of the May 2018 meeting. The executed transactions, submitted by the Finance and Administration Cabinet for the May meeting, were included in the packets. No action was required.

#### **Information Items**

Ms. Halloran reported two information items. The first was the Office of the Auditor of Public Accounts' statutorily required reports certifying procedural compliance for the procurement of bond counsel, financial advisory, and underwriting services. The second was the advertisement notice for



the procurement of leased space, to be occupied by the Cabinet for Health and Family Services, in Graves County. No action was required.

#### **Project Report from the Postsecondary Institutions**

Mr. Green submitted a \$1.1 million appropriation increase in other (private) funds for Eastern Kentucky University's (EKU) Construct Student Life Facilities project, authorized in HB 303 with \$90 million in agency bonds and \$3 million in other (private funds).

A motion was made by Representative Rudy to approve the appropriation increase, seconded by Senator McDaniel, and approved by unanimous roll call vote.

#### **Lease Report from the Postsecondary Institutions**

Mr. Brumett reported two lease renewals. The first, PR-0007, was for the Jefferson Community and Technical College's (JCTC) administrative offices in downtown Louisville. The total annual cost is \$458,774, including 100 parking spaces. The cost per square foot is \$7.52, approximately \$5 less than the county average.

The second, PR-00296, was for a portion of Maysville Community and Technical College's classroom and office space at the Rowan Campus in Morehead. The total annual cost is \$277,553. The cost per square foot is \$5.08 and the county average is around \$11 per square foot.

A motion was made by Representative Rudy to roll the two lease renewals into one roll call vote, seconded by Representative Brown, and approved by voice vote.

A motion was made by Senator Carroll to approve the lease renewals, seconded by Representative Rudy, and approved by unanimous roll call vote.

#### **Project Report from the Finance and Administration Cabinet**

Ms. Tomes reported a \$2,347,200 Fees-in-Lieu-Of (FILO) Mitigation Pool project for the Department of Fish and Wildlife Resources, Rich Wildlife Management Area (WMA) Red Oak Creek, Owen County. The Red Oak Creek property is adjacent to the eastern section of the Dr. James R. Rich WMA. This project, funded solely from the Kentucky Wetland and Stream Mitigation Fund pursuant to KRS 150.255, will restore and protect 12,475 linear feet of stream in the Lower Kentucky River Service Area. No action was required.

Ms. Tomes next submitted a \$425,054 appropriation increase, \$318,791 federal funds and \$106,264 restricted funds, revising the total project scope to \$1,803,151; for the Department of Military Affairs Interior Renovation of the Wellman Armory at the Boone National Guard Center in Franklin County. The project is funded with 75 percent

federal funds and 25 percent agency restricted funds from the Combined Clothing Distribution Fund (CCDF). This was previously submitted in October 2017 as a \$1,378,097 new project with the same fund source split, 75 percent federal funds and 25 percent restricted funds. The appropriation increase is for replacement of the communications wiring in the entire building for 2012 National Electric Code compliance and design changes for the processing of Personally Identifiable Information (PII), along with SECRET level operational and threat information transmitted via a Secure Internet Protocol Router terminal, in a secure open storage environment.

In response to a question from Senator McDaniel, Ms. Tomes said that she would provide CCDF balances and that while the balances were increasing, \$6 million in each year was appropriated for a new maintenance pool [Bluegrass Station Facility Maintenance Pool - 2018-2020] in the recently enacted budget.

In response to several more questions from Senator McDaniel, Colonel King stated that Housing, Buildings and Construction (HBC) requested the upgrade of the communication lines, costing about \$130,000, as well as additional egress, resulting in restructuring some of the interior spaces.

Colonel King said that DMA's existing Secure Internet Protocol Router terminal needed to be expanded; therefore, there needed to be a secure work area outside of the vault.

In response to a question from Representative St. Onge, Colonel King said the secure communications through the Kentucky National Guard's operational channels could come from the Department of the Army, the Department of Defense, the National Guard Bureau from another state, or from overseas.

In response to a question from Senator Humphries, Colonel King said that the renovations should meet standards for open storage requirements from several years to over a decade.

A motion was made by Senator Carroll to approve the project, seconded by Representative St. Onge, and approved by unanimous roll call vote.

#### **Lease Report from the Finance and Administration Cabinet**

Mr. Aubrey reported a new lease for the Cabinet for Health and Family Services in Marshall County. The Cabinet submitted a request for supplemental space due to an increase in staff and to allow for the incorporation of current design standards as well as to consolidate offices. The new lease was procured through advertisement, resulting in a lease award for 12,757 square feet at \$15.75 per square foot, including 69 parking spaces. The total annual cost is \$200,922.76 through June 30, 2025.

In response to a question from Senator Carroll,

Mr. Aubrey said that the comparable costs for leases in Marshall County is now the market rate as the submitted lease is a consolidation of two of the commonwealth's three leases in Marshall County. The rental costs for the two consolidated leases have not been adjusted since initial occupancy in the 1990s. The rental cost for the remaining lease is around \$8 per square foot.

Mr. Aubrey next reported two lease modifications over \$50,000. The first was for the Department of Corrections in Taylor County. This lease is being modified to accommodate additional staff as well as to upgrade the electrical in the copier area and security. Two estimates were obtained: \$57,500 from Gupton Renovations and Exteriors and \$54,625 from Malco Construction. The low bid was selected and costs will be amortized over the remaining lease term.

The second was for the Commonwealth Office of Technology in Franklin County. This lease is being modified to reduce the amount of leased space by 14,372 square feet and to reduce the amount of reserved parking spaces by 75. The \$115,982.04 reduction will result in an annual cost of \$8,335.84.

Mr. Aubrey next submitted a Tenant Improvement Fund (TIF) request for the 300 Building in Frankfort. The occupying agencies requested voice data outlets in the glass conference rooms in each of the collaboration areas and badge readers to the entrance of the freight elevator and the stairwell at the east entrance. The total cost for these improvements is \$15,140.50 and the total amount of improvements to date for this building is \$210,358.61.

A motion was made by Senator Carroll to roll the four items into one roll call vote, seconded by Representative Brown, and approved by voice vote.

A motion was made by Senator Carroll to approve the four items, seconded by Representative Rudy, and approved by unanimous roll call vote.

Lastly, Mr. Aubrey reported one lease modification under \$50,000 for the Cabinet for Health and Family Services in Jackson County. This lease is being modified to accommodate additional staff; increasing space by 1,905 square feet and completing renovations, which include replacing staff offices, extending an interior hallway, and creating a copy and storage area. Two estimates were received: \$10,182.04 and \$14,500. The low bid submitted by Mr. Bill Fowler was selected and costs will be amortized through the remaining lease term. No action was required.

#### **Report from the Office of Financial Management**

Ms. McNeil submitted multiple Kentucky Infrastructure Authority loan requests.

The Augusta Regional Sewer Authority requested a \$6,297,000 Fund A (Clean Water State Revolving Fund Loan Program) loan [Augusta/Brooksville

Regional Sewer project], which includes the previously approved \$600,000 Planning and Design loan. The project is for a new regional Wastewater Treatment Plant (WWTP) that will replace two existing plants serving the cities of Augusta and the Brooksville and extend sewer service to over 80 new customers between these two cities in northern Bracken County. The term is 30 years with a .25 percent interest rate.

The City of Marion requested a \$5,388,790 Fund A loan [New Wastewater Treatment Plant project], which includes the previously approved \$587,200 Planning and Design loan. This loan is the second of the four in the multi-year funding cycles and includes a new WWTP, replacing the existing undersized plant, and collection system rehabilitation. The project will partially satisfy a Division of Water (DOW) agreed order. The term is 30 years with a .50 percent interest rate.

The Regional Water Resource Agency (RWRA) requested a \$2,047,000 Fund A loan [Cedar Hills Subdivision Sewer Extension project], which will eliminate the package WWTP serving the Cedar Hills neighborhood in Daviess County. The term is 20 years with a 1.75 percent interest rate.

The Oldham County Environmental Authority requested a \$2,000,000 Fund A loan [I/I Program project], to prevent sanitary sewer overflows for compliance with a DOW agreed order. The term is 20 years with a 1.75 percent interest rate.

The Paducah McCracken County Joint Sewer Agency requested a \$625,000 Fund A loan [Waid Package Plant Removal project] to eliminate two package treatment plants serving 122 homes in two subdivisions. The term is 20 years with a 1.75 percent interest rate.

The Marion County Water District requested a \$950,000 Fund B (Infrastructure Revolving Loan Program) loan [Marion County Water District 2018 System Improvements project] to replace undersize water lines in the distribution system. The term is 20 years with a 1.75 percent interest rate.

The Cannonsburg Water District requested an \$85,000 Fund B loan [Culp Creek Road Emergency Waterline Extension project] to extend a waterline to six homes in Greenup County. This project will address a public health emergency declared by the Kentucky Energy and Environment Cabinet (EEC) and local officials. An abandoned oil well has contaminated the ground water, impacting drinking water wells. The term is 20 years with a 1.75 percent interest rate.

The Monroe County Water District requested an increase of \$111,347 to its Fund F (Drinking Water State Revolving Fund Loan Program) loan [New Regional Water Treatment Plant and Water System Improvements project] for a total amount of

\$15,675,679. The District is under a DOW agreed order and the change order as approved by DOW is to construct a conventional flocculation sedimentation basin to meet redundancy requirements. The term is 30 years with a .50 percent interest rate.

The City of Salyersville in Magoffin County requested a \$705,982 Fund F loan [Church Street Storage Tank project], which includes the previously approved Planning and Design loan, to replace an aging storage tank. The term is 20 years at a .50 percent interest rate.

In response to several questions from Senator McDaniel regarding the loan to the Cannonsburg Water District, Ms. McNeil said that she will contact EEC for costs incurred by the commonwealth for the emergency process and that the Coast Guard is attempting to determine the responsible entity for the abandoned oil well. If responsibility is determined, then the commonwealth's and the utility's costs will be reimbursed.

In response to questions from Senator Carroll, Ms. McNeil said that many of the utilities did implement rate increases to finance the loans presented at this meeting, with a few of the increases to be applied incrementally rather than all at once. Ms. McNeil stated that, when presenting to the committee, she will include utilities' rate increases implemented specifically to finance repayment of the submitted loans requests.

A motion was made by Representative Brown to roll the KIA loans into one roll call vote, seconded by Senator Carroll, and approved by voice vote.

A motion was made by Senator Carroll to approve the KIA loans, seconded by Representative Rudy, and approved by unanimous roll call vote.

The Hopkinsville Electric System in Christian County requested a \$2,500,000 Fund B loan and a \$1,800,000 Fund C (Governmental Agencies Program) loan [Phase 2 of the Fiber to Home project]. The project will install 65 miles of fiber to provide high speed internet to potentially serve 3,600 homes within the city limits. The term for both loans is 20 years with a 1.75 percent rate and 3 percent rate for the Fund B and Fund C loans, respectively.

The MuniNet Fiber Agency requested a \$514,000 increase to its \$3,173,049 Fund C loan [Fiber Optic Cable Build project #2] due to changing from hanging fiber from existing poles to buried fiber. The term is 20 years with a 3 percent interest rate.

In response to questions and comments from Senator Humphries and Representative St. Onge, Ms. McNeil said that she will provide supplemental information regarding Hopkinsville Electric System's broadband competitors within its city limits and on MuniNet Fiber Agency.

A motion was made by Senator Carroll to

approve the two KIA Broadband loans, seconded by Representative St. Onge. The motion failed by a roll call vote of 3 yeas, 2 nays, and 1 pass.

#### **Cabinet for Economic Development**

Ms. Smith submitted a \$1 million Economic Development Bond (EDB) grant to the City of Franklin for the benefit of Fritz Winter North America LP. The German company specializes in iron cast auto parts such as brake rotors, drums, and flywheels. Fritz Winter is investing over \$193 million in its 240,000 square foot Franklin facility to process, store, and distribute automotive and commercial products. Fritz Winter is to create up to 265 new, full-time Kentucky resident jobs, paying an hourly wage of \$22, including benefits. Should the company fail to achieve the job or wage requirement, the grant will be reduced. Disbursements will not occur until after performance is reported and reviewed; therefore collateral will not be required.

Representative Rudy stated that he appreciated the grant for this project and would like to see more grants for projects in western Kentucky.

A motion was made by Senator McDaniel to approve the grant, seconded by Representative Rudy, and approved by unanimous roll call vote.

#### **Follow-up Report for Previously Approved Bond Issue**

Mr. Barrow reported the previously approved State Property and Buildings Commission (SPBC) Agency Fund Revenue Bonds, Project No. 118 (Kentucky River Authority) (KRA). The approximately \$29 million agency fund transaction financed the reconstruction of Dam 10, which creates the pool from which the City of Winchester draws its water. UBS purchased the bonds and the deal closed on May 24. The true interest cost was 3.625 percent. No action was required.

#### **School District Bond Issues with School Facilities Construction Commission (SFCC) Debt Service Participation**

Mr. Barrow submitted seven school district bond issues with School Facilities Construction Commission (SFCC) debt service participation [for projects in the Bowling Green Independent (Warren County), Breckinridge County, Fort Thomas Independent (Campbell County), Hickman County, Jefferson County, Paducah Independent (McCracken County), and Russell County school districts]. As discussed in prior meetings, for various reasons there are fewer municipal refunding transactions, reflected in the SFCC's submittal of transactions for only new projects. The estimated issuance amount is \$102 million, with SFCC debt service participation of approximately 19 percent or about \$19.6 million, the local debt service participation of approximately 73.5 percent or about \$75 million, and SFCC urgent

needs debt service participation of [approximately 7.5 percent or] about \$7.6 million for the Ft. Thomas Independent School District. No tax increases were necessary for the financings.

Senator McDaniel recognized Representative Fischer, in the audience, and Senator Schroder, for securing urgent needs school assistance for the replacement of Johnson Elementary and referenced the tarp over the school's main electrical box. While the tarp protects the box when it rains, the water flows through the basement.

A motion was made by Representative Rudy to approve the school district school bond issues, seconded by Representative Brown, and approved by unanimous roll call vote.

#### **School District Bond Issues with 100 Percent Locally-Funded Debt Service**

Ms. Halloran reported six local school district bond issues with 100 percent local debt service support for two new facilities [Clark County and Raceland-Worthington Independent (Greenup County)], one for district wide energy improvements [Bullitt County], and three for renovations [Danville Independent (Boyle County), Marshall County, and Pulaski County]. The bond issues involved neither SFCC participation nor tax increases. No action was required.

Senator McDaniel thanked Ms. Halloran and her staff for their work in the transmission of meeting materials, including bookmarking the .pdf documents, and gave favorable feedback on the new Meeting Materials committee webpage.

With there being no further business the meeting adjourned at 1:47 p.m.

## **TASK FORCE ON TAX EXPENDITURES**

### **Minutes of the 1st Meeting of the 2018 Interim**

June 28, 2018

#### **Call to Order and Roll Call**

The 1st meeting of the Task Force on Tax Expenditures was held on Thursday, June 28, 2018, at 3:00 PM, in Room 154 of the Capitol Annex. Representative Ken Fleming, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel, Co-Chair; Representative Ken Fleming, Co-Chair; Senators David P. Givens, Dennis Parrett, and Wil Schroder; Representatives Jason Petrie, Steven Rudy, Diane St. Onge, James Tipton, and Susan Westrom.

Guests: Greg Harkenrider, Deputy Executive Director, Governor's Office of Economic Analysis, Office of State Budget Director (OSBD); Dr. Michael Jones, Deputy Executive Director, Governor's Office for Policy Research, OSBD; Dan Bork,

Commissioner, Department of Revenue; John Bevington, Commissioner, Department for Business Development, Cabinet for Economic Development (CED); Jessica Burke, General Counsel/Executive Director, Office of Legal Services, CED; Sarah Butler, Director, Incentive Administration Division, CED; Regina Stivers, Deputy Secretary, Tourism, Arts, and Heritage Cabinet (TAHC); Jay Hall, Executive Director, Kentucky Office of Film Development, TAHC; and Craig Potts, Executive Director, Kentucky Heritage Council and State Historic Preservation Officer, TAHC.

LRC Staff: Amit Shanker, Katy Jenkins, Micah Johnson, and Ben Thompson.

#### **Overview of the Tax Expenditure Analysis 2018-2020**

Mr. Harkenrider and Dr. Jones testified on the contents of the Tax Expenditure Analysis that is produced by OSBD.

In response to a question from Senator Givens, Dr. Jones said when businesses fail to comply with sales tax law, it is hard to determine whether noncompliance is due to ill-intent or being ill-informed. Mr. Harkenrider gave an example of noncompliance as a farmer buying tax exempt and non-exempt items at a farm supply store, then using an agricultural certificate to buy all of the items together, circumventing sales tax on the non-exempt items. At least 30 percent of sales tax noncompliance is due to malicious intent.

In response to questions from Chair Fleming, Mr. Harkenrider noted that due to Metropolitan College's repeated qualification for tax exemption, OSBD has netted the actual numbers out, leaving the figure to show as \$0 on the Tax Expenditure Analysis. Dr. Jones noted that sometimes businesses earn tax credits that are unused due to other tax credits that have already eliminated that liability.

#### **Interaction between the Department of Revenue and Tax Expenditures**

Commissioner Bork presented on the Department of Revenue's dealings with tax expenditures.

In response to a question from Chair Fleming, Commissioner Bork said that the Department of Revenue provides direction and interpretation on tax expenditures only in cases where it could be debated whether something is taxable or not. As an example, since it is clear in the law that hair care is not taxed, the Department of Revenue would provide no input on that issue.

In response to questions from Representative Petrie, Commissioner Bork noted that certain nonprofits had taken the position that their tax exempt status pertained to sales tax as well as property tax, but a recent Kentucky Supreme Court

ruling determined that nonprofits were exempt only from property taxes.

#### **Overview of the Cabinet for Economic Development Programs**

Commissioner Bevington, Ms. Burke, and Ms. Butler testified on the different incentives that CED uses to convince businesses to relocate to, or remain in, Kentucky.

In response to a question from Chair Fleming, Ms. Butler said Limited Liability Entity Tax (LLET) credits are often not utilized because businesses are not familiar with how to claim those credits. Commissioner Bevington noted that businesses have to run a profitable operation in order to retain LLET credits.

In response to questions from Representative Petrie, Commissioner Bevington noted that it is hard to determine a return on investment for economic development incentives. Commissioner Bevington stated that the negative impact would be tremendous if Kentucky provided no economic development incentives. Ms. Burke stated that CED can show the number of jobs created and the exact amount of capital spent, but a traditional return on investment formula would require large assumptions. Commissioner Bevington stated that 1,100 applications have been approved for the Kentucky Business Investment Program that lures new business into the state and 60 applications have been approved for the Kentucky Reinvestment Act incentive that keeps businesses from leaving the state.

In response to a question from Senator Parrett, Commissioner Bevington stated that CED is analyzing data from other states regarding up-front cash incentives for new business.

In response to a question from Representative St. Onge, Commissioner Bevington said CED tracks proposed projects. Commissioner Bevington stated that a company that outperforms its goals still only receives the incentive that was agreed upon, while a company that underperforms will receive a reduced incentive.

In response to a question from Representative Westrom, Ms. Burke noted that all incentives and payments are tracked and stored publicly on the CED website.

#### **Overview of the Tourism, Arts, and Heritage Cabinet Programs**

Deputy Secretary Stivers, Mr. Hall, and Mr. Potts testified about the tax incentives offered by TAHC.

There being no further business, the meeting was adjourned at 5:04 PM.



# GOVERNMENT CONTRACT REVIEW COMMITTEE

## Committee Minutes

July 10, 2018

### Call to Order and Roll Call

The Government Contract Review Committee met on Tuesday, July 10, 2018, at 10:00 AM, in Room 131 of the Capitol Annex. Senator Stephen Meredith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Senators Julie Raque Adams and Julian M. Carroll; Representatives Chris Fugate, Al Gentry, and Mark Hart.

Guests: Joe Mattingly, Hannah Hodges, Brian Perry, Rachel Johnson, Shannon Rickett, Stephanie Craycraft, Jennifer Moore, Steve Bechtel, Earl Gresham, Mike Tuggle, Becky Gillis, Tricia Okeson, Blaine Gilmore, Adam Caswell, Mike Hales, Noah Friend, Samara Heavrin, Rueben Jones, Louie Hord, and Mike Swansburg.

LRC Staff: Kim Eisner, Jarrod Schmidt, and Kim Smith.

### DEFERRED ITEMS:

#### DEPARTMENT OF JUVENILE JUSTICE

American Correctional Association, 1900001495. A motion was made by Senator Carroll to defer the contract to the August 2018 meeting of the committee. Representative Gentry seconded the motion, which passed.

#### KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

Immediate Solutions, LLC, 760; Drone Airspace Management, 765. A motion was made by Senator Carroll to defer the contracts to the August 2018 meeting of the committee. Representative Gentry seconded the motion, which passed.

#### KENTUCKY EMPLOYERS MUTUAL INSURANCE

Pinehurst Strategic Solutions, LLC, 19-PSA-001. A motion was made by Senator Carroll to defer the contract to the August 2018 meeting of the committee. Representative Gentry seconded the motion, which passed.

### JUNE DEFERRED ITEMS:

#### KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

Thorn Run, LLC, 746; Joe Mattingly, Hannah Hodges, and Brian Perry discussed the contract with the committee. A motion was made by Senator

Raque Adams to consider the contract as reviewed. Representative Hart seconded the motion, which passed.

#### KENTUCKY STATE UNIVERSITY

McCarthy Strategic Solutions, 19-06; Rachel Johnson discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Gentry seconded the motion, which passed.

#### UNIVERSITY OF LOUISVILLE

McCarthy Strategic Solutions, 19-019; Shannon Rickett discussed the contract with the committee. A motion was made by Senator Raque Adams to consider the contract as reviewed. Senator Carroll seconded the motion, which passed.

A motion was made by Senator Carroll to approve Minutes of the June 2018, meeting of the committee. Representative Gentry seconded the motion, which passed without objection.

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

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

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

A motion was made by Senator Carroll to consider as reviewed the Memoranda of Agreement Amendment List, with exception of those items selected for further review by members of the committee. Senator Raque Adams seconded the motion, which passed without objection.

A motion was made by Senator Carroll to consider as reviewed the Film Tax Incentive List, with exception of those items selected for further review by members of the committee. Senator Raque Adams seconded the motion, which passed without objection.

A motion was made by Senator Carroll to consider as reviewed the Correction List. Senator Raque Adams seconded the motion, which passed without objection.

### THE FOLLOWING PERSONAL SERVICE CONTRACTS

#### WERE REVIEWED WITHOUT OBJECTION:

#### ADMINISTRATIVE OFFICE OF THE COURTS

Stoll Keenon Ogden, PLLC, 1900002094.

#### AGRICULTURE, DEPARTMENT OF

McBrayer, McGinnis, Leslie & Kirkland, PLLC, 1900000374.

#### ALCOHOL AND DRUG COUNSELORS, BOARD OF CERTIFICATION OF

Marisa Neal, 1900001822.

#### ATTORNEY GENERAL, OFFICE OF THE

Tichenor and Associates, 1900000831.

#### AUDITOR OF PUBLIC ACCOUNTS, OFFICE OF THE

Harding Shymanski and Company, 1900001049.

#### CABINET FOR HEALTH AND FAMILY SERVICES

Fred Department Rosset, 1800002181.

#### COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS

Patient Services, Inc., 1800001165.

#### CORRECTIONS, DEPARTMENT OF

Disa Global Solutions, Inc., 1900000197; Correct Care Solutions, LLC, 1900000401; Correct Care Solutions, LLC, 1900000513; NOA Counseling, LLC, 1900000527; Mid America Health, Inc., 1900001785.

#### CRIMINAL JUSTICE TRAINING, DEPARTMENT OF

Law Enforcement Services, Inc. d/b/a LESI, Inc., 1900000305; Allyson Honaker, 1900000306; Brett Scott, 1900000344; Kimberly Henderson Baird, 1900000434; MB Consulting Services, LLC, 1900000499; Larry D. Ball, LLC, 1900000562; Premier Integrity Solutions, 1900000599; Andrew M. Gruler, 1900001160.

#### DENTISTRY, BOARD OF

Brian Fingerson RPH, Inc., 1900000847; McBrayer McGinnis Leslie and Kirkland, PLLC, 1900001149; Marisa Neal, 1900001579.

DEPARTMENT FOR AGING & INDEPENDENT LIVING

Neurobehavioral Resources Ltd, 1900000437; Center for Comprehensive Services, Inc., 1900000471.

DEPARTMENT FOR BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES

Sources of Strength, Inc., 1800002008; Chestnut Health Systems, Inc., 1800002030; Pennyrile Radiology, 1800002113; Martha Gregory & Associates, Inc., 1800002116; Timothy S. Allen, MD, PLLC, 1800002117; Dennis Buchholz, Ph.D., 1800002118; Dietary Consultants, Inc., 1800002128; Crown Services, Inc., 1800002134; Premier Integrity Solutions, 1800002286; Phillip W. Bale PSC, 1800002288; Beth A. Johnson, 1900000228; Martine Turns Psyd, PLLC, 1900000280; Margaret Smedley, 1900000283; John D. Ranseen, 1900000295; Susan Brittain, 1900000311; Labor Relations Alternatives, Inc., 1900000363; Gilbert Barbee Moore Mcilvoy, 1900000438; Crown Services, Inc., 1900000460; Reach of Louisville, Inc., 1900000702; NKY Med Clinic, 1900000703; Multi, 1900000735; Laboratory Corporation of America Holdings, 1900000882; Symphony Diagnostics Services No1, LLC, 1900001071; Med Care Pharmacy, LLC, 1900001288; Pharmacy Systems, Inc., 1900001360; Crown Services, Inc., 1900001471; Tri-State Podiatric Medical Services PSC, 1900001472; Res-Care, Inc., 1900001582; Steve Sparks, Ph.D., 1900001585; The Chyron Group, LLC, 1900001728; Locumtenens.Com, 1900002029; Staff Care, Inc., 1900002061.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Public Consulting Group, Inc., 1800001649; Public Consulting Group, Inc., 1900001870.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Dr. Ted Pass II, 1800002213; Atl International, Inc., Assignee for Denuke Contracting Services, 1900000500; Kentucky Rural Water Association, 1900000559; RFH, PLLC, 1900000990; Terry A. Gray, 1900001005; George Freeman Gilbert, 1900001017.

DEPARTMENT FOR INCOME SUPPORT

DNA Diagnostics Center, 1800001915; Maximus Human Services, Inc., 1800002089; Vandivier and Associates, PSC, 1800002125; Vandivier and Associates, PSC, 1900000380; John M. Reed, MD, 1900000394; Michelle D. Bornstein, 1900000403; Dr. Timothy Gregg, 1900000469; Kay Barnfield Psy. D., PSC, 1900000470; Danelle Stevens-Watkins, Ph.D., PLLC, 1900000472; Laura Cutler, 1900000475; Larry Freudenberger, 1900000477; Clarissa Renee Roan-Belle, 1900000479; H. Thompson Prout,

PhD, 1900000482; Dr. William Underwood, 1900000483; Abundant Living Psychological and Coaching Services, 1900000489; Humildad Anzures, 1900000492; Robert Culbertson, MD, 1900000496; Bruening & Associates, 1900000498; Paul Anthony Ebben, 1900000508; Frances Janelle McNeal, 1900000510; Parandhamulu Saranga, MD, 1900000514; Julie B. Jones, 1900000517; Tonya R. Gonzalez, 1900000580; Alexis M Guerrero, MD, 1900000583; Jane F. Brake, 1900000586; Sudhideb Mukherjee, MD, 1900000589; Visions Group 2020, LLC, 1900000590; Stephen Kavka, 1900000774; Ilze A. Sillers PhD, 1900000844; G. Stephen Perry, 1900001116; Olegarios J. Ignacios, Jr, 1900001118; Anna L. Demaree, 1900001236; M. Allen Dawson, 1900001356; Marina T. Yarbrow, 1900001357; Rebecca B. Luking, 1900001791.

DEPARTMENT FOR MEDICAID SERVICES

Fairbanks, LLC, 1800001314; Myers and Stauffer, LC, 1800001623; Island Peer Review Organization, Inc., 1800002210.

DEPARTMENT FOR NATURAL RESOURCES

Disa Global Solutions, Inc., 1900000370; Pinnacle Actuarial Resources, Inc., 1900000480; MineSafety Services, LLC, 1900000892.

DEPARTMENT FOR PUBLIC HEALTH

Multi, 1800001868; Laboratory Corporation of America Holdings, 1800001928; Market Decisions, LLC, 1800002049; Thomas Joseph Hickey, 1800002091; Multi, 1900001127; Multi, 1900001142; Multi, 1900001166; Multi, 1900001212; Multi, 1900001304.

DEPARTMENT OF HOUSING, BUILDING, AND CONSTRUCTION

Code Administrative Association of Kentucky, 1900001829.

DEPARTMENT OF INSURANCE

Axams, LLC, 1800001802; VJIE, LLC, 1800001803; RRREVIEW, LLC, 1800001805; Insurance Regulatory Services, LLC, 1800001806; C & L Black Enterprises, LLC, 1800001807; Kathleen M. Bergan, LLC, 1800001810; INS Consultants, Inc., 1800001851; Lewis and Ellis, Inc., 1800001854; McDaniels Accounting Auditing, LLC, 1800001855; Zach Cannon Consulting, LLC, 1800001860; Gloria Dunn, 1800001865; LeDuke Financial Consulting, LLC, 1800001866; Examination Resources, LLC, 1800001870; Regulatory Services, LLC, 1800001873; Eldridge Consulting Services, LLC, 1800001874; Donald D. Bratcher, LLC, 1800001875; J.W.G. Financial Examinations, LLC, 1800001876; DK Business Enterprises, LLC, 1800001877; Central Analysis Service, LLC, 1800001878; MDG

Examination Consulting, LLC, 1800001879; Financial Analysis Services, LLC, 1800001880; Financial and Regulatory Consulting, LLC, 1800001881.

EARLY CHILDHOOD ADVISORY COUNCIL

Compass Evaluation and Research, 1900000832; Ghazvini Consulting Services, 1900000864.

EASTERN KENTUCKY UNIVERSITY

Passport Health of Kentucky, 20-006; Gess Mattingly & Atchison, 20-072; Sturgill, Turner, Barker & Moloney, PLLC, 20-074; Patricia Works, 20-090; Diane Johnson, 20-091; CMTA, Inc., 20-096; Thomas Chaves, 20-097; Murphy Group Architects, PLLC, 20-098; Central Kentucky Interpreter Referral, 20-100; Language in Motion, 20-101; Sherman Carter Barnhart Architects, 20-103.

ECONOMIC DEVELOPMENT - OFFICE OF THE SECRETARY

Hurt, Deckard & May, PLLC, 1900000303; Masamichi Takahashi, 1900000349; Stites & Harbison, PLLC, 1900000692.

EDUCATION PROFESSIONAL STANDARDS BOARD

Karla Spencer, 1900000341.

EDUCATION, DEPARTMENT OF

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Foundation for the State of New York, 1900001523; Embry, Merritt, Shaffar, Womack, PLLC, 1900001543; NCS Pearson, Inc., 1900001580.

EDUCATIONAL TELEVISION, KENTUCKY

James H. Bugay, 1800002067; Roger Bondurant, 1800002192; Britt Davis, 1800002193; Dean Dorton Allen Ford, PLLC, 1800002224; Susan B. Hines-Bricker, 1900000046; Walter D. Crowe, 1900000089; Rebecca F. Embry, 1900000166; Michelle L. Grant, 1900000169; Sarah Kadish, 1900001260.

ELECTIONS, BOARD OF

McBrayer McGinnis Leslie & Kirkland, PLLC, 1900002068.

ENERGY AND ENVIRONMENT CABINET,  
OFFICE OF THE SECRETARY

Premiertox 2.0, Inc., 1900000561.

ENGINEERS & LAND SURVEYORS,  
KENTUCKY BOARD OF REGISTRATION FOR  
PROFESSIONAL

Edmund S. Miller, Jr, 1900000772; Robert S. Thompson III, 1900000782.

FAIR BOARD

David H. Snowden, 1900000516; MCM CPAs & Advisors, LLP, 1900001528; DSBeck, LLC, 1900002100.

FINANCE AND ADMINISTRATION  
CABINET

Multi, 1800002233; McBrayer McGinnis Leslie & Kirkland, PLLC, 1900000077; Dinsmore & Shohl, LLP, 1900000082; Embry Merritt Shaffar Womack, PLLC, 1900000087; Goldberg Simpson, LLC, 1900000088; Morgan & Pottinger, P.S.C., 1900000207; Sturgill, Turner, Barker & Moloney, PLLC, 1900000715; Vanantwerp Attorneys, LLP, 1900000716; Goldberg Simpson, LLC, 1900000719; Vanantwerp Attorneys, LLP, 1900000720; Wyatt Tarrant and Combs, 1900000722; Stoll, Keenon, Ogden, PLLC, 1900000726; Embry Merritt Shaffar Womack, PLLC, 1900000780; Wallace Boggs, PLLC, 1900000786; Gambrel & Wilder Law Offices, PLLC, 1900000787; Tooms, Dunaway & Webster, PLLC, 1900000790; Pamela K Clay-Young, 1900000791; Wanda Ballard Repasky Attorney At Law, 1900000794; Gess Mattingly and Atchison, 1900000797.

FINANCE AND ADMINISTRATION  
CABINET - DIVISION OF ENGINEERING

Multi, 1900000890.

GOVERNOR, OFFICE OF THE

Frost Brown Todd, LLC, 1900000746.

INFRASTRUCTURE AUTHORITY

Taft Stettinius & Hollister, 1900000085.

INFRASTRUCTURE AUTHORITY

Amanda Lea Yearly, 1900000334; American Municipal Tax-Exempt Compliance Corporation, 1900001104; Dean Dorton Allen Ford, PLLC, 1900001720.

JUSTICE CABINET

Kentucky Driving School, 1900001524; Schipper Enterprises, LLC, 1900001571; Axis Forensic Toxicology, Inc., 1900001576; Wildcat Motorsports, LLC, 1900001589; Harley Davidson Bowling Green, 1900001590; Balance Dynamics Motorcycle Training Center, Inc., 1900001592; Kentuckiana Motorsports, LLC, 1900001593; Dubya J. Brands, LLC, 1900001594; Wildcat Motorsports, LLC, 1900001595; Medical Legal Consultants, Inc., 1900001617.

JUVENILE JUSTICE, DEPARTMENT OF

Symphony Diagnostics Services No.1, LLC, 1800002058; Paul L. Whalen, 1800002060; Keith Hardison, 1800002061; Roland P. Merkel, 1800002062; Dennis L. Pickett, 1800002063; Brenda Wilburn, 1800002107; Angela Jessie, 1800002108; Shannon Smith-Stephens, 1800002109; Pharmacy Alternatives, LLC, 1900000062; Bichlmeir MD, Glen, 1900000078; Mark R. Brengelman, Attorney At Law, PLLC, 1900000091; Derek R. Durbin, 1900000092; John C. Helmuth, 1900000094; Natalie Lile Law, PLLC, 1900000095; Christopher Spedding Atty At Law, PSC, 1900000096; Joseph M Pittard, MD, 1900000137; Scotty D. Combs, 1900000139; Brenda Wilburn, 1900000155; Brenda Wilburn, 1900000157; Angela Jessie, 1900000158; Angela Jessie, 1900000160; Ronald Boyd, 1900000819; Abel Screening, Inc., 1900000824; Youth Advocate Programs, Inc., 1900001170; American Correctional Association, 1900001495.

KENTUCKY APPLIED BEHAVIOR ANALYST  
LICENSING BOARD

Marisa Neal, 1900000878.

KENTUCKY BOARD OF LICENSURE FOR  
MASSAGE THERAPY

Scanlan Associates, LLC, 1900000863.

KENTUCKY COMMISSION ON MILITARY  
AFFAIRS

Sarah Nicole Gossett, 1900000248; Russell R. Watts, 1900000276.

KENTUCKY COMMUNICATIONS  
NETWORK AUTHORITY

Whitehouse Asset Management, 1900000036; Ice Miller, 1900000039; Klein Law Group, PLLC, 1900000042; Dinsmore & Shohl, LLP, 1900001880.

KENTUCKY COMMUNITY & TECHNICAL  
COLLEGE SYSTEM

Teacher's College, Columbia University, The Community College Research Center, 723; Sturgill, Turner, Barker & Maloney, 759; Immediate Solutions, LLC, 760; McBrayer, McGinnis, Leslie & Kirkland, PLLC, 761; Walther, Gay & Mack, PLC, 762; Bingham, Greenebaum, Doll, PLLC, 763; Drone Airspace Management, 765; Hagyard Davidson McGee Associates, PLLC, 766.

KENTUCKY EMPLOYERS MUTUAL  
INSURANCE

J. Smith Lanier & Co., a Marsh & McLennan Agency, LLC, 18-JSL-001; Ascential Care Partners, LLC, 19-ACP-001; US-Reports, Inc. d/b/a Afirm, 19-AFM-001; Multi, 19-CLD-001; Conning, Inc., 19-CON-001; Crowe, LLP, 19-CRO-001; Dinsmore & Shohl, LLP, 19-DAS-001; Dean, Dorton, Allen, Ford, PLLC, 19-DDF-001; Guy Carpenter & Company, LLC, 19-GCR-001; GENEX Services, LLC, 19-GEN-001; Groom Law Group, 19-GLG-001; JLT Re (North America), Inc., 19-JLT-001; Kenning Consulting, Inc., 19-KEN-001; MCF Advisors, LLC, 19-MCF-001; Milliman, Inc., 19-MIL-001; McCready & Keene, Inc., A OneAmerica Company, 19-MKI-001; McCarthy Strategic Solutions, LLC, 19-MSS-001; NEIS, Inc., 19-NEI-001; Pinehurst Strategic Solutions, LLC, 19-PSA-001; Relentless Pursuit, 19-RSP-001; Underwriters Safety & Claims, 19-USC-001.

KENTUCKY HIGHER EDUCATION  
STUDENT LOAN CORPORATION

McGlinchey Stafford, PLLC, 19-003.

KENTUCKY LOTTERY CORPORATION

IGT Global Solutions Corporation f/k/a GTECH Corporation, 19-10-001; PDT Communications, Ltd., 19-10-027; Gaming Laboratories International, LLC, 19-14-035; IGT Global Solutions Corporation f/k/a GTECH Corporation, 19-15-001; Valenti Hanley, PLLC, 19-16-024-2; Microsoft Corporation, 19-17-003; Affiliated Forensic Laboratories, Inc., 19-17-011; Ellipse Solutions, LLC, 19-17-016; SeNet International Corporation, 19-18-032.

KENTUCKY RETIREMENT SYSTEMS

Gabriel Roeder Smith & Company, 1900000282; Ice Miller, 1900000705; Frost Brown Todd, LLC, 1900000856; Stoll Keenon Ogden, PLLC, 1900001016; Industrial Rehabworks, 1900001270; Kentucky Orthopedic Rehabilitation, LLC, 1900001280; Cynthia Rauker Rigby, 1900001293; David Eager, 1900001569; Joyce Merritt, 1900001587; Suzanne Lee Shaffar, 1900001621; Darren L. Embry, 1900001630; Roland P. Merkel, 1900001631; Sammie Pigg, 1900001632; Nancy K. Mullen, 1900001745; William E. Duvall Md., 1900001746; William Keller, MD, 1900001750;



Paul Anthony Ebben, 1900001752.

KY RACING COMMISSION

Stoll Keenon Ogden, PLLC, 1900000814;  
Advanced Investigative Sol, Inc., 1900001077.

LABOR, OFFICE OF INSPECTOR GENERAL

Environmental Management Institute, Inc.,  
1900000677; Dinsmore & Shohl, LLP, 1900000725.

LEGISLATIVE RESEARCH COMMISSION

Daniel Koretz, 18/19-08; Dr. Phoebe C. Winter,  
18/19-20; Dr. Marianne Perie, 18/19-22; Dr. James  
Pellegrino, 18/19-24.

MARRIAGE AND FAMILY THERAPISTS,  
BOARD OF LICENSURE FOR

Marisa Neal, 1900001253.

MEDICAL LICENSURE, BOARD OF

Multi, 1900000777.

MILITARY AFFAIRS, DEPARTMENT OF

Jeffrey Drake Kennedy, 1700000257; Joseph  
Charles Meischke, Jr., 1800002275; Joe W. Warren,  
1800002278; Eric F. Gray, 1800002279; Public Private  
Solutions Group, 1900001602; Jeffrey Drake Kennedy,  
1900001613; Philip Kenneth Miller, 1900001615;  
Scottie W. Sloan, 1900001618; Judy W. Warren,  
1900001619; Thomas P Pendleton, Jr., 1900001624.

MOREHEAD STATE UNIVERSITY

VITAC Corporation, 19-005; The Segal  
Company (Eastern States), Inc., 19-006; Sign  
Language Network of KY, Inc., 19-007; St. Claire  
Regional Medical Center, 19-008; Sturgill, Turner,  
Barker & Moloney, PLLC, 19-010; Sturgill, Turner,  
Barker & Moloney, PLLC, 19-011.

MURRAY STATE UNIVERSITY

Multi, 001-19; Multi, 002-19; Multi, 003-  
19; Multi, 004-19; Multi, 005-19; Multi, 006-19;  
Multi, 007-19; Multi, 008-19; Multi, 009-19; Capitol  
Solutions, LLC, 010-19; Luckett & Farley Architects,  
Engineers and Construction Managers, Inc., 019-  
18; Luckett & Farley Architects, Engineers and  
Construction Managers, Inc., 020-18.

NORTHERN KENTUCKY UNIVERSITY

Multi, 2019-100; Russ Potts Productions, Inc.,  
2019-110; SHP Leading Design, 2019-114; Omni  
Architects, 2019-115; Lisa Keaton, 2019-117; Schoepf  
Associates, 2019-118; Kriz Jenkins Prewitt & Jones  
PSC, 2019-119.

NURSING, BOARD OF

Landrum & Shouse, LLP, 1900000013.

OCCUPATIONS AND PROFESSIONS

PSI Services, LLC, 1800001617.

OFFICE OF HEALTH DATA AND ANALYTICS

Kentucky Hospital Association, 1900001600.

OFFICE OF HEALTH POLICY

Kentucky Hospital Association, 1900001600.

OFFICE OF INSPECTOR GENERAL

MPRO, 1800001983.

OFFICE OF THE GOVERNOR, DEPARTMENT  
FOR LOCAL GOVERNMENT

Cathryn A. Figlestahler, 1900002042; Jeffrey P.  
Hanna, 1900002083.

PERSONNEL-OFFICE OF THE SECRETARY

Blue & Company, LLC, 1800001975; AON  
Consulting, Inc., 1800001992; Premise Health  
Employer Solutions, LLC, 1800002019; Blue &  
Company, LLC, 1800002024; Cannon Cochran  
Management Services, Inc., 1800002026; Tempo  
Holding Company LLC, 1800002145.

PHARMACY, BOARD OF

Brian Fingerson Rph, Inc., 1800002277.

PHYSICAL THERAPY, BOARD OF

Brian Fingerson Rph, Inc., 1900000638.

POST SECONDARY EDUCATION, COUNCIL  
ON

Blue & Company, LLC, 1900001286; Legacy  
Consulting Group LLC, 1900001755; AGB Search,  
LLC, 1900001958.

PSYCHOLOGISTS, BOARD OF EXAMINERS  
OF

David Dale Lanier, 1900000881; Drive Paula  
Berry, 1900000886.

PUBLIC PROTECTION & REGULATION  
CABINET

Mike Wilson, 1900000012.

PUBLIC PROTECTION CABINET

Allen Orien Wilson, 1900000842.

SECRETARY OF STATE, OFFICE OF THE

Tachau Meek, PLC, 1900002043.

STATE POLICE, DEPARTMENT OF

Terry Alexander, 1900001672; Donald  
R. Bowman, Jr., 1900001674; Gregory Dukes,  
1900001675; Kevin B. Guier, 1900001677; Billy  
P. Hall, 1900001679; Isaiah Hill, 1900001680;  
Darrell Hutchison, 1900001683; Joseph R. Johnson,  
1900001685; Bruce Kelley, 1900001686; David Lassiter,  
1900001687; Ronald E. Long II, 1900001688; John L.  
Pratt, 1900001691; Michael Ray, 1900001692; Jack  
H. Riley, 1900001693; Trevor A. Scott, 1900001694;  
Todd C. Simon, 1900001695; William C. Sutton,  
1900001697; James Don Trosper, 1900001699; Steve

Walker, 1900001700; Michael A. Wolfe, 1900001701;  
Robert Curtis Mouser, 1900001702; Stuart Recke,  
1900001703; Kevin Rogers, 1900001704; David P.  
Jones, 1900001705; Matthew Jordan, 1900001707;  
Mark L. Combs, 1900001708; Jerrod L. Hearld,  
1900001709; Marc H. Carter, 1900001711; Russell  
Roberts, 1900001713; Samuel O. Shacklette,  
1900001715; Gary Travis, 1900001716; Millar R. Root  
III, 1900001765; Brooks E. Young, 1900001799; Kevin  
R. Pickett, 1900001800; Dwayne Ison, 1900001801;  
Jonathan Blevins, 1900002154; Mitchell D. Holliman,  
1900002155.

TEACHERS RETIREMENT SYSTEM

AC Advanced Cleaning Services, LLC, 0001;  
SouthEast Printing and Mailing, 0002; Cavanaugh  
Macdonald Consulting, LLC, 0003.

TRANSPORTATION CABINET

Reimer Law County, 1800001432; KPMG,  
LLP, 1800001570; Thomas Ray Garner, 1800001757;  
Kimley-Horn and Associates, Inc., 1800002160;  
Stantec Consulting Services, Inc., 1800002163; WSP  
USA, Inc., 1800002166; QK4, Inc., 1800002173;  
Burgess and Niple, Inc., 1800002263; QK4, Inc.,  
1800002274; Stantec Consulting Services, Inc.,  
1800002285; Gary Endicott, 1900001367; Dixon  
Nunnery, 1900001370; GRW Aerial Surveys, Inc.,  
1900001742; Quantum Spatial, Inc., 1900001768;  
Woolpert, Inc., 1900001777; Integrated Engineering,  
1900001876; Palmer Engineering County, 1900001879;  
Haworth Meyer Boleyn, Inc., 1900001890; QK4,  
Inc., 1900001905; H.W. Lochner, Inc., 1900001906;  
HDR Engineering, Inc., 1900001938; Linebach  
Funkhouser, Inc., 1900001959; Franklin Price, Inc.,  
1900001961; Corradino Group, 1900002032; Stantec  
Consulting Services, Inc., 1900002035; Burgess  
and Niple, Inc., 1900002041; Lynn Blue Print and  
Supply County, 1900002065; Cultural Resource  
Analysts, Inc., 1900002070; Wood Environment &  
Infrastructure Solutions, Inc., 1900002073; Stantec  
Consulting Services, Inc., 1900002074; WSP Usa,  
Inc., 1900002087; Stantec Consulting Services, Inc.,  
1900002089; American Engineers, Inc., 1900002091.

TREASURER, OFFICE OF THE KENTUCKY  
STATE

Audit Services US, LLC, 1900001207; Verus  
Analytics, LLC, 1900001211; Discovery Audit  
Services, LLC, 1900001228; Kelmar Associates, LLC,  
1900001230; EECS, LLC, 1900001232; TL2Q, LLC,  
1900001233; Bryant Law Center, 1900001374.

UNIVERSITY OF KENTUCKY

Multi, A201000; Multi, A201010; Multi,  
A201020; Multi, A201030; Multi, A201040; Multi,  
A201050; Multi, A201060; Labyrinth Solutions (LSI  
Consulting), K19-109; hyperCison Consulting, K19-

11; Phoenix Business, Inc., K19-110; Aspire HR Inc., K19-112; Evora IT Solutions, Inc., K19-113; HR Focal Point, LLC, K19-114; Central Kentucky Interpreter Referral, Inc., K19-115; Sworn Testimony, PLLC, K19-116; Stites & Harbison, PLLC, K19-117; Stidham & Associates, K19-118; Wyatt, Tarrant & Combs, LLP, K19-119; Kriz, Jenkins, Prewitt & Jones, K19-120; Stoll Keenon Ogden, PLLC, K19-121; Steptoe & Johnson, PLLC, K19-122; Ware Immigration, K19-123; Jeffries & Corigliano, LLP, K19-124; McMasters Keith Butler, Inc., K19-125; Dinsmore & Shohl, LLP, K19-126; Nichols Walter, PLLC, K19-127; Kinkead & Stiltz, K19-128; Barnett, Benevenuti & Butler, PLLC, K19-129; Smith Moore Leatherwood, LLP, K19-130; Bond, Schoeneck & King, PLLC, K19-131; King & Schickli, PLLC, K19-132; Miller, Canfield, Paddock and Stone, LLP, K19-133; Dinsmore & Shohl, LLP, K19-134; PriceWaterhouseCoopers, LLP, K19-135; Ernst & Young, LLP, K19-136; Kaufman, Hall & Associates, LLC, K19-137; Sign Language Network of KY, K19-138; MDI Solutions Limited, K19-139; Software Information Systems, LLC, K19-140; Companion Professional Services, LLC, K19-141; Computer Task Group, K19-142; TEK Systems, K19-143; Lidos Health, LLC, K19-144; IBM, K19-145; The CSI Companies, Inc., d/b/a CSI Healthcare IT, K19-146; FTI Consulting, Inc., K19-147; MediRevv, Inc., K19-148; BKD, LLP, K19-149; LBMC, PC, K19-150; UASI-United Audit Systems, Inc., K19-151; Huron Consulting Services, LLC, K19-152; The Stelter Company, K19-153; Cornett Integrated Marketing Solutions, K19-154; Cammack Retirement Group, K19-155; Sibson Consulting, A Division of Segal Company, K19-156; AON Risk Services Central, Inc., K19-157; Helbling & Associates, K19-158; Deloitte Consulting, LLP, K19-159; Blue & Company, LLC, K19-160; Selge Holding & Ventures, LLC d/b/a Wheless Partners, K19-161; T2 Design, K19-162; BORN, LLC, K19-163; Kari Maloney Photography and Design, K19-164; Software Technology Group, Inc., K19-165; Apax Software, K19-166; Vimarac, K19-167; Smith Management Group, K19-168; Smith Management Group, K19-169; WorleyParsons Group, Inc., K19-170; Koch Modular Process Systems, K19-171; Trimeric Corporation, K19-172; Trimeric Corporation, K19-173; Trimeric Corporation, K19-174; Sturgill Turner Barker & Maloney, PLLC, K19-175; Danny Corales MD, K19-176; NAMI Lexington (KY), Inc., K19-177; Equine Medical Associate, PSC, K19-178; Trimeric Corporation, K19-179; Smith Management Group, K19-180; Witt/Kieffer, K19-181; Heidrick & Struggles, K19-182; Marts & Lundy, K19-183; Herter Design Group, K19-184; Horn and Associates in Rehabilitation, K19-185; Dentons US, LLP, K19-186; St. Claire Regional Medical Center, K19-187; Rockcastle Hospital and Respiratory Care

Center, Inc., K19-188; Dixon Hughes Goodman, LLP, K19-189; Susan Burton, DMD, K19-190; Walther, Gay & Mack, PLC, K19-192; PriceWaterhouseCoopers, LLP, K19-193; Apax Software, K19-194; Marshall Medical Management, LLC, K19-195.

#### UNIVERSITY OF LOUISVILLE

BarkleyREI, LLC, 19-002; Videobred, Inc., 19-022; Birdsall, Voss & Associates, Inc., 19-023; TEKsystems, 19-024; Trane U.S. Inc., 19-026; Greenwood/Asher & Associates, 19-027; Academic Search, Inc., 19-028; Baker and Associates, 19-029; Selge Holding d/b/a Wheless Partners, 19-031; Multi, 19-032; Snell & Wilmer, LLP, 19-033; Wilson-Bennett Technology, Inc., 19-034; Isaacson Miller, Inc., 19-035.

#### VETERANS AFFAIRS, DEPARTMENT OF

Owensboro Health Medical Group, Inc., 1800002178; Appalachian Regional Healthcare, Inc., 1900000019; Hazard ARH Imaging Center, 1900000079; Med Care Pharmacy, LLC, 1900000143; Hazard Radiology Associates, 1900000225.

#### VETERINARY EXAMINERS, BOARD OF

C. Loran Wagoner, 1900001141.

#### WESTERN KENTUCKY UNIVERSITY

Multi, 181905; Encompass Digital Media, Inc., 181906; Multi, 182014; Sibson Consulting, Division of the Segal Group, 182016; Sodexo Management, Inc., 182019; Multi, 182020.

#### Workers Claims, Department of

Blue & Company, LLC, 1900000686.

#### WORKER'S COMPENSATION FUNDING COMMISSION

Actuarial and Technical Solutions, Inc., 1900000811; Blue & Company, LLC, 1900000817.

#### WORKFORCE INVESTMENT, OFFICE OF

Donald L. Chaffin, 1800002205; Cell Staff, LLC, 1800002207; Tonya D. Westmoreland, 1800002208; Inez Physical Therapy, 1800002209.

#### THE FOLLOWING PERSONAL SERVICE AMENDMENTS

#### WERE REVIEWED WITHOUT OBJECTION:

#### ADMINISTRATIVE OFFICE OF THE COURTS

Tad Thomas, 1600003867; Tad Thomas, 1700000454; Greenebaum Doll and McDonald, 1700001370; Rubin & Hays, 1800001216.

#### AGRICULTURE, DEPARTMENT OF

Multi, 1700001857.

#### EASTERN KENTUCKY UNIVERSITY

Carol Lee, 18-017; Alexander Haas, 18-018; iModules Software, Inc., 18-052; Stoll Keenon Ogden, PLLC, 18-055; Diane Johnson, 18-192.

#### EDUCATION, DEPARTMENT OF

Curriculum Associates, LLC, 1700001021; Ameresco, 1700001856.

#### FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING

Ross Tarrant Architects, Inc., 1200001550; Stantec Consulting Services, Inc., 1400000625; Strand Associates, Inc., 1600000611; Arcadis U.S., Inc., 1600001293; Stantec Consulting Services, Inc., 1800000591; Ross Tarrant Architects, Inc., 1800001197.

#### KENTUCKY EMPLOYERS MUTUAL INSURANCE

Hanna Resource Group, 19-HRG-001.

#### MURRAY STATE UNIVERSITY

Carrithers Law Office, PLLC, 003-15; McClain DeWees, PLLC, 003-17; Sturgill, Turner, Barker & Moloney, PLLC, 007-17; The Segal Company, Inc., 009-17; The Segal Company (Eastern States), Inc., 011-17; Goldberg Simpson, LLC, 012-16; Rick Walter/Boehl, Stopher and Graves, LLP, 013-18; Rick Walter/Boehl, Stopher & Graves, LLP, 015-18; Boehl, Stopher & Graves, LLP, 017-15; Goldberg Simpson, LLC, 017-18.

#### PUBLIC ADVOCACY, DEPARTMENT FOR

John Joseph Delaney, 1600003558 2.

#### STATE POLICE, DEPARTMENT OF

Sorenson Forensics, LLC, 1800000282.

#### TRANSPORTATION CABINET

URS Corporation, 0700003365; Tunnel Management, Inc., 1000002437; Vaughn & Melton Consulting Engineers Kentucky, Inc., 1200000653; Palmer Engineering Company, 1300000803; URS Corporation, 1300001719; American Engineers, Inc., 1300002467; Palmer Engineering Company, 1400000343; ICA Engineering, Inc. f/k/a Florence & Hutcheson, Inc., 1400001576; Burgess and Niple, Inc., 1600000845; CDP Engineers, Inc., 1600000982; Stantec Consulting Services, Inc., 1600002541; Palmer Engineering County, 1700000012; Horn and Associates, Inc., 1700000199; Michael Baker International, Inc., 1700001321; QK4, Inc., 1800001478; Palmer Engineering County, 1800001480.



UNIVERSITY OF KENTUCKY

Artekna Design, A151260; Sherman Carter Barnhart, A161180; JRA Architects, A171110; Omni Architects, A181090; Commonwealth Anesthesia, PSC, K18-128; Grant Cooper & Associates / Grant Cooper Healthcare, K18-151; Grant Cooper & Associates / Grant Cooper Healthcare, K18-152; Results Marketing & Design, Inc. d/b/a Ethos, K18-157.

WESTERN KENTUCKY UNIVERSITY

Multi, 171828.

THE FOLLOWING MEMORANDA OF AGREEMENTS

WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS

Pennyroyal Regional Mental Health Mental Retardation Board, 1900001834; Transitions, Inc., d/b/a Womens Residential, 1900001838; Kentucky River Community Care, 1900001839; Cumberland River Behavioral Health, Inc., 1900001840; Bluegrass Regional Mental Health Mental Retardation, 1900001843; Lifeskills, Inc., 1900001846; Mountain Comp Care Center, 1900001849; Green River Regional Mental Health Mental Retardation Board, 1900001857; Western Kentucky Regional Mental Health & Retardation Advisory Board, 1900001860; Centerstone of Kentucky, Inc., 1900001881; National Center for State Courts, 1900002072.

ATTORNEY GENERAL, OFFICE OF THE

Kentucky State Police, 1900000823; University of Louisville Research Foundation, 1900000827; Family Nurturing Center of Kentucky, 1900001102.

CABINET FOR HEALTH AND FAMILY SERVICES

Department of Facilities, 1900000312.

COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS

Green River Regional MHMR Board, Inc., 1800001157; UL School of Medicine, 1800001167; La Casita Center, 1800001170; University of Kentucky Research Foundation, 1800001732; University of Louisville Physicians, Inc., 1800001773; Home of the Innocents, 1800002123; University of Kentucky Research Foundation, 1900000277.

CORRECTIONS, DEPARTMENT OF

Danville Public Library, Inc. (KYEM PA), 1900000021; Christian County Jail, 1900000388;

Daviess County Detention Center, 1900000390; Fulton County, 1900000404; Grayson County Jail, 1900000408; Hopkins County, 1900000444; Kenton County, 1900000452; Marion County Detention Center, 1900000468; Marion County Detention Center, 1900000473; Mason County, 1900000481; Powell County, 1900000502; Shelby County Detention Center, 1900000507; Three Fork Regional Jail, 1900000509; Kenton County, 1900000515; Pulaski County, 1900000528; Comprehend, Inc., 1900000615; Cumberland River Behavioral Health, Inc., 1900000618; Western Kentucky Regional Mental Health & Retardation Advisory Board, 1900000620; Kentucky River Community Care, Inc., 1900000622; Mountain Comp Care Center, 1900000629; Pathways, Inc., 1900000636; University of Louisville Research Foundation, 1900000896; Boyle County, 1900000920; Harlan County, 1900000921; University of Louisville Research Foundation, 1900000956; Oldham County Public Library, 1900001191; Communicare, Inc., 1900001671.

CRIMINAL JUSTICE TRAINING, DEPARTMENT OF

University of Louisville, 1900000292.

DEPARTMENT FOR AGING & INDEPENDENT LIVING

Nursing Home Ombudsman Agency of the Bluegrass, Inc., 1900000385; Center for Accessible Living, 1900000393; United Way of the Bluegrass, 1900000405; Bluegrass.Org, 1900000433; Green River Area Development District, 1900000478; New Vista Behavioral Healthcare, Inc., 1900000519; Multi, 1900000633; Multi, 1900000672; Multi, 1900000798; Multi, 1900000816; Multi, 1900000822; Northern Kentucky Cooperative for Educational Services, Inc., 1900000854; Multi, 1900000876; Multi, 1900000884; Multi, 1900001119; Multi, 1900001139; Multi, 1900001159; Multi, 1900001218; Multi, 1900001251.

DEPARTMENT FOR BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES

Centerstone of Kentucky, Inc., 1800000550; Alcoholic Beverage Control Department, 1800001950; Division of Mental Health, 1800001952; Eastern Kentucky University, 1800001953; Oxford House, Inc., 1800001958; The Healing Place, Inc., 1800001959; Kentucky Housing Corporation, 1800001972; Kentucky Alliance Boys and Girls Club, 1800001973; People Advocating Recovery, 1800001981; NAMI Kentucky, Inc., 1800001995; New Beginnings Bluegrass, Inc., 1800001997; Justice Cabinet, 1800001998; NAMI Lexington Kentucky, Inc., 1800001999; Centerstone of Kentucky, Inc., 1800002009; Centerstone of Kentucky, Inc.,

1800002010; University of Kentucky Research Foundation, 1800002012; Louisville Jefferson County Metro Government, 1800002028; Hazelden Betty Ford Foundation, 1800002031; Pennyroyal Regional Mental Health Mental Retardation Board, 1800002036; Mountain Comp Care Center, 1800002052; Wellspring, Inc., 1800002070; Centerstone of Kentucky, Inc., 1800002075; Office of Vocational Rehabilitation, 1800002097; Department of Public Advocacy, 1800002115; ARC of Kentucky, Inc., 1800002132; Kentucky Partnership for Families and Children, Inc., 1900000286; Kentucky River Community Care, 1900000300; Multi, 1900000308; Centerstone of Kentucky, Inc., 1900000310; Lake Cumberland Mental Health Mental Retardation Board d/b/a The Adanta Group, 1900000361; Department of Corrections, 1900000520; Pennyroyal Regional Mental Health Mental Retardation Board, 1900000667; Young People In Recovery, 1900000704; University of Louisville, 1900000706; University of Kentucky Research Foundation, 1900000707; University of Kentucky Research Foundation, 1900000711; University of Kentucky Research Foundation, 1900000718; Pennyroyal Regional Mental Health Mental Retardation Board, 1900000747; Green River Regional MHMR Board, Inc., 1900000851; Multi, 1900000895; Western Kentucky Regional Mental Health & Retardation Advisory Board, 1900000932; Pennyroyal Regional Mental Health Mental Retardation Board, 1900000933; Green River Regional MHMR Board, Inc., 1900000934; Lifeskills, Inc., 1900000935; Communicare, Inc., 1900000936; Centerstone of Kentucky, Inc., 1900000937; Northern Kentucky Regional Mental Health Mental Retardation Board, 1900000938; Comprehend, Inc., 1900000940; Pathways, Inc., 1900000941; Mountain Comp Care Center, 1900000942; Kentucky River Community Care, Inc., 1900000943; Cumberland River Behavioral Health, Inc., 1900000944; Lake Cumberland Mental Health Mental Retardation Board d/b/a The Adanta Group, 1900000946; Bluegrass.org, 1900000947; Bluegrass Regional Mental Health Mental Retardation, 1900000973; Office of Vocational Rehabilitation, 1900001235; University of Kentucky Research Foundation, 1900001243; University of Kentucky, 1900001486; University of Kentucky, 1900001489; Bluegrass.org, 1900001648; Kentucky Medical Services Foundation, Inc., 1900001670; St. Elizabeth Medical Center, 1900001780; Pathways, Inc., 1900001790; Bluegrass.org, 1900001824; Cumberland River Behavioral Health, Inc., 1900001825; Lifeskills, Inc., 1900001826; Centerstone of Kentucky, Inc., 1900001947; Transitions, Inc. d/b/a Womens Residential, 1900001954.



DEPARTMENT FOR COMMUNITY BASED SERVICES

Brighton Center, Inc., 1800001629; Employment Solutions, Inc., 1800001630; Goodwill Industries of Kentucky, Inc., 1800001631; Boys and Girls Club, Inc., 1800001632; Owl d/b/a Opportunity for Work and Learning, 1800001634; Kentucky Center for Education and Workforce Statistics, 1800001635; Eastern Kentucky CEP Inc., 1800001637; Office of Employment and Training, 1800001641; Bluegrassorg, 1800001642; Centerstone of Kentucky, Inc., 1800001643; Kentucky River Community Care, Inc., 1800001644; University of Kentucky Research Foundation, 1800001650; Multi, 1800001654; Audubon Area Community Services, 1800001657; Brighton Center, Inc., 1800001659; Central Kentucky CAC, Inc., 1800001660; Home of the Innocents, 1800001661; Housing Authority of Bowling Green, 1800001662; Greater Louisville Workforce Development Board, Inc., 1800001663; Northern Kentucky Area Development District, 1800001664; Louisville Jefferson County Metro Government, 1800001665; Community Action Kentucky, Inc., 1800001787; KVC Behavioral Health Care/Croney & Clark, 1800001797; Pathways, Inc., 1800001811; Ramey Estep Homes, Inc., 1800001833; Comprehend, Inc., 1800001900; Multi, 1800001929; Kentucky Coalition Against Domestic Violence, Inc., 1800001942; Community Action Kentucky, Inc., 1800001946; Kentucky Housing Corporation, 1800001948; Kentucky Housing Corporation, 1800001949; Consortium for Children, 1800001954; Community Action of Southern Kentucky, Inc., 1800001955; Madison County Fiscal Court, 1800001957; Family and Children First, 1800001960; Centerstone of Kentucky, Inc., 1800001961; Centerstone of Kentucky, Inc., 1800001962; Centerstone of Kentucky, Inc., 1800001963; Bluegrass.org, 1800001964; Kentucky Administrative Office of the Courts, 1800001965; Multi, 1800001966; Kentucky Association of Sexual Assault Programs, 1800001967; University of Kentucky Research Foundation, 1800002000; Dave Thomas Foundation for Adoption, 1800002002; Multi, 1800002003; Mountain Comp Care Center, 1800002042; Maryhurst, Inc., 1800002054; Eastern Kentucky University, 1800004118; Our Lady of Peace, 1900000627; Kentucky Community and Technical College System, 1900000708; Council On Postsecondary Education, 1900000709; Pathways, Inc., 1900000754; Kentucky Association of Child Advocacy Centers, 1900001068; Spalding University, 1900001287; Northern Kentucky Regional Mental Health Mental Retardation Board, 1900001738; Big Sandy Area Development District, 1900001788; Big Sandy Area Development District, 1900001807; Prevent Child Abuse Kentucky, 1900001808; Home

of the Innocents, 1900001903.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

University of Kentucky Research Foundation, 1800000115; US Department of the Interior, 1900000371; City of Cadiz, 1900000418; Kentucky Association for Environmental Education, 1900000575; Morehead State University, 1900000626; UK Research Foundation, 1900000698; University of Kentucky Research Foundation, 1900000838; Madison County Fiscal Court, 1900000840.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES

Multi, 1900001047; Jefferson County Board of Education, 1900001056; Northern Kentucky Cooperative for Educational Services, Inc., 1900001066; Kentucky YMCA Youth Associates, 1900001353; Multi, 1900001568; Multi, 1900001669; Multi, 1900001682; Multi, 1900001717; Multi, 1900001718; Multi, 1900001719; Multi, 1900001721; Multi, 1900001724; Multi, 1900001725.

DEPARTMENT FOR INCOME SUPPORT

State of Rhode Island Department of Human Services, 1800001625; State of Mississippi, 1800001783; Legal Aid Society, 1800001869.

DEPARTMENT FOR MEDICAID SERVICES

Department of Education, 1800001306; Kentucky Board of Nursing, 1800001308; Multi, 1800001309; University of Kentucky Research Foundation, 1800001666; Cabinet for Workforce Development, 1800001668; Justice Cabinet, 1800001669; University of Pennsylvania Trustees, 1800001671; National Opinion Research Center, 1800001672; University of Louisville Research Foundation, 1800001678; Multi, 1800001765; University of Kentucky Research Foundation, 1800001768; University of Kentucky Research Foundation, 1800001769; University of Kentucky Research Foundation, 1800001770; University of Kentucky Research Foundation, 1800001850; Kentucky Transportation Cabinet, 1800001899; Commonwealth Office of Technology, 1800002040; University of Louisville Research Foundation, 1800002041; Commonwealth Office of Technology, 1800002176.

DEPARTMENT FOR NATURAL RESOURCES

Department for Environmental Protection, 1900001479.

DEPARTMENT FOR PUBLIC HEALTH

Kentucky Hospital Research & Education Foundation, 1800001682; University of Kentucky Research Foundation, 1800001694; University of Louisville Research Foundation, 1800001695;

University of Kentucky Research Foundation, 1800001713; University of Kentucky Research Foundation, 1800001731; University of Kentucky Research Foundation, 1800001733; Park Duvalle Neighborhood Health Center, 1800001740; DMA Kentucky Community Crisis Board, 1800001771; Heartland Cares, Inc., 1800001772; University of Kentucky Research Foundation, 1800001778; University of Kentucky, 1800001808; University of Kentucky Research Foundation, 1800001836; Kentucky Pharmacy Education and Research Foundation, Inc., 1800001856; Pathways, Inc., 1800001884; University of Kentucky Research Foundation, 1800001887; Volunteers of America Mid-States, Inc., 1800001888; Aids Volunteers, Inc., 1800001889; Family and Children First, Inc., 1800001904; Norton Healthcare, 1800001906; University of Kentucky Research Foundation, 1800001917; Wendell Fosters Campus for Developmental Disabilities, 1800001919; Eastern Kentucky University, 1800001920; University of Louisville Research Foundation, 1800001922; Mayo Medical Laboratories, 1800001923; Multi, 1800001925; Public Health Foundation, 1800001927; University of Kentucky, 1800002050; Matthew 25 Aids Services, Inc., 1800002098; University of Kentucky Research Foundation, 1800002124; University of Kentucky Research Foundation, 1800002127; University of Louisville Research Foundation, 1800002133; Lincoln Trail Area Development District, 1900000366; Bon Secours Kentucky, 1900000466; St. Claire Medical Center, Inc., 1900000531; Norton Healthcare Foundation, 1900000668; Healthcare Education and Registration Training, 1900000751; Kentucky Public Health Institute, 1900000835; Kentucky Department of Education, 1900000837; Kentucky Public Health Institute, 1900001530; National Jewish Health, 1900001557; St. Elizabeth Medical Center, 1900001668; Juniper Health, 1900001897.

DEPARTMENT OF REVENUE

Multistate Tax Commission, 1900000027.

DEPARTMENT OF WORKPLACE STANDARDS

Department for Public Health, 1900000834.

EARLY CHILDHOOD ADVISORY COUNCIL

Eastern Kentucky University, 1900000839; Kenton County Public Library, 1900001067; Ohio Valley Educational Cooperative, 1900001070.

ECONOMIC DEVELOPMENT - OFFICE OF THE SECRETARY

Kentucky Science and Technology Corporation, 1900001787.

EDUCATION, DEPARTMENT OF

University of Kentucky Research Foundation,

1900000029; Adair County Board of Education, 1900000034; CHS Department for Public Health Food Safety Branch, 1900000054; Northern Kentucky University, 1900000057; University of Kentucky Research Foundation, 1900000075; Bellevue Independent School District, 1900000080; Berea Independent Board of Education, 1900000100; Bowling Green Independent School District, 1900000101; Breathitt County Board of Education, 1900000103; University of Kentucky Research Foundation, 1900000107; Carter County Board of Education, 1900000108; Casey County Board of Education, 1900000111; Christian County Board of Education, 1900000112; Clark County Board of Education, 1900000113; Clinton County Board of Education, 1900000128; Cumberland County Board of Education, 1900000138; Danville Independent School District, 1900000144; Fayette County Board of Education, 1900000145; Floyd County Board of Education, 1900000146; Fulton Independent Board of Education, 1900000147; Garrard County Board of Education, 1900000151; Glasgow Independent School District, 1900000153; Harlan County Board of Education, 1900000154; Hart County Board of Education, 1900000156; Jackson County Board of Education, 1900000159; LaRue County Board of Education, 1900000162; Lincoln County Board of Education, 1900000163; Livingston County Board of Education, 1900000165; University of Kentucky Research Foundation, 1900000170; Martin County Board of Education, 1900000172; Menifee County Board of Education, 1900000173; Metcalfe County Board of Education, 1900000174; Middlesboro Independent School District, 1900000175; Monroe County Board of Education, 1900000176; Owensboro Independent School District, 1900000177; Owsley County Board of Education, 1900000178; Paris Independent School District, 1900000179; Russell County Board of Education, 1900000180; Russellville Independent School District, 1900000181; Southgate Independent School District, 1900000182; Warren County Board of Education, 1900000183; Washington County Board of Education, 1900000184; Wayne County Board of Education, 1900000185; Webster County Board of Education, 1900000186; Whitley County Board of Education, 1900000187; Williamstown Board of Education, 1900000188; Wolfe County Board of Education, 1900000189; University of Louisville, 1900000196; Anderson County Board of Education, 1900000202; University of Louisville Research Foundation, 1900000208; University of Louisville Research Foundation, 1900000229; University of Louisville Research Foundation, 1900000241; Green River Regional Educational, 1900000250; Utah State University, 1900000251; Allen County Board of Education,

1900000317; Northern Kentucky Cooperative for Educational Services, Inc., 1900000342; Scott County Board of Education, 1900000367; University of Kentucky Research Foundation, 1900000377; Jefferson County Board of Education, 1900000381; Owen County Board of Education, 1900000383; Ashland Board of Education, 1900000412; Eastern Kentucky University, 1900000421; Northern Kentucky Cooperative for Educational Services, Inc., 1900000425; Science Hill Independent School District, 1900000427; Fayette County Board of Education, 1900000429; Madison County Board of Education, 1900000441; Frankfort Independent School District, 1900000446; Fayette County Board of Education, 1900000447; Kentucky Valley Education, 1900000451; Kentucky Valley Education, 1900000454; Scott County Board of Education, 1900000455; Garrard County Board of Education, 1900000456; Anderson County Board of Education, 1900000457; Estill County Board of Education, 1900000463; Kentucky Valley Education, 1900000476; Jefferson County Board of Education, 1900000484; Boyd County Board of Education, 1900000486; Hopkins County Board of Education, 1900000488; Bath County Board of Education, 1900000491; Eastern Kentucky University, 1900000493; Eastern Kentucky University, 1900000505; Murray State University, 1900000539; Northern Kentucky University, 1900000542; Adair County Board of Education, 1900000543; Ballard County Board of Education, 1900000545; University of Kentucky Research Foundation, 1900000547; University of Kentucky Research Foundation, 1900000548; Barren County Board of Education, 1900000550; Berea Independent Board of Education, 1900000551; Bethune Institute Education Corporation, 1900000552; Boone County Board of Education, 1900000553; Bourbon County Board of Education, 1900000554; Boyd County Board of Education, 1900000555; Boys & Girls Club of Greater Cincinnati, 1900000556; Bracken County Board of Education, 1900000557; Breathitt County Board of Education, 1900000558; Bullitt County Board of Education, 1900000560; Burgin Board of Education, 1900000563; Campbell County Board of Education, 1900000564; Campbellsville Independent School District, 1900000565; Carroll County Board of Education, 1900000566; Casey County Board of Education, 1900000568; Christian County Board of Education, 1900000569; Clinton County Board of Education, 1900000570; Cloverport Independent School District, 1900000571; University of Kentucky Research Foundation, 1900000573; Corbin Independent School District, 1900000574; Covington Independent School District, 1900000576; Cumberland County Board of Education, 1900000577; Eminence Independent Board of Education,

1900000578; Fayette County Board of Education, 1900000579; University of Kentucky Research Foundation, 1900000581; Floyd County Board of Education, 1900000582; Garrard County Board of Education, 1900000584; Glasgow Independent School District, 1900000585; Grayson County Board of Education, 1900000587; Greenup County Board of Education, 1900000588; Harlan County Board of Education, 1900000593; Harrison County Board of Education, 1900000594; Henderson County Board of Education, 1900000595; Hickman County Board of Education, 1900000596; Jefferson County Board of Education, 1900000597; Johnson County Board of Education, 1900000598; Leslie County Board of Education, 1900000600; Letcher County Board of Education, 1900000601; Lincoln County Board of Education, 1900000602; Livingston County Board of Education, 1900000603; Ludlow Independent School District, 1900000616; Mayfield Independent School District, 1900000617; McCracken County Board of Education, 1900000619; Menifee County Board of Education, 1900000624; Metcalfe County Board of Education, 1900000628; Monroe County Board of Education, 1900000630; Newport Independent School District, 1900000632; Nicholas County Board of Education, 1900000634; Owensboro Independent School District, 1900000637; Pendleton County Board of Education, 1900000639; Pleasant Green Baptist Church, 1900000646; Russell County Board of Education, 1900000650; Save the Children Federation, Inc., 1900000652; Somerset Independent School District, 1900000654; Spencer County Board of Education, 1900000655; Taylor County Board of Education, 1900000656; Wayne County Board of Education, 1900000657; Webster County Board of Education, 1900000658; Williamstown Board of Education, 1900000659; Whitley County Board of Education, 1900000660; YMCA of Greater Cincinnati, 1900000661; University of Kentucky Research Foundation, 1900000664; University of Kentucky Research Foundation, 1900000665; University of Kentucky Research Foundation, 1900000669; University of Kentucky Research Foundation, 1900000671; University of Louisville Research Foundation, 1900000674; University of Louisville Research Foundation, 1900000682; University of Louisville Research Foundation, 1900000687; VSA Arts of Kentucky, 1900000691; Northern Kentucky University, 1900000701; Anderson County Board of Education, 1900000710; Berea Independent Board of Education, 1900000712; Calloway County Board of Education, 1900000713; Simpson County Board of Education, 1900000714; Barren County Board of Education, 1900000731; Bluegrass Community and Technical College, 1900000734; Eastern Kentucky University, 1900000737; Kentucky Educational



Development Corporation, 1900000738; Utah State University, 1900000748; Campbell County Board of Education, 1900000793; Marion County Board of Education, 1900000800; Lincoln County Board of Education, 1900000825; Lincoln County Board of Education, 1900000826; Trigg County Board of Education, 1900000843; Ohio Valley Educational Cooperative, 1900000885; Pulaski County Board of Education, 1900000888; Pulaski County Board of Education, 1900000889; Bourbon County Board of Education, 1900000891; Breathitt County Board of Education, 1900000899; Calloway County Board of Education, 1900000901; Oldham County Board of Education, 1900001022; Jefferson County Board of Education, 1900001025; Carter County Board of Education, 1900001028; Scott County Board of Education, 1900001042; Jefferson County Board of Education, 1900001043; Jefferson County Board of Education, 1900001045; Montgomery County Board of Education, 1900001046; Hart County Board of Education, 1900001048; Jefferson County Board of Education, 1900001050; Christian County Board of Education, 1900001051; Ohio Valley Educational Cooperative, 1900001105; Jefferson County Board of Education, 1900001107; Jefferson County Board of Education, 1900001108; Covington Independent School District, 1900001109; Jefferson County Board of Education, 1900001111; Jefferson County Board of Education, 1900001114; Jefferson County Board of Education, 1900001115; Grayson County Board of Education, 1900001117; Jefferson County Board of Education, 1900001120; Shelby County Board of Education, 1900001128; Carter County Board of Education, 1900001129; Harrison County Board of Education, 1900001130; Clay County Board of Education, 1900001131; Eastern Kentucky University, 1900001132; Spencer County Board of Education, 1900001133; Madison County Board of Education, 1900001136; Montgomery County Board of Education, 1900001138; Fleming County Board of Education, 1900001143; Bell County Board of Education, 1900001144; Owensboro Independent School District, 1900001145; University of Louisville Research Foundation, 1900001146; Leslie County Board of Education, 1900001148; Knox County Board of Education, 1900001150; Ft. Thomas Independent School District, 1900001152; Kentucky Educational Development Corporation, 1900001155; Meade County Board of Education, 1900001157; Martin County Board of Education, 1900001161; Glasgow Independent School District, 1900001162; Teach for America, 1900001168; Campbellsville Independent School District, 1900001169; Mason County Board of Education, 1900001171; Kentucky Department of Agriculture, 1900001181; Breathitt County Board of Education, 1900001190; Henry

County Board of Education, 1900001193; Jackson County Board of Education, 1900001194; University of Louisville Research Foundation, 1900001195; Knott County Board of Education, 1900001196; Letcher County Board of Education, 1900001197; Lincoln County Board of Education, 1900001199; McCracken County Board of Education, 1900001202; Kentucky Science and Technology Corporation, 1900001209; Kentucky Educational Development Corporation, 1900001214; Kentucky Educational Development Corporation, 1900001215; Breathitt County Board of Education, 1900001217; Woodford County Board of Education, 1900001219; Johns Hopkins University, 1900001222; University of Kentucky Research Foundation, 1900001241; Jefferson County Board of Education, 1900001244; Green River Regional Educational, 1900001245; Henderson County Board of Education, 1900001249; Corbin Independent School District, 1900001254; Green County Board of Education, 1900001262; Campbell County Board of Education, 1900001263; Scott County Board of Education, 1900001264; Kentucky Valley Education, 1900001265; Marion County Board of Education, 1900001266; Scott County Board of Education, 1900001267; Hardin County Board of Education, 1900001269; Estill County Board of Education, 1900001273; Hopkins County Board of Education, 1900001275; Ohio Valley Educational Cooperative, 1900001303; Eastern Kentucky University, 1900001310; Kentucky Community and Technical College System, 1900001322; Clark County Board of Education, 1900001394; Covington Independent School District, 1900001396; Elliott County Board of Education, 1900001400; Bullitt County Board of Education, 1900001423; Grayson County Board of Education, 1900001424; Harlan County Board of Education, 1900001425; Marshall County Board of Education, 1900001426; Fayette County Board of Education, 1900001428; Whitley County Board of Education, 1900001429; Martin County Board of Education, 1900001430; Newport Independent School District, 1900001431; Fayette County Board of Education, 1900001442; Ashland Board of Education, 1900001444; Bowling Green Independent School District, 1900001445; Campbell County Board of Education, 1900001447; Clark County Board of Education, 1900001448; Elliott County Board of Education, 1900001449; Johnson County Board of Education, 1900001450; Larue County Board of Education, 1900001451; Leslie County Board of Education, 1900001453; Magoffin County Board of Education, 1900001454; Marion County Board of Education, 1900001455; Martin County Board of Education, 1900001456; Monroe County Board of Education, 1900001459; Montgomery County Board

of Education, 1900001461; Newport Independent School District, 1900001462; Pike County Board of Education, 1900001463; Spencer County Board of Education, 1900001464; Washington County Board of Education, 1900001465; Wayne County Board of Education, 1900001466; Wolfe County Board of Education, 1900001467; Franklin County Board of Education, 1900001474; Hart County Board of Education, 1900001476; Meade County Board of Education, 1900001480; Nelson County Board of Education, 1900001482; Scott County Board of Education, 1900001483; Daviess County Board of Education, 1900001484; Logan County Board of Education, 1900001485; Logan County Board of Education, 1900001490; Pendleton County Board of Education, 1900001491; Madison County Board of Education, 1900001493; Clinton County Board of Education, 1900001494; Christian County Board of Education, 1900001496; Hickman County Board of Education, 1900001497; Logan County Board of Education, 1900001498; Knox County Board of Education, 1900001499; Mason County Board of Education, 1900001501; Nelson County Board of Education, 1900001502; Marshall County Board of Education, 1900001507; Carter County Board of Education, 1900001508; Shelby County Board of Education, 1900001509; Whitley County Board of Education, 1900001511; Barren County Board of Education, 1900001515; Clay County Board of Education, 1900001516; Madison County Board of Education, 1900001519; Northern Kentucky University, 1900001520; Western Kentucky University Research Foundation, 1900001526; Kentucky Community and Technical College System, 1900001527; Ballard County Board of Education, 1900001532; Bath County Board of Education, 1900001534; Bowling Green Independent School District, 1900001537; Boyd County Board of Education, 1900001539; Carter County Board of Education, 1900001540; Christian County Board of Education, 1900001541; Covington Independent School District, 1900001542; Edmonson County Board of Education, 1900001544; Fayette County Board of Education, 1900001545; Fleming County Board of Education, 1900001547; Franklin County Board of Education, 1900001549; Grant County Board of Education, 1900001550; Grayson County Board of Education, 1900001551; Henderson County Board of Education, 1900001553; Jessamine County Board of Education, 1900001555; Lewis County Board of Education, 1900001563; Livingston County Board of Education, 1900001564; Magoffin County Board of Education, 1900001565; Fayette County Board of Education, 1900001591; Marshall County Board of Education, 1900001603; McCreary County Board of Education, 1900001604; Scott County Board



of Education, 1900001609; Union County Board of Education, 1900001612; Pulaski County Board of Education, 1900001629; Breathitt County Board of Education, 1900001655; Boone County Board of Education, 1900001659; Bourbon County Board of Education, 1900001660; Wayne County Board of Education, 1900001729; Leslie County Board of Education, 1900001731; Ballard County Board of Education, 1900001747; University of Kentucky Research Foundation, 1900001803; Campbell County Board of Education, 1900001809; Pulaski County Board of Education, 1900001847; Larue County Board of Education, 1900001861; Knox County Board of Education, 1900001867; Eastern Kentucky University, 1900001886; Boyd County Board of Education, 1900001888; Shelby County Board of Education, 1900001892; Berea Independent Board of Education, 1900001976; Simpson County Board of Education, 1900001978; Hopkins County Board of Education, 1900002031.

EDUCATION, OFFICE OF THE SECRETARY  
Personnel Cabinet CETA Administration, 1900000006; Kentucky Entrepreneurship Education Network, Inc., 1900000853.

FISH & WILDLIFE, DEPARTMENT OF  
United States Fish and Wildlife Service, 1900001321.

HORSE PARK, KENTUCKY  
Georgetown Scott County Parks and Recreation, 1900000233.

JUSTICE CABINET  
Kentucky Association of Child Advocacy Centers, 1900001503; Unlawful Narcotics Investigations Treatment and Education, 1900001531; Unlawful Narcotics Investigations Treatment and Education, 1900001556; Kentucky Association of Sexual Assault Programs, 1900001559; Kentucky Coalition Against Domestic Violence, Inc., 1900001566; University of Louisville Research Foundation, 1900001570; Kentucky Medical Services Foundation, Inc., 1900001837.

JUVENILE JUSTICE, DEPARTMENT OF  
Eastern Kentucky University, 1900000322; University of Kentucky, 1900000325; Kentucky Department of Education, 1900000335; University of Kentucky, 1900000398; Boyle County Board of Education, 1900001078; Bullitt County Board of Education, 1900001079; Calloway County Board of Education, 1900001080; Campbell County Board of Education, 1900001082; Corbin Independent School District, 1900001084; Franklin County Board of Education, 1900001085; Knox County Board of Education, 1900001087; Laurel County Board of

Education, 1900001088; Lexington Fayette Urban County Government, 1900001089; Madison County Board of Education, 1900001090; Mercer County Board of Education, 1900001091; Ohio County Board of Education, 1900001092; Pulaski County Board of Education, 1900001094; Shelby County Board of Education, 1900001096; Warren County Board of Education, 1900001097.

KENTUCKY RETIREMENT SYSTEMS  
KSP Special Response, 1900000808.

KENTUCKY RIVER AUTHORITY  
University of Kentucky Research Foundation, 1900001000.

KY RACING COMMISSION  
University of Kentucky Research Foundation, 1900000810.

LABOR, OFFICE OF INSPECTOR GENERAL  
Kentucky Labor Cabinet, 1900000727; Western Kentucky University Research Foundation, 1900000762; University of Kentucky, 1900001639.

MEDICAID SERVICES BENEFITS,  
DEPARTMENT FOR  
Kentucky Transportation Cabinet, 1800001313; University of Kentucky Research Foundation, 1800001767.

MILITARY AFFAIRS, DEPARTMENT OF  
Fort Knox Community Schools Food Service, 1900001278; Eminence Independent Board of Education, 1900001518.

NORTHERN KENTUCKY UNIVERSITY  
Central Campbell County Fire District, 2019-113.

OFFICE OF HEALTH DATA AND ANALYTICS  
Multi, 1900001172; Kentucky Health Departments Association, Inc., 1900001257.

OFFICE OF HOMELAND SECURITY  
Bluegrass Area Development District, 1900001654.

OFFICE OF INSPECTOR GENERAL  
Timeslips Creative Storytelling, 1800000903; Office of Employment and Training, 1800001980.

OFFICE OF THE GOVERNOR, DEPARTMENT  
FOR LOCAL GOVERNMENT  
Covington City, 1800001834; City of Lawrenceburg, 1900000319; McCreary County, 1900000330; City of London, 1900000340; City of Radcliff, 1900000343; Elliot County Fiscal Court, 1900001231; Floyd County Fiscal Court, 1900001512; City of Morgantown, 1900001623.

OSH REVIEW COMMISSION  
Attorney General, 1900000364.

PARKS, DEPARTMENT OF  
Breaks Interstate Parks Commission, 1900001247.

POST SECONDARY EDUCATION, COUNCIL  
ON

Eastern Kentucky University, 1800001517; Southern Regional Education Board, 1900001858.

TRANSPORTATION CABINET  
University of Louisville Research Foundation, 1800001726; University of Louisville Research Foundation, 1900000897.

UNIVERSITY OF KENTUCKY  
Gateway Community Technical College, 001-19; Southeast Kentucky Community & Technical College, 002-19; Morehead State University College of Science & Technology, 003-19.

VETERANS AFFAIRS, DEPARTMENT OF  
North Fork Valley Community Health, 1900000345; North Fork Valley Community Health, 1900000389.

WORKFORCE INVESTMENT, OFFICE OF  
University of Kentucky Research Foundation, 1900000016; Redwood School and Rehabilitation Center, 1900000030; Spalding University, 1900000032; Council On Developmental Disabilities, Inc., 1900000043; University of Kentucky Research Foundation, 1900000045; Northern Kentucky Area Development District, 1900000190; Eastern Kentucky University, 1900000621; Kentucky Community and Technical College System, 1900000663; KET Foundation, 1900000673; Southeast/Southcentral Educational Cooperative, 1900000678; Northern Kentucky Cooperative for Educational Services, Inc., 1900000688; American Institutes for Research, 1900000690; Kentucky Educational Development Corporation, 1900000693; Central Kentucky Educational Cooperative, 1900000697; Morehead State University, 1900000700; Green River Regional Educational, 1900000723; Ohio Valley Educational Cooperative, 1900000728; West Kentucky Educational Cooperative, 1900000730; University of Kentucky Research Foundation, 1900000739; University of Kentucky Research Foundation, 1900000750; Eastern Kentucky Cep, Inc., 1900000759; Greater Louisville Workforce Development Board, Inc., 1900000761; University of Kentucky Research Foundation, 1900000764; Center for Accessible Living, 1900000781; University of Kentucky Research Foundation, 1900000789; University of Kentucky Research Foundation, 1900000799; University of Kentucky Research Foundation, 1900000804;

University of Kentucky Research Foundation, 1900000852; Project Lead the Way, Inc., 1900000870.

**THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS**

**WERE REVIEWED WITHOUT OBJECTION:**

AGRICULTURE, DEPARTMENT OF  
Multi, 1700001659.

DEPARTMENT FOR BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES

University of Kentucky Research Foundation, 1700002889; Kentucky Pharmacy Education and Research Foundation, Inc., 1700002898; University of Louisville Hospital, 1800000414; St. Elizabeth Medical Center, 1800000509; University of Kentucky Research Foundation, 1800000576; Kentucky Academy of Family Physicians Foundation, 1800001257.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Ramey Estep Homes, Inc., 1700001432; Goodwill Industries of Kentucky, Inc., 1800000921; Council on Postsecondary Education, 1800001930.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES

Multi, 1700001827.

DEPARTMENT FOR PUBLIC HEALTH

National Jewish Health, 1600002189; Heartland Cares, Inc., 1600002284.

MILITARY AFFAIRS, DEPARTMENT OF

Multi, 1300002443; Louisville & Jefferson MSD, 1600000650.

OFFICE OF INSPECTOR GENERAL

Second Wind Dreams, Inc., 1700000262; Florida Atlantic University, 1700000589; Carmel Manor, 1700001308; Morganfield Health Facilities, LP, 1700001310; Wesley Manor Retirement Kentucky, 1700001311; University of Louisville Research Foundation, 1800000928.

**THE FOLLOWING FILM TAX INCENTIVES**

**WERE REVIEWED WITHOUT OBJECTION:**

TOURISM DEVELOPMENT CABINET

Stargazer- 2018e, LLC, 1800002266; Stargazer-

2018c, LLC, 1800002267; Stargazer- 2018d, LLC, 1800002268; Stargazer- 2018g, LLC, 1800002269; Stargazer- 2018h, LLC, 1800002270; Stargazer- 2018i, LLC, 1800002271; Stargazer- 2018j, LLC, 1800002272; Post Time Audiovisual Services, Inc., 1800002293; Post Time Audiovisual Services, Inc., 1800002294; Post Time Audiovisual Services, Inc., 1800002347; Post Time Audiovisual Services, Inc., 1800002348; Post Time Audiovisual Services, Inc., 1800002349; Post Time Audiovisual Services, Inc., 1800002350; Post Time Audiovisual Services, Inc., 1800002351; Post Time Audiovisual Services, Inc., 1800002352; Post Time Audiovisual Services, Inc., 1800002353; Post Time Audiovisual Services, Inc., 1800002354; Post Time Audiovisual Services, Inc., 1800002356; Post Time Audiovisual Services, Inc., 1800002357; Post Time Audiovisual Services, Inc., 1800002359; Post Time Audiovisual Services, Inc., 1800002360; Post Time Audiovisual Services, Inc., 1800002361; Post Time Audiovisual Services, Inc., 1800002364; Post Time Audiovisual Services, Inc., 1800002365; Post Time Audiovisual Services, Inc., 1800002366.

**THE FOLLOWING PERSONAL SERVICE CONTRACTS**

**WERE SELECTED FOR FURTHER REVIEW:**

DEPARTMENT FOR BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES

Res-Care, Inc., 1900000972. Stephanie Craycraft and Jennifer Moore discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Senator Raque Adams seconded the motion, which passed.

DEPARTMENT FOR MEDICAID SERVICES

Wakely Consulting Group, 1800001667. Steve Bechtel and Earl Gresham discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Representative Hart seconded the motion, which passed.

DEPARTMENT FOR MEDICAID SERVICES

Navigant Consulting, Inc., 1800001738. Steve Bechtel and Earl Gresham discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Representative Hart seconded the motion, which passed.

DEPARTMENT FOR PUBLIC HEALTH

Multi, 1900001055. Mike Tuggle, Becky Gillis, and Tricia Okeson discussed the contract with the committee. A motion was made by Senator Carroll

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

NORTHERN KENTUCKY UNIVERSITY

Academic Partnerships, LLC, 2018-114. Blaine Gilmore, Adam Caswell, and Mike Hales discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. With no second a motion was made by Representative Fugate to disapprove the contract. Senator Carroll seconded the motion, which passed with Representative Hart voting no.

NORTHERN KENTUCKY UNIVERSITY

Academic Partnerships, LLC, 2018-114. Blaine Gilmore, Adam Caswell, and Mike Hales discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Senator Raque Adams seconded the motion, which passed, with Representative Fugate voting no and Senator Carroll voting to pass.

TREASURER, OFFICE OF THE KENTUCKY STATE

Treasury Services Group, LLC, 1900001208. Noah Friend and Samara Heavrin discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Representative Gentry seconded the motion, which passed.

WORKER'S COMPENSATION FUNDING COMMISSION

Conning, Inc., 1900001666. Rueben Jones, Louie Hord, and Mike Swansburg discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Senator Raque Adams seconded the motion, which passed.

There being no further business, the meeting adjourned at 11:22 AM.

**TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE**

**Minutes of the 3rd Meeting of the 2018 Interim**  
July 11, 2018

**Call to Order and Roll Call**

The 3rd meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Wednesday, July 11, 2018, at 10:00 AM, in Room 129 of the Capitol Annex. Senator C.B. Embry Jr., Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator C.B. Embry Jr., Co-Chair; Representative Myron Dossett, Co-Chair; Senators



Stephen Meredith, Dennis Parrett, and Robin L. Webb; Representatives Kim King and Brandon Reed.

Guests: Bill McCloskey, Deputy Executive Director, Governor's Office of Agricultural Policy; Dave Maples, Executive Vice President, Kentucky Cattlemen's Association; Becky Thompson, Director, Kentucky Beef Network; and Cary King, Chairman, Kentucky Beef Network.

LRC Staff: Nathan Smith, Tanya Monsanto, Kelly Ludwig, Shelby Bevins-Sullivan, and Rachel Hartley.

The June 6, 2018, minutes were approved by unanimous voice vote.

### **Governor's Office of Agricultural Policy Report**

Bill McCloskey stated the General Assembly committed funds to the fairgrounds in Louisville and two applications have been received to make improvements.

Mr. McCloskey described the Agricultural Development Board's projects for May. Mr. McCloskey highlighted programs including the County Agricultural Investment Program (CAIP), Deceased Farm Animal Removal Program, Shared-use Equipment, and Youth Agriculture Incentives Program.

In response to a question from Senator Parrett, Mr. McCloskey stated the Youth Agriculture Incentive Program in Adair County is in its second year. The program is available to assist youth in purchasing heifers to start a cattle operation.

Requested program amendments discussed included:

Wayne County Agriculture Development Council, Inc., requested an additional \$102,700 in Wayne County funds for CAIP. The board recommended approval, which would bring the program total to \$173,300.

Powell County Livestock Producers Association, Inc., requested an additional \$7,000 in Powell County funds for CAIP. The board recommended approval, which would bring the program total to \$45,955.

Lee County Conservation District requested an additional \$32,900 in Lee County funds. The board recommended approval, which would bring the program total to \$112,900.

Owsley County Conservation District requested an additional \$107,900 in Owsley County funds for CAIP. The board recommended approval, which would bring the program total to \$212,900.

Projects discussed included:

Seedleaf, Inc., was approved for \$2,500 in Fayette County funds for a community garden in north Lexington.

Lincoln County Fiscal Court was approved for \$7,500 in Lincoln County funds to enhance the Lincoln County Farmers Market facility.

Casey County Cattlemen's Association, Inc., was approved for \$8,000 in Casey County funds, as well as additional county funds matched with state funds not to exceed one-half the project costs, for panels and a sale ring for handling cattle.

Asbury Theological Seminary was approved for \$2,500 in Jessamine County funds for its community garden.

Warren County Conservation District was approved for \$2,500 in Warren County funds for a community garden to be developed in conjunction with the Warren County Housing Authority.

Warren County Extension District Board was approved for \$75,000 in Warren County funds to build a commercial kitchen.

Baessler Farms was denied its funding request to purchase hemp processing equipment due to limited producer impact and the uncertainty of the hemp status related to the Farm Bill.

In response to a question from Representative Dossett, Mr. McCloskey stated there are two projects in Christian and Hopkins County. There is a \$400,000 dairy processing project due to increased dairy prices and a \$3 million expansion of a seed cleaning business.

In response to a question from Senator Parrett, Mr. McCloskey stated the contracts with Kroger will be renegotiated to create a new market for farmers due to the closing of Dean Foods in Louisville.

### **Kentucky Cattlemen's Association**

Dave Maples stated the Kentucky Cattlemen's Association (KCA) works with the 38,000 independent family-owned farms. The KCA formed in 1973 and has 10,668 members in all 120 counties in Kentucky. There is strong domestic demand for the members' products. Some of the challenges for KCA include cattle leaving Kentucky, fake meat, tariffs, exports, traceability, and animal rights groups.

The KCA has started Beef Solutions, LLC to process local beef product for distribution through Kroger. Two hundred cattle have been processed, and 89,015 pounds have been packaged.

### **Kentucky Beef Network**

Becky Thompson stated the goal of the Kentucky Beef Network is to move the marketed product away from a commodity and closer to a recognized value-added product in demand by retailers. KBN uses proven, modern production practices for master cattlemen and master grazer classes, which have increased the total pounds of beef produced.

The Integrated Reproductive Management Program started four years ago and has spread throughout Kentucky. The focus of the program is to narrow the calving window so there are more pounds weaned. The result is increased revenue when

marketing the calves.

The Kentucky Beef Quality and Care Assurance Program has merged with the Cattle Handling and Care Program. The program aims to raise awareness of practices that ensure proper cattle handling and welfare to keep producers safe while continuing to provide healthy beef to consumers.

The Eden Shale Farm is used as a learning center and demonstration farm by the KBN since 2012. In 2017 a fence line feeding system was installed to help producers feed their cattle more efficiently in the winter.

In response to a question from Senator Webb, Mr. Maples said that KCA handles the \$1 checkoff programs. In Kentucky, there is a federal checkoff program in which 50 cents go to the Cattlemen's Beef Board and 50 cents remain in Kentucky. There is also a state checkoff program, and the animal rights groups are coming after the state money. Ms. Thompson stated that advertising campaigns can be misleading when organizations change their names.

The next meeting of the Tobacco Settlement Agreement Fund Oversight Committee will be August 2, 2018. Documents distributed during the meeting are available in the LRC Library and at [www.lrc.ky.gov](http://www.lrc.ky.gov).

There being no further business, the meeting was adjourned.

## **PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE Minutes**

**2018 Interim**  
July 12, 2018

### **Call to Order and Roll Call**

The Program Review and Investigations Committee met on Thursday, July 12, 2018, at 10:00 AM, in Room 131 of the Capitol Annex. Representative Lynn Bechler, Chair, called the meeting to order, led the audience in reciting the Pledge of Allegiance, and the secretary called the roll.

Present were:

Members: Representative Lynn Bechler, Co-Chair; Senators Perry B. Clark, Wil Schroder, Dan "Malano" Seum, Reginald Thomas, and Stephen West; Representatives Chris Fugate, Ruth Ann Palumbo, Rob Rothenburger, Arnold Simpson, and Walker Thomas.

Guests: Phillip K. Brown, Executive Director; Mike Hayden, Chief Operating Officer; Doug Hendrix, General Counsel; and Steve Murphy, Chief Financial Officer; Kentucky Communications Network Authority (KCNA).

LRC Staff: Greg Hager, Committee Staff Administrator; Colleen Kennedy; Chris Hall; Van Knowles; Jean Ann Myatt; William Spears; Shane Stevens; Joel Thomas; Richard Schufelt, Graduate



Fellow; and Kate Talley, Committee Assistant.

#### **Minutes for June 14, 2018**

Upon motion by Representative Thomas and second by Representative Simpson, the minutes for the June 14, 2018, meeting were approved by voice vote without objection.

#### **Selection of Study Topics for 2018**

No Senate topics were proposed.

#### **Overview of Kentucky Wired**

Representative Bechler asked the secretary to read HR 337 aloud. The resolution, passed by the House in the 2018 Regular Session, urges the 2018 Program Review and Investigations Committee to investigate the Kentucky Wired Project.

Mr. Brown stated that the problems with Kentucky Wired originate with the contracts, signed during the previous gubernatorial administration in 2015. Pricing drove the agreements and the schedule. Expectations were that everything would proceed on schedule or even more quickly than industry standards. The project was designed to be difficult to exit. KCNA was established by executive order and then by statute in 2017. At this point, it would probably cost as much to shut down Kentucky Wired as to complete it, without any of the benefits it could provide. Completing the project requires the cooperation of utility companies, localities, and others.

Mr. Hayden listed the governmental agencies that were involved in starting the project. At the time, the Federal Communications Commission (FCC) was looking at incentives for states to build out private networks. Several Kentucky state entities such as universities were looking to build their own private networking capacity. There was a broadband gap in eastern Kentucky. A Kentucky team visited other states that had built networks and discovered that Kentucky state government was paying 2 to 10 times more for broadband services. The other states had done a good job and received federal funds to assist their projects but lacked a plan for sustainability. Kentucky chose to place large bundles of fiber for wholesale use because the additional cost was minimal. The state chose to use a public/private partnership (P3) for funding the project.

Mr. Brown explained that there were five third-party infrastructure partners, the main ones being Cincinnati Bell, Bluegrass Network, and Eastern Kentucky Network. These utilities save money for the project because they already have a lot of infrastructure, crews, and equipment.

Mr. Hendrix said that CTC [Columbia Telecommunications Corporation] was the technical advisor to the state for its request for information in April 2014. A request for proposals (RFP) led to an initial agreement with the Macquarie Consortium in

November/December 2014.

In response to a question from Representative Bechler about the entities involved in the project, Mr. Hendrix said that in the legal agreements, KCNA executed a project agreement with the nonprofit Kentucky Wired Infrastructure Company (KWIC) to obtain tax-exempt status for bonds to be issued. KWIC executed an agreement for project responsibility with the Kentucky Wired Operations Company (KWOC). In turn, KWOC executed the agreement for construction and service contracts with NG-KIH Design-Build.

Mr. Brown said that the six binders on the table represent different agreements among the project entities. P3s allow governments to attract private investment and transfer some risk to private investors, but Kentucky ended up with most or all of the risk in this case. If the P3 law since enacted by the General Assembly had been in place, some elements of the project could not have been structured as they are.

Mr. Murphy said that total financing is \$365,202,000, of which \$30,000,000 is state funding (general fund bonds), \$23,500,000 is federal, and \$311,702,000 is from the P3. State funds are mostly to be spent on equipment. Federal funds will be available when a certain amount of the project is finished. He described the three series of bonds, totaling more than \$305 million, used to finance the project.

In response to a question from Representative Rothenburger, Mr. Murphy said that the initial bond was \$30 million. The remaining bonds were issued by the Kentucky Economic Development Finance Authority and are secured by Kentucky.

Mr. Murphy stated that all the bonds represent special, limited obligations payable from project revenues. More than 95 percent of project revenues are Commonwealth Availability Payments that the state is contractually obligated to make. He presented a slide listing the annual availability payments, which range from \$22.8 million in fiscal year 2018 to more than \$56 million projected for FY 2045. Total availability payments are projected to be nearly \$1.2 billion. So far, availability payments constitute payment only toward interest on the bonds. The first payments on principal will be in January 2019.

Mr. Brown said that supervening events are part of the 2015 project agreement. Mr. Hendrix said that there are approximately 45 types of supervening events. Mr. Brown explained that these are events that create immediate costs for the state. They can be compensation events if a payment is due or relief events that allow extra time. Kentucky assumed most of the project risk in the agreement for supervening events. There have been 228 supervening events claimed so far. For example, a construction crew encountered raw sewage during installation of a

conduit. In some cases, the Transportation Cabinet's road encroachment permit review has extended beyond the 60 days called for in the agreement. Kentucky was responsible for two complex pole attachment agreements: AT&T and Windstream. An important cause of the delay was that AT&T and Windstream required that anyone attaching to their poles must be a CLEC [competitive local exchange carrier]. This was not achieved until November 2015, after the project agreement had been signed. This led to other delays. Most supervening events have been "cured," for example, when a delayed permit is approved.

Mr. Hayden said that there were 72 utilities subject to pole attachment agreements. Memoranda of understanding had to be negotiated with local governments. Mr. Brown stated that not all cities and counties cooperated immediately, but the plan had assumed they would. More interest has been earned than anticipated. There were also savings because service providers did not have to service sites that were delayed. These offsets have come to about \$20 million.

Mr. Brown continued by saying that it is sometimes difficult to determine the appropriate amount of schedule relief. The long stop date is the date a year past the expected finish date, and it is the last date for project completion. The lenders' technical advisor can stop payments for construction if it appears the long stop date might not be met. This was a concern, so the state began to negotiate a global settlement to resolve 207 outstanding supervening event claims for \$88 million and to change some terms of the contract. The negotiation, which is not final, would remove the risk of litigation and project collapse. In the original plan, all expected payments would have been made from revenue from connections to completed parts of the network. Kentucky sought a lower price and therefore assumed much of the risk.

Representative Bechler commented that the settlement may have reduced the threat of litigation, but such risk has not been removed.

In response to a question from Representative Bechler about the 84 percent of total financing coming from the P3, Mr. Murphy said that this was bond debt. Private investment was at most \$21 million, the rest was Kentucky's responsibility. This is not unusual in P3 projects.

In response to a question from Representative Bechler, Mr. Brown said that a \$2 million good faith payment has been made as part of the supervening event settlement.

In response to questions from Representative Bechler about Kentucky Wired's revenue, Mr. Hayden said it should have begun reducing payments to

current Internet Service Providers in April 2016 and should have been fully funded by September 2018. Wholesale marketing of dark fiber was intended to cover future maintenance, replacement, and upgrades. The current project break-even point is October 2020.

Representative Bechler asked if all cities and counties had agreed to work with Kentucky Wired. Mr. Brown said that there was one pole attachment agreement with a municipal utility still outstanding after approximately 2 years of negotiation. No municipalities are impeding the project except for possibly one that the Bluegrass Network is responsible for.

Representative Bechler asked whether schools were contacted about the plan to use E-rate funds. Mr. Hayden replied that the Kentucky Department of Education (KDE) and FCC were involved in discussions of funding. FCC said that KCNA could not be the contractor to provide internet service to schools since it was part of the agency that also ran state procurements—the Office of Procurement Services within the Finance and Administration Cabinet. KCNA was moved to gain adequate separation. The cabinet issued an RFP as required by FCC, but there was a protest, and it was withdrawn.

In response to a question from Representative Bechler, Mr. Hendrix said that withdrawing the RFP did not imply that the cabinet agreed with the protest.

Representative Rothenburger asked whether any schools were participating in Kentucky Wired because it seemed they would lose E-rate funds if they did so. Mr. Hayden said that individual schools were not involved. E-rate provides funding for a single broadband connection to each school, and Kentucky Wired did not plan to provide services directly to schools. If there is a solicitation in the future, KCNA might bid on some aspect of it. The original expected revenue to KCNA from E-rate was approximately \$2 million per month.

In response to a question from Representative Bechler, Mr. Hendrix said responsibility for the raw sewage delay was not resolved; it is part of the supervening events settlement.

In response to Representative Bechler's request that terms that have been used be defined for a general audience, Mr. Hayden, referring to the infrastructure map distributed at the meeting, stated that the red lines were the backbone linking communities together. The last mile is the wire from the pole to the building. Kentucky Wired provides last mile only to its own entities (state government). Kentucky Wired provides an access point in each county to allow Internet Service Providers or utilities to tap into the middle mile, which is what Kentucky Wired is responsible for.

In response to a question from Senator West,

Mr. Brown said 760 miles were complete as of May, possibly 800 miles as of June.

Senator West asked whether the additional \$88 million will be enough given that 800 of 3,200 miles are completed, but \$240 million of \$325 million has been spent. Mr. Brown responded that vendors are obligated to complete the project for the price they had agreed to. However, supervening events add costs for the state. Mr. Hayden said that a lot of costs were associated with getting poles ready. Much of that has already been paid, so remaining work should cost less.

In response to questions from Senator West, Mr. Hendrix said that the Finance and Administration Cabinet took the lead in negotiating the original agreement. He will provide the names of the attorneys who were consultants.

In response to questions from Senator West, Mr. Brown said the subcontractor was responsible for obtaining 70 of the 72 pole attachment agreements. It could be around 2 months after getting the utility engaged in negotiations to get an agreement, but it sometimes takes a while to get utilities engaged. Kentucky was supposed to have the two complex pole attachment agreements signed by September 2015. Utilities must grant attachments to any CLEC that requests them, but negotiation of terms can take time.

In response to a question from Senator West about anticipated revenues, Mr. Hayden said \$28 million was assumed from a combination of KDE, state government users, the Administrative Office of the Courts, and the Council on Postsecondary Education. Mr. Brown said that Kentucky Wired intends to work with FCC to get K-12 schools into the system without endangering the E-rate funds, but it will not be on the same schedule as the rest.

Senator West asked for a list of all the contractors and subcontractors working on the project. He stressed that is important for the committee to continue looking into Kentucky Wired, particularly the early phases.

Senator Thomas said the project has to go forward and will cost more than the financed amount. He asked how much more. Mr. Brown said that it will be the \$88 million settlement plus the cost of any future supervening events. He described make-ready engineering and construction. Every pole requires a plan to decide where to place the new fiber. Make-ready construction is the actual work of, when necessary, moving existing wires to make room for the new fiber. The utility companies prefer to do this themselves. Make-ready construction is a problem nationally and is a great risk to the schedule. KCNA has asked the General Assembly for \$110 million: \$88 million for the settlement of past supervening events and \$22 million in anticipation of future events and other contingencies. It was a mistake not

to include such costs at the beginning. In response to a request from Senator Thomas, Mr. Brown said he would attempt to come up with an estimate of how much more the project will cost.

Replying to questions from Representative Rothenburger, Mr. Brown said the \$2 million good-faith payment is included in the \$88 million supervening events settlement. Around \$7.5 million was paid in direct loss payments last year, so total penalties for the project are \$95.5 million.

In response to questions from Representative Bechler, Mr. Brown said one supervening event claim for over \$20 million is not included in the settlement events but did arise in the time period of events covered in the settlement. A private easement is in dispute resolution and is likely to be litigated.

In response to questions from Representative Bechler, Mr. Brown said the settlement covered events through January 19, 2018. Mr. Hendrix said there have been about 13 event claims since then; he can provide the exact number. One has been closed at no cost to the state. Mr. Hayden said contractors have to give notice of possible cost, even if it turns out there is no cost. Mr. Hendrix described the procedure to settle disputes.

Representative Bechler asked what percentage of supervening event claims are settled in favor of the state. Mr. Hendrix said the events being discussed have not been resolved. Mr. Brown said that a vendor can file a claim after an event has occurred if the vendor did not realize there was a loss until later, even months later. He said the Transportation Cabinet has added staff to expedite approving road permits. The 60-day period for permitting is not a cabinet procedure but is in the Kentucky Wired contracts, likely because it allowed the project schedule to work out as desired. Other unrealistic time frames seemed to have been set in order to make the schedule work.

In response to Representative Bechler's question about the cost of events since January, Mr. Brown said that he thought none of them would result in a cost to the state, but not resolving them could lead to delays and further costs. There are some potentially significant events that KCNA is trying to head off. The settlement would include a period of time to try to mitigate events before a claim is made.

In response to a question from Representative Fugate, Mr. Brown said the supervening events under discussion are for the whole project, not just for the 800 miles completed.

Representative Simpson asked as a maximum price contract whether there were performance bonds on completion of the project and the time of completion. Mr. Hayden said there were date guarantees that varied by site, and the vendors have performance bonds. Mr. Murphy said the bonds were

for \$108 to \$110 million, around 40 percent of the total project cost.

In response to a question from Representative Simpson, Mr. Brown said the original long stop date was September 2019, but this would have to be adjusted. Under the settlement, the new long stop date would be in 2021 and projected completion in 2020.

In response to questions from Representative Simpson, Mr. Brown said that there has been no income so far but there will be revenue prior to completion. The Louisville and northern Kentucky sites and the Frankfort Data Center could begin providing services when they are ready. Mr. Hayden explained why the presentation today showed no income. In the original plan, the Louisville, northern Kentucky, and Lexington sites had to be connected in a ring, the Frankfort Data Center had to be on line, and Internet provider services needed to be secured. Louisville and northern Kentucky are finished, but the Frankfort Data Center is not.

In response to questions from Senator West, Mr. Hayden said that the Frankfort Data Center would probably be ready in spring 2019; its completion is necessary for any state government use. Mr. Brown said there are many make-ready construction jobs in the next year. Many requests are over a year old, even though the time frames for the utilities were supposed to be 5 to 12 weeks. The new schedule in the settlement is based on performance experience so far and should be more realistic. KCNA was not intended to manage day-to-day operations but would do so to help expedite operations.

In response to questions from Representative Simpson, Mr. Hayden said that other states had experienced delays and overruns but they relied on leases of existing infrastructure. Kentucky is unique in building new infrastructure. Mr. Brown said a principal cause of problems is that the planners could have anticipated delays in pole attachments and the need to establish a CLEC prior to negotiating pole attachments, especially with the two large utilities. Negotiations with local governments could have been done earlier. The project could have been done one ring at a time instead of the entire state. Virginia used state rights of way. For P3 projects, planners need to know the risks and who holds the risks. For P3s, the cost of credit will be higher because state tax-exempt credit is blended with private credit. There needs to be a benefit to justify it. Cost, litigation, project, timing, and credit risks need to be considered.

Representative Simpson noted that in the Kentucky Wired project, risk was transferred to the state that should have fallen to the private sector. Mr. Brown said there is often a lot of optimism about P3 projects, but Kentucky should have agreed to pay

more in order to assume less risk.

Representative Bechler said the Kentucky Wired contract was signed before there was P3 legislation in Kentucky. The legislation might have helped reduce risk. Representative Simpson said the state should be cautious even with the law.

Representative Bechler said the Auditor of Public Accounts was conducting a special examination of Kentucky Wired and would appear before the committee when it is ready.

Representative Bechler said the report from the Office of Education Accountability on preschool and kindergarten would not be presented today because of the time. Senator Thomas said early childhood education has been a priority of Senate Democrats. He requested that the presentation be scheduled for the next committee meeting.

The meeting adjourned at 12:02.

## New laws, from page 3

**Organ donation.** House Bill 84 requires coroners or medical examiners to release identifying and other relevant information about a deceased person to Kentucky Organ Donor Affiliates if the person's wish to be an organ donor is known and the body is suitable for medical transplant or therapy.

**Police cameras.** House Bill 373 exempts some police body camera footage from being publicly released. It exempts the footage from certain situations being released if it shows the interior of private homes, medical facilities, women's shelters and jails or shows a dead body, evidence of sexual assault, nude bodies and children.

**Prescription medicines.** Senate Bill 6 requires pharmacists to provide information about safely disposing of certain prescription medicines, such as opiates and amphetamines.

**Price gouging.** Senate Bill 160 clarifies laws that prevent price gouging during emergencies. The bill specifies that fines could be imposed

## Youth, from page 3

occurring across the nation.

Sen. Tom Buford, R-Nicholasville, asked what could be done.

Peters said increasing access to health care, improving identification of children who need mental health treatment and limiting children's access to guns would make a difference.

"It is as simple as locking it up," he said. "Keep guns locked and safe."

Co-chair Rep. Addia Wuchner, R-Florence, asked whether mental-health professionals had identified the contributing factors to the increase of anxiety and mental-health issues among the nation's youth.

"It is a difficult question to answer," Peters said. "People spend their lives really studying this issue of suicidology."

Rep. Kimberly Poore Moser, R-Taylor Mill, thanked the group for their presentation.

"This is a critical conversation we need to have," she said. "It is in the news quite a bit. We need to look at this as a big-picture problem."

She added that there seems to be a lack of coping skills among the nation's youth.

if retailers abruptly increase the price of goods more than 10 percent when the governor declares a state of emergency.

**Revenge porn.** House Bill 71 increases penalties for posting sexually explicit images online without the consent of the person depicted. The crime is a misdemeanor for the first offense and felony for subsequent offenses. Penalties can be even more severe if the images were posted for profit.

**Teen marriage.** Senate Bill 48 prohibits anyone under the age of 17 from marrying. It also requires a district judge to approve the marriage of any 17-year-old.

**Terrorism.** Senate Bill 57 allows a person injured by an act of terrorism to file a claim for damages against the terrorist in state court.

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2018 Interim

## LEGISLATIVE RECORD

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