



INTERIM RECORD

A SUMMARY OF INTERIM ACTIVITIES

2019

July

Volume 32, No. 4

PUBLISHED BY
LEGISLATIVE RESEARCH COMMISSION
LEGISLATURE.KY.GOV/LEGISLATION/PAGES/DEFAULT.ASPX

Anti-doxing proposal gets another look

by Rebecca Hanchett
LRC Public Information

FRANKFORT—The father of a Covington Catholic High School student who was identified and threatened online after an tense encounter with protesters in Washington D.C. early this year is encouraging state lawmakers to take another look at legislation that would criminalize such threats.

Ted Sandmann asked members of the Interim Joint Committee on Judiciary on July 12 to support a proposal by Sen. Wil Schroder, R-Wilder, that would prohibit anyone from using the Internet to release personal identifying information of a minor with intent to intimidate, abuse, threaten, harass or frighten the child – a practice known as “doxing.”

“I believe legislation to criminalize the worst tendencies of the mob is vital to restoring public discourse,” Sandmann said.

Sandmann’s son, Nicholas Sandmann, was the subject of repeated online harassment and threats after an online video surfaced of the teen standing face-to-face with a Native American man named Nathan Phillips at the steps of the Lincoln Memorial on Jan. 18. The encounter occurred as Phillips, who had reportedly participated in the Indigenous Peoples March that day, walked among Nicholas and his Covington Catholic classmates while the teens gathered at the Memorial to catch their buses after attending the annual March for Life rally.

In the online video, Nicholas was wearing a “Make America Great Again” cap that his



Sen. Phillip Wheeler, R-Pikeville, comments on the dissemination of personally identifying information about minors through a process known as a “doxing” at the July 12 meeting of the Interim Joint Committee on Judiciary.

father said he had purchased that day. Phillips was beating a drum. The two stood face to face for several minutes, Sandmann said.

Numerous subsequent online attacks against Nicholas following release of the video have led to the filing of defamation lawsuits against The Washington Post and other media companies by the family, Sandmann told the committee. Schroder’s proposal, he said, will “create legislation to protect minors from these types of attacks.”

Schroder attempted to pass the anti-doxing proposal during the 2019 Regular Session. The

proposal, contained in Senate Bill 240, passed the Senate 26-10 but stalled in the House near session’s end. That proposal would have made doxing of minors a misdemeanor, although increased penalties would be allowed in cases involving physical injury, death, or financial loss.

“This is the interim process, so we are certainly open to suggestions, changes, open to hearing concerns, and hopefully talking those out,” Schroder told the committee.

Continued on page 3

Lawmakers hear updates on Horse Park and Performing Arts Center

by Rob Weber
LRC Public Information

FRANKFORT -- Kentucky lawmakers received a July 11 update on two attractions – the Kentucky Horse Park and the Kentucky Center for the Performing Arts – known for entertaining Kentuckians, drawing visitors and boosting the state's economy.

Laura Prewitt, executive director of the Kentucky Horse Park in Lexington, told members of the Tourism, Small Business, and Information Technology Committee that activity at the park has an economic impact of more than \$131 million on the state each year. Most of that results from events, visiting tourists, campground guests.

Although the couple hundred events held at the park each year include non-horse activities like car shows, the equine events are the biggest economic driver, she said.

"With every one horse coming on site to the horse park, an average of three people are coming with the horse (such as) a trainer, an owner, a competitor or a groom," she said. "The folks that are coming in with those horses are staying in Central Kentucky. ... They are staying at our hotels and they are eating in our restaurants and they are buying local services and goods. So we do think that continuing to build our base and horse shows and non-equine events is very important."

A major new event arriving at the park in September, 2020 is Equitana U.S.A., a three-day equestrian event that will feature a trade fair with equestrian-related products and services along with special performances.

The first Equitana U.S.A. event at the Kentucky Horse Park is expected to draw 30,000 people and will likely grow beyond that in future years, Prewitt said.

Lawmakers also heard about new events coming to the state when Kim Baker, President and CEO of the Kentucky Center for the Performing Arts, gave a presentation on the center's economic impact and current projects.

"Through our outreach and our shows we have considerable impact," she said. "We have over 1,500 events per year and typically seat over half a million people per year."

The center, in Louisville, will soon have an even larger impact with the July 23 grand opening of "Old Forester's Paristown Hall," a



Rep. Tommy Turner, R-Somerset, above, co-chairs the July 11 meeting of the Interim Joint Committee on Tourism, Small Business, and Information Technology. Bottom right: Rep. David Hale, R-Wellington, asks a question during the July 11 meeting of the committee.



2,000-person standing room venue, Baker said.

"It's an interesting project the way we've put it together," she said. "It's part of a larger \$32 million development project that is receiving tourism tax incentives. The Paristown Preservation Trust is the developer. The Kentucky Center Corp. is really responsible (as) the anchor tenant operating the facility, the theater, which is a \$12 million venue."

The hall is expected to draw national, regional, and local audiences, Baker said.

"This venue is slated to attract national musical artists that are currently bypassing the region and going to other states around us," she said. "It will be a space to capture that talent, but also to really support our local and regional arts

groups in a non-traditional venue."

Baker also offered an update on fire damage caused by an accident associated with roof repairs at the Kentucky Center for the Performing Arts last year.

Although there was considerable smoke and water damage, the center only had to cancel one show, Baker said.

"I think we are going to be complete and reopened without scaffolding in our lobbies in November," she said. "When it does happen, we are leaving it better than we found it. We've taken the opportunity to make some major renovations to the space and we are updating many things and we'll have that new roof we've needed for so long."

Doxing, from page 1

Schroder said the purpose of the bill is for serious threats. He said three basic elements would have to be evident for prosecution under the proposal: the release of personal identifying information, intent to cause some degree of harm, and “reasonable fear” of injury.

“Those are the kind of things we’re getting at and again, there has to be a reasonable – if you are putting yourself in their shoes – there has to be that element that it’s a realistic, reasonable fear,” said Schroder.

House Minority Whip Rep. Joni L. Jenkins, D-Shively, who asked if the proposal would apply to bullying among students, said the intent of the legislation needs to be clarified.

“I’m not against this at all, but I think we need to be very careful that we don’t open up something that we don’t want to open up. But I do support the idea of this legislation,” she said.

Sen. Phillip Wheeler, R-Pikeville, expressed support for the proposal. Wheeler said he is sympathetic to what Nicholas Sandmann has experienced since the January incident.

“Although freedom of expression and the freedom of the press are something we hold dear, there also needs to be some responsibility,” said Wheeler. “I think this bill seems to do that type of thing. I think it is well-drafted and honed for its purpose.” Wheeler added that he would like to see similar protections for adults.

“I think at some point expanding it is appropriate, because this happens to adults just as it happens to juveniles,” said Interim Joint Committee on Judiciary Co-Chair Sen. Whitney Westerfield, R-Hopkinsville.

“This won’t be last time we discuss this bill,” Westerfield said.



Rep. Chris Harris, D-Forest Hills, asks a question during the discussion on doxing at the July 12 Interim Joint Committee on Judiciary meeting.

Beef industry priorities shared with state lawmakers

by Rebecca Hanchett
LRC Public Information

FRANKFORT—Kentucky, by most accounts, is the king of beef cow production east of the Mississippi River.

The Commonwealth has around a million head of beef cows, making it the largest beef cow producer in the eastern U.S. and the eighth-largest beef cow producer in the country, according to Kentucky Cattlemen’s Association Executive Vice President Dave Maples. What it doesn’t have, he says, are large feedlots necessary to fatten, or finish, beef cattle for market.

That requires many farmers in Kentucky and the region to send their cattle over 1,000 miles to Kansas or other states for finishing and processing, Maples told the state legislative Tobacco Settlement Agreement Fund Oversight Committee on July 3.

Maples called the situation “a barrier to Kentucky producers.”

“Why can’t we do it here? I have been told we cannot do it in Kentucky,” he said. Too much mud and a lack of grain are at least two reasons Maples said he’s been given as to why feedlots and processing won’t work in the state, although he said large poultry houses and hog

Many farmers send their cattle
over 1,000 miles for
finishing and processing,
Kentucky Cattlemen’s Association
officials told lawmakers.

barns have been successful.

Transporting cattle thousands of miles out of state for finishing and processing also affects consumers – many of whom are now interested in tracing the origin of their food, said Maples.

“So what can we do? We’ve mapped out where the packing plants are. You look in our area; we don’t have processing,” he said. One solution may be to build a regional beef processing plant, Maples told the committee. So far, he said, Tennessee and Ohio have both shown interest in the idea.

The association’s governing board has approved a long-range plan that sets out what Maples said are four core strategies to improve opportunities for Kentucky’s beef industry.

“So we’re in a place where we can be a leader,” he said.

Rep. Brandon Reed, R-Hodgenville, asked Maples what the Kentucky General Assembly can do to help Kentucky cattle farmers remove transportation barriers to markets. Maples said Kentucky’s interstate roadways and railroads are working well, but that lawmakers might want to look at creating “farm-to-market roads” to beef up access between rural areas and market locations.

Representatives from the Kentucky Beef Network, or KBN – a division of the Kentucky Cattlemen’s Association – also spoke about their programs, many which have benefited from the state’s share of millions of dollars in funds received from a master tobacco settlement with large tobacco companies in the late 1990s. The purpose of the Tobacco Settlement Agreement Fund Oversight Committee is to oversee those funds.

KBN Chairman Cary King told the committee that he is excited for Kentucky beef cattle producers as the demand for Kentucky beef by major retailers, specifically Kroger, is growing here at home.

“I think we’re at the point now with the grain that we have, we’ve got the byproduct from the bourbon industry, that we can build some of these barns (here) and finish cattle inside,” said King.

2019

Senate



General Assembly

Julie Raque Adams (36)

213 S Lyndon Lane
Louisville, KY 40222
(LRC) 502-564-8100

Ralph Alvarado (28)

3250 McClure Road
Winchester, KY 40391
(LRC) 502-564-8100

Tom Buford (22)

409 W Maple St
Nicholasville, KY 40356
(LRC) 502-564-8100
(LRC FAX) 502-564-2466
(Home) 859-885-0606
(Home FAX) 859-885-0606

Jared Carpenter (34)

PO Box 100
Berea, KY 40403
(LRC) 502-564-8100

Danny Carroll (2)

220 Cimarron Way
Paducah, KY 42001
(LRC) 502-564-8100
(Home) 270-703-8025

Julian M. Carroll (7)

702 Capital Ave
Annex Room 255
Frankfort, KY 40601
(LRC) 502-564-8100

Matt Castlen (8)

702 Capital Ave
Annex Room 255
Frankfort, KY 40601
(LRC) 502-564-8100

Perry B. Clark (37)

5716 New Cut Rd
Louisville, KY 40214
(LRC) 502-564-8100

C.B. Embry Jr. (6)

PO Box 1215
Morgantown, KY 42261
(LRC) 502-564-8100
(Home) 270-526-6237

Rick Girdler (15)

702 Capital Ave
Annex Room 209
Frankfort, KY 40601
(LRC) 502-564-8100

David P. Givens (9)

PO Box 12
Greensburg, KY 42743
(LRC) 502-564-8100

Denise Harper Angel (35)

2521 Ransdell Ave
Louisville, KY 40204
(LRC) 502-564-8100
(Home) 502-452-9130

Ernie Harris (26)

PO Box 1073
Crestwood, KY 40014
(LRC) 502-564-8100
(Home) 502-241-8307

Jimmy Higdon (14)

344 N Spalding
Lebanon, KY 40033
(LRC) 502-564-8100
(Home) 270-692-6945

Paul Hornback (20)

6102 Cropper Rd
Shelbyville, KY 40065
(LRC) 502-564-8100

Stan Humphries (1)

763 Sinking Fork Rd
Cadiz, KY 42211
(LRC) 502-564-8100
(Home) 270-522-0195

Alice Forgy Kerr (12)

3274 Gondola Dr
Lexington, KY 40513
(LRC) 502-564-8100
(Home) 859-223-3274

Christian McDaniel (23)

PO Box 15231
Latonia, KY 41015
(LRC) 502-564-8100

Morgan McGarvey (19)

2250 Winston Ave
Louisville, KY 40205
(LRC) 502-564-8100
(Home) 502-589-2780

Stephen Meredith (5)

1424 Byrtle Grove Rd
Leitchfield, KY 42754
(LRC) 502-564-8100

Robby Mills (4)

702 Capital Avenue
Annex Room 255
Frankfort, KY 40601
(LRC/Home) 502-564-8100

Gerald A. Neal (33)

462 S 4th St
Meidinger Twr, Ste. 1250
Louisville, KY 40202
(LRC) 502-564-8100
(Home) 502-776-1222
(Work) 502-584-8500
(Work FAX) 502-584-1119

Dennis Parrett (10)

731 Thomas Rd
Elizabethtown, KY 42701
(LRC) 502-564-8100
(Home) 270-765-4565

Albert Robinson (21)

1249 S Main St
London, KY 40741
(LRC) 502-564-8100

John Schickel (11)

PO Box 991
Union, KY 41091
(LRC) 502-564-8100

Wil Schroder (24)

702 Capital Ave
Annex Room 209
Frankfort, KY 40601
(LRC) 502-564-8100

Dan "Malano" Seum (38)

1107 Holly Ave
Fairdale, KY 40118
(LRC) 502-564-8100
(Home) 502-749-2859

Brandon Smith (30)

124 Craig Street
Hazard, KY 41702
(LRC) 502-564-8100
(Home) 606-436-4526
(Home FAX) 606-436-4526

Robert Stivers II (25)

207 Main St
Manchester, KY 40962
(LRC) 502-564-8100
(Home) 606-598-8575
(Work) 606-598-2322
(Work FAX) 606-598-2357

Damon Thayer (17)

702 Capital Ave.
Annex Room 242
Frankfort, KY 40601
(LRC) 502-564-8100

Reginald Thomas (13)

702 Capital Ave.
Annex Room 255
Frankfort, KY 40601
(LRC) 502-564-8100
(LRC FAX) 502-564-0777

Johnny Ray Turner (29)

849 Crestwood Dr
Prestonsburg, KY 41653
(LRC) 502-564-8100
(Home) 606-889-6568

Robin L. Webb (18)

102 S Hord St
Grayson, KY 41143
(LRC) 502-564-8100
(Home) 606-474-5380

Stephen West (27)

202 Vimont Ln
Paris, KY 40361
(LRC) 502-564-8100

Whitney Westerfield (3)

700 South Main Street
PO Box 1107
Hopkinsville, KY 42241
(LRC) 502-564-8100
(Work) 270-885-7671

Phillip Wheeler (31)

702 Capital Ave.
Annex Room 255
Frankfort, KY 40601
(LRC) 502-564-8100

Mike Wilson (32)

702 Capital Ave.
Annex Room 242
Frankfort, KY 40601
(LRC) 502-564-8100

Max Wise (16)

702 Capital Ave.
Annex Room 229
Frankfort, KY 40601
(LRC) 502-564-8100

* Members of the Kentucky General Assembly may also be contacted by calling 502-564-8100.

2019 Kentucky General Assembly

House

Rocky Adkins (99)	PO Box 688 Sandy Hook, KY 41171 (LRC) 502-564-8100 (Home) 606-738-4242 (Work) 606-928-0407 (Work FAX) 606-929-5913	Tom Burch (30)	4012 Lambert Ave Louisville, KY 40218 (LRC) 502-564-8100 (Home) 502-454-4002	Al Gentry (46)	8406 Cloverport Dr Louisville, KY 40228 (LRC) 502-564-8100
Lynn Bechler (4)	2359 Brown Mines Rd Marion, KY 42064 (LRC) 502-564-8100 (Home) 270-988-4171	McKenzie Cantrell (38)	702 Capital Avenue Annex Room 424A Frankfort, KY 40601 (LRC) 502-564-8100	Jim Glenn (13)	702 Capital Ave. Annex Room 462A Frankfort, KY 40601 (LRC) 502-564-8100 (Home) 270-686-8760
Danny Bentley (98)	702 Capital Avenue Annex Room 367C Frankfort KY 40601 (LRC) 502-564-8100	John Bam Carney (51)	PO Box 4064 Campbellsville, KY 42719 (LRC) 502-564-8100 (Home) 270-403-7980	Robert Goforth (89)	2163 E Highway 30 East Bernstadt, KY 40729 (LRC) 502-564-8100 (LRC FAX) 502-564-5640 (Home) 606-305-1321
John Blanton (92)	702 Capital Avenue Annex Room 329H Frankfort, KY 40601 (LRC) 502-564-8100	Jeffery Donohue (37)	PO Box 509 Fairdale, KY 40118 (LRC) 502-564-8100 (Work) 502-439-6175	Jim Gooch Jr. (12)	714 N Broadway B2 Providence, KY 42450 (LRC) 502-564-8100 (Home) 270-667-7327 (Work FAX) 270-667-5111
Tina Bojanowski (32)	702 Capital Ave. Annex Room 451E Frankfort, KY 40601 (LRC) 502-564-8100	Myron Dossett (9)	491 E Nashville St Pembroke, KY 42266 (LRC) 502-564-8100 (Home) 270-475-9503	Derrick Graham (57)	157 Bellemeade Dr Frankfort, KY 40601 (LRC) 502-564-8100 (Home) 502-223-1769
Charles Booker (43)	702 Capital Ave. Annex Room 424C Frankfort, KY 40601 (LRC) 502-564-8100	Jim DuPlessis (25)	702 Capital Ave Annex Room 376 Frankfort, KY 40601 (LRC) 502-564-8100	Joe Graviss (56)	702 Capital Ave. Annex Room 429J Frankfort, KY 40601 (LRC) 502-564-8100 (Work) 859-433-4392
Adam Bowling (87)	PO Box 2928 Middlesboro, KY 40965 (LRC) 502-564-8100	Larry Elkins (5)	702 Capital Ave. Annex Room 405D Frankfort, KY 40601 (LRC) 502-564-8100	David Hale (74)	11 Hales Ln Wellington, KY 40387 (LRC) 502-564-8100 (Home) 606-768-3474
Terri Branham Clark (100)	702 Capital Ave. Annex Room 429B Frankfort, KY 40601 (LRC) 502-564-8100 (Home) 606-232-0357	Daniel Elliott (54)	PO Box 2082 Danville, KY 40423 (LRC) 502-564-8100 (Home) 859-332-4204	Chris Harris (93)	719 Forest Hills Rd Forest Hills, KY 41527 (LRC) 502-564-8100 (Home) 606-237-0055
Kevin D. Bratcher (29)	10215 Landwood Dr Louisville, KY 40291 (LRC) 502-564-8100 (Home) 502-231-3311	Joseph M. Fischer (68)	126 Dixie Place Ft Thomas, KY 41075 (LRC) 502-564-8100 (Home) 859-781-6965 (Work) 513-794-6442	Mark Hart (78)	202 W 4th St Falmouth, KY 41040 (LRC) 502-564-8100 (Home) 859-654-4278
R. Travis Brenda (71)	702 Capital Ave. Annex Room 316E Frankfort, KY 40601 (LRC) 502-564-8100	Kelly Flood (75)	121 Arcadia Park Lexington, KY 40503 (LRC) 502-564-8100 (Home) 859-221-3107	Angie Hatton (94)	20 Ohio St Whitesburg, KY 41858 (LRC) 502-564-8100
Randy Bridges (3)	375 Stonegate Drive Paducah, KY 42003 (LRC) 502-564-8100 (Home) 270-331-0648 (Home FAX) 270-443-4526	Deanna Frazier (81)	702 Capital Ave. Annex Room 405C Frankfort, KY 40601 (LRC) 502-564-8100	Richard Heath (2)	438 Millers Chapel Rd Mayfield, KY 42066 (LRC) 502-564-8100 (Home) 270-705-7539 (Work) 270-247-2210 (Work FAX) 270-247-2304
George Brown Jr. (77)	424 E Fourth Street Lexington, KY 40508 (LRC) 502-564-8100 (Home) 859-312-7513	Chris Freeland (6)	702 Capital Ave. Annex Room 413E Frankfort, KY 40601 (LRC) 502-564-8100	Kathy Hinkle (96)	702 Capital Ave. Annex Room 424B Frankfort, KY 40601 (LRC) 502-564-8100
		Chris Fugate (84)	277 Right Branch Spencer Chavies, KY 41727 (LRC) 502-564-8100 (Home) 606-233-5660	Jeff Hoover (83)	PO Box 985 Jamestown, KY 42629 (LRC) 502-564-8100 (Home) 270-343-2264 (Work) 270-343-5588

2019 Kentucky General Assembly

Cluster Howard (91) 476 Kings Ridge Jackson, KY 41339 (LRC) 502-564-8100 (Home) 606-568-7660	C. Ed Massey (66) 702 Capital Ave. Annex Room 352B Frankfort, KY 40601 (LRC) 502-564-8100	Ruth Ann Palumbo (76) 10 Deepwood Dr Lexington, KY 40505 (LRC) 502-564-8100 (Home) 859-299-2597
Regina Huff (82) 179 Mountain St Williamsburg, KY 40769- (LRC) 502-564-8100 (Home) 606-549-3439	Bobby McCool (97) 702 Capital Ave. Annex Room 413C Frankfort, KY 40601 (LRC) 502-564-8100	Jason Petrie (16) PO Box 397 Elkton, KY 42220 (LRC) 502-564-8100 (Home) 270-265-3163 (Home FAX) 270-265-3164
Thomas Huff (49) PO Box 1331 Shepherdsville, KY 41065 (LRC) 502-564-8100	Chad McCoy (50) 702 Capital Avenue Annex Room 370 Frankfort, KY 40601 (LRC) 502-564-8100	Phillip Pratt (62) 702 Capital Ave Annex Room 351 Frankfort, KY 40601 (LRC) 502-564-8100
Joni L. Jenkins (44) 2010 O'Brien Ct Shively, KY 40216 (LRC) 502-564-8100 (Home) 502-447-4324	David Meade (80) PO Box 121 Stanford, KY 40484 (LRC) 502-564-8100	Melinda Gibbons Prunty (15) PO Box 411 Greenville, KY 42345 (LRC) 502-564-8100
Dennis Keene (67) 1040 Johns Hill Rd Wilder, KY 41076 (LRC) 502-564-8100 (Home) 859-441-5894	Reginald Meeks (42) PO Box 757 Louisville, KY 40201 (LRC) 502-564-8100 (Work) 502-741-7464	Rick Rand (47) PO Box 273 Bedford, KY 40006 (LRC) 502-564-8100 (Home) 502-255-3392 (Work) 502-255-3286 (Work FAX) 502-255-9911
Kim King (55) 250 Bright Leaf Dr Harrodsburg, KY 40330 (LRC) 502-564-8100 (Home) 859-734-2173	Michael Meredith (19) PO Box 292 Brownsville, KY 42210 (LRC) 502-564-8100 (Work) 270-597-6049	Josie Raymond (31) 702 Capital Ave. Annex Room 451B Frankfort, KY 40601 (LRC) 502-564-8100
Matthew Koch (72) 702 Capital Ave. Annex Room 329E Frankfort, KY 40601 (LRC) 502-564-8100	Russ A. Meyer (39) 106 Lone Oak Drive Nicholasville, KY 40356 (LRC) 502-564-8100	Brandon Reed (24) 113 N Walters Ave P.O. Box 8 Hodgenville, KY 42748 (LRC) 502-564-8100 (Work) 270-358-0868
Adam Koenig (69) 170 Herrington Ct #12 Erlanger, KY 41018 (LRC) 502-564-8100 (Home) 859-653-5312	Charles Miller (28) 3608 Gateview Cir Louisville, KY 40272 (LRC) 502-564-8100 (Home) 502-937-7788	Steve Riley (23) 189 Blue Sky Dr Glasgow, KY 42141 (LRC) 502-564-8100 (Home) 270-646-6821
Nima Kulkarni (40) 702 Capital Ave. Annex Room 429E Frankfort, KY 40601 (LRC) 502-564-8100	Jerry T. Miller (36) PO Box 36 Eastwood, KY 40018 (LRC) 502-564-8100	Rob Rothenburger (58) 811 Stapleton Rd Shelbyville, KY 40065 (LRC) 502-564-8100 (Home) 502-633-5832
Stan Lee (45) PO Box 2090 Lexington, KY 40588 (LRC) 502-564-8100 (Home) 859-252-2202 (Home FAX) 859-259-2927	Patti Minter (20) 702 Capital Ave. Annex Room 429A Frankfort, KY 40601 (LRC) 502-564-8100	Bart Rowland (21) PO Box 336 Tompkinsville, KY 42167 (LRC) 502-564-8100
Derek Lewis (90) 702 Capital Ave. Annex Room 413D Frankfort, KY 40601 (LRC) 502-564-8100 (Home) 606-594-0061 (Home FAX) 606-672-5526	Tim Moore (18) 417 Bates Rd Elizabethtown, KY 42701 (LRC) 502-564-8100 (Home) 270-769-5878	Steven Rudy (1) 350 Peppers Mill Drive Paducah, KY 42001 (LRC) 502-564-8100 (Work) 270-462-3156
Scott Lewis (14) PO Box 454 Hartford, KY 42347 (LRC) 502-564-8100	Kimberly Poore Moser (64) PO Box 143 Independence, KY 41051 (LRC) 502-564-8100	Sal Santoro (60) 12094 Jockey Club Dr Union, KY 41091 (LRC) 502-564-8100 (Home) 859-371-8840 (Home FAX) 859-371-4060
Savannah Maddox (61) 702 Capital Ave. Annex Room 413G Frankfort, KY 40601 (LRC) 502-564-8100	Jason Nemes (33) 702 Capital Avenue Annex Room 416C Frankfort, KY 40601 (LRC) 502-564-8100	Dean Schamore (10) 120 Ball Park Rd Hardinsburg, KY 40143 (LRC) 502-564-8100
Mary Lou Marzian (34) 2007 Tyler Ln Louisville, KY 40205 (LRC) 502-564-8100 (Home) 502-451-5032	David Osborne (59) PO Box 8 Prospect, KY 40059 (LRC) 502-564-8100 (Work) 502-645-2186	Attica Scott (41) 702 Capital Ave Annex Room 432C Frankfort, KY 40601 (LRC) 502-564-8100

2019 Kentucky General Assembly

Steve Sheldon (17)

702 Capital Ave
Annex Room 351B
Frankfort, KY 40601
(LRC) 502-564-8100

John Sims Jr (70)

3177 Maysville Rd
Flemingsburg, KY 41041
(LRC) 502-564-8100
(Home) 606-748-1839

Maria Sorolis (48)

702 Capital Ave
Annex Room 432A
Frankfort, KY 40601
(LRC) 502-564-8100

Diane St. Onge (63)

523 Kluemper Court
Fort Wright KY 41011
(LRC) 502-564-8100
(Home) 859-341-1231

Cherlynn Stevenson (88)

702 Capital Ave
Annex Room 424G
Frankfort, KY 40601
(LRC) 502-564-8100

Jim Stewart III (86)

545 KY 223
Flat Lick, KY 40935
(LRC) 502-564-8100
(Home) 606-542-5210

Wilson Stone (22)

1481 Jefferson School Road
Scottsville, KY 42164
(LRC) 502-564-8100
(Home) 270-622-5054

Ashley Tackett Laferty (95)

702 Capital Ave
Annex Room 432F
Frankfort, KY 40601
(LRC) 502-564-8100

Nancy Tate (27)

702 Capital Ave
Annex Room 351D
Frankfort, KY 40601
(LRC) 502-564-8100

Walker Thomas (8)

2620 Cox Mill Road
Hopkinsville, KY 42240
(LRC) 502-564-8100
(Home) 270-889-8091
(Home FAX) 270-885-5335

James Tipton (53)

8151 Little Mount Rd
Taylorsville, KY 40071
(LRC) 502-564-8100

Tommy Turner (85)

175 Clifty Grove Church
Somerset, KY 42501
(LRC) 502-564-8100
(Home) 606-274-5175

Ken Upchurch (52)

PO Box 969
Monticello, KY 42633
(LRC) 502-564-8100
(Home) 606-340-8490

Russell Webber (26)

PO Box 6605
Shepherdsville, KY 40165
(LRC) 502-564-8100
(Home) 502-543-8209

Susan Westrom (79)

PO Box 22778
Lexington, KY 40522
(LRC) 502-564-8100
(Work) 859-266-7581

Buddy Wheatley (65)

702 Capital Avenue
Annex Room 462A
Frankfort, KY 40601
(LRC) 502-564-8100

Rob Wiederstein (11)

702 Capital Avenue
Annex Room 451A
Frankfort, KY 40601
(LRC) 502-564-8100
(Work) 270-831-1087

Lisa Willner (35)

702 Capital Avenue
Annex Room 424D
Frankfort, KY 40601
(LRC) 502-564-8100
(Home) 502-599-7289

Les Yates (73)

702 Capital Avenue
Annex Room 351C
Frankfort, KY 40601
(LRC) 502-564-8100

*** Members of the Kentucky General Assembly may also be
contacted by calling 502-564-8100.**

LRC Publications 2019 Price List

Daily Record Pick up: \$82.50

Daily Record Mailed: \$82.50 (plus
postage)

Friday Record Mailed: \$30.25 (plus
postage)

Individual Record Pick up: \$2.75

Individual Record Mailed: \$2.75 (plus
postage)

Bills

Complete Set of Bills and Resolutions
(Pick up): \$425

Individual Bills Per Page: \$.05

Amendments Per Page: \$.05

Roll Call Votes: \$.15 Per Page

Publications

1-10 copies: Free to general public;
larger numbers of free copies are
available to schools and state agencies
(Copies over preapproved limits require
agency approval)

Administrative Regulations (2018)

Bound Volumes: \$235.25

Administrative Register: \$120.00

Volumes and Register: \$355.25

Acts of the General Assembly (2018)

Regular Sessions: \$80.00 (2 Volumes)

Special Sessions: Priced after printing

Journals

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

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

Committee Meetings

Index

A

Appropriations and Revenue, 17, 18
Area Development District Working Group, 31

C

Capital Planning Advisory Board, 36
Capital Projects and Bond Oversight, 33
Child Welfare Oversight and Advisory Committee, 19

E

Education, 11
Education Assessment and Accountability Review Subcommittee, 29

G

Government Contract Review Committee, 24

J

Judiciary, 14

K

Kentucky Career and Technical Education Task Force, 29

L

Local Government, 9

N

Natural Resources and Energy, 8

P

Program Review and Investigations Committee, 21

T

Tobacco Settlement Agreement Fund Oversight Committee, 28

INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENERGY

Minutes of the 1st Meeting of the 2019 Interim

June 4, 2019

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Natural Resources and Energy was held on Tuesday, June 4, 2019, at 3:00 PM, in Room 154 of the Capitol Annex. Representative Jim Gooch Jr., Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Brandon Smith, Co-Chair; Representative Jim Gooch Jr., Co-Chair; Senators Matt Castlen, C.B. Embry Jr., Robby Mills, Reginald Thomas, Robin L. Webb, and Phillip Wheeler; Representatives John Blanton, Adam Bowling, Jim DuPlessis, Daniel Elliott, Chris Fugate, Angie Hatton, Cluster Howard, Derek Lewis, Suzanne Miles, Melinda Gibbons Prunty, Josie Raymond, Cherlynn Stevenson, and Rob Wiederstein.

Guests: Tyler White, President, Kentucky Coal Association, and Charles Snavelly, Secretary, Energy and Environment Cabinet.

LRC Staff: Janine Coy-Geeslin, Silas Montgomery, and Rachel Hartley.

Kentucky Coal – Productivity, Policy, and the Future of Coal

Tyler White stated that Kentucky is the fifth largest coal producer in the country. About 20 percent of all operating U.S. coal mines are located in Kentucky, more than any state except for Pennsylvania. In 2018, about 75 percent of Kentucky's electricity generation was coal-fired. Coal remains an important part of Kentucky's energy portfolio, despite the decrease in coal production within the Commonwealth.

The majority of coal burned in Kentucky is imported from other states. The Public Service Commission (PSC) proposed an amendment to 807 KAR 5:056 (Fuel Adjustment Clause) in response to HR 144 passed during the 2019 Regular Session. The amended regulation would require the PSC, when evaluating reasonableness of a utility's fuel costs, to deduct from the fuel costs the amount of coal severance tax assessed on the coal. The amended regulation would assist in creating competition between Kentucky and other coal producing states since the states that compete with Kentucky have lower or no coal severance taxes.

The Kentucky Coal Association (KCA) used coal education funds, which are allotted from part of the revenue from the unmined minerals tax, to partner with the Junior Achievement Biztown located in Lexington. Biztown is an interactive mock city designed to teach fifth-grade students about financial literacy and expose the students to different career fields. KCA provided an interactive model for students to learn how electricity is produced from coal to power their houses.

The KCA proposed reestablishing a behavior-based mine safety program in response to the mine safety and modernization changes accomplished by 2017 HB 384.

Kentucky's Coal Outlook

Secretary Charles Snavelly stated that the injury rate in Kentucky for surface mining is slightly higher than the national rate, and the injury rate for underground mining is the same as the national rate. The Energy and Environment Cabinet (the cabinet) and the coal industry have jointly proposed new regulations to require more reflective material on surface and underground coal miners and require flashing beacons for coal miners on foot underground.

The Kentucky Reclamation Guaranty Fund (KRGF) provides assistance to the cabinet in the event the reclamation bond is insufficient to complete reclamation on a mine site. In 2015, KRGF had a balance of \$35 million with \$80 million in liabilities. In 2019, KRGF has a balance of \$49 million with \$31 million in liabilities.

Kentucky is on a downward trajectory for energy intensity, which measures energy consumption per real dollar of gross domestic product (GDP). The Energy Information Administration estimates that the energy intensity in the United States will continue to decrease. Kentucky is ranked seventh nationally for lowest cost of electricity.

Kentucky will have achieved the reductions in carbon dioxide proposed in the Clean Power Plan under the Obama Administration before the effective date of the plan. The reductions are a result of closures of coal-fired power plants due to age.

In response to a question from Senator Wheeler, Secretary Snavelly stated that new coal-fired power plants cannot be built without carbon capture and storage technology as a result of section 111(b) of the Clean Air Act and the endangerment finding of carbon dioxide as a pollutant by the United States Environmental

Protection Agency.

In response to a question from Representative Miles, Mr. White stated Junior Achievement Biztown targets fourth and fifth grade students. The KCA is pursuing a grant to expand the program in Louisville to focus on careers for ninth and tenth grade students.

In response to a question from Senator Webb, Secretary Snively stated he is unable to comment on the recent mining fatality in Harlan County since it is an active investigation.

In response to a question from Representative Gibbons Prunty, Mr. White stated there has been a positive impact on the industry due to HB 384 passed in the 2017 Regular Session. The behavior-based program is a way to aggregate and share the data throughout the industry.

In response to a question from Representative Howard, Secretary Snively stated several housing developments are being built on old surface mine sites.

In response to a question from Representative Gooch, Secretary Snively stated incident rates in Kentucky are higher than the national average, because the mountainous terrain in eastern Kentucky is more difficult than other states, and other states have larger coal companies with more resources for mine safety.

In response to a question from Representative DuPlessis, Secretary Snively stated tax incentives to burn Kentucky coal or a reduction in the severance tax would create more competitive pricing with other states.

In response to a question from Senator Smith, Secretary Snively stated the regulatory constraints from the Army Corps of Engineers do increase costs for the coal industry in Kentucky.

In response to a question from Senator Mills, Secretary Snively stated the United States Department of Energy created the Coal First Initiative to develop a clean coal-fired power plant.

In response to a question from Senator Thomas, Mr. White stated the coal industry utilizes automation that reduces labor costs and risks for miners.

There being no further business, the meeting was adjourned.

INTERIM JOINT COMMITTEE ON LOCAL GOVERNMENT

Minutes of the 1st Meeting of the 2019 Interim

June 6, 2019

Call to Order and Roll Call

The first meeting of the Interim Joint Committee on Local Government was held on Thursday, June 6, 2019, at 8:00 AM, in Room 149 of the Capitol Annex. Representative Michael Meredith, Chair, called the meeting to order, and

the secretary called the roll.

Present were:

Members: Senator Wil Schroder, Co-Chair; Representative Michael Meredith, Co-Chair; Senators Robby Mills, Albert Robinson, Dan “Malano” Seum, Damon Thayer, and Johnny Ray Turner; Representatives Danny Bentley, George Brown Jr, Jeffery Donohue, Larry Elkins, Deanna Frazier, Joe Graviss, Cluster Howard, Regina Huff, Kim King, Stan Lee, Russ A. Meyer, Brandon Reed, Rob Rothenburger, and John Sims Jr.

Guests: Elbert Bennett, Caldwell County Magistrate; Sean Curry, Green County Property Valuation Administrator; Mack Bushart, Property Valuation Administrator’s Association; Tommy Turner, LaRue County Judge/Executive; Don Blevins, Fayette County Clerk; Gabrielle Summe, Kenton County Clerk; Colonel Pat Morgan and Jerry Wagoner, Kentucky Sheriffs’ Association; Bert May, Kentucky League of Cities; Eric Kennedy, Kentucky School Boards Association; Melissa Klink, Department of Revenue; Gregg Ladd, Department for Local Government; Shellie Hampton, Kentucky Association of Counties; Bill May, Kentucky County Clerks’ Association; Vince Lang, Kentucky County Judge/Executive Association; Tony Wilder, Kentucky Council of Area Development Districts; Judy Taylor, Lexington-Fayette Urban-County Government; Ron Wolf, Associated General Contractors of Kentucky, and Pam Thomas, Mountain Association for Community Economic Development.

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

Kentucky Property Tax Calendar

Mr. Elbert Bennett, Caldwell County Magistrate and President of the Kentucky Association of Counties (KACo) explained that 2019 HB 49, in its original form, would have mandated some statewide changes to the property tax calendar. Among the bill’s provisions, the time allowed to gather signatures for a tax recall petition would have been increased from the current 45 days to 75 days. The final version cut the original extension from 75 days to 50 days, and applied it to two Fayette and Jefferson counties.

The property tax calendar falls on the shoulders of many entities whose duties overlap. Each step in the calendar is dependent upon the action before it. This keeps the process moving forward but in an already compressed timeline. Mr. Mack Bushart, Executive Director of the Property Valuation Administrator’s Association, provided a pre-Kentucky Education Reform Act (KERA) and a post-KERA history of the tax calendar timeline and explained the PVA’s duties as it relates to the tax calendar.

Mr. Sean Curry, Green County Property Valuation Administrator (PVA) and legislative vice president of the Kentucky PVA Association, discussed his local office’s valuation processes, timelines, and challenges. The office assesses property as of January 1 when field work is begun. For the 2019 tax year, he was responsible for assessing about 2,500 properties. The Green County PVA office is staffed by two full time employees and one part time employee. The PVA conducts the field work alone. Weather has a significant impact on fieldwork as it can cause delays. By the first Monday in April, the offices sends its recapitulation to the Revenue Cabinet which the cabinet will approve or require the PVA to reassess the properties. When a property is reassessed, the property owners must be notified and an opportunity to discuss the reassessment must be provided to the property owner. If property owners still do not agree with the assessment, they can file an appeal. The property tax calendar is tight and confusing, but it works well in Green County.

Judge Tommy Turner, LaRue County Judge/Executive and Legislative Committee Chairman of the Kentucky County Judge/Executive Association, explained the Fiscal Court’s duties as it relates to the tax calendar. The county judge/executive receives a copy of the recapitulation from the PVA on the first Monday in April. The Department for Local Government plans to have its compensating and four percent rates calculated by June 30th. The Department of Revenue sends out its certification to counties July 8th through July 31st. Within 45 days of receiving certification, the fiscal court sets the tax rate. The 45 days can be tight depending upon the timing of the receipt of the certification and when the local newspapers set their deadlines and run their legal ads which are required in the rate setting process. The sheriff of LaRue County must have the rates from the fiscal court by October 10 to begin his process. Regarding HB 44 actions, if the fiscal court takes the compensating rate, no additional action is needed. If the fiscal court takes between compensating rate and four percent increase, it must be advertised and discussed in a public hearing. If the fiscal court takes more than the four percent increase, it must be advertised and discussed in a public hearing, and then it is subject to recall adding even more pressures to the calendar timeline.

Mr. Don Blevins, Fayette County Clerk, explained the clerks’ duties as relating to the tax calendar. The key dates are July 8th through July 31st when the Department of Revenue issues the certification which begins the 45 day period which Judge Turner discussed earlier. Following that, October 1st is a key date to get the tax bills out so that the public has the full 30 days in

which to get the discount for early payment of taxes.

In July, the Department of Revenue's certification is issued, and PVAs need to address any changes that have occurred after May when they submitted their valuation to Revenue. At this time the fiscal courts are setting their rates. The clerks are waiting to get the rates set and to print the tax bills. The pinch point is around September 15th, that day being the day the clerk has to hand the tax bills to the sheriff for delivery. However, the fiscal courts are not finishing their work until around August 31st leaving the clerks about two weeks to finish their work. Any potential recall cannot start until the fiscal court sets its rates—around September 1st. Then potential petitioners have 45 days, or more, in light of 2019 HB 49, to collect signatures putting the time then into mid-October, after the tax bills have been sent out by the sheriff and creating administrative issues for the charging and collecting of the tax. This year on September 16, the clerks also need to have the ballots ready for the general election. Recalls become problematic.

Intricate timing of the normal tax calendar and any change, no matter how minor, would delay the final delivery of the tax bills and potentially create cash flow issues for the taxing entities.

Colonel Pat Morgan, Chief Deputy with the Kenton County Sheriff's Office and representing the Kentucky Sheriffs' Association, explained the sheriffs' duties as it relates to the tax calendar.

The Kenton County Sheriff's office begins its collections October 1st. Some counties begin in November, some in October. The sheriff's office also does testing to ensure the accuracy of the bills. Any delays can affect the sheriffs, especially because sheriffs are on the calendar year instead of a fiscal year. Delaying collections into the next calendar year because of changes in the tax calendar or because of recall elections can affect the sheriff's budget and accounting.

Representative Meredith stated that it seemed to him that the PVA's biggest pinch point would be at the start of the year, that the advertising requirements would be the biggest pinch for the county judges, that printing and delivering the tax bills to the sheriff and election recall would be the biggest pinch points for the clerks, and the discount period and mailing of the tax bills would be the biggest pinch for the sheriffs. All officials agreed.

In response to a question from Representative Meredith, Mr. Blevins said if the tax bills are sent out with a rate that exceeds four percent, and there is a successful recall election, the overage would be refunded. A good solution would be to detach the recall process from the regular tax calendar. Clerks and sheriffs are on

a different fiscal year than the other offices, and that sheriffs can be affected most by delayed taxes since they rely on those tax fees to fund their offices.

In response to a question from Representative Rothenburger, Mr. Curry replied that every county assesses its properties for quadrennial review using different methods so it is hard to say what the PVA overall assessment across the Commonwealth would be. In general, PVAs are in their first year of their quadrennial review this year.

In response to another question from Representative Rothenburger, Mr. Curry said that every PVA must meet the required assessment measurement standards in order to have figures certified each year by the Department of Revenue.

In response to another question from Representative Rothenburger, Judge Turner stated that notices may be mailed to each taxpayer, but publication in the local newspapers is the only sure way to get notification out. Contemporary methods of communication are worth exploring.

In response to question from Representative Graviss, Mr. Blevins said that the groups do not have a simple solution to ease the tax calendar timeline especially in consideration with recall issues. There needs to be a task force made up of the interested parties to come up with a solution that includes provisions for a recall.

In response to question from Representative Meredith, Mr. Bushart stated that some counties can begin assessments prior to January 1, but there is a shortage of people and time. He suggested electronic submission straight to the Department of Revenue for tangible property might expedite the process, since tangible property is self-reported. Mr. Curry noted that changes in property, such as additions, done after January 1 might not be picked up for another four years if the assessments are done prior to January.

In response to a question from Senator Seum, Judge Turner replied that cities and special districts have the ability to raise property taxes in addition to the fiscal court and school boards.

Mr. Bert May with Dinsmore and Shohl, representing the Kentucky League of Cities, told the committee that he did not have anything add to what representatives of the county offices testified in regards to the tax collection process used by cities. The League looks forward to being a part of the solution.

In response to a question from Representative Meredith, Mr. May said cities follow the tax calendar timelines regarding tax collection.

Mr. Eric Kennedy, Director of Governmental

Relations with the Kentucky School Boards Association (KSBA), mentioned that the property tax is the oldest tax in Kentucky. It has been imposed since Kentucky became a state, and therefore it is the only tax mentioned in the state constitution. As a result, the constitutional provisions tie the state's hands as to what can or cannot be changed about this tax and how it is imposed.

When a recall petition occurs and there is an election, the school board and other local taxing jurisdictions may go ahead and issue bills with the higher amount, the amount that is subject to the pending recall, and the taxing jurisdictions can hold those revenues in escrow and issue refunds, if necessary, when the tax is recalled.

As others have already stated, the overall process and calendar is complex, and there will be a ripple effect if any change is made to any point of that process. It is certainly a relay race among the various officers involved. The current process works well, and probably as well as it possibly can considering the number of different offices involved.

The calendar itself, which is the topic today, is the same for school districts as it is for other jurisdictions. The PVA assessment is used for all county districts and most independent or city districts, and similarly the sheriff is the tax collector for all county school districts and most independent districts. Independent districts may elect to use their own assessment and may elect to collect their own property taxes, however most do not.

Looking purely at the aspects that are unique for schools, is the overlay and interaction of property tax assessment and the SEEK funding formula, through which the state allocates state funding to districts. The valuation of property in each local school district by the PVA generally is the entire basis of the SEEK calculation, therefore it is a major state budget concern for the General Assembly and the general fund. Local property taxes are not only a major source of revenue locally, directly to the local school board levying the tax, but as the basis for the SEEK formula, the state will provide more or less state funding to each district depending on the valuation of its property.

Also, another key difference in the overall calendar for schools is the level of oversight of the state on district budgets. In conjunction with this tax calendar, school boards must submit three different budget documents at key points in each fiscal year. At each point, more information is becoming available to the district as a result of the work done by the PVA, the state department of revenue, the sheriffs, and other officials involved in the process, and the district budget becomes more refined as these are submitted to

the state for review and oversight.

KSBA will be eager to participate in any discussions, either as a formal task force or informally.

Ms. Melissa Klink, Assistant Director of the Division of Local Support with the Department of Revenue, told the committee that she did not have anything to add to what the other speakers discussed.

In response to a question from Senator Seum, Ms. Klink said that the requirement of 100 percent valuation is ensured through ratio studies conducted by the cabinet on the assessments presented to them by the PVAs.

In response to a question from Representative Meredith, Ms. Klink said it would be difficult to move the certification of assessments and rates on the calendar.

Mr. Gregg Ladd, General Counsel for the Department for Local Government (DLG), stated that it only takes DLG one day to calculate the compensating and four percent tax rates upon receiving the assessment from the Department of Revenue. DLG had no substantial issues as it relates to the property tax calendar.

Representative Graviss stated that it was his understanding each tax was a line item on the tax bill.

Representative Meredith noted that all taxing districts are subject to the four percent revenue increase.

Mr. Kennedy said that it is possible that each taxing entity that is represented on the tax bill could enact a four percent increase and then each entity's tax bill would increase with that amount being reflected on the total at the bottom of the total tax bill.

Mr. Bushart drew a distinction between the value of the property which is subject to the tax on the tax bill and the rate applied to the assessed value. The rate on each component of the tax bill is gauged toward the four percent calculation.

Mr. Kennedy noted that the rate applied to taxpayers on the governmental scale can affect property owners' payments on the individual scale because of their property's assessed value.

Judge Turner noted that the amount of taxes paid by an individual is dependent upon the assessed value of that person's property which can fluctuate. Events such as a fire, the damages of which have been noted in the assessed value of a property, could result in a lower tax bill for that period. Conversely, a property that was renovated and received a higher assessed value could result in a larger tax bill, even though the government's property rates stayed the same. The terms "compensating tax rate" and "four percent" rate are calculated on the entire scale of the collective property values within that local government's jurisdiction. Rates and revenue are

not the same thing.

Representative Graviss suggested that there might be some opportunity to get an early start in the preparation for the assessment process prior to January 1 while adhering to the constitutional requirements relating to property valuation.

Mr. Bushart noted that regarding the valuation process, there is an emphasis to prepare valuations in the spring, but that the assessment process occurs throughout other parts of the year.

Mr. Curry suggested that a formal requirement that could increase the tax calendar process beyond a 12 month cycle may be confusing.

In response to a question from Senator Robinson, Mr. Bushart said in relation to the 100 percent value requirement, the compensating tax rate is calculated to account for the change in property value from the previous year to the property value in this year to bring in the same amount of revenue.

There being no further business, the meeting was adjourned at 9:35 a.m.

INTERIM JOINT COMMITTEE ON EDUCATION

Minutes of the 1st Meeting of the 2019 Interim

June 5, 2019

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Education was held on Wednesday, June 5, 2019, at 1:00 p.m., in Room 149 of the Capitol Annex. Representative Regina Huff, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Max Wise, Co-Chair; Representative Regina Huff, Co-Chair; Senators David P. Givens, Stephen Meredith, Gerald Neal, Dan "Malano" Seum, Reginald Thomas, Johnny Ray Turner, Stephen West, and Mike Wilson; Representatives John Bam Carney, Jeffery Donohue, Jim Glenn, Mark Hart, Scott Lewis, Mary Lou Marzian, C. Ed Massey, Bobby McCool, Reginald Meeks, Kimberly Poore Moser, Melinda Gibbons Prunty, Steve Riley, Attica Scott, John Sims Jr, James Tipton, Russell Webber, and Lisa Willner.

Guests: Donnie Wilkerson, social studies teacher; A.C. Donahue, Christian Home Educators of Kentucky; Richard Innes, Bluegrass Institute; and Melissa Banks, Department for Community Based Services.

LRC Staff: Lauren Busch, Joshua Collins, and Maurya Allen.

Chair Huff welcomed everyone to the first Interim Joint Committee on Education meeting of the 2019 Interim and introduced her co-chair,

Senator Wise. Representative Marzian welcomed retired school teachers who were attending the meeting and thanked them for their work.

Approval of Minutes

Representative Marzian made a motion to approve the minutes as written, which was seconded by Representative Glenn. The motion passed by voice vote.

Early Childhood Education

Linda Hampton, Executive Director, Governor's Office of Early Childhood, and Erin Mitchell, Communications Director, Governor's Office of Early Childhood gave an overview of early childhood education in Kentucky.

Ms. Hampton said there are 21,276 children enrolled in public preschool programs and 25,660 children in child care. These numbers include children in head start programs. The Early Childhood Advisory Council (ECAC) is required by statute but it has been many years since the program had an active strategic plan. In the last two years, ECAC has been developing a strategic plan for early childhood education in the Commonwealth. At the last meeting of the 15 member council, a new strategic plan was debuted and encompasses the entire early childhood education program which includes public preschool, head start, early head start, and licensed childcare centers. The plan also includes a revised vision statement and mission statement. The most critical piece of the mission statement is the word "comprehensive." All of the supports for children, families, instructors, and everyone who works with them are included in this. There will be an increased focus on care for children in the prenatal stage (care for the mother) and very early childhood care.

Goals for ECAC in the upcoming year, based on the new strategic plan, include comprehensive early care and education through strategic messaging, strengthening the early care and education workforce by providing a career pathway for advancement and professional learning, increasing coordination, program quality, and service delivery by fostering collaboration between agencies and stakeholders, promoting a comprehensive framework to effectively partner with families, informing funding and resource allocations, policy recommendations, and programming by consistently applying data driven systems and processes, and securing new, diverse funding while utilizing existing resources more effectively.

Kentucky received an Every Student Succeeds Act (ESSA) Preschool Development Grant providing \$10.62 million to strengthen early childhood system alignment, coordination, efficiency, and develop best practices that will benefit the health and development of young children in Kentucky. This is a one-year grant

operating from January 1, 2019 to December 31, 2019. There is an opportunity for three additional years of renewal funding through a competitive application, a process which begins in August. Several agencies, including the Kentucky Department of Education, Cabinet for Health and Family Services, Education and Workforce Development Cabinet, Kentucky Head Start Association, Community Early Childhood Councils, and the Kentucky Center for Statistics are working with the Governor's Office of Early Childhood and ECAC to determine the best allocation of these funds. Because of its unique situation, Kentucky should be poised to make a strong application for renewal.

Ms. Hampton pointed out that the most highly vulnerable early childhood populations are the rural populations, but there are significant differences in the needs of rural children in western Kentucky versus eastern Kentucky. There are childcare deserts in the state, meaning there are families with no reliable childcare or early childhood education opportunities. One of the priority uses of the grant funding will be developing a model for starting in-home child care in order to educate willing individuals who want to start childcare centers in their own homes. This would be a way to not only address childcare needs in struggling regions of the state, but also provide economic security for individuals who may not have other employment opportunities.

Early childhood councils across the state are a vital partner of the ECAC and are comprised of teachers, librarians, city council members, and other who are building systems to improve school readiness. Meetings of these councils with stakeholders, called School Readiness Summits, will continue, funded by tobacco settlement dollars and other grant funds. These summits are led by local superintendents and foster collaboration among schools, local head start directors, and local childcare directors. These summits have been critical ways for stakeholders to understand each other's roles and plan the best way to leverage each of their own skill sets to best prepare children. There are 75 teams meeting across the state and applying for other grant funds, which could potentially total \$1.3 million in funds for children in their areas. This kind of collaboration also allows for setting unified goals throughout counties so everyone is working toward a common goal.

From parent surveys, it was determined that a top priority for families is finding quality childcare close to where they work. This is especially important for rural and low-income parents who already struggle with transportation and household budgets. Part of the outreach of ECAC will be educating parents on what to look

for in a quality childcare provider. Combined with that, in order to improve the quality of childcare programs, the ECAC will continue to promote tools for childcare providers, including access to strong curriculum and training from curricula authors for the highest level of authenticity.

Kentucky also received funds from a National Governor's Association Grant (NGA) which will be used to develop standards for prenatal through age 5 that will align with K-12 standards, with a focus on social and emotional development. The first 1,000 day period of a child's life is a critical time for development and lays a foundation that will be carried not only into school, but into adulthood and the workforce.

Ms. Hampton discussed the Early Childhood Institute 2019 which will be held June 19-21 at the Galt House in Louisville. This conference is designed to empower professionals who impact and shape Kentucky's youngest children and their families. It focuses on providing high-quality professional development, as that is the pathway to high-quality early care and education. Scholarships were available to ensure that this opportunity was accessible even to those who might otherwise struggle to come to Louisville for the conference.

In response to a question from Representative Scott, Ms. Hampton said the strategic plan is still in revision, but following its final approval at the June 19, 2019, ECAC meeting it will be available to the public online. She will also send a copy to committee members so they will have it readily available.

Following a question from Senator Thomas, Ms. Hampton said unification is key to providing comprehensive early care and education. A uniform system of standards at the early childhood level that align with K-12 standards will go a long way towards addressing the education gaps in early school grades.

Representative Moser inquired about school readiness teams, which Ms. Hampton answered saying the Erlanger-Elsmere team was utilized as a model for the School Readiness Summit teams because they do a phenomenal job at pulling together partners to do the most good for children.

In response to a question from Representative Tipton, Ms. Hampton said she would have to get the most current numbers of students who are not enrolled in childcare, because the work is currently ongoing to collect those data. There is a desire to reduce duplication in the data, especially regarding children who are in more than one program. Representative Tipton also inquired into the tobacco settlement funds. Ms. Hampton reported a funding level of \$28.8 million in 2018-2019 and in 2019-2020 there was an overall funding level of \$27.9 million.

She explained that current fiscal mapping was performed in response to the ECAC wanting a better understanding of where these funds are being spent. The levels have remained the same to various programs for many years and it was time to give a fresh look at where the money was expended, even though 25 percent of tobacco monies must be spent on early care and education.

Responding to a question from Senator Meredith, Ms. Hampton clarified that Kentucky was one of six states that received the highest level of funding in the grant. Forty states were awarded funds, but Kentucky's application was one of the strongest resulting in the highest level of funding. Among the unique elements in the application was the desire to individually identify students in order to understand at a fine-detail level how much is spent per child. Kentucky will be able to measure success with a significant improvement in test scores and when all stakeholders understand what it takes for a child to excel. It is more than a child in a classroom, it includes the holistic care and wrap-around services, which support the whole child and family unit. Within a year there should be a wealth of data reflected in readiness scores and other areas.

Homeschooling

David Wickersham, Deputy Director, Office of Education Accountability (OEA); Dr. Bart Liguori, Research Division Manager, OEA; and Dr. Deborah Nelson, Research Analyst, OEA, shared research performed by OEA on homeschooling in Kentucky last year at the request of the Education Assessment and Accountability Review Subcommittee. The report was presented to, and accepted by, the subcommittee in September of 2018.

Dr. Nelson stated that homeschool rates have risen in the nation and in Kentucky. Additionally, Kentucky's homeschool rate slightly exceeds the national average. Outcome data are limited in Kentucky and nationwide, but what is available suggests that outcomes are good. Kentucky requirements for homeschools are higher than in some states, but lower than others. There are also many challenges to enforcing Kentucky's homeschool laws. Public school officials express concern that some students reported as being homeschooled are not. There is potential for greater clarification under current law.

Homeschools are not defined in law, but are defined by the Kentucky Department of Education as private, unaccredited schools operated by a child's parent or guardian. Homeschools receive no state assistance or financial support. Because homeschools are not accredited, diplomas do not necessarily carry the same legal status as those from accredited public or private schools.

Families choose to homeschool for a variety of reasons including a desire for specific religious education, increased flexibility, or concerns about school safety. Models range from those conducted entirely in their own homes, to those that combine home education with online learning, tutors, or homeschool cooperatives.

Data sources included an OEA survey of Directors of Pupil Personnel (DPPs), staff review of homeschool laws in other states, previous enrollment information from the Kentucky Department of Education, postsecondary enrollment information from the Council on Postsecondary Education, and interviews with school districts, Cabinet for Health and Family Services personnel, Administrative Office of the Courts personnel, and homeschool parents. Even with these diverse sources, data available on students were limited.

In 2017, over 26,500 school-aged children were reported as being homeschooled, which is slightly higher than the national average. Homeschool enrollment has increased across the nation since the 1970s, but exact trend numbers are unavailable. Available source information indicates that enrollment remains relatively stable across all age groups, with a slight increase at the beginning of high school grades. Independent districts tend to have lower homeschool rates, but aside from that, there does not seem to be any correlation between the number of students being homeschooled and socioeconomic status or geography.

Dr. Nelson said knowledge of outcomes for homeschool students is very limited, and outcomes reported in this report and any report on homeschooling will be based on a very small number of students, therefore, it is not likely to be representative of all homeschool students. Most data in this study come from students who enroll in Kentucky postsecondary institutions, either as college students or in dual credit. Homeschool students out-perform their public and other school peers in higher GPA ranges and have lower percentages scoring "C" or below. Parents of homeschool students interviewed for this study reported that their children are actively recruited by colleges because they are known to be academically prepared and have good work ethic. Homeschool students enroll in college at about half the rate of public school peers so these results are not likely to be representative of all homeschool students. The full report also includes information regarding homeschool student performance on the ACT and in dual credit coursework.

To enroll a child in a homeschool, a parent must notify the school district that the child is being homeschooled. The parent must keep attendance and scholarship reports subject to

monitoring by the DPP. There is no minimum education requirement for Kentucky parents to open a homeschool, unlike in other states, and there is no routine reporting requirement. There is little guidance in the law for what information must be kept in reports, especially scholarship reports. The full OEA research report includes more detailed comparisons of Kentucky's homeschool laws with bordering states, and nationwide. However, it is very difficult to make any direct comparisons due to the wide variation in homeschool laws.

There was a substantial lack of data from the homeschool community, so there is greater reliance on data provided by public officials. DPPs generally expressed high regard for the education provided by parents who homeschool out of conviction about the best interests of the child. However, almost half of DPPs reported concern about parents who appear to transfer their children to homeschools to avoid legal consequences for habitual truancy. While Kentucky law requires DPPs to monitor homeschool attendance and scholarship reports, many DPPs surveyed expressed concerns regarding the content of reports. They also reported lack of parental education and lack of computers, books, and other instructional materials in the homes during required home visits for truant students prior to transfer to homeschool. When students transfer to homeschools, there is no longer any direct monitoring under the law.

Dr. Nelson cautioned that while the data support a high degree of absenteeism among students who transferred to homeschools in the last year, the larger majority of students being homeschooled last year had never been enrolled in public schools and therefore there is little to no information regarding their absentee rates. While there is an increase in students withdrawing to homeschool in the middle and high school grades, she noted that a high number of absences does not necessarily indicate a lack of commitment to education by students or their parents. Some students transfer to homeschool due to anxiety or fear for school safety, and these reasons are also associated with a high rate of absenteeism. However, there is a sharp increase in students transferring to homeschool in high school following the statewide decision to move the dropout age from 16 to 18. Many DPPs report that, following their district sending written truancy notices, there is a corresponding wave of parents enrolling students in homeschools.

DPPs feel powerless to address this situation and report not having the practical ability to enforce laws to ensure students being homeschooled are actually being educated. Their clear authority is limited to requesting enrollment

information and reports, which vary widely in their content. There is also no guidance in the law regarding when and how to request these reports. The lack of minimum requirements in the reports is a source of great frustration, as that is the only evidence that teaching and learning is occurring in a homeschool. DPPs report some homeschool parents keep large portfolios of student work, while others only produce a single sheet of paper with handwritten letter grades. While this meets legal requirements for a scholarship report, it provides a very low level of accountability. DPPs have no legal authority to require changes in a homeschool that does not appear to be educating, but can report a family for educational neglect.

In practice, this leaves accountability for homeschools who are not educating with the Cabinet for Health and Family Services or the courts. If an individual is concerned about a homeschool child not being educated, there are separate laws pertaining to educational neglect. However, less than one-third of DPPs report high confidence that a homeschool who is not educating will face consequences from the cabinet or the courts unless there is also physical abuse or neglect occurring. Factors complicating the work of the courts and the cabinet include high caseloads, more urgent cases, and lack of clarity on what constitutes educational neglect. There is hesitance to make judgement about what constitutes an acceptable attendance or scholarship report given lack of guidance in the law. Homeschool advocates interviewed for this study felt there was adequate accountability in current law, and noted that higher requirements, such as what exists in other states, would place undue burden on families already educating children at great personal expense.

Homeschool groups also point to their efforts to work with KDE and public school officials to develop a best practices document in 1997. The document has been revised since then and attempts to clarify roles and responsibilities for homeschool parents and DPPs while also explaining and interpreting the law. Several DPPs expressed concern with the document, though, because they do not know if it constitutes law or informal guidance. It also sometimes conflicts with information from other sources. All of the findings in the OEA research report concern the potential for greater clarity and guidance under existing laws, especially those in KRS 159.040. That statute authorizes, but does not require, roles not currently played by the Kentucky Board of Education or KDE. There are no Kentucky laws pertaining specifically to homeschools, but because they are considered unaccredited private schools they have been considered subject to the laws addressing those schools. Dr. Nelson

discussed the specifics in the law and mentioned how these are difficult to apply to homeschools.

In response to questions from Representative Scott, Dr. Nelson said the data are not broken down by age or ethnicity because those metrics are not reported. And regarding legal requirements, Kentucky is about average. There is no statute that specifically governs homeschools, so the General Assembly would have to first address the existing private and parochial school statute. The Kentucky Constitution protects parents' ability to educate according to their conscience, so unless the statute is addressed, there is little the General Assembly can do.

Responding to Representative Carney's questions, Dr. Nelson said there is no apparent correlation between region and homeschool rates. Some factors such as active homeschool associations or high population of Amish and Mennonite families seem to be better indicators of which districts will have more homeschooled students. Representative Carney said looking at the number of students transferring out during a given school year would be critical to the members' consideration. Those who were committed to homeschooling and had been homeschooling continuously are less likely to be a concern.

In response to questions from Senator West, Dr. Nelson confirmed the information regarding college attendance was only collected from in-state institutions, so those attending out-of-state can further skew the data and show a lower college attendance rate for homeschool students than may be accurate. Dr. Nelson further explained data exist for students anytime they interact with public school, but after they leave, there is no way of knowing their outcomes. There is some information on students who enroll in public school following being enrolled in homeschool, but that is such a small number it is hard to draw any accurate inferences. In a given year, a relatively small percentage of overall homeschooled students transferred out in that year.

Responding to Representative Tipton, Dr. Nelson said the school records as well as attendance records of students who transfer out of public school were studied and show that these students tend to have lower achievement records. The data are included in an appendix to the OEA research report.

Following comments and questions from Representative Riley, Dr. Nelson said smaller counties where there is a close relationship between the county attorney, DPP, and Cabinet for Health and Family Services have a higher number of investigations and greater likelihood of follow-up. In areas without that relationship, DPPs are reluctant to intervene because they

are unclear of their authority. Judges were not specifically interviewed, but there was a significant number of DPPs stating they felt reporting a homeschool for education neglect would not result in any significant investigation. Representative Riley stated an assumption that families who could not consistently get a student to school were also unlikely to be able to consistently or effectively educate them.

Representative Marzian asked about the criteria applied to homeschools in terms of certifications and educational requirements for homeschool parents. She feels that this may be an area that more legislation could be effective. Dr. Nelson said while there are reporting criteria required of homeschooling parents, there are no requirements for a certain level of education. She cautioned that any more stringent laws regarding curriculum, however, may eventually come into conflict with the constitutional right of parents to educate their children as they see fit.

In response to a question from Senator Wilson, Dr. Nelson said there are states that are very active in working with homeschools. Some of which provide access to online resources, but that is not something that appears to be prevalent in Kentucky. However, that was not an avenue of investigation pursued by OEA in researching this report.

Responding to another question from Representative Carney, Dr. Nelson said the numbers of students transferring out due to changes to the dropout age were relatively small, but she can get the raw data for members for further analysis.

Required Academic Standards for Social Studies

Donnie Wilkerson, 5th grade social studies teacher, Jamestown Elementary School, spoke regarding his concerns with an administrative regulation, 704 KAR 8:060, Required Academic Standards for Social Studies. Mr. Wilkerson expressed specific concern with the proposed C3 Framework which places greater emphasis on process than on content and with the reduction of scope from American history through the 20th century to only through adoption of the U.S. Constitution. He opposed the elimination of specific historical figures from the standards and the implied removal of Kentucky state history, as Kentucky did not become a state until two years after the adoption of the U.S. Constitution. Mr. Wilkerson stated he had shared these concerns with the Kentucky Department of Education during the public comment period for the regulation but feels his comments were not shared with the Board of Education. Kentucky students will be at a disadvantage on national and international placement tests as they are more content driven than allowed for in these

standards. He encouraged the committee to find the regulation deficient due to these faults.

Richard Ennis, volunteer staff education analyst, Bluegrass Institute, spoke about the proposed social studies standards. His concern was that the social studies standards are not going to help improve the Kentucky adult populations' understanding and knowledge of history. Only four social studies disciplines of the 13 recognized by the National Council for the Social Studies are included as 'strands' in the standards. Additionally, history is being significantly depersonalized in the standards with the removal of key historic figures such as Dr. Martin Luther King, Jr. and Abraham Lincoln. Basic geographic content is also missing. The important role of Site-Based Decision Making Councils to take the standards and turn them into curriculum was considered very late in the process and not given enough support. Deficiencies in the standards set the assessment program up for legal challenges and leave teachers and test writers to make too many assumptions about what will be on assessments.

As the administrative regulation had not been formally referred to the committee, no action was taken on at this meeting. Senator Wise said that he was willing to speak with the presenters prior to the next Interim Joint Committee on Education meeting on July 10, 2019, when it might be possible to consider the regulation. With no further business to come before the committee, Representative Carney made a motion to adjourn. The motion was seconded by Representative Moser and passed by voice vote. The meeting was adjourned at 2:51 p.m.

INTERIM JOINT COMMITTEE ON JUDICIARY

Minutes of the 1st Meeting of the 2019 Interim

June 7, 2019

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Judiciary was held on Friday, June 7, 2019, at 10:00 AM, in Room 171 of the Capitol Annex. Representative Jason Petrie, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Jason Petrie, Co-Chair; Senator Whitney Westerfield, Co-Chair (via video conference); Senators Danny Carroll, Alice Forgy Kerr, John Schickel, Wil Schroder, Dan "Malano" Seum, Robert Stivers II, Robin L. Webb, Stephen West, and Phillip Wheeler; Representatives Charles Booker, Kevin D. Bratcher, McKenzie Cantrell, Daniel Elliott, Joseph M. Fischer, Nima Kulkarni, Stan Lee, Derek Lewis, Savannah Maddox, C. Ed Massey,

Chad McCoy, Reginald Meeks, Jason Nemes, Brandon Reed, and Maria Sorolis.

Guests: Chief Justice John D. Minton, Jr., Justice Debra H. Lambert, Judge Marcus Vanover, Judge William Leach, Judge J. Foster Cotthoff, Virginia Erxleben, Andrea Bruns, Gerald W. Hoppmann, Tammy Bullock, Judge Lucinda Masterton, Commissioner W. Bryan Hubbard, Jim Musser, and Stacy Tapke.

LRC Staff: Katie Comstock, Alice Lyon, Chandani Kemper, Dale Hardy, and Yvonne Beghtol.

Guardians Ad Litem and Court-Appointed Counsel: Overview of Appointment, Duties, and Training

Chief Justice John D. Minton, Jr. provided historical background on the appointment of Guardians Ad Litem (GAL) and Court-Appointed Counsel (CAC). He introduced Justice Debra H. Lambert and highlighted her role on the Supreme Court as the chair of Family Court Rules. She has begun the process of drafting court rules pertaining to GALs and CACs.

After taking office in January, Justice Lambert reached out to Executive Director Gerald Hoppmann and Director Tammy Bullock of the Finance and Administration Cabinet to get a better understanding of the cabinet's audit of the selection, billing, and payment of GALs and CACs. In addition, Justice Michelle M. Keller and others from the Administrative Office of the Courts (AOC) exchanged ideas on how to collect additional data to improve the GAL and CAC process. Court rules will be used as the structure for these changes and will be discussed at a public hearing on June 12 at the Kentucky Bar Association's Annual Convention. The Supreme Court will consider and vote on the adoption of the proposed rules in the fall. Justice Lambert is working with the Cabinet for Health and Family Services to assist in implementing the Family First Prevention Services Act, and to provide assistance in the funding and training of GALs, CACs, and judges.

Judge Marcus Vanover noted that judges had concerns about 2019 SB 205, including the creation of a centralized agency that would have overseen the appointment of GALs on a state-wide basis, which would have created a conflict of interest between those that represent children and those that represent parents. In addition, judges are concerned with coverage. For example, an Emergency Custody Order (ECO) case has to be heard within 72 hours. An ECO may be signed one night and have to be heard at 9:00 the next morning. Getting notice to counsel in a regional office and having them available by the next morning is a concern. Judges are concerned about the potential removal of a GAL or CAC

not performing his or her duties.

Judge Vanover testified about the appointment and duties of GALs and CACs. GALs are appointed to represent legally incapable persons, while CACs represent juvenile respondents in public offenses and status offenses, indigent criminal defendants, indigent adults in child welfare cases, and adult respondents in guardianship proceedings. In dependency, neglect, and abuse (DNA) cases, the court must appoint a GAL for a child, separate counsel for a parent who exercises custodial control if indigent, counsel for any person claiming to be a de facto custodian if indigent, and may appoint separate counsel for a non-parent exercising custodial control if indigent.

Judge Vanover noted that he was not sure if the Finance and Administration Cabinet's audit took into account the number of third party petitions filed and wanted to bring to light the volume of these petitions. In response to Chairman Petrie, Judge Vanover stated that he sees about 3 to 5 third party petitions versus what is filed by the cabinet. He believes this is true across the state. For example, blended and large families may require several attorneys to be appointed.

Judge Vanover said that indigency standards defined in KRS 31.100 and KRS 31.120 are often vague when put into practice, making it hard to determine who is indigent. He stated that judges would like to "give more teeth" to the Affidavit of Indigency, to track if people are truly needy in qualifying for the appointment. For example, if the form is not completed, the person would not qualify for counsel. However, there are times when a parent is not available to complete the affidavit, for reasons such as being incarcerated in another county, being in a treatment center, or being medically incapacitated. Therefore, some leeway may be needed to have counsel available to protect a person's rights up front, but allow them time to have their client complete the affidavit.

The proposed amendments to the Family Court Rules of Procedure and Practice include the following improvements to the GAL and CAC appointment process: (1) prohibit selective appointments, except in rare circumstances; (2) prohibit "closed lists" of appointed attorneys; and (3) allow courts to remove attorneys who do not meet the standards of representation. In response to President Stivers, Judge Vanover stated that the local circuits would be the ones to enforce the new rules.

The proposed rules also seek to address GAL and CAC payment concerns. The proposed rules require courts to review income prior to appointing attorneys for adults, require parties seeking attorneys to complete and submit the

affidavit of indigency, and prohibit multiple invoicing for the same case. The review stage helps monitor the parents, as well as the Cabinet for Health and Family Services and the attorneys. However, submitting the forms up front does not allow attorneys to account for the majority of the time they actually spend on a case.

The proposed rules require mandatory education. The proposed rules require all attorneys to: (1) complete AOC's GAL and CAC training prior to appointment; (2) complete advanced multi-disciplinary training every two years; and (3) provide a certificate to their judge as evidence of completion.

Judge Vanover highlighted other issues the proposed rules seek to address. In particular, Kentucky has a D on the First Star report card that grades each state on their court-appointed counsel. The proposed rules would raise the score dramatically.

Judge Foster Cotthoff addressed other CAC issues. Under KRS 387.305, CACs appointed for disabled adults are paid \$40.00 an hour for out-of-court work and \$60 an hour for in-court work, which is paid through the respondent's estate or by county government. In KRS Chapter 202A and 202B, proceedings dealing with involuntary hospitalization cases, a trial commissioner at Western State Hospital hears the petitions. If a jury trial is requested, the Department of Public Advocacy usually represents the respondents.

Judge William Leach addressed KRS 26A.140, dealing with accommodating the special needs of children. One issue not addressed in the statute is the means for paying the GALs. Under KRS 387.025, parties in DNA cases can ask to be appointed as a guardian over a child. Often times the guardian spends any money coming to the child before paying the attorney. Having the courts clarify who is responsible for payment to the GAL would help. Some small counties do not have a Family Court and have many indigent families. Due to the set fee of \$250 per case in those counties, and the number of court appearances that may be required, it is difficult to find an attorney to be the GAL in those counties. Incarcerated individuals are also assigned GALs and getting the paperwork completed by the defendant in order to pay the GAL can be difficult.

In response to Representative Elliott, Justice Lambert advised that, while she is not familiar with what every state pays GALs and CACs, Kentucky pays \$500 while Alabama pays up to \$5,000. The low pay raises concerns that representation may be at a lower level.

Guardians Ad Litem and Court-Appointed Counsel: Court Appointed Special Advocate's (CASA's) Role

Andrea Bruns, State Director of Kentucky

CASA Network, introduced herself and Virginia Erxleben, Executive Director of the CASA Program of Christian County. Ms. Erxleben stated that Court Appointed Special Advocates (CASAs) are trained community volunteers who advocate for the best interests of children involved in the court system through no fault of their own. CASA volunteers are appointed by a judge and make recommendations in court reports. Last year, over 1,100 CASA volunteers advocated for over 3,500 children.

In addition to court observation and the shadowing of social workers, CASA staff and volunteers complete a required 30 hour pre-service training curriculum developed by the National CASA Association. Advocate supervisors and volunteer coordinators support, supervise, recruit, and train CASA volunteers.

Once a judge appoints a CASA volunteer to a case, the volunteer has regular visits with the child, researches the case, reviews documents, interviews relevant people, and makes recommendations during each court proceeding in regard to the child's well-being and placement. CASA volunteers work closely with social workers and GALs, putting in an average of 10 hours a month and often times more. A case with heavy court activity may require 30 hours or more. A CASA volunteer acts as a mentor, a guide, and a connector of important services that a child may require. CASA volunteers may also report personal needs, and may assist a child in the decision and paperwork required to recommit with the Cabinet for Health and Family Services, apply for tuition, or financial assistance in getting an apartment. CASA volunteers teach them how to balance a checkbook, manage their time, and adjust to living on their own. CASA is a piece of the system working to ensure permanency for these children to have a safe and permanent home where they can thrive.

The KCN Network of Programs works to secure funding to increase the number of active volunteers to serve more children in the Commonwealth. Unfortunately, the March 2019 U.S. Children's Bureau Report ranked Kentucky as number one in child malnutrition and child abuse rates. An increase in funding will be requested in the 2020 Budget Year. Support from legislators for the CASA Program is appreciated. In Kentucky, all CASA Programs are 501 (c) (3) organizations. The budgetary needs are largely for personnel and training costs.

Ms. Bruns said that not every county has a CASA Program, but they are moving in that direction. CASA is in about 56 counties and hopes to be in 80 counties by the end of 2021. In regards to 2019 SB 205, Ms. Bruns wanted to clarify that, in Kentucky, "volunteers" are CASAs and not GALs.

Guardians Ad Litem and Court-Appointed Counsel: GAL and CAC Payments

Mr. Hoppmann, Executive Director of Office of Policy and Audit with the Finance and Administration Cabinet, stated that their presentation would review the billing and payment process for GALs and CACs, provide an update on the FINGAL-1 Form, and highlight the fee disparity issues relating to attorneys who provide GAL and CAC services in counties where there are no Family Courts.

Ms. Bullock, Division Director of Administrative Services with the Finance and Administration Cabinet, advised that the FINGAL-1 form was created for attorneys to submit to the cabinet for payment. Payments are processed in eMars, a statewide accounting system. However, the cabinet's audit highlighted the need for tracking more information relating to GAL and CAC payments. After working with the AOC, the FINGAL-1 Form will be updated by July 1, 2019, to track new information such as whether the payment was for a GAL for a child, a CAC for a parent, a CAC for family who is not a parent, or a CAC for a person who is not family. Additional coding will identify payments made to the District Court or Family Court. To date, the cabinet has spent approximately \$16,000,000 in CAC and GAL this fiscal year.

Mr. Hoppmann advised that the new tracking of expenditures will begin in July 2019, giving them at least 6 months of data by the next legislative session. In regards to fee disparity, attorneys appointed to provide GAL and CAC services related to DNA cases in District Courts receive \$250, whereas attorneys providing the same services in Family Courts receive \$500. Twenty-five District Courts in Kentucky have found KRS 620.100 unconstitutional because the law "discriminates against court-appointed counsel in judicial districts without a Family Court." The cabinet is seeking a legislative solution for consistency moving forward.

Child Support Enforcement and Guidelines: An Overview of the Child Support Guidelines Review Commission

Judge Lucinda Masterton advised that updating the child support guidelines is a frustrating process. Judge Masterton has been the Chair of the Child Support Guidelines Review Commission since 2010. Before the guidelines, every judge was different and the results were inconsistent. The Family Support Act of 1988 required more consistency, with evidence-based guidelines, and a presumption of the amount of child support that would be awarded under the guidelines. The consequences for not adhering to the guidelines is loss of federal funding.

The child support guidelines were established in 1990, pursuant to the federal

law, based on evidence from the Department of Agriculture's report in 1987 on how much it took to raise children at different income levels in an intact family. In 1994, the guidelines changed to extend the schedule to include families with monthly incomes between \$10,000 and \$15,000, to set a minimum obligation of \$60, and to make adjustments for maintenance of children. However, the basic schedule did not change. In 2000, a split custody arrangement calculation was added to KRS 403.212. In 2006, HB 356 was proposed to update the guidelines, but did not pass out of the House. In 2007 and 2008, no legislation to change the guidelines was proposed. In 2008, the commission commissioned a \$50,000 study from the University of Kentucky on how to best update the guidelines. The study recommended that the guidelines be updated with an estimation method to keep up with changing price levels, and to begin future research into the cost of raising a child. In 2009, no legislation was proposed. In 2010, the commission recommended legislation to introduce new amounts in the child support guidelines and to include shared parenting adjustments. The bill died in the House. In 2011, 2013, and 2014, similar legislation was introduced and died in either the House or Senate. In 2015 and 2018, the shared parenting adjustment was dropped, but the legislation still did not pass. In 2016, a bill updating the guidelines was passed but was vetoed.

In 2018, the legislature passed a presumption of joint custody and equal timesharing. However, there was no provision for parenting time adjustment for child support. In 2019, HB 415 was introduced and signed by the Governor, but it did not include updated guideline amounts or a shared parenting adjustment. In the meantime, there is no consensus among judges on what to do with the shared parenting presumption. This is leading to judges having multiple day hearings only to determine child support, others not wanting to deviate from the guidelines at all, others trying to use the split custody calculation, others trying the commission formula, others trying mathematical projections, or still others leaning towards not having any child support at all.

As of December 2016, 45 CFR § 302.56 put funding at risk by not establishing updated child support guidelines. Judge Masterton stated that the guidelines have to be adjusted, case data must be analyzed, the cost in raising a child has to be established, and there has to be consistency.

Child Support Enforcement and Guidelines: Child Support Guidelines

Commissioner Bryan Hubbard with the Cabinet for Health and Family Services' Department for Income Support reached out to

the Center for Policy Research for assistance in updating the child support guidelines. Federal law requires three things when developing guideline that comply with the federal law. One federal requirement is to consider economic data on the cost of raising children and to revise the guidelines if appropriate. The second federal requirement is to analyze the state's case file data on the application of and deviation from the existing guidelines, the frequency of low income adjustments as well as the imputation of income, and entry of default orders. Deviations should be kept to a minimum and a method must exist to consider the subsistence needs of the obligated parent. In addition, the federal government requires an analysis of labor market data to inform the development of low-income adjustments which are appropriate for Kentucky. The third federal requirement is to provide a meaningful opportunity for public input, including feedback from low-income custodial parents and their representatives. The state must also obtain the views and advice of its child support agency. The Center for Policy Research is capable of performing all three of these functions and has agreed to do so. In addition, the Center for Policy Research will conduct all of the required research and data analysis, develop at least three options for the subsistence needs of parents, and alternative updated schedules. This will allow the Child Support Guidelines Review Commission to explore the impact of data variables and assumptions, review parental timesharing adjustment options in comparison to other states, review adjustment options for parents who have children with more than one partner, provide a technical report of its findings with supporting documentation of the updated schedule, and provide recommendations. The Center for Policy Research will also provide up to three onsite presentations on the guideline recommendations and their supporting data. This includes availability to answer technical and subsequent questions. A deadline of the end of September 2019 was given for achieving these tasks, with the objective of having a final report from the Child Support Guidelines Commission, complete with all public feedback, by the end of October.

Child Support Enforcement and Guidelines: Child Support Enforcement

Stacy Tapke, Kenton County Attorney, stated that the county attorneys are in complete and whole agreement that these guidelines must and need to be updated.

Chairman Petrie asked if members had questions for any of the presenters.

Senator Webb stated that indigency standards need to be set and adhered to, and these issues need more committee time to

give members a comfort level in passing this legislation.

In response to Representative Meeks, Commissioner Hubbard said that he and his staff would be happy to meet with anyone who is interested in holding a public meeting dealing with these issues.

Representative Bratcher expressed appreciation for all of those involved in this process. Over his years as a legislator, he has received complaints that judges are not following the law. Timelines are one of the biggest issues. A judge in Representative Bratcher's district has been sitting on a case for two years. Chief Justice Minton responded that Representative Bratcher's comment is painful to hear, and if a judge is not doing their job, they need to be held accountable. They are trying to build a system to work on these issues, such as delays. Constant complaints are that the judicial system costs too much, takes too long, and it is never over.

Representative Nemes echoed Representative Bratcher's concern. Family Court is an area that legislators do not know a lot about, which allows for a significant amount of abuse. Another significant problem are individuals paying for their time in court that is above court filing fees and attorney costs. He stated that money spent on GALs and CASA volunteers is money well spent, and that DPA should be paid more money for their caseloads. Structural change is needed.

Chairman Petrie asked that any member who has an interest in working on the agenda topics to contact him or Katie Comstock.

There being no further business, the meeting was adjourned at 11:50 am.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Budget Review Subcommittee on Transportation

Minutes of the 2nd Meeting of the 2019 Interim

July 9, 2019

Call to Order and Roll Call

The second meeting of the Budget Review Subcommittee on Transportation of the Interim Joint Committee on Appropriations and Revenue was held on Tuesday, July 9, 2019, at 10:00 AM, in Room 131 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Representative Sal Santoro, Co-Chair; Senators Stan Humphries, Christian McDaniel, and Max Wise; Representatives Chris Fugate, Thomas Huff, John Sims Jr, and Ken Upchurch.

Guests: Representative Jason Nemes; Commissioner Matt Henderson, Department of Vehicle Regulation, KYTC; Commissioner Todd Bloch, Department of Aviation, KYTC; and, Craig Farmer, State Aviation Engineer, KYTC.

LRC Staff: Tammy Branham, Justin Perry, and Spring Emerson.

Approval of Minutes

A motion was made by Co-Chair Santoro to approve the minutes of the June 4, 2019 meeting. The motion was seconded by Senator Wise, and the minutes were approved by voice vote.

ConfIDent – REAL ID

Commissioner Matt Henderson provided a brief overview and update of the implementation of the REAL ID program.

In response to questions from Senator McDaniel, Commissioner Henderson said Kentucky is currently under an extension from the US Department of Homeland Security for the REAL ID requirement, and the standard drivers' license will remain an acceptable means of identification for federal purposes until October 1, 2020. The rollout began in Franklin and Woodford counties, and is planned for Hart and Anderson counties next, as they are smaller and issuance time should be faster. The rollout to Jefferson and Fayette counties has been paused until software issues are fixed, due to higher populations in those areas. It is safe to say the program will be complete by the end of the calendar year. Commercial drivers' license holders would be required to supply the same documentation, but will not have the option for a four-year credential.

In response to questions from Co-Chair Santoro, Commissioner Henderson said the average waiting time for a REAL ID credential is approximately 15 minutes. With repeated use of the new system and increased familiarity, the waiting time should decrease.

In response to questions from Representative Nemes regarding the constitutional obligations of circuit court clerks, Commissioner Henderson said the KYTC is actively working with the Circuit Clerks Association to assist in moving the program forward without interfering with the operations of the courts.

In response to questions from Chair Higdon, Commissioner Henderson said the standard credential only requires the current drivers' license for renewal, and the REAL ID requires more documentation. If the name on a birth certificate or social security card is different than the person's current name, a bridging document will be required, such as a marriage certificate. Chair Higdon commented that not everyone is required to have the federally-compliant REAL ID credential, and it is imperative that the public be educated on their options, as it can be very

confusing.

Department of Aviation

Commissioner Todd Bloch provided a brief overview and update of aviation projects throughout the state.

In response to questions from Senator Humphries, Commissioner Bloch said out of the 57 publically-owned airports, 51 of those are for general aviation use only and not for commercial airline use. All 57 are eligible for state funding, and four of those are owned by the state. Fifty-one are managed by volunteer boards, led by a local mayor or judge-executive. Those boards could possibly take advantage of Public-Private Partnerships (P3s) or other financing opportunities.

Representative Fugate expressed his appreciation of the resurfacing and lighting projects that were completed recently at the Hazard airport. The relocation of the Eastern Kentucky University aviation mechanic program to Hazard would prove to be very beneficial to the southeastern Kentucky region, as well.

In response to a question from Chair Higdon regarding the funding of T-hangars, Commissioner Bloch said the Federal Aviation Administration (FAA) does not fund anything that generates money, and T-hangars can be a major source of revenue for general aviation airports. A ten-bay T-hangar would cost approximately \$600,000 to \$750,000 to construct. Each categorized airport receives federal funding in the amount of \$150,000 per year for safety projects as required by the FAA, and any remaining funds could be spent on an as-needed basis. The airport could save up those federal funds, and at the end of four years would have enough to construct a T-hangar; however, oftentimes that money is used for other needs. Most of the general aviation airports have waiting lists for airplane storage.

In response to a question from Chair Higdon regarding local taxing districts and the use of those revenues, Commissioner Bloch replied that he will provide more information at a later date.

In response to a question from Co-Chair Santoro, Commissioner Bloch said the majority of communities in Kentucky can support their local airports, but there are a few that are at risk due to a lack of leadership at the airports and the loss of federal funding. Mr. Farmer added that they are working with local governments in applying for grants and other means of funding, such as P3 opportunities.

Adjournment

There being no further business before the subcommittee, a motion was made by Co-Chair Santoro to adjourn. The motion was seconded by Representative Upchurch, and the meeting was

adjourned at 11:16AM without objection.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement

Minutes of the 2nd Meeting of the 2019 Interim

July 9, 2019

Call to Order and Roll Call

The second meeting of the Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement of the Interim Joint Committee on Appropriations and Revenue was held on Tuesday, July 9, 2019, at 8:00 AM, in Room 131 of the Capitol Annex. Senator Robby Mills, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robby Mills, Co-Chair, and Representative Jim Stewart III, Co-Chair; Senators Julie Raque Adams, Reginald Thomas, and Phillip Wheeler; Representatives Kevin D. Bratcher, Joe Graviss, Mark Hart, Adam Koenig, Michael Meredith, Jerry T. Miller, Patti Minter, Wilson Stone, and Nancy Tate.

Guests: Major General Steve Hogan, Adjutant General, Department of Military Affairs (DMA); Commissioner Ben Adams, BG, US Army (Retired), Department of Veterans' Affairs (DVA); Dean Stoops, Deputy Commissioner, DVA; and, Mark Bowman, Executive Director, Veterans' Centers, DVA.

LRC Staff: Emma Mills, Liz Columbia, and Spring Emerson.

Approval of Minutes

A motion was made by Representative Koenig to approve the minutes of the June 4, 2019 meeting. The motion was seconded by Representative Minter, and the minutes were approved by voice vote without objection.

Department of Military Affairs (DMA)

Adjutant General Steve Hogan gave an overview of the DMA and its budgetary issues.

Chair Mills expressed his appreciation for the DMA cooperating with officials in Crittenden County as they work through some issues with the courthouse.

In response to a question from Co-Chair Stewart regarding the amount of voluntary donations made to the Veterans' Trust Fund, General Hogan deferred to Commissioner Adams, KVA, who said a breakdown of that fund will be provided at a later date.

In response to a question from Representative Miller regarding personnel vacancies, General Hogan said the highly technical positions are difficult to fill; however,

there are always openings that support other, more low-density functions.

In response to a question from Representative Miller, General Hogan said that, even though AC-130 Gunships are not housed in Kentucky, a hangar is necessary for servicing them.

In response to a question from Representative Bratcher, General Hogan said the \$15 million of annual state funds is approximately seven percent of the overall agency budget.

In response to a question from Representative Meredith regarding a veteran's military records, General Hogan said the veteran could call his office for further information.

Representative Stone commented that the sale of specialty license plates could be one way to collect revenue for the DMA.

Department of Veterans' Affairs (DVA)

Commissioner Ben Adams, BG, US Army (Ret), gave an overview of the DVA and its budgetary issues.

In response to a question from Senator Thomas regarding the locations of the five Veterans' Cemeteries in Kentucky, Commissioner Adams said Hopkinsville is the location in the west, Radcliffe is the central location, Williamstown is in the north, Hyden is the southeast location, and Greenup County is the location in the northeast.

In response to a question from Representative Meredith, Mr. Bowman said the Bowling Green project is now on the federal Priority One list, which means that it is eligible for matching funds when they become available.

In response to a question from Representative Minter regarding the difficulty of identifying women veterans, Commissioner Adams said they are encouraged to come forward, but they sometimes feel disconnected and not part of a group. In addition, their current address may not be the same as the address available on their DD-214 discharge form. Also, men tend to join veterans support organizations more often than women do.

In response to a question from Representative Koenig, Commissioner Adams said that staff at the Veterans' Centers are state employees and are paid from the General Fund. Mr. Bowman added that operations support for the DVA consists of approximately 20 percent from the General Fund, with the remainder coming from VA per diem payments, Medicare and Medicaid payments, private pay, and service-connected disability.

In response to a question from Senator Wheeler, Commissioner Adams said DMA believes there are approximately 600 homeless veterans in Kentucky, of whom about 12 percent are disabled. Outreach efforts include assistance

with job searches and housing.

In response to a question from Senator Thomas, Commissioner Adams said there are about 200 World War II veterans alive in Kentucky and fewer than 400,000 in the US.

In response to a question from Co-Chair Stewart, Commissioner Adams said armory managers set rates for armory rentals and the money goes into that armory fund.

In response to questions from Chair Mills, Commissioner Adams said the Veterans' Centers not being filled to capacity is due to budgetary limitations for salaries and personnel vacancies. An increase of \$25 million in the General Fund is needed to be competitive.

In response to a question from Representative Tate, Commissioner Adams said full capacity cannot be reached without additional staff.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 9:13AM without objection.

CHILD WELFARE OVERSIGHT AND ADVISORY COMMITTEE

Minutes

July 8, 2019

Call to Order and Roll Call

The Child Welfare Oversight and Advisory Committee meeting was held on Monday, July 8, 2019, at 1:00 p.m., in Room 129 of the Capitol Annex. Representative David Meade, Co-Chair, called the meeting to order at 1:11 p.m., and the secretary called the roll.

Present were:

Members: Representative David Meade, Co-Chair; Senators Tom Buford, Denise Harper Angel, Reginald Thomas, and Whitney Westerfield; Representatives Angie Hatton, and Joni L. Jenkins.

Guests: Adam Meier, Secretary, and Kristi Putnam, Deputy Secretary, Cabinet for Health and Family Services; Eric T. Clark, Commissioner, and Elizabeth Caywood, Deputy Director, Department for Community Based Services, Cabinet for Health and Family Services; Grace Akers, MDIV, Chief Executive Officer, Barb Carter, and Julie Greenwell, St. Joseph Children's Home; Jennifer Hall, MSW, Executive Director, Key Assets Kentucky; Krista Thomas, Policy Fellow, Chapin Hall at the University of Chicago; Judge Sheila Farris, Henderson County Family Court Judge, Kentucky 51st Judicial Circuit; Kelly Stephens, Governmental Affairs Liaison, Kentucky Administrative Office of the Courts; Rachel Bingham, Executive Officer of Family and Juvenile Services, Kentucky Administrative Office of the Courts; Tom Stevenson, State Chair, Citizens Foster Care Review Board; Mollie Cole, foster parent; Liz McKune, Passport; Barb Carter

and Julie Greenwell, St. Joseph Children's Home; and Mollie Cole, foster parent.

LRC Staff: Ben Payne and Gina Rigsby.

Election of Senate Co-Chair

A motion was made by Senator Westerfield and seconded by Senator Harper Angel to nominate Senator Tom Buford as Senate Co-Chair. A motion was made by Senator Westerfield and seconded by Senator Harper Angel that nominations cease and Senator Buford be elected Senate Co-Chair by acclamation.

Approval of Minutes

A motion to approve the minutes of the November 19, 2018 meeting was made by Senator Buford, seconded by Senator Westerfield, and approved by voice vote.

Performance-based Contracting and Privatization of Child Welfare Services

Eric T. Clark, Commissioner, Department for Community Based Services, Cabinet for Health and Family Services, Jennifer Hall, MSW, Executive Director, Key Assets Kentucky, and Grace Akers, MDIV, Chief Executive Officer, St. Joseph Children's Homes, testified that House Bill 1 from the 2018 Regular Session established the Child Welfare Oversight and Advisory Committee, gave attention to state social service worker caseloads, updated the delivery of family preservation services for children and parents, streamlined processes for foster and adoptive parents, established a putative father registry, and mandated the cabinet designate a study group to make recommendations regarding the creation and implementation of performance-based contracting for licensed child-caring facilities and child-placing agencies in the Commonwealth and the feasibility and implementation of the privatization of all foster care services in the Commonwealth.

Facilitated by representatives from Chapin Hill at the University of Chicago, the performance based contracting study group met five times between September 2018 and November 2018 to produce its report. The study group looked at previous efforts to explore performance-based contracting conducted by the Kentucky Child Welfare Performance and Accountability Partnership and learned from other information states about recommendations related to performance-based contracting. The study group reviewed the literature and best practices associated with performance-based contracting, reexamined the research and findings of past experiences, and applied discussions to Kentucky's system and current transformation. On November 30, 2018, the report was submitted to the Governor, the Interim Joint Committees on Appropriations and Revenue, and Health, Welfare, and Family Services, and the Child Welfare Oversight and Advisory Committee.

The study group organized its recommendations relating to performance-based contracting for licensed child-caring facilities and child-placing agencies within four overall categories: a focus on the performance-based model and fiscal design, performance monitoring and quality improvement, resource and infrastructure needs, and partnerships and collaboration between public and private partners. The recommendations take into account historical efforts in Kentucky, other state's experiences and outcomes, the landscape of child welfare today and the transformation, and are intended to be reviewed and considered as a whole, not mutually exclusive of each other. The study group determined that implementing performance-based contracting is a promising fiscal strategy to aid in Kentucky's child welfare transformation and achieve the cabinet's priority outcomes to safely reduce entries into foster care, improve timeliness to appropriate permanency, and reduce caseloads for the child welfare workforce. Performance-based contracting aligns well with the implementation of the federal Family First Prevention Services Act by investing more in family preservation services and ensuring that children and youth in care are placed with families in the least restrictive settings possible. A strong collaboration between public and private agencies will be essential for this improvement in outcomes and the advancement of service delivery for children and families.

In response to questions by Senator Westerfield, Commissioner Clark stated that the cabinet will use performance based measures for its own services that are the same as services used by private providers. Ms. Hall stated that there has to be a period of time to see if the data can be gathered and ensure that it is accurate. There has not been a point person to measure performance data before. Some data is monitored on a check box form but data has not been measured before related to performance as it pertains to the contract. Adam Meier, Secretary, Cabinet for Health and Family Services, stated that when performance based funding was done for the universities in the past, one of the things implemented was the hold harmless rule that allows for a transition period so there are not drastic fluctuations in budgets during the first year of a budget. It can be set up in such a way that new market entrants would have a baseline and still remain competitive. The cabinet does not want to cause a drastic disruption in the market where there would be a quick loss of providers especially in areas where there are not enough providers currently.

Senator Westerfield stated that the best outcomes are what they are and a standard is a

standard whether a provider meets it or not. Ms. Hall stated that there are certain standards that do not have much room for flexibility, for instance safety or abuse or neglect happening within the foster care system. A benchmark may have to be set and some providers might not meet it. The provider community does not want poor quality providers, because it is not fair to the children that are being served. Standards will need to be determined, what is or is not acceptable, and the degree which is expected for improvements. Senator Westerfield stated that discretion can be used or abused without controls and guidelines in place.

In response to questions by Representative Meade, Commissioner Clark stated that the contracts with providers are renewed every state fiscal year. As part of the \$34 million allocated by the General Assembly for performance based contracts to begin on July 1, 2019, two performance measures, placement stability and positive discharge, will be monitored. The cabinet is bringing in some experts to build upon the capacity within DCBS to do performance based contracting. The department does not have the capacity nor the expertise to monitor a performance based contract effectively. As resources are available, the cabinet will continue full implementation.

Commissioner Clark, Ms. Hall, and Ms. Akers testified that in January 2019, the privatization study group reconvened to make recommendations relating to the feasibility of the full privatization of child welfare services in Kentucky. The study group reviewed the literature on the privatization of child welfare services, heard from two expert panels of public and private child welfare agency leaders, and applied the findings to the child welfare system in Kentucky and the transformation it is undergoing. Like most child welfare systems nationally, Kentucky has already privatized a substantial amount of foster care services. Over half of children and youth in out-of-home care in Kentucky are placed in private agency homes or facilities. It is common for child welfare agencies, including Kentucky, to privatize a substantial portion of its child welfare services, including child placement, support to resource families, and clinical service provisions. In a majority of states, including Kentucky, the public child welfare agency retains case management responsibility and oversight of day-to-day activities of child welfare cases. Only Florida and Kansas have pursued system-wide privatization, including contracting out all case management services. There are different payment structures that each carry its own risks and rewards. One of these is performance-based contracting, designed to improve child and family outcomes

by integrating performance standards into contracts with providers and linking financial incentives or disincentives with providers' performance on identified targets.

On June 28, 2019, the study group submitted its report to the Governor, the Interim Joint Committees on Appropriations and Revenue and Health, Welfare and Family Services, and the Child Welfare Oversight and Advisory Committee. The report included the following recommendations: (1) expanding privatization to all foster care services in Kentucky is not feasible at this time given the capacities that need to be built within both the public and private sector in order to be successful, (2) future efforts to expand privatization should include a readiness assessment, a cost study, and a legal review prior to implementation; (3) significant investments of resources are needed within the child welfare system to effectively prepare for privatization which is not a cost-saving measure; and (4) consider a modular approach to expanded privatization, a phased-in implementation plan, and preliminary consideration of specific dimensions of the child welfare continuum of care to privatize.

The cabinet is committed to building a child welfare system reoriented around preventive services. In State Fiscal Year 2019, DCBS spent \$409,947,786 on out-of-home care costs compared to \$14,707,255 spent on preventive services. Recognizing the trauma experienced when a child is removed from their home and family, the study group expressed its desire to turn those figures around and spend more on preserving families and preventing removal in a safe manner. Kentucky's outcome data show consistently positive outcomes for families that receive family preservation services. The study group would like to see increases in family preservation resources and supports available to families post-permanency, whether that be adoption, guardianship, or reunification to prevent a re-entry into care. The study group stressed the importance of expanding the Kentucky service array so that it aligns with the identified needs of the child welfare population across the continuum of care. Kentucky needs more appropriate placements for children, foster families to come along side birth families to do what is best for the children, and to do a better job recognizing foster and kin caregivers as valued contributors. As the public and private sector works together along with key partners to transform the existing child welfare system, an environment will be created that promotes learning rather than fault-finding and blame was universally identified as essential.

In response to questions by Senator Westerfield, Commissioner Clark stated that

the department cannot hire as many staff as needed, because there are caps on employment through the cabinet's Office of Human Resources Management and Personnel Cabinet. The department has to justify how many social workers that can be hired. It makes no difference if an unlimited amount of staff could be hired if there continues to be a low retention of the staff. It is not fair to a foster child to develop a relationship with the caseworker only to have that caseworker leave and have to start all over with a new caseworker. If the cabinet does not change the culture in which a social worker operates, how they are equipped, and are supported by strong leadership, the cabinet cannot retain experienced social workers.

The department does not have the legal capacity to represent itself effectively when it comes to case management for children in foster care let alone shift it to the private sector. The department cannot compete with the private sector. The department needs to build a data information system that is compatible with information entered by provider and compliance with the federal Child Welfare Information System (CWIS). Secretary Meier stated that the data entry from all providers has to be compatible for all of them. It is going to take time to invest in the compatible infrastructure between systems. There could be long-term savings, but it will take several years for the outcomes to accrue savings.

Private providers are not currently providing case management services for the department. Ms. Hall stated there is a difference for caring for children and youth and case management responsibilities that comes with historical knowledge. If case management responsibility is given to private providers, the liability is shifted too. The private provider would not be able to have a cabinet attorney represent them. There are insurance companies around the country that refuse to insure providers that take on this level of risk and responsibility. Currently there is no case management being provided by private providers for entire families, just for the children. Krista Thomas, Policy Fellow, Chapin Hall at the University of Chicago, stated that it is a remarkably profound shift of responsibilities to private providers. There is a tremendous amount of child welfare services for children currently privatized in Kentucky, but none for entire families.

Secretary Meier stated that the next step would be to implement the recommendation for any future efforts to expand privatization in Kentucky should first include a readiness assessment, a cost study, and a legal review. Commissioner Clark stated that minutes were not taken at the meetings, but it was a unanimous vote on the recommendations by

both the performance based contracts and privatization work group members, but not the contributing participants. He is not aware of anyone who disagreed or had concerns with the recommendations of either report.

Commissioner Clark stated that House Bill 158 from the 2019 Regular Session and the Family First Prevention Services Act required fingerprinting for child-caring facilities. The cabinet has to receive final approval from the Federal Bureau of Investigations (FBI) in order to conduct the fingerprinting. The department is processing the backlog of fingerprints within 2 to 7 days while waiting on approval from the FBI. The department has some electronic support so fingerprinting is not all paper based. Elizabeth Caywood, Deputy Commissioner, Department for Community Based Services, Cabinet for Health and Family Services, stated the technology has been deployed for electronic child abuse and neglect background checks, and the department is in the process of training staff and issuing communications to the public and providers. The agency will conduct fingerprint background checks for its employees.

In response to questions by Senator Thomas, Commissioner Clark stated that federal funding for foster care and child welfare systems has always been tied to a bad outcome and forcing child welfare agencies to be reactionary. Something bad and traumatic has to happen in order to get Title IV-E funding associated for the services that are needed. The federal Family First Prevention Services Act will allow states to leverage Title IV-E funding for prevention services. On October 1, 2019, Kentucky will implement the federal Family First Prevention Services Act.

In response to questions by Representative Meade, Secretary Meier stated that recruitment and certification is one area that does not require as much of a common infrastructure. Moving children that are not in need of residential services to the private sector, infrastructure investments will be needed so everyone is using the same systems. The cabinet has a Request for Proposal (RFP) in this arena for a managed care organization (MCO) that take care of foster children. Ms. Akers stated that independent living services are currently being done by a pilot program for post adoption or post permanency services. Commissioner Clark stated that the cabinet did a request for information (RFI) to look at recruitment and certification in Jefferson County.

Child Welfare Court Case Process and Procedure Update

Judge Sheila Farris, Henderson County Family Court, Kentucky 51st Judicial Circuit, stated that some of the timeliest things done in

her court are the dependent and neglect and abuse docket and the termination of parental rights docket. The Kentucky Revised Statutes (KRS) states that within 45 days of the issuance of emergency custody order or 60 days if there is not an emergency custody order that there will be adjudication and disposition of a case. The only person that can waive the timeframe is the guardian ad litem for the child. House Bill 1 includes language that the testimony of the person allegedly responsible for the abuse and neglect cannot be used against them in a criminal proceeding. Having this language has been beneficial in moving cases forward, moving children through the judicial system quicker, and making sure that everyone is working their case plan to get the child back into the home. Fifteen out of the most recent 48 months verses 15 out of the most recent 22 months makes it beneficial for long-term outcomes and whether actual termination of parental rights is the most appropriate measure for a particular family. Termination of parental rights is a great concern for judges. A case management conference is set in cases to protect rights.

Courts check the putative father registry to see if someone has placed their name on the registry and claimed they could be the father of a child. By June 2019, there were 27 putative father paternity actions filed in Henderson and only 25 total filed in 2018. If there is a case where child support will be enforced through the Cabinet for Health and Family Services, there will be no payment for the DNA fee by either parent. Children deserve to have a two-parent family whether the father and mother are together or not. Court Appointed Special Advocate (CASA) is usually in court and if not, a report has been submitted.

Adjournment

There being no further business, the meeting was adjourned at 3:12 p.m.

PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE Minutes

June 7, 2019

Call to Order and Roll Call

The Program Review and Investigations Committee met on Friday, June 7, 2019, at 8:00 AM, in Room 131 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 Rob Rothenburger, Co-Chair; Senators Reginald Thomas, Stephen West, and Phillip Wheeler; Representatives Lynn Bechler, Chris Fugate, Al Gentry, and Ruth Ann Palumbo.

Guests: Deck Decker, Interim Executive Director; Mike Hayden, Chief Operating Officer; Kentucky Communications Network Authority; K. Gail Russell, Secretary, Public Protection Cabinet; Steve Milby, Commissioner of the Department of Housing, Buildings, and Construction; Michael Haney, Director of Division of Fire Prevention, State Fire Marshal.

LRC Staff: Greg Hager, Committee Staff Administrator; Chris Hall; Van Knowles; Jean Ann Myatt; Sarah Ortkiese; Jeremy Skinner; William Spears; Shane Stevens; Susannah Stitzer; Joel Thomas; and Kate Talley, Committee Assistant.

Minutes for May 9, 2019

Upon motion by Rep. Fugate and second by Representative Rothenburger, minutes for the May 9, 2019 meeting were approved by voice vote without objection.

Staff Presentation: KentuckyWired Status Update

Mr. Knowles said the committee had voted to study KentuckyWired at its June 2018 meeting. The Auditor of Public Accounts has issued a report on its own investigation, which was presented to the committee in October 2018. Program Review's investigation has focused primarily on risk allocation, financing, future prospects, and procedural matters. Program Review staff plan to pursue additional lines of investigation, including aspects of the procurement, which remains a focus of the auditor.

He described the time line of the project, beginning with concept development in 2011 or early 2012 for a statewide middle mile network to provide high-speed broadband to which local providers could connect. In early 2014, Columbia Telecommunications began to gather information and assist in developing a request for proposals for a public-private partnership (P3). By late 2014, a contract had been awarded to Macquarie Infrastructure Developments. The scope of work was "to explore the feasibility of the finance, design, construction, operation, maintenance, and refreshing" of the network. During 2015, Macquarie and the state negotiated plans for financing and carrying out the project. The parties rewrote the contract as a new structure of several contracts specifying a construction cost of nearly \$275 million. The contracts, which also created the complex structure of KentuckyWired, were signed in early September after several series of bonds were sold for more than \$313 million. The Macquarie consortium contributed \$6.5 million as equity.

Within 4 weeks of the 2015 bond sale came the first of many claims requesting schedule changes and additional compensation that eventually were estimated to be more than \$191 million. The planned completion date of

July 2018 was missed. During most of 2018, the parties negotiated a settlement that reduced the payments to \$101 million and changed the contracts to reduce future problems. The General Assembly authorized \$110 million of additional borrowing to cover the settlement and future supervening events. This year, the Kentucky Communications Network Authority (KCNA) is seeking ways to borrow funds to cover the settlement payments. The revised completion date is October 2020.

The financing method Macquarie proposed was and is common for P3s. Technically, borrowing was “non-recourse,” meaning the lenders cannot turn directly to the state if project revenues are insufficient to pay the debt. However, the state promised to make availability payments starting when the first network sections became operational and continuing for the 30-year term. State officials assumed that all state agencies, K-12 schools, and higher education would use the new network, so existing broadband spending could cover the availability payments indefinitely. However, the Kentucky Department of Education warned that it could not just switch to a new network because of rules governing the federal E-rate rebate program. The state attempted and failed to cancel the existing AT&T contract in order to award a new contract to KentuckyWired. The state’s share of wholesale revenue from the leasing of extra capacity, projected by Macquarie to be more than \$1 billion, was seen as supplemental income for the state.

Mr. Skinner described conclusions and findings related to financing and funding, and policies and procedures. Mr. Knowles described conclusions and findings related to project structure and risks, and project justification.

In response to a question from Senator Carroll about the staff’s process for the investigation and any impediments to it, Mr. Knowles said that staff have primarily reviewed documents and have conducted some interviews. Potentially, there will be over 1 million emails to review. Claims of attorney-client privilege have been an issue.

In response to questions from Senator West about the AT&T contract, Mr. Knowles said the Finance and Administration Cabinet issued a request for proposals (RFP) in 2015 for providing Internet service to state agencies, higher education, and K-12 schools. AT&T, the current provider, protested. The cabinet canceled the RFP.

In response to questions from Senator West about the 55 percent of revenue not accounted for by K-12 schools, Mr. Skinner said that it primarily represents the cost of internet service for state agencies and higher education.

Mr. Knowles said the 55 percent is not at risk because of the AT&T contract, but the state has the option to move service for state agencies to another provider. Higher education can do the same. Some potential customers have expressed concern about reliability should that occur.

In response to questions about the agreement with the Center for Rural Development, Mr. Knowles said he cannot speculate as to why the agreement came to be. The center would receive 100 percent of wholesale revenue from the eastern Kentucky portions of the project and 50 percent of the wholesale revenue from the I-75 corridor. The state would get 100 percent of the revenue from western Kentucky. Sen. Carroll said that there are concerns that the western Kentucky ring will be completed, which means that, at most, the state would be getting one half of the revenue.

In response to questions from Senator Carroll, Mr. Knowles said that the project agreement requires that refreshes be done every 10 years. There are indications that more frequent refreshes will be needed to be competitive. Mr. Skinner said that the settlement agreement did not change the intervals at which the KentuckyWired system would be refreshed. Mr. Knowles said that staff did not know whether the current technology being installed is the same technology that was purchased at the beginning of the project.

Senator Wheeler asked whether the project’s justification has changed, and if not, has there has been any investigation into the services being provided to underserved areas and alternatives to KentuckyWired. Mr. Knowles said that staff have been unable to answer the question about current provision of services, in part because information about current middle mile service is proprietary. Senator Wheeler said that Internet service in Pikeville, where he is from, is terrible. He said that it seemed that service would already have been provided to underserved areas if providers were capable of doing so. He asked whether the fact that there are underserved areas is a justification for KentuckyWired. Mr. Knowles said that staff are not able to speculate as to the status of the current service providers in the state, but it would be up to the local service providers to build the last mile service and connect to the KentuckyWired network.

In response to a question from Senator West, Mr. Knowles said that income from state agencies is not included in the revenue shared with the Center for Rural Development, which receives a share of wholesale revenue.

In response to questions from Senator Thomas about why the KentuckyWired project cannot rework projections, whether the technology can be tested as the network is

built, and construction in western Kentucky, Mr. Knowles said that KCNA officials may be able to answer. Senator Thomas said the focus should be on how this project can be moved forward.

Senator Carroll said the focus for this investigation is on the poor decisions that have led to the state of the project and the lessons to be learned from that. The focus is not to make recommendations or decisions on the project moving forward.

In response to questions from Representative Rothenburger about the Center for Rural Development agreement, Mr. Knowles said staff are looking into the wholesale revenue the center would receive and the status of the agreement. The center provided \$23.5 million of federal grant funding, for which the memorandum of agreement established the rules for the state to receive it. The addendum was apparently added later; Program Review staff do not know when. The federal grant money is not linked to the addendum. Mr. Skinner said the state will receive the federal grant money upon the completion of Ring 1B in eastern Kentucky.

In response to questions from Representative Rothenburger, Mr. Knowles said KCNA has testified that there has been interest by parties in buying wholesale service. Staff have not looked into marketing of the wholesale fiber.

In response to questions by Representative Rothenburger as to when risks were mentioned to the state, Mr. Knowles said Columbia Telecommunications outlined many issues in May 2014 to state officials. Concerns about risks were also mentioned in responses to the request for information. Mr. Knowles said that Program Review staff do not know whether the risks were properly assessed before the decision was made to move forward with the project.

Representative Rothenburger commented that before 2015 a superintendent had expressed concern to him about how devastating it would be to local school districts to lose E-rate funding.

In response to a question from Senator Carroll, Mr. Skinner said that there are contractual elements for the private partner investment and the return on that investment. The return on investment will come from state payments.

In response to questions from Senator West, Mr. Skinner said the \$23.5 million in funding from the center will go to the design builder, not the general fund. This is typical for a public private partnership. The private partner has not made its full \$6 million contribution at this time, it is on a schedule.

Senator Carroll requested that representatives from KCNA give a brief update on where the project is and when the state can expect it to be online. Mr. Hayden said the

network is still scheduled to be completed by October 2020. It is typical to do a project like this in phases. Ring 1A and 1B will be done simultaneously and the central Kentucky ring will be done a month after. Contractors have been working faster than scheduled.

Senator Carroll said that the problem is not the current officials. The committee is looking at past decisions and contracts.

Mr. Decker said the project has worked through most of the delays, but western Kentucky will present challenges. All the contracts are not in place there but will be soon. Ring 1A is being tested now. Mr. Hayden said Ring 1A has to be brought up first because it has the Commonwealth Data Center.

In response to a question from Senator West, Mr. Hayden said approximately 1,500 miles have been completed, which is nearly half the total.

In response to a question from Representative Gentry, Mr. Decker said that the October 2020 completion date is realistic. The only concern is Ring 4, which is the only possible delay if the contract is not established.

Senator Thomas said he is encouraged by what Mr. Hayden and Mr. Decker have said. He asked if projections of revenues have been done and if those revenues are more or less than the original \$1 billion. Mr. Hayden said several conditions have changed in the past 5 years. Internet rates have dropped across the state. KCNA is looking at market conditions and original projections. They are working to get the projections done but do not have them today.

In response to questions from Representative Bechler about the settlement contracts, Mr. Hayden said the settlement contracts have been signed and have paid \$9.5 million to \$10 million so far.

Senator Carroll said that some legislators are ready to pull the plug on this project. He said it is crucial to complete the area west of I-75 to generate revenue. Mr. Hayden said that not completing areas west of I-75 will create issues, for example, only having half of the community college campuses in the system.

Senator Carroll said that there will be discussions as to how the committee should proceed from here.

Overview of State Fire Marshal's Office

Ms. Russell introduced herself, Mr. Milby, and Mr. Haney. Mr. Haney described how the Division of Fire Prevention accomplishes its mission through inspections, education, and coordination with local fire departments and the organizational structure of the division. Mr. Milby provided an overview of the downward trend in restricted fund revenue for the division and described funding challenges. The number of personnel in the declined from 40 in 2017

to 27 in 2019. Because nonsalary costs such as pension contributions have increased, personnel costs have not decreased as much as the number of personnel. Ms. Russell said that the decrease in resources limits what the division can do. As a result, there will be a request for up to \$3 million in additional revenue for the next biennium.

In response to questions from Senator Carroll, Mr. Haney said that local inspectors do not have time to perform inspections outside of their districts.

In response to Senator Carroll's question about the details of the \$3 million request, Mr. Milby said it includes \$150,000 for each of the 10 inspectors who would be hired, which includes vehicles, equipment, fringe benefits, and pension. The cost for each of the three office personnel is \$75,000. The remainder would be for training.

In response to a question from Senator Wheeler about training, Mr. Haney said the training includes doing inspections, fire schools, and teaching volunteer firefighters to do investigations. Training is free and open to the public. Ms. Russell said the fire marshal takes over inspections once the building is not new construction. Mr. Haney said the growth in technology and complexity of buildings is why more assistance is needed.

Senator Carroll asked why there is no fee charged for the inspections and whether other states charge for inspections. Mr. Milby said this is because of statute. Mr. Haney said the focus is on public protection. Mr. Haney said Virginia and West Virginia have minimum fees; some local jurisdictions in other states have fees. Ms. Russell said there is a distinction between charging a fee related to new construction, in which case the facility cannot open until the inspection takes place and is paid for, and existing buildings, which may be impractical to close if the fee is not paid.

In response to Representative Rothenburger's questions about the sources of restricted fund revenue, Mr. Milby said that this includes hazmat inspections and fuel tank inspections. The decline in fire prevention revenue is partly because of the end, because of a lack of personnel, of a memorandum of agreement the division had to do sprinkler inspections for state-owned buildings.

Representative Rothenburger asked about the status of doing building plan reviews. Mr. Milby said that the Department for Building Codes has more personnel than before. There was a backlog, in part because of increased construction and retirements in the department. Mr. Milby said that currently the department takes 20 days for plan review and is moving toward 7 to 10 days.

In response to a question from

Representative Rothenburger about software updates by the state fire commission, Mr. Haney said that the Department of Housing, Buildings, and Construction has its own software, so his division is not connected to the fire commission's system.

Representative Rothenburger asked if the division has adequate staff to implement the school safety legislation. Mr. Haney said that to do annual inspections of prioritized buildings, which includes schools, daycares, and hospitals, they have to deprioritize smaller places of assembly.

Senator Carroll asked if the department has run numbers based on charging a fee for inspections. Mr. Haney said that they had not done one but would try to get those numbers to the committee.

Representative Bechler said that the appropriation for fiscal year 2020 will be 2.8 percent greater than fiscal year 2019. Representative Bechler said there was a 2.3 percent average increase from fiscal year 2016 to fiscal year 2020. Mr. Milby said that is correct. Representative Bechler asked for fire prevention personnel costs for fiscal year 2020. Mr. Milby said that he will provide this information. In response to a question from Representative Bechler, Mr. Haney said that fire protection is in the KERS Nonhazardous system.

In response to questions from Representative Gentry about people assembling in large numbers in the capitol, Mr. Haney said the authority lies with the state police. Fire marshals give numbers for specific areas and areas that should be kept clear in case of an emergency. He said that if it were up to the fire marshals, they would remove people from where there is no exit. They work with police and try to enforce the code as compassionately as possible. In response to Representative Gentry's question, Mr. Haney said that building codes and regulations are mostly from the state.

Representative Gentry said he had a press conference held on the House floor that multiple people in wheelchairs could not access. In response his question about the Americans with Disabilities Act (ADA), Mr. Milby said new buildings meet the requirements of the act. If there are changes in the use of a building, the building must be brought into compliance with the ADA. Older buildings present a challenge. Mr. Haney said that fire marshals ensure that buildings' ADA compliance is maintained but cannot make buildings install new ADA elements.

Senator Carroll thanked the officials for their testimony and complimented field inspectors with whom he has interacted.

The meeting was adjourned at 10:02 AM.

GOVERNMENT CONTRACT REVIEW COMMITTEE

Committee Minutes

June 11, 2019

Call to Order and Roll Call

The Government Contract Review Committee met on Tuesday, June 11, 2019, 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 Julian M. Carroll, Paul Hornback, and Phillip Wheeler; Representatives Charles Booker, Chris Fugate, and Mark Hart.

Guests: Lesa Dennis, Toby Smith, Melissa Young, Travis Powell, Charles Harman, Krista Hall, Greta Hylton, Brian Mefford, Mike Denney, Gary Ruskowski, Greg Woosley, Bart Hardin, Craig Collins, Barry Swanson, William Thro, Mike Tuggle, Doug Thoroughman, Adam Caswell, Mary Paula Schuh, Jenny Lafferty, Elizabeth Nichols, Brittney Allen, Jennifer Moore, and Stephanie Craycraft.

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

A motion was made by Senator Carroll to approve Minutes of the May 2019, meeting of the committee. Senator Hornback 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 Fugate 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. Representative Fugate 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. Representative Fugate 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. Representative Fugate seconded the motion, which passed without objection.

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

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS

National Center for State Courts, 1900004405; Dean Dorton Allen Ford, PLLC, 1900004747; Sturgill, Turner, Barker & Moloney, PLLC, 1900004748.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

National Council for Behavioral Health, 1900004289.

COUNCIL ON POSTSECONDARY EDUCATION

QA Commons, Inc., 1900004198.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Specialized Alternatives for Families & Youth of Kentucky, Inc., 1900003975.

DEPARTMENT FOR INCOME SUPPORT

Center for Policy Research, 1900003844.

DEPARTMENT FOR LOCAL GOVERNMENT

Roy W. Brothers, 1900004220.

DEPARTMENT FOR PUBLIC ADVOCACY

Ira Mickenberg, 1900004070.

DEPARTMENT FOR WORKFORCE INVESTMENT

The Urban Institute, 1900003255; Deloitte Consulting, LLP, 1900003512.

DEPARTMENT OF EDUCATION

Literacy Design Collaborative, Inc., 1900004143; Kentucky Council for Children With Behavior Disorders, 1900004183; University of Kentucky Research Foundation, 1900004294.

DEPARTMENT OF HIGHWAYS

Michael Baker International, Inc., 1900004308; Michael Baker International, Inc., 1900004337; HDR Engineering, Inc., 1900004338; HDR Engineering, Inc., 1900004366; QK4, Inc., 1900004367; H. W. Lochner, Inc., 1900004368; Vaughn and Melton, 1900004369; American Engineers, Inc.,

1900004404; QK4, Inc., 1900004406; Haworth Meyer Boleyn, Inc., 1900004408; Integrated Engineering, 1900004410; Neel-Schaffer, Inc., 1900004684.

DEPARTMENT OF INSURANCE

GLDD Independent Contractor, LLC, 1800001865-1.

DEPARTMENT OF JUVENILE JUSTICE

DX Consultants, LLC, 1900004175.

EASTERN KENTUCKY UNIVERSITY

BioMedical Research Services, 20-184; Dynamix Productions, Inc., 20-243; Crowe, LLP, 20-244.

FINANCE - OFFICE OF THE SECRETARY

Smith Cashion & Orr, PLC, 1900004383.

JUSTICE - OFFICE OF THE SECRETARY

Balance Dynamics Motorcycle Training Center, Inc., 1900003761.

KENTUCKY FISH AND WILDLIFE RESOURCES

Copperhead Environmental Consulting, Inc., 1900004326.

KENTUCKY LOTTERY CORPORATION

Waterfield Technologies (formerly PDT Communications, LTD., 20-10-027; TEK Systems, 20-11-040; Gaming Laboratories International, LLC, 20-14-035; IGT Global Solutions Corporation f/k/a GTECH Corporation, 20-15-001; Goldberg Simpson, LLC, 20-16-024-1; Bandy Carroll Hellige, 20-16-044-1; The Buntin Group, Inc., 20-16-044-2; Volta, Inc., 20-18-027; Senet International Corporation, 20-18-032; Blue & Company, LLC, 20-18-046; Ellen Williams, 20-19-018-1; Akin Gump Strauss Hauer & Feld, LLP, 20-19-018-2.

KENTUCKY STATE POLICE

Paul Dublin, 1900004305.

KY INFRASTRUCTURE AUTHORITY

Dean Dorton Allen Ford, PLLC, 1900004195.

MURRAY STATE UNIVERSITY

Primary Care Medical Center, LLC, 011-20.

NORTHERN KENTUCKY UNIVERSITY

Ruffalo Noel Levitz, 2019-140; Russ Potts Productions, Inc., 2019-141.

PERSONNEL - OFFICE OF THE SECRETARY

Korn Ferry Hay Group, Inc., 1900004230.

UNIVERSITY OF KENTUCKY

Able Engine, K19-239; Strand Associates, Inc., K19-240; 5280 Solutions, LLC d/b/a CampusGuard, K19-241; Volta, Inc., K19-242;

Accomplice, LLC, K19-243; JMIS Kentucky, K20-101.

WESTERN KENTUCKY UNIVERSITY

Ukpeagvik Inupiat Corporation (UIC), 182036; Kerrick Bachert PSC, 192001; Multi, 192002; RATP DEV USA, Inc., 192005; Stokes Production Services, Inc., 192006; Encompass Digital Media, Inc., 192007.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS

Tad Thomas, 1600003867; Adams Stepner Woltermann and Dusing, 1600003912; Tad Thomas, 1700000454; Greenebaum Doll and McDonald, 1700001370; Stoll Keenon Ogden, PLLC, 1700002948; Rubin & Hays, 1800001216.

BOARD OF EXAMINERS OF SOCIAL WORK

Scanlan Associates, LLC, 1800002292.

DEPARTMENT FOR WORKFORCE INVESTMENT

Chua Corazon, 1800002206.

DEPARTMENT OF EDUCATION

Brian P. White, 1900000402.

DEPARTMENT OF HIGHWAYS

J.M.Crawford & Associates, Inc., 1300000071; QK4, 1400000709; QK4, 1500001396; Booker Engineering, Inc., 1500001398; Burgess and Niple, Inc., 1600000845; QK4, Inc., 1600000935; Bacon Farmer Workman Engineering & Testing, Inc., 1600002442; Michael Baker International, Inc., 1600003185; Stantec Consulting Services, Inc., 1800000302; American Engineers, Inc., 1800001540.

DEPARTMENT OF MILITARY AFFAIRS

Safe Transportation Training Specialists, LLC, 1900003414.

ECON DEV - OFFICE OF THE SECRETARY

Eva Garland Consulting, LLC, 1900003200.

FACILITIES & SUPPORT SERVICES

Biagi Chance Cummins London Titzer, Inc., 1300001446; Kohrs Lonnemann Heil Engineers, PSC, 1600000312; Paladin, Inc., 1700002128; GRW Engineers, Inc., 1800000445; Third Rock Consultants, LLC, 1900002766.

FINANCE - OFFICE OF THE SECRETARY

Goldberg Simpson, LLC, 1900000088.

KENTUCKY EMPLOYERS MUTUAL INSURANCE

Dinsmore & Shohl, LLP, 19-DAS-001.

KENTUCKY RETIREMENT SYSTEMS

Stoll Keenon Ogden, PLLC, 1900001016.

KY COMMUNITY TECHNICAL COLLEGE SYSTEM

Crowe, LLP, 744.

KY INFRASTRUCTURE AUTHORITY

Dean Dorton Allen Ford, PLLC, 1900001720.

MURRAY STATE UNIVERSITY

Carrithers Law Office, PLLC, 003-15; Sturgill, Turner, Barker & Moloney, PLLC, 007-17; Goldberg Simpson, LLC, 012-16; Rick Walter/Boehl, Stopher and Graves, LLP, 013-18; Rick Walter/Boehl, Stopher & Graves, LLP, 015-18; Attain, LLC, 016-19; Boehl, Stopher & Graves, LLP, 017-15; Goldberg Simpson, LLC, 017-18.

TRANSPORTATION - OFFICE OF THE SECRETARY

McMurry and Livingston, 1800001376.

UNIVERSITY OF KENTUCKY

Omni Architects, A141210; Huron Consulting, K19-104; Smith Management Group, K19-168; Trimeric Corporation, K19-172.

UNIVERSITY OF LOUISVILLE

Multi, 19-013 A-O.

WESTERN KENTUCKY UNIVERSITY

Multi, 182014.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS

Centerstone of Kentucky, Inc., 1900004709; Green River Regional MHMR Board, Inc., 1900004711; Transitions, Inc., 1900004713; Kentucky River Community Care, Inc., 1900004714; Cumberland River Behavioral Health, Inc., 1900004716; Bluegrass Regional Mental Health Mental Retardation, 1900004719; Lifeskills, Inc., 1900004721; Pennyroyal Regional Mental Health Mental Retardation Board, 1900004749.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Green River Regional MHMR Board, Inc., 1900004141; Western Kentucky Regional Mental Health & Retardation Advisory Board, 1900004144; Northern Kentucky Regional Mental Health Mental Retardation Board, 1900004210; Cumberland River Behavioral Health, Inc., 1900004219.

BOARD OF CHIROPRACTIC EXAMINERS

Department for Professional Licensing, 1900003599.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

University of Kentucky Research Foundation, 1900003410; Jackson Purchase Foundation, 1900004154.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES

Multi, 1900003540.

DEPARTMENT FOR LOCAL GOVERNMENT

Northern Kentucky Area Development District, 1900003305; Purchase Area Development District, Inc., 1900003307; Perry County Fiscal Court, 1900003655; Kenton County Fiscal Court, 1900003700; City of Brooksville, 1900003707; Ohio County Fiscal Court, 1900003809; Hickman County Fiscal Court, 1900003974; Union County Fiscal Court, 1900004015; Rockcastle County, 1900004166; Wolfe County, 1900004292; Elkton-Todd County Industrial Foundation, 1900004321; Muhlenberg Alliance for Progress, 1900004324; Breathitt County Water District, 1900004353; Ohio County Fiscal Court, 1900004365.

DEPARTMENT OF CORRECTIONS

Hope Center, 1900003977.

DEPARTMENT OF EDUCATION

Martin County Board of Education, 1900003556; Bullitt County Board of Education, 1900003732; Harlan County Board of Education, 1900003779; Grayson County Board of Education, 1900003780; Marshall County Board of Education, 1900003781; Covington Independent School District, 1900003785; Elliott County Board of Education, 1900003786; Larue County Board of Education, 1900003787; Martin County Board of Education, 1900003788; Newport Independent School District, 1900003789; Logan County Board of Education, 1900003791; Owensboro Independent School District, 1900003792; Pulaski County Board of Education, 1900003793; Fayette County Board of

Education, 1900003794; Whitley County Board of Education, 1900003795; Madison County Board of Education, 1900003796; Anderson County Board of Education, 1900003850; Barren County Board of Education, 1900003861; Bourbon County Board of Education, 1900003864; Bowling Green Independent School District, 1900003865; Breathitt County Board of Education, 1900003867; Bullitt County Board of Education, 1900003868; Carter County Board of Education, 1900003873; Christian County Board of Education, 1900003876; Clark County Board of Education, 1900003877; Clay County Board of Education, 1900003878; Covington Independent School District, 1900003881; Daviess County Board of Education, 1900003885; Fayette County Board of Education, 1900003888; Franklin County Board of Education, 1900003891; Garrard County Board of Education, 1900003893; Grayson County Board of Education, 1900003895; Harlan County Board of Education, 1900003899; Harrison County Board of Education, 1900003901; Henry County Board of Education, 1900003905; Jackson County Board of Education, 1900003906; Johnson County Board of Education, 1900003910; Knott County Board of Education, 1900003912; Knox County Board of Education, 1900003913; Larue County Board of Education, 1900003914; Leslie County Board of Education, 1900003918; Letcher County Board of Education, 1900003919; Lincoln County Board of Education, 1900003920; Logan County Board of Education, 1900003921; Madison County Board of Education, 1900003923; Magoffin County Board of Education, 1900003924; Marion County Board of Education, 1900003926; Marshall County Board of Education, 1900003927; Martin County Board of Education, 1900003928; Meade County Board of Education, 1900003932; Monroe County Board of Education, 1900003936; Montgomery County Board of Education, 1900003937; Owensboro Independent School District, 1900003943; Pendleton County Board of Education, 1900003946; Pike County Board of Education, 1900003948; Scott County Board of Education, 1900003952; Warren County Board of Education, 1900003954; Washington County Board of Education, 1900003960; Wayne County Board of Education, 1900003961; Whitley County Board of Education, 1900003963; Lincoln County Board of Education, 1900004017; Campbellsville Independent School District, 1900004101; Wayne County Board of Education, 1900004119; Lincoln County Board of Education, 1900004125; Clay County Board of Education, 1900004127.

DEPARTMENT OF MILITARY AFFAIRS
Louisville Jefferson County Metro

Government, 1900003437; Office of Vocational Rehabilitation, 1900003966.

JUSTICE - OFFICE OF THE SECRETARY
University of Kentucky Research Foundation, 1900004320.

KENTUCKY FISH AND WILDLIFE RESOURCES

University of Tennessee, 1900000649; University of Louisville, 1900001548; University of Tennessee, 1900003161; US Geological Survey, 1900003213.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS

Louisville Jefferson County Metro Government, 1900001907.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Comprehend, Inc., 1900000940; Bluegrass. Org, 1900003229.

CHFS - DEPARTMENT FOR AGING AND INDEPENDENT LIVING

Multi, 1900000410; Multi, 1900000798; Multi, 1900001251.

COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS

University of Kentucky Research Foundation, 1900000277.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Home of the Innocents, 1800001661; Multi, 1800001929; Mountain Comp Care Center, 1800002042; Our Lady of Peace, 1900000627; KVC Behavioral Health Care/Croney & Clark, 1900003202.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Banklick Watershed Council, 1600002311; University of Louisville Research Foundation, 1900002782; Boone County Fiscal Court, 1900003259.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES

Multi, 1900001047; Jefferson County Board of Education, 1900001056; Multi, 1900001568; Multi, 1900001669; Multi, 1900001682; Multi, 1900001717; Multi, 1900001718; Multi, 1900001719; Multi, 1900001721; Multi, 1900001724; Multi, 1900001725; Jefferson

County Board of Education, 1900001735.

DEPARTMENT FOR LOCAL GOVERNMENT

Elliott County Fiscal Court, 1900003087; Elliott County Fiscal Court, 1900003090; Elliott County Fiscal Court, 1900003095; Lawrence County, 1900003107; Barren River Area Development District, 1900003293; Big Sandy Area Development District, 1900003294; Bluegrass Area Development District, 1900003295; Buffalo Trace Area Development District, 1900003296; Cumberland Valley Area Development District, 1900003297; Fivco Area Development District, 1900003298; Gateway Area Development District, 1900003299; Green River Area Development District, 1900003300; Kentucky River Area Development District, 1900003301; Kentuckiana Regional Planning & Development Agency, 1900003302; Lake Cumberland Area Development District, 1900003303; Lincoln Trail Area Development District, 1900003304; Northern Kentucky Area Development District, 1900003305; Pennyriple Area Development, 1900003306; Purchase Area Development District, Inc., 1900003307; City of Stanton, 1900003535.

DEPARTMENT FOR NATURAL RESOURCES

University of Kentucky Research Foundation, 1900000765.

DEPARTMENT FOR PUBLIC HEALTH

Family and Children First, Inc., 1800001904; University of Kentucky Research Foundation, 1800001917; Foundation for Health Leadership & Innovation, Inc., 1900000373; Family Health Centers, Inc., 1900002478.

DEPARTMENT OF AGRICULTURE

Multi, 1900003210; Multi, 1900003210; Multi, 1900003211.

DEPARTMENT OF EDUCATION

Adair County Board of Education, 1900000034; Bellevue Independent School District, 1900000080; Berea Independent Board of Education, 1900000100; Breathitt County Board of Education, 1900000103; Carter County Board of Education, 1900000108; Casey County Board of Education, 1900000111; 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; Livingston County Board of Education, 1900000165; 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; Williamstown Board of Education, 1900000188; Eastern Kentucky University, 1900001311; Murray State Foundation, 1900001871; Eastern Kentucky University, 1900002418; American Youth Policy Forum, 1900002644; University of Kentucky Research Foundation, 1900002806; Crittenden County Board of Education, 1900003178.

KY INFRASTRUCTURE AUTHORITY
Perry County Fiscal Court, 1500001026.

OFFICE OF INSPECTOR GENERAL
Western Kentucky University Research Foundation, Inc., 1700001509.

WESTERN KENTUCKY UNIVERSITY
KHEAA - KHEAA Verify, 2018-008.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

COUNCIL ON POSTSECONDARY EDUCATION

The Graduate! Network, Inc., 1900004102. Melissa Young and Travis Powell discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Representative Booker seconded the motion, which passed.

DEPARTMENT FOR COMMUNITY BASED SERVICES

KVC Behavioral Health Care/Croney & Clark, 1900003195. Lesa Dennis and Toby Smith discussed the contract with the committee. A motion was made by Representative Booker

to consider the contract as reviewed. Senator Carroll seconded the motion, which passed.

DEPARTMENT FOR PUBLIC ADVOCACY

Jeffrey Sherr, 1900004346. A motion was made by Senator Carroll to defer the contract to the July 2019 meeting of the committee. Representative Booker seconded the motion, which passed.

DEPARTMENT OF EDUCATION

Kentucky Dataeam Initiative, Inc., 1900002589. Charles Harman discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Senator Wheeler seconded the motion, which passed.

DEPARTMENT OF EDUCATION

TNTP, Inc., 1900003591. Krista Hall and Charles Harman discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Representative Booker seconded the motion, which passed.

DEPARTMENT OF EDUCATION

University of Louisville Research Foundation, 1900003600. Greta Hylton and Charles Harman 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.

ECON DEV - OFFICE OF THE SECRETARY

Commonwealth Center for Commercialization, Inc., 1900004227. Brian Mefford discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Senator Hornback seconded the motion, which failed with Senator Wheeler, Senator Meredith, Representative Hart, Representative Fugate, and Representative Booker voting no. A motion was made by Representative Hart to defer the contract to the July 2019 meeting of the committee. Senator Wheeler seconded the motion, which passed.

JUSTICE - OFFICE OF THE SECRETARY

Motorcycle Safety Foundation, Inc., 1900003762; Total Control Training, Inc., 1900003763. A motion was made by Representative Fugate to defer the contract to the July 2019 meeting of the committee. Representative Hart seconded the motion, which passed.

KENTUCKY LOTTERY CORPORATION

IGT Global Solutions Corporation f/k/a GTECH Corporation, 20-10-001. Mike Denney and Gary Ruskowski discussed the contract with the committee. A motion was made by Representative Booker to consider the contract as reviewed. Senator Carroll seconded the motion, which passed with Representative Fugate voting no.

LEGISLATIVE RESEARCH COMMISSION

Ransdell Roach & Royse, PLLC, 19/20-30; Stoll Keenon Ogden, 19/20-36; Stoll Keenon Ogden, 19/20-40. Greg Woosley discussed the contracts with the committee. A motion was made by Senator Carroll to consider the contracts as reviewed. Representative Fugate seconded the motion, which passed.

UNIVERSITY OF KENTUCKY

Claro Healthcare, LLC, K19-238; Milliman, Inc., K20-102. Bart Hardin, Barry Swanson, and Craig Collins discussed the contracts with the committee. A motion was made by Senator Hornback to consider the contracts as reviewed. Representative Hart seconded the motion, which passed.

UNIVERSITY OF KENTUCKY

Ologie, LLC, K19-244; The Cornett Group, K20-104. Bart Hardin and Barry Swanson discussed the contracts with the committee. A motion was made by Senator Hornback to consider the contracts as reviewed. Senator Carroll seconded the motion, which passed.

UNIVERSITY OF KENTUCKY

Jack Britt, K20-103. Tim West, Bart Hardin, and Barry Swanson 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.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR PUBLIC HEALTH

Multi, 1900001166. Dough Thoroughman and Mike Tuggle discussed the contract with the committee. A motion was made by Representative Booker to consider the contract as reviewed. Representative Hart seconded the motion, which passed.

NORTHERN KENTUCKY UNIVERSITY

Multi, 2019-100. Adam Caswell and Mary Paula Schuh discussed the contract

with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Fugate seconded the motion, which passed.

UNIVERSITY OF KENTUCKY

Stites & Harbison, PLLC, K19-117. Bart Hart, Barry Swanson, and William Thro discussed the contract with the committee. A motion was made by Senator Hornback to consider the contract as reviewed. Representative Hart seconded the motion, which passed.

UNIVERSITY OF KENTUCKY

Deloitte Consulting, LLP, K19-159. Bart Hart, Barry Swanson, and William Thro discussed the contract with the committee. A motion was made by Representative Booker to consider the contract as reviewed. Senator Hornback seconded the motion, which passed.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE SELECTED FOR FURTHER REVIEW:

ADMINISTRATIVE OFFICE OF THE COURTS

Mountain Comprehensive Care Center, 1900004724. Jenny Lafferty and Elizabeth Nichols discussed the contract with the committee. A motion was made by Representative Booker to consider the contracts as reviewed. Representative Fugate seconded the motion, which passed.

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

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Hazelden Betty Ford Foundation, 1800002031. Brittney Allen, Jennifer Moore, and Stephanie Craycraft discussed the contract with the committee. A motion was made by Representative Fugate to consider the contract as reviewed. Representative Booker seconded the motion, which passed.

There being no further business, the meeting adjourned at 12:22 PM.

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 3rd Meeting of the 2019 Interim

June 12, 2019

Call to Order and Roll Call

The 3rd meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Wednesday, June 12, 2019, at 10:00 AM, in Room 129 of the Capitol Annex. Representative Myron Dossett, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator C.B. Embry Jr., Co-Chair; Representative Myron Dossett, Co-Chair; Senators Paul Hornback, Dennis Parrett, Robin L. Webb, and Whitney Westerfield; Representatives Kim King, Phillip Pratt, Brandon Reed, and Dean Schamore.

Guests: Warren Beeler, Executive Director, Governor's Office of Agricultural Policy (GOAP); Bill McCloskey, Deputy Executive Director, GOAP; Tamara Sandberg, Executive Director, Feeding Kentucky; Sarah Vaughn, Programs Coordinator, Feeding Kentucky; Kate McDonald, Kentucky Kids Eat Coordinator, Feeding Kentucky; Babette Overman, Overman's Bluegrass Fruits and Vegetables; Martin Richards, Executive Director Community Farm Alliance; James Cochran, Manager, Farmers Market Support Program; and Brittany Steffey, Coordinator, Kentucky Double Dollars.

LRC Staff: Nathan Smith, Tanya Monsanto, Kelly Ludwig, Silas Montgomery, and Rachel Hartley.

Governor's Office of Agricultural Policy Report

Warren Beeler discussed Kentucky Proud and the Dairy Development Council. Mr. Beeler also introduced summer interns for the Governor's Office of Agricultural Policy.

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

Requested program amendments discussed included:

Rockcastle County Conservation District requested an additional \$98,700 in Rockcastle County funds for CAIP. The board recommended approval, which would bring the program total to \$204,250.

Campbell County Conservation District requested an additional \$30,962 in Campbell County funds for CAIP. The board recommended

approval, which would bring the program total to \$61,290.

Projects discussed included:

Jessamine County Future Farmers of America (FFA) Alumni Association was approved for \$8,000 in Jessamine County funds for a Jessamine County 4-H and FFA cost-share program.

Meade County Fair, Inc. was approved for \$7,500 in Meade County funds to build pens for small livestock for use during the Meade County Fair and other agriculture education events.

Jericho Farmhouse was approved for \$129,890 in state and multiple county funds to construct a farmers market and retail store in Henry County.

Green River Area Beef Improvement Group, Inc. was approved for \$20,000 in Daviess County funds to continue the Daviess County Youth Agriculture Production Cost-Share Program.

Farm Center 519 was approved for a \$225,000 loan in state funds to purchase a building, commodity shed, scale, and equipment in Morgan County.

Grain Day, Inc. was approved for \$4,500 in Daviess, Hancock, Henderson, McLean, Ohio, and Webster County funds to support the Midwest Beef Summit.

Local Food Connection, Inc. was approved for \$52,255 in state and multiple county funds to purchase cold storage equipment and 12 month rental of a forklift in Campbell County.

Sweet and Savory Blessings Catering by Kathy Pennington, LLC was denied \$10,000 in Carroll County funds for equipment, a building, and advertising expenses due to lack of producer impact.

In response to a question from Senator Westerfield, Mr. Beeler stated GOAP will submit a report to the committee on the allocation of funds since the inception of the Kentucky Agricultural Development Fund.

Farms to Food Banks, Kentucky-Grown Vegetable Incentive Program

Tamara Sandberg stated there are 186,660 children that are food insecure in Kentucky. The counties with the highest child food insecurity rates are Magoffin, Clay, Elliott, Robertson, and Breathitt. One out of five seniors are affected with food insecurity, which is the highest rate in the nation.

Feeding Kentucky has a strong partnership with the agriculture community. The Beef Council had a beef month initiative to benefit food banks and the Dairy Development Council has assisted food banks with more capacity to distribute milk.

Feeding Kentucky has seven regional food banks that serve all 120 counties in Kentucky in partnership with 800 local food pantries. There

are 50,000 Kentuckians served each week.

Sarah Vaughn stated Farms to Food Banks receives fresh produce from farmers in need of a market and delivers produce to food banks. Over three million pounds of Kentucky-grown produce were distributed throughout Kentucky in 2018. In 2018, there were 349 farmers that participated with an average payment per farmer of \$1,691.

The Appalachian Expansion Project (AEP) is a new pilot project that is being tested this year. There are 27 counties in eastern Kentucky that have been identified to have no farmers or only one farmer participating in Farms to Food Banks. The AEP is providing incentives to farmers to participate. There is also a processing pilot program to extend the season of produce availability. Both pilot programs are funded with a grant through the Educational Foundation of America.

Kate McDonald stated Kentucky Kids Eat focuses on after school programs, school breakfast, and summer meals. Only one out of 12 children that receive a free lunch during the school year will have access to a summer meal. Kentucky ranks 46th for summer food service program participation.

The Kentucky-Grown Vegetables Incentive Program (K-VIP), which is funded by the Agricultural Development Board, creates a financial incentive for sponsors to include Kentucky-grown fruits and vegetables in summer meals. For every \$2 a participating sponsor spends at a Kentucky farm, K-VIP will reimburse them for \$1. In 2019, \$321,220 was paid directly to Kentucky farmers.

In response to a question from Representative Dossett, Ms. McDonald stated reaching out to the local school boards would be beneficial to make sure these programs are available for students.

Babette Overman discussed how she has benefitted from Farms to Food Banks and K-VIP. Ms. Overman owns a 25 acre farm in Lancaster.

Kentucky Double Dollars

Martin Richards stated the Farmers Market Support Program (FMSP) and Kentucky Double Dollars (KDD) work together to increase sales and income to Kentucky farmers, leverage federal food and nutrition program funds, and increase access to fresh and healthy local food. There has been a \$6.07 return on every \$1 invested by KADF.

FMSP provides Kentucky farmers markets with the tools, resources, and networks to create profitable and sustainable markets. KDD incentivizes the purchase of Kentucky produced fruits, vegetables, meat, eggs, and dairy by food assistance programs.

In 2018, 1,105 farmers from 89 counties

participated in Kentucky Double Dollars. There has been a 353 percent increase in farmers participating since 2017.

There being no further business, the meeting was adjourned.

KENTUCKY CAREER AND TECHNICAL EDUCATION TASK FORCE

Minutes of the 1st Meeting of the 2019 Interim

June 18, 2019

Call to Order and Roll Call

The 1st meeting of the Kentucky Career and Technical Education Task Force was held on Tuesday, June 18, 2019, at 10:00 a.m., in Room 129 of the Capitol Annex. Senator Mike Wilson, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Mike Wilson, Co-Chair; Representative Bobby McCool, Co-Chair; Senator Johnny Ray Turner; Representative C. Ed Massey; and Steven Thomas.

Guests: Chris Riley, OEA.

LRC Staff: Jo Carole Ellis, Yvette Perry, Lauren Busch, Seth Dawson, Chuck Truesdell, Joe Lancaster, and Christal White.

Senator Wilson introduced Representative Bobby McCool, Co-Chair, and the Education Professional Standards Board (EPSB) member representative, Mr. Steven Thomas. He welcomed the CTE Task Force members and outlined the objectives.

Discussion of Task Force Objectives

The CTE Task Force was created to study the existing delivery, organization structure, and funding mechanisms of career and technical education in Kentucky, including but not limited to area career and technical centers, local school district-operated career and technical centers, comprehensive high schools, regional academies, and the Kentucky Community and Technical College System; to identify promising career and technical education practices from research and other states; to study the need and feasibility for a vocational teacher ranking system that allows for occupational experience and training as alternatives to college training, that is uniformly applied to all teachers within a vocational certification field, and that encourages vocational teachers to remain in the classroom; and submit strategies for the future of career and technical education in Kentucky.

Senator Wilson said the lack of highly-skilled, qualified candidates has created a skills gap for thousands of high-paying positions throughout the state. While Kentucky has been successful recruiting new industry, providing

the workforce with qualified graduates offering essential skills has been problematic.

Senator Wilson said the system, implemented in the 1990s, consists of two differently funded systems. Upon review of studies and recommendations, the task force may convert to one system focused on equity in funding. The group will also review the EPSB study and its recommendations regarding inequities among Area Technology Centers (ATCs), specifically the structure and salary schedule of teachers within the ATC. Although students should be provided opportunities to access classes which include the most emphasized skills-gap careers, some schools are unable to offer these classes.

Discussion of Future Agenda Topics

The Task Force discussed the proposed meeting topics. The tentative topics include an overview of the CTE system, including progress made on recommendations from the 2014 SREB report; an overview of the funding system of ATCs and locally-operated centers, including recommendations for revising the system; an overview of the KCTCS's role in the CTE system, including the level of collaboration with ATCs and locally-operated centers; a presentation by representatives of ATCs and locally-operated centers regarding their programs, initiatives, issues, outcomes, etc.; and a report by EPSB on the vocational teacher ranking system as contemplated in 2019 Senate Concurrent Resolution 149. Senator Wilson welcomed members to make additional suggestions for other areas of concern. He said the goal of the task force is to make recommendations and, if needed, provide legislation to address and modernize Kentucky's system to enable students the opportunity to acquire technical skills and qualify for available, high-paying careers.

Discussion of Future Meeting Dates

Future meeting dates will coincide with the Interim Joint Committee on Education (IJCE) meetings, when possible. CTE Task Force meetings will be held at 10 a.m. prior to the IJCE meeting at 1 p.m.

Other Business

The next meeting of the CTE Task Force will be July 10, 2019, at 10:00 a.m. Subsequent meetings are tentatively scheduled for August 2, September 11, and October 9. A November meeting has not yet been scheduled.

EDUCATION ASSESSMENT AND ACCOUNTABILITY REVIEW SUBCOMMITTEE

Minutes of the 1st Meeting of the 2019 Interim

June 18, 2019

Call to Order and Roll Call

The Education Assessment and Accountability Review Subcommittee meeting was held on Tuesday, June 18, 2019, at 1:00 p.m., in Room 129 of the Capitol Annex. Representative Brandon Reed, Chair, called the meeting to order and the secretary called the roll.

Present were:

Members: Representative Brandon Reed, Co-Chair; Senators Alice Forgy Kerr and Mike Wilson; Representatives Tina Bojanowski, Regina Huff, and Steve Riley.

LRC Staff: Joshua Collins, Lauren Busch, and Christal White.

Approval of April 15, 2019 Minutes

On a motion by Representative Riley and a second by Representative Huff, the minutes of the April 15, 2019 meeting were approved by voice vote.

Office of Education Accountability Annual Report

David Wickersham, Deputy Director for the Office of Education Accountability (OEA) introduced Dr. Bart Ligouri, Research Division Manager, Bryan Jones, Investigations Division Director, Ryan Brown, Graduate Fellow, Research, and Stephen Pulliam, Accountability Investigator.

Mr. Wickersham gave an overview of OEA's duties. OEA conducts educational research, performs monitoring functions, and conducts investigations on behalf of the General Assembly. Complaints are submitted by mail, email, phone calls to a toll-free hotline, or an online complaint form. Complaints can come from various sources including state agencies, local school board members, superintendents, principals, teachers, classified and certified employees, parents, and citizens. OEA provides a non-adversarial, solution-focused response to constituent complaints rather than focusing on penalties for districts who have difficulties complying with the law.

OEA does not write legislation, make education policy, publish investigative reports, release interviews, investigate crimes, interview students, resolve labor disputes, or litigate cases. Consistent with the Kentucky Constitution and the Separation of Powers doctrine, OEA has no enforcement or executive authority against a school district.

OEA provides a summary of the general status and nature of the monthly investigative work to the subcommittee, who has authority to request a closed session regarding a specific investigative report.

OEA investigates allegations of waste, duplication, mismanagement, political and illegal activity at the state, regional, or district level. While most complaints are based on individual school districts, others may come

from the Kentucky Education Cabinet, another state agency, or the regional level.

Mr. Wickersham outlined the investigations conducted by OEA over the past year. In 2018, in addition to telephone complaints, OEA received 584 written complaints of which 53 cases were opened. Thirty two of those cases were closed and 65 cases are actively pending district investigations. Complaints are divided into two broad categories of Site-Based Decision Making (SBDM) cases and Investigative Cases.

A written complaint is necessary before an investigation is opened and considered. OEA staff evaluates every complaint and determines if an allegation warrants inquiry or investigation only after reviewing and considering several factors. OEA may determine the inquiry should be conducted by a different agency or level. At that time, a referral would be made to superintendents, law enforcement agencies, the Kentucky Department of Education (KDE), or the Educational Professional Standards Board (EPSB). Complaints that fail to violate a state law or policy are declined. A legitimate complaint is assigned to two investigators.

Complainants often request anonymity due to retaliation concerns. While the identity of the complainant is shielded, confidentiality cannot be guaranteed. Frequently, the source of the complaint may be quite obvious due to previous verbal complaints. Under no circumstance does OEA staff release or verify the source of a complaint.

Following an onsite visit and consideration of all relevant information, a preliminary investigative report is sent to the subject of the complaint for an opportunity to review, object to any fact finding, provide additional information, or contest any legal findings. All responses to the preliminary report are considered before the final investigative report is issued. OEA sends the report to the subjects of the inquiry, the complaining party (if known), and the board of education or superintendent. In rare circumstances with substantial law violations, OEA may make a referral to the EPSB, KDE, or the Office of the Attorney General.

All substantiated complaints are specifically detailed and a resolution of corrective measures are contained in the final investigative report. Resolutions of substantiated complaints include requiring additional training in particular areas of education law, amending or changing district or school policies, and supplying information to OEA in the future for the purpose of monitoring compliance with the law.

Mr. Wickersham said although OEA provides a suggested research agenda topic list, members of the subcommittee make the final decision. In 2018, the subcommittee approved

several reports: 2017 District Data Profiles; Homeschooling in Kentucky; Textbooks and Instructional Materials; and State and Local Funds Distributed to Higher Poverty Schools.

The 2017 District Data Profile Report, presented in 2018, is a comprehensive overview of 173 school districts from 2014-2017. The report conveyed longitudinal data about district demographics, finances, staffing, and school performance.

In September 2018, the subcommittee accepted the OEA Report on Homeschooling in Kentucky Study. This study noted the absence of regulation in the state. The report explained that the law is vague in that KDE is permitted but not required to clarify homeschool requirements or take a role in inspecting attendance and scholarship reports. OEA discussed the "1997 Best Practices Documents," which gave guidance to Directors of Pupil Personnel and other interested parties about how the law worked; however, many are unaware or confused about the document's authority. OEA also identified hurdles the Cabinet for Health and Family Services and local courts have faced in making determinations about educational neglect due to the lack of guidance in decision making.

In October 2018, the subcommittee accepted the "Report on Textbooks and Instructional Materials." The State Textbook Commission, established in KRS 156.405, has a specific annual meeting schedule; however, the commission last met in June, 2015. In terms of influence and impact on public education, OEA reported an increase in technology devices, a reduction in device to student ratios, and updated operating systems statewide from 2014-2017. While data showed districts acquired the technology and tools needed to carry out educational goals, OEA was unable to determine the effects on student learning and outcomes.

In November 2018, the committee heard and accepted the study of State and Local Funds Distributed to Higher Poverty Schools. Kentucky uses the weighted student formula (WSF) to fund local school districts by granting additional funds, or "add-ons," for certain student factors such as limited English proficiency (LEP) or special education. OEA said the WSF applies only at the district level, but not at the school level. A district may receive additional funds for specific students but may not pass those funds on to the student's schools. OEA suggested this area may be a topic for the subcommittee and the General Assembly to consider more broadly.

As approved in the 2019 Research Agenda, Mr. Wickersham indicated that OEA is studying and reporting on career and technical education revenue and expenditures, career and technical education enrollment and subsequent

employment by sector, and teacher shortages and supports for new teachers.

Additionally, during the 2019 Regular Session, SB 1 directed OEA to study the actual usage of guidance counselors' time spent in schools. The report will be presented to the Interim Joint Committee on Education (IJCE) no later than December 1, 2019.

Mr. Wickersham reported that in the 2016 Research Agenda, the subcommittee directed OEA to make a study of Kentucky's preschool program and full-day kindergarten. OEA has received a National Legislative Program Evaluation Society Award from the National Conference of State Legislators for that work.

Senator Wilson reported that in response to a question he had at a recent IJCE meeting concerning home schooling, an OEA staff member had clarified that districts may have co-enrollment if approved by the board.

Responding to a question by Representative Reed, Mr. Wickersham said the investigative totals reported were from the previous year. OEA makes every effort to complete the investigation and issue a final investigative report within a six-month timeline; however, issues often prevent that goal from being achieved and carryovers from previous years are common.

On a motion by Representative Riley and a second by Representative Huff, the annual report was accepted by voice vote.

OEA Report: 2018 District Data Profiles

Dr. Bart Ligouri introduced Albert Alexander, who presented the OEA 2018 Kentucky District Data Profiles, approved by this subcommittee as part of the 2019 Research Agenda. The publication received a Notable Documents Award in 2012 from the National Conference of State Legislators.

Mr. Alexander said profiles are a one-stop source of comprehensive district-level education data and an encyclopedia on the current state of districts in Kentucky. The profiles provide easy access to commonly used education data and is intended as a quick, reliable reference for comparative purposes for each district to the state as a whole and to other districts with similar characteristics. The profiles are a compilation of data from KDE and the Kentucky Center for Statistics. The primary data sources are school report cards; Infinite Campus; and MUNIS, the payroll and financial system used by school districts.

District Data Profiles contain a data dictionary for definitions and sources, 173 district profiles, a state profile, and tables on selected measures comparing districts and rankings. Each profile contains an overview of staffing information, student characteristics, graduation and other attainment data, discipline

data, and financial and student performance data.

The overview section of each profile shows the number of students in terms of membership, adjusted average daily attendance (ADA) and the number of A1 schools in the district. A1 schools are the number of schools under administrative control of a principal and are eligible to establish a SBDM Council. An A1 school is not a program operated by or as part of another school.

Mr. Alexander said the demographic profile provides demographics and membership by grade level for the current year and three prior years. This category includes students with free and reduced price lunch eligibility, LEP, exceptional children, and race/ethnicity. Other information provided includes graduation, retention, dropout rates, and disciplinary counts.

The staffing section includes the numbers of classified and certified personnel; pupil/teacher ratio; salary and benefits as a percentage of the General Fund expenditures; and teacher pay, rank, experience, and turnover. The state and district salary schedule by rank and years of experience is presented on a chart. The state profile displays averages of all district schedules while the district schedule shows contract teaching days, the number of base days a board of education has adopted to pay certified staff each year. The number of contract days for districts ranges from 185 to 188 days, but the majority of districts are at the 185-day level.

Student performance includes advanced placement, ACT 11th grade score, kindergarten readiness, dual credit, and selected components of the 2018 accountability system. Dual credit, allowing students to earn high school and college credits for the same course simultaneously, has been captured for three years. The second component includes levels of proficient and distinguished math and reading, gap, growth, transition, and the number of schools targeted for intervention within each level.

The state finance profile shows the number of districts by tax type, current per pupil expenditures, per pupil revenues by source and average SEEK distribution. The average per pupil property assessment statewide is \$414,351 and represents the value of local taxable property divided by the ADA. Taxable property is the largest source of local revenue. District per pupil property assessments experience a wide range from a high of \$1.3 Million to a low of just above \$100K. Each district profile shows dollars amounts or rates for the same district level data.

Also included are state and district current expenditure reports, which include the end of year fund balance as well as expenditures by function as a percentage of all expenditures. Fifty-nine percent of state current expenditures

were spent on instruction.

Dr. Ligouri gave a detailed overview and instructions for using the interactive online components of the profiles found at bit.ly/oea-ddp2018. The visualizations serve as a supplement to the full report.

The three separate visualizations are Data From the 2017-2018 School Years, Heat Maps of Selected Variables, and 10-Year Trend Data. Each visualization is divided into five tabs including demographic profile, staffing data, finance, performance, and accountability. The visualizations allow viewing of the most recent available data and can be accessed by navigating to different parts of the report using the tabs at the top. The profiles can be manipulated by selecting the district, and the data can be sorted by clicking on the header titles. The data dictionary can be found in the full report.

On a motion by Senator Wilson and a second by Senator Kerr, the 2018 District Data Profiles report was accepted.

Adjournment

The next meeting is scheduled for September. Members will be notified if change is needed.

There being no further business, the meeting was adjourned at 2:00 p.m.

AREA DEVELOPMENT DISTRICT WORKING GROUP

Minutes of the 1st Meeting of the 2019 Interim

June 18, 2019

Call to Order and Roll Call

The 1st meeting of the Area Development District Working Group was held on Tuesday, June 18, 2019, at 10:00 AM, in Room 149 of the Capitol Annex. Representative Suzanne Miles, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel, Co-Chair; Representative Suzanne Miles, Co-Chair; Senators Dennis Parrett and Brandon Smith; and Representative Jim DuPlessis.

Guests:

LRC Staff: Jennifer Hays, Mark Mitchell, Cynthia Brown, and Chase O'Dell.

Representative Miles stated that the Area Development District (ADD) Working Group was the result of multiple pieces of legislation. She continued to say that the working group was going to evaluate the purpose of ADDs. Senator McDaniel said that ADDs play a critical role in many operations as it relates to the management of state government at the local level.

Overview of Area Development Districts

Jennifer Hays, Committee Staff Administrator, LRC Appropriations and

Revenue Committee, presented an overview of Area Development Districts.

Ms. Hays testified that a memo from the President of the Senate and Speaker of the House created the Area Development District Working Group to review the operations and funding of ADDs. According to the memo, the review should be conducted based on an analysis of data to be collected from the ADDs and the Department of Local Government (DLG), to be analyzed by Legislative Research Commission (LRC) non-partisan staff, and the working group members.

Ms. Hays stated that the information that is to be analyzed by work group members and non-partisan staff. The memo states that the issues or records to be analyzed shall include, but are not limited to:

“State statutes and administrative [regulations] as well as and federal regulations outlining or setting forth the relational roles that exist between the Department for Local Government, in their role as the cognizant state agency for Area Development Districts, and the Districts themselves;

The amount of funds transferred or granted to each Area Development District on an annual and historical basis for a period of five (5) years, and the processes by which those funds are expended or transferred to units of local government and the measurable benefits or deliverables for said funds;

The state or federal funds held in reserve by each area development district as well as statutory or regulatory processes by which those funds can be expended;

Level of long-term debt incurred by each Area Development District;

Historic spending trends of funds granted through the Joint Funding plan;

Growth/reductions in staffing patterns in the execution of the planning functions versus the direct service provider roles as managed by the Area Development Districts.”

The working group’s findings must be presented to LRC by November 29, 2019.

Ms. Hays testified that there are 15 ADDs, and the statutes which authorize the ADDs are contained in KRS Chapter 147A. The ADD boundaries are statutorily created along county lines. Changes to the boundaries, the number of districts, or the names of the districts, must be accomplished through an act of the General Assembly.

Each ADD is governed by a board of directors. Membership of each board includes the county judge/executive of each county within

the district, the respective mayors of each 1st, 2nd, and 3rd class city within the district, the mayors of any incorporated city below the 3rd class, and citizen members. Each board is required to annually select a chairman, vice chairman, secretary, treasurer, or any other officers deemed necessary for operations. Each board has the power to appoint an executive director and deputy executive director.

Ms. Hays stated that each board of directors can sue and be sued, enter into agreements, expend funds, and more. ADDs are deemed public agencies. The board is required to develop plans and establish advisory committees related to those plans. The statute specifically cites the development of goals and objectives for the ADD, plans for water and sewer, and plans for land use, including open space and recreational areas.

In response to a question from Senator Parrett, Ms. Hays stated that judge/executives and mayors, who are statutorily members on the board of directors, can select citizen members to be designees or actual members on the board of directors.

Ms. Hays testified that the allocation of funding for ADDs is accomplished by the Finance and Administration Cabinet. ADDs are tax-exempt entities and are required to submit a detailed report related to state and federal funds received during any year.

In response to a question from Representative Miles, Ms. Hays stated that there is nothing in the statute that directs LRC to act on the annual reports received from each ADD.

Each ADD is required to establish a regional planning council for the purpose of advising the board of directors on planning matters throughout the district. A regional planning council is not required if 50 percent or more of the population of the local jurisdictions are participating in some other form of regional planning.

The Department for Local Government (DLG) is created in the same KRS chapter as ADDs. DLG is required to administer the distribution of funds to ADDs and is authorized to promulgate administrative regulations. The department is charged with the responsibility of ensuring that compliance reports are submitted. The department is the coordinator of the planning, funding, and operations all performed by the ADDs.

DLG is responsible for the Joint Funding Administration (JFA). The JFA encompasses three primary grants: the Economic Development Administration, the Community Development Block Grant, and the Appalachian Regional Commission Grant. Ms. Hays testified that through administrative regulation, each

board of directors is required to prioritize capital projects for the allocation of funds. She stated that each board is also encouraged to propose joint capital projects where two or more ADDs can work together on a project.

In response to a question from Representative DuPlessis, Ms. Hays stated that in the past, in front of the Appropriations and Revenue Committee, Commissioner Dunahoo had stated that there was no statutory formula for JFA funding. Ms. Hays said that there was a funding formula in the 2018 executive branch budget bill for the two-year budget period.

By statutory definition, ADDs are special purpose governmental entities (SPGE). As such, ADDs are required to file financial disclosure reports. Ms. Hays said that the financial disclosure reports are more like cash flow statements rather than balance sheets.

Ms. Hays discussed the average percentages of the various revenues and appropriations for each ADD for the years 2015 to 2018.

A chart in the presentation compared and contrasted the four-year averages among the ADDs.

In response to a question from Senator McDaniel, Ms. Hays stated that there is no detail within the financial disclosure reports that either confirmed or denied whether the Buffalo Trace ADD has a reserve fund that is allowed to operate year-to-year. Senator McDaniel expressed his desire for the working group to look at why Buffalo Trace had carryover revenues and why the Bluegrass ADD took a ‘hit’ in revenues and appropriations in 2017.

Representative DuPlessis stated that the working group needed to look at why the personnel costs for the Big Sandy ADD were almost 50 percent of total expenditures, whereas personnel costs only amounted to 27 percent of total expenditures for the Barren River ADD.

In response to a question from Representative Miles, Ms. Hays stated that she did not find any instructions or handbooks on how the financial disclosure reports were prepared. She continued to say that there was no description of the report or classification of the different categories on the report on the public version of the DLG website.

Ms. Hays testified that all-but-three ADDs earned interest from 2015 to 2018. She continued to say that three ADDs reported a carryover revenue from a prior fiscal year during that time period. Eight ADDs paid some amount of debt service.

In response to a question from Representative Miles, Ms. Hays stated that appropriations could be classified differently between the ADDs.

Twelve ADDs reported earning interest from 2015 to 2018. Only two of those 12 ADDs earned more than \$100,000 in interest during

that time. Ms. Hays testified that three ADDs utilized some form of a carryover from a prior fiscal year. Ms. Hays stated that eight ADDs reported some amount of debt service during the time period.

Representative DuPlessis noted that one ADD had both a high amount of carryover funds and a high amount of interest earned. He stated that the working group may want to look at whether or not the ADD is earning its interest through carryovers year-to-year.

Ms. Hays testified that the JFA program is responsible for receiving federal funds, matching state funds or other funds, combining the funds together, and then distributing the total funds to ADDs. She continued to say that there are three major grant programs within the JFA program. The first grant program is the Economic Development Administration (EDA), which is an agency within the U.S. Department of Commerce that provides grants and technical assistance to economically distressed communities in order to generate new employment, help retain existing jobs, and help stimulate industrial and commercial growth through a variety of investment programs. The next grant program, the Community Development Block Grant (CDBG) program, is one of the longest running programs of the Department of Housing and Urban Development (HUD). The goals of the program include providing affordable housing, anti-poverty programs, and infrastructure development. Federal CDBG funds are matched with state funds on a dollar-for-dollar basis. The third program is the Appalachian Regional Commission (ARC). Ms. Hays testified that nine ADDs have agreements ongoing directly with ARC for funding.

Senator McDaniel asked that in a future meeting Ms. Hays present to the working group how JFA funds had traditionally been distributed, and what changed in the formula. He continued to say that the underlying argument that had been made stated that failure to make a change in the funding formula had prevented full utilization of federal dollars.

Ms. Hays testified that from 2013 to 2016, each ADD from year-to-year received approximately the same amount of money through the JFA formula. From 2017 to 2018, each ADD experienced changes in the amount of money received through the JFA formula.

The Barren River ADD received more funding in 2017 and even more in 2018. The Big Sandy ADD received approximately \$50,000 more in JFA funds in 2017 and 2018. The Bluegrass ADD received more funds in 2017, but received the same amount in 2018 as it had from 2013 to 2016. The Buffalo Trace ADD received a little more funding in 2017, and

even more funding in 2018. The Cumberland Valley ADD received substantially larger funds in 2017 and 2018. The FIVCO ADD received more funds in both 2017 and 2018. The Gateway ADD also received more funds in both years. The Green River ADD received less funds in 2017, but received the same amount in 2018 as it had from 2013 to 2016. The Kentucky River ADD received more funds in 2017 and even more in 2018. KIPDA received less money in 2017 and 2018, receiving almost \$150,000 less in 2017 than it did in 2015. The Lake Cumberland ADD received significantly more funds in 2017 and 2018. The Lincoln Trail ADD received less funds in 2017 and 2018. The Northern Kentucky ADD received less funding during the same time period. The Pennyryle ADD received a little less funding during the two years. The Purchase ADD received less funding in 2017 and 2018.

Representative DuPlessis stated that JFA funding is not allocated or appropriated. He continued to say that the working group needs to understand where JFA funding is going and how it is being used by ADDs.

Ms. Hays testified that in 2018 House Bill 200, which was the executive branch budget bill, there was approximately \$2 million provided in the DLG budget to support ADDs. A formula was also provided for funding. The funding formula states that 70 percent of funds will be equally distributed among all ADDs, with 20 percent of funds distributed based on a population factor, and 10 percent of funds distributed based on incorporated cities and counties within the districts. The bill also states that the funding formula can be changed upon the unanimous written direction from all ADDs in order to maximize federal awards.

Representative Miles stated that she was curious to know if the ADDs were based on population, continuing to say that she was curious to know how the ADDs were established. Representative Miles also pondered whether or not the ADDs should be tied to the census if they are based upon population.

Representative DuPlessis echoed Representative Miles' question of how there came to be 15 ADDs. He stated that the Bluegrass ADD has a population of 800,000 people, while the Gateway, Buffalo Trace, and FIVCO ADDs combined only have a population of 260,000 people. He went on to emphasize the importance of the efficiency of ADDs.

Representative Miles stated that smaller counties within ADDs are often more dependent on the ADDs than the bigger counties are, in-part because bigger counties have the staff available to apply for grants and funding that the smaller counties do not have access to.

Senator McDaniel requested that, for the

next meeting of the working group, each ADD inform the group of the programs it administers and the cost of administering each program.

With no further business before the working group, the meeting was adjourned at 11:34 a.m.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

June 18, 2019

Call to Order and Roll Call

The Capital Projects and Bond Oversight Committee meeting was held on Tuesday, June 18, 2019, at 1:00 PM, in Room 169 of the Capitol Annex. Representative Walker Thomas, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Rick Girdler, Co-Chair; Representative Walker Thomas, Co-Chair; Senators Christian McDaniel and Robby Mills; Representatives Steven Rudy, Steve Sheldon, and Maria Sorolis.

Guests: Doug Hendrix, General Counsel, Kentucky Communications Network Authority; Steve Murphy, Chief Financial Officer, Kentucky Communications Network Authority; Mike Hayden, Chief Operating Officer, Kentucky Communications Network Authority; Tom Howard, Partner, Commonwealth Economics; Janice Tomes, Deputy State Budget Director; Donna McNeil, Executive Director, Kentucky Infrastructure Authority; Ryan Barrow, Executive Director, Office of Financial Management; and David Carlsen, Chief Financial Officer, Kentucky Higher Education Assistance Authority/Kentucky Higher Education Student Loan Corporation.

LRC Staff: Katherine Halloran, Committee Staff Administrator; Julia Wang, Legislative Analyst; and Jenny Wells Lathrem, Committee Assistant.

Representative Thomas opened the meeting by inviting members, staff, and guests to join him in reciting the Pledge of Allegiance.

Approval of Minutes (May 14, 2019)

Representative Rudy moved to approve the minutes of the March 19, 2019 meeting. Representative Sheldon seconded the motion and the committee approved the minutes by voice vote.

Correspondence and Information Items

Ms. Halloran referenced three information items. Pursuant to KRS 45A.180(2), the University of Kentucky (UK) reported its intent to use the construction management-at-risk project delivery method for two projects within the Improve Good Samaritan Hospital Facilities pool.

Pursuant to KRS 45.760(5), the University

of Kentucky and the University of Louisville reported medical and research equipment purchases.

Pursuant to KRS 45.812(1), the Danville Independent and Warren County school districts reported bond issues with locally-funded debt service to finance new projects.

Kentucky Communications Network Authority

The Kentucky Communications Network Authority (KCNA) submitted the Kentucky Bond Development Corporation (City of Williamsburg, Kentucky) Revenue Bonds, Series 2019 in an amount not to exceed \$110 million as authorized by KRS 154.15-020(4) to pay KentuckyWired project costs, capitalized interest through fiscal year 2021, and costs of issuance. The bonds will be secured by a lease with the Finance and Administration Cabinet. The cabinet will make the lease payments with future legislative appropriations.

KentuckyWired project construction is continuing with fiber installed each month, particularly in Rings 1A, 1B, and 2. Make Ready Construction, making the poles ready for new fiber, is continuing in Rings 3, 4, and 5. The contractor anticipates finishing construction prior to the revised system completion date in 2020, with some rings completed ahead of schedule.

The co-borrower's, KCNA and the KentuckyWired Infrastructure Company (KWIC), financial advisors are Commonwealth Economics and Public Resources Advisory Group. The issuer, the Kentucky Bond Development Corporation (KBDC), is an affiliate of the Kentucky League of Cities (KLC) and the sponsor city is the City of Williamsburg. The method of sale is direct purchase by Morgan Stanley. The first call date will be September 1, 2029, with a 2049 final maturity. There are no premiums associated with the call provisions. The amount borrowed is estimated to be \$104.360 million, which with the associated premium brings the total sources to \$118.960 million. The project fund deposit, approximate capitalized interest, and approximate costs of issuance will be \$110 million, \$8.26 million, and \$700,000 respectively. Annual debt service will be around \$6.9 million after expenditure of the capitalized interest proceeds.

The \$110 million will fund the \$93 million payable to the design-builder, \$88 million for settled claims and \$5 million for Supervening Event 3; unfunded project costs; and an early completion payment to the design-builder if system completion occurs prior to May 2020. Of the \$93 million, KCNA paid about \$46 million so far, about \$44 million from the state which will be reimbursed from the bond proceeds and

about \$2 million from project funds.

In response to Senator McDaniel, Mr. Murphy said that the early completion payment is the design-builder's negotiated share in the savings associated with early migration to the KentuckyWired sites. With early migration, payments to third-party providers are discontinued sooner. KCNA's calculation of the early completion payment is around \$3 million, based upon current payments to third-party providers, and the design-builder's calculation is around \$8 million.

KCNA and KWIC's boards as well as the City of Williamsburg approved the debt issuance. Mr. Hendrix stated that KWIC is a Chapter 273 Kentucky non-profit corporation run by a board comprised of the Secretary of the Executive Cabinet, the State Budget Director, and KCNA's Executive Director. KCNA is attached to the Office of the Governor and is part of the General Government Cabinet. KWIC would not assume any liability for this debt issuance in the event of a default.

Mr. Howard said the borrowers used KBDC rather than the Kentucky Economic Development Finance Authority (KEDFA) to differentiate this debt, secured by future general fund appropriations, from the KEDFA 2015 Series A, Series B, and Series C debt, secured by availability payments. Mr. Murphy stated that availability payments are due irrespective of any savings from not having to pay third-party providers. Mr. Howard stated that the proposed issue should yield a lower rate than the coupon rate, similar to the most recent state office building transaction rated A1 by Moody's.

Mr. Hayden said that contractors tested Ring 1A fiber in April, found damage to the cable primarily due to squirrel bites, and have since replaced multiple spans of fiber. This week, contractors completed final testing of Ring 1A and are testing the nodes on the network as well as the commonwealth's Alternate Data Center in Frankfort. On the I-75 spine from Lexington to Somerset, contractors repaired damage to the fiber between Richmond and Somerset and finished final testing this morning. Mr. Hayden said that the design-builder produced a schedule with projected completion dates as well as a forecast schedule with earlier completion dates.

In response to Representative Sheldon, Mr. Howard said that the upfront issuance expenses would be amortized over the term of the bond issue and that the indexed interest cost would be fixed when the parties signed the purchase agreement. Mr. Murphy commented that the estimated 3.97 percent all-in true interest cost compared favorably to the KEDFA Series A and B debt, with nearly five percent interest costs; the Series C debt, with a 10 percent interest cost; and

the high equity cost on the original transaction. Mr. Murphy agreed that the KEDFA debt's lower BBB rating contributed to the higher interest costs.

In response to Representative Rudy, Mr. Howard said that interest rates were higher when House Bill 509 was filed earlier this year, decreasing the available proceeds by \$10 million. Also, a public sale may have required an \$8 million debt service reserve fund. Therefore, the borrowers decided to pursue private placement alternatives. The debt issuance is allowed under KRS 103.200 et seq., the industrial revenue bond statutes, and KLC suggested the City of Williamsburg as the sponsor city.

In response to Senator Mills, Mr. Murphy said the Series A, B, and C debt issuance totaled around \$306 million. There was also the approximate \$40 million in availability payments during construction; \$30 million direct contribution from the commonwealth; \$23.5 million milestone payment, funded from a federal grant; and sponsors' equity contribution. The availability payments are currently around \$30 million per year and include debt service, maintenance, operations, and sponsors' return.

Senator McDaniel commented that the difference between the payments to finance the project versus future payments to a private provider are unknown.

In response to Senator Girdler, Mr. Murphy said the \$23.5 million milestone payment through the Center for Rural Development will be remitted upon completion of Ring 1B. Mr. Hayden said there could be around \$16 million in additional federal funding.

Senator Girdler moved to approve the KBDC bond issuance, seconded by Representative Sheldon. Senator McDaniel stated that that he knew KCNA staff were working diligently and that his nay vote was not a reflection on KCNA. Representative Sorolis expressed concerns about the \$5 million difference between KCNA's and the design-builder's calculations of the early completion payment, that contractual ambiguities needed to be addressed before further funding. The motion failed to pass with two aye votes, 4 nay votes, and one pass vote.

Project Report from the Finance and Administration Cabinet

Janice Tomes reported a \$3,197,186 project under House Bill 200 (2018-2010 biennial budget bill), Part II (4), financed through three separate bond-funded maintenance pools authorized over the last three biennia. The Cabinet for Health and Family Services, Department for Behavioral Health, Development and Intellectual Disabilities, Western State Hospital - HVAC Repairs and Patient Safety Enhancements project will address compliance issues with ceilings,

communal bathrooms, and hydronic piping in 10 wards.

Representative Thomas mentioned that the project was in his district.

Report from the Office of Financial Management

Kentucky Infrastructure Authority

Representative Rudy moved to roll the Clean Water State Revolving Fund (Fund A) loans and the Drinking Water State Revolving Fund (Fund F) loan into one roll call vote, seconded by Senator Mills, and approved by voice vote.

Donna McNeil presented four KIA loans. The City of Louisa, Lawrence County, requested a \$3,339,588 Fund A loan, of which KIA will apply \$1 million in principal forgiveness, incorporating a prior \$232,666 planning and design loan. The Inflow & Infiltration Rehabilitation project will separate the combined sewer and storm water collection system in the downtown area by installing 5,230 linear feet of 8-inch polyvinyl chloride sewer pipe and 3,930 linear feet of 12-inch to 42-inch high density polyethylene storm water pipe. The sewer and water rates, effective May 1, 2018, included annual adjustments above the Consumer Price Index. For 4,000 gallons, the monthly respective inside and outside city rates are \$43.28 and \$46.88 for sewer and \$39.05 and \$50.42 for water. The term is 20 years at a 0.50 percent interest rate.

The Paducah McCracken County Joint Sewer Agency (JSA), McCracken County, is requesting two Fund A loans for projects addressing a consent judgment. JSA's first loan request, \$5.193 million, is for the Perkins/Crooked Creek Wet Weather Tank project. The project will control and transport wet weather flows near the Perkins Creek and Crooked Creek sewer interceptors' intersection to eliminate a sanitary sewer overflow. Construction includes a three million gallon above ground storage facility, an influent diversion structure, a five million gallon per day pump station, and 1,000 linear feet of 18-inch and 400 linear feet of 24-inch sewer pipe.

JSA's second loan request, \$2,476,652, is for the Massac Creek Phase III project to eliminate sanitary sewer overflows and decommission four lift stations, by moving dry and wet weather flows from the Perkins Creek interceptor to the Massac Creek interceptor. Construction includes improvements to the Ross Lift Station, an additional pump and new emergency generator, as well as 8,300 linear feet of gravity sewer and 2,700 linear feet of force main.

Effective July 1, 2017, for 4,000 gallons, the JSA's monthly sewer rate is \$23.32. The term for both loans is 20 years at a two percent interest rate.

The City of South Shore, Greenup County,

is requesting a \$3,051,133 Fund F loan, of which KIA will apply \$1.3 million in principal forgiveness. The New South Shore Water Treatment Plant project will improve drinking water quality in the city's service area, including northwestern Greenup and northeastern Lewis Counties, with a one million gallon per day ground water treatment plant replacing one built in the 1930's. The new 3,000 square feet facility will accommodate a fourth filter, if needed. Effective July 1, 2019, for 4,000 gallons, the respective monthly inside and outside city water rates are \$31.24 and \$33.60. The term is 20 years at a 0.50 percent interest rate.

In response to Senator McDaniel, Ms. McNeil said that for utilities qualifying for the disadvantaged community rate, KIA may offer principal forgiveness of up to fifty percent of the loan amount, \$1.3 million maximum, and a thirty year loan term. The cities of Louisa and South Shore opted for twenty year loan terms. When KIA considers principal forgiveness, which it applies after close-out of the project, it reviews the service population's affordability index relative to other projects it and the Division of Water will include in the Intended Use Plan. Ms. McNeil said that the disadvantaged community rate qualification is based upon state criteria, when the service population's median household income is at or below 80 percent of the commonwealth's median household income; \$37,200 in the 2020 Intended Use Plan, an increase from the amount in the 2019 Intended Use Plan.

Representative Rudy moved to approve the KIA loans, seconded by Representative Sheldon, and approved by unanimous roll call vote.

New Debt Issues

Ryan Barrow submitted two new debt issues. The first was the Kentucky Higher Education Student Loan Corporation (KHESLC) Student Loan Backed Notes in an amount not to exceed \$325 million. KHESLC will use the proceeds to finance or refinance federally guaranteed Federal Family Education Loan Program (FFELP) loan acquisitions. Between \$120 million and \$125 million will be used for primarily rehabilitated FFELP loans that KHESLC either expects to purchase as part of its routine FFELP loan acquisitions through fiscal year 2020 or already purchased through interim financing sources, lines of credit or its own operating funds. KHESLC will use the additional authorized amount to acquire FFELP loan portfolios from banks or other states, if available. The \$120 million and \$125 million will be a London Interbank Offered Rate (LIBOR) based transaction with a June 1, 2049 final maturity. KHESLC typically issues debt for FFELP loan acquisitions every 12 to 18 months and its last issuance for FFELP loan

acquisitions was in December 2017.

In response to Senator McDaniel, Mr. Carlsen said FFELP was eliminated in 2010 prospectively for new originations. KHESLC permanently finances its FFELP loan purchases through either LIBOR floating rate note or direct purchase note transactions. FFELP loan balances are federally guaranteed, at either 97 percent or 98 percent depending upon the first disbursement date, irrespective of student loan forgiveness.

In response to Representative Sheldon, Mr. Carlsen said that KHESLC requested the additional authorization for potential FFELP loan portfolio acquisitions from banks or other states because if such loan portfolios become available, then KHESLC may only have about three to four weeks to submit bids.

Senator McDaniel moved to approve the new debt issue, seconded by Representative Sheldon, and approved by unanimous roll call vote.

The second debt issue was the Murray State University General Receipts Refunding Bonds, 2019 Series A. The transaction will current refund outstanding 2009 Series A bonds and pay associated costs of issuance. Estimated issuance amount is \$4.3 million, with net present value savings of just under \$300,000, about \$30,000 per year.

Representative Thomas commented that no amount of savings is too small for executing the refunding transaction.

Representative Rudy moved to approve the new debt issue, seconded by Senator McDaniel, and approved by unanimous roll call vote.

School District Bond Issues with School Facilities Construction Commission (SFCC) Debt Service Participation

Ryan Barrow submitted a school district bond issue, estimated amount of \$635,000, with 100 percent SFCC debt service participation for a roof replacement project in the Lincoln County School District.

Senator McDaniel moved to approve the school district bond issue, seconded by Representative Sheldon, and approved by unanimous roll call vote.

Representative Thomas said that the next committee meeting would be held Tuesday, July 23 at 1:00 p.m. in Annex Room 169, a week later than usual.

With there being no further business the meeting adjourned at 1:54 p.m.

CAPITAL PLANNING ADVISORY BOARD

Minutes of the 2nd Meeting of the 2019 Calendar

July 8, 2019

Call to Order and Roll Call

The 2nd meeting of the Capital Planning Advisory Board was held on Monday, July 8, 2019, at 2:00 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; Representative John Blanton, Co-Chair; Senator Whitney Westerfield, Representative Derek Lewis; Charles Byers, John Chilton, Laurie Dudgeon, John Hodgson, and Mark Overstreet.

Guests: Jennifer Smith, Director of Government and Community Relations, and Bryan Russell, Chief Facilities Officer, Western Kentucky University; Wendell Followell, Vice President, Ken Marks, System Director for Facilities Support Services, and Sandy Adkins, Director of Capital Projects Budgeting, Kentucky Community and Technical College System; Paul T. Cable, Director of Capital Planning and Facilities Management, Kentucky State University; Dr. Robert Jackson, President, and Jackie Dudley, Vice President for Finance and Administrative Services, Murray State University; Kim Oatman, Assistant Vice President for Facilities and Operations, and Andrea Fryman Stone, Director of Procurement Services, Morehead State University; Mike Hales, CFO and Co-Interim Chief Administration Officer, Syed Zaidi, Assistant Vice President for Facilities Management, and Mary Paula Schuh, Senior Director, Planning, Design and Construction, Northern Kentucky University; Angela Martin, Vice President for Financial Planning and Chief Budget Officer, and Mary Vosevich, Vice President for Facilities Management, University of Kentucky; Mark Watkins, Senior Associate Vice President of Operations, and Kim Noltemeyer, Unit Business Manager Senior, University of Louisville; David T. McFaddin, Ed.D, Senior Vice President for Operations and Strategic Initiatives, and Ryan Green, Executive Director, Office of Budget and Financial Planning, Eastern Kentucky University.

LRC Staff: Shawn Bowen, Julia Wang, and Jennifer Luttrell.

Approval of Minutes

A motion to approve the minutes of the September 18, 2018, and June 3, 2019 meetings was made by Representative Blanton, seconded by Senator Westerfield, and approved by voice vote.

Information Item

Ms. Bowen said that, at the board's June 3 meeting, members received testimony regarding the Department of Veterans Affairs' capital plan. Since last month, the agency amended the projects in its capital plan and revised its project priorities. The changes resulted in an overall spending decrease of \$15.7 million for the six year planning period.

Review of Agency Capital Plans - Postsecondary Institutions

The Capital Planning Advisory Board received testimony regarding 10 state agency capital plans: Western Kentucky University, Kentucky Community and Technical College System, Kentucky State University, Murray State University, Morehead State University, Northern Kentucky University, University of Kentucky, University of Kentucky Hospital, University of Louisville, and Eastern Kentucky University. The testimony included discussion of capital construction, information technology, and equipment needs for the period 2020-2026.

Western Kentucky University

Bryan Russell, Chief Facilities Officer, and Jennifer Smith, Director of Government and Community Relations, discussed Western Kentucky University's capital plan. The university's capital plan, for the six-year period, included 55 proposed projects totaling \$810,900,000.

In response to a question from Mr. Chilton regarding the university's deferred maintenance needs, Mr. Russell said the total deferred maintenance needs amount to about \$300 million, and the university spends about \$1.4 million annually to address such needs. In spite of diligent maintenance, the university's buildings have exceeded their useful life. He added that safety concerns are always met first when deciding which projects to fund.

Kentucky Community and Technical College System (KCTCS)

Wendell Followell, Vice President, Ken Marks, System Director for Facilities Support Services, and Sandy Adkins, Director of Capital Projects Budgeting, gave a brief overview of the KCTCS capital plan. For the six-year period, the KCTCS capital plan included 109 proposed projects totaling \$1,082,200,000.

In response to a question from Mr. Chilton regarding the prioritization of the projects for the 16 KCTCS campuses, Mr. Followell stated that KCTCS utilizes a project scoring matrix to rank project priorities. KCTCS also met with the leadership team of each of the 16 colleges before a decision was made as to the project priorities. The scores for the top ten projects were close in range, as such, KCTCS decided to utilize a pool approach to address the needs of every college.

In response to a question from

Representative Lewis about the increased cost of the Renovate Occupational Technology Building Elizabethtown Community Technical College project, Mr. Marks replied said the project scope increased due to increased estimates for construction. The project was included in KCTCS' last capital plan at a scope of \$14.9 million, and has increased by \$9.9 million to \$24.8 million.

Kentucky State University

Paul T. Cable, Director of Capital Planning and Facilities Management, discussed the university's capital needs. The university's capital plan, for the six-year period, included 17 proposed projects totaling \$240,551,000.

In response to a question from Senator Humphries, Mr. Cable replied that the ranking of the university's general fund projects may change by the end of the year after the completion of the master plan.

Murray State University

Dr. Robert Jackson, President, and Jackie Dudley, Vice President for Finance and Administrative Services, gave a brief overview of Murray State University's capital plan. The university's capital plan, for the six-year period, included 65 proposed projects totaling \$591,318,000.

In response to a question from Senator Humphries regarding the use of the Public-Private-Partnership (P3) model in a university setting, Dr. Jackson said the university received additional reauthorization in the 2018-2020 Executive Budget to utilize third-party financing for construction of apartment-style student housing [Construct Sorority Suites - Additional Reauthorization, \$19,700,000 Other - Third Party Financing and Construct Residential Suite-Style Housing, \$13,000,000 Other - Third Party Financing.] The decision was made to utilize a P3 model, whereby a private company will fund and construct the project, and the university will lease the completed building from the company for an agreed upon period of time. The specific terms for repayment of the construction debt will be laid out in the ground lease. The university determined that this method of construction was the most efficient option. Dr. Jackson added that ECU and WKU had been successful using the P3 model before and that other universities were looking to use this type of partnership as well.

Morehead State University

Kim Oatman, Assistant Vice President for Facilities and Operations, and Andrea Fryman Stone, Director of Procurement Services, presented the university's capital plan. The university's capital plan, for the six-year period, included 41 proposed projects totaling \$556,012,000.

In response to questions from Representative Blanton about Rader Hall and the location of the

new building, Mr. Oatman stated that Rader was constructed in 1925 and is one of the oldest classroom buildings on campus. While there have been other buildings on campus constructed for particular purposes since 1925, Rader is one of the only dedicated classroom buildings. The university plans to build a new science building to replace Lappin Hall. The science building will be sited in the parking lot across from Nickle Alley and the new student center. No buildings will have to be demolished on this site. The university would be able to keep Lappin Hall in use while the new building was being built. Lappin could then be demolished or re-purposed. He added that the architectural design of the classroom building would be similar to the new science building and both would be in the academic core of the campus.

Northern Kentucky University

Mike Hales, CFO and Co-Interim Chief Administration Officer, Syed Zaidi, Assistant Vice President for Facilities Management, and Mary Paula Schuh, Senior Director, Planning, Design and Construction, gave a brief presentation of Northern Kentucky University's six-year capital plan. The university's capital plan, for the six-year period, included 30 proposed projects totaling \$652,550,000.

University of Kentucky

Mary Vosevich, Vice President for Facilities Management, and Angela Martin, Vice President for Financial Planning and Chief Budget Officer, presented the capital plan for the University of Kentucky. The university's capital plan, for the six-year period, included 300 proposed projects totaling \$7,134,000,000. The University of Kentucky Hospital plan contained a total of 67 proposed projects totaling \$3,892,000,000. There were no questions regarding the university's plan.

University of Louisville

Mark Watkins, Senior Associate Vice President of Operations, and Kim Noltemeyer, Unit Business Manager Senior, discussed the university's capital plan. The university's capital plan, for the six-year period, included 104 proposed projects totaling \$1,714,515,646. There were no questions regarding the university's plan.

Eastern Kentucky University

David T. McFaddin, Ed.D, Senior Vice President for Operations and Strategic Initiatives, and Ryan D. Green, Executive Director, Office of Budget and Financial Planning, discussed the university's capital needs. The university's capital plan, for the six-year period, included 46 proposed projects totaling \$955,252,000. There were no questions regarding the university's plan.

The next meeting is scheduled for Friday, August 23, 2019, in Room 169 Annex starting at 8:00 AM. There being no further business, the meeting was adjourned at 3:38 p.m.

LRC Publications

Research Reports

459 Office of Education Accountability Kentucky District Data Profiles School Year 2018

458 Program Review and Investigations Tuition, Fees, And Other Costs At Kentucky Public Universities (2019)

457 Office of Education Accountability State And Local Funds Distributed To Higher Poverty Schools (2018)

456 Program Review and Investigations Surplus Real Property In Kentucky (2019)

455 Office of Education Accountability Textbooks And Instructional Materials (2018)

454 Office of Education Accountability Homeschooling In Kentucky (2018)

453 Office of Education Accountability Kentucky District Data Profiles School Year 2017

452 Program Review and Investigations Kentucky's Foster Care System

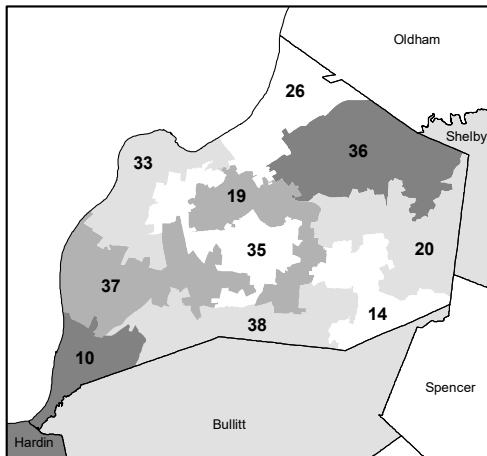
451 Office of Education Accountability High School Indicators Of Postsecondary Success (2017)

450 Office of Education Accountability Preschool Program Review And Full-Day Kindergarten (2017) (Revised 7/10/2018)

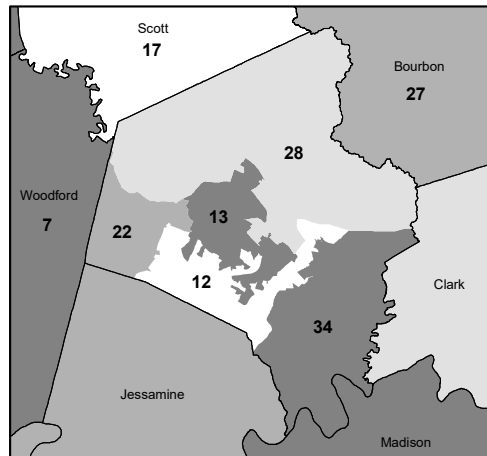
449 Office of Education Accountability School Attendance in Kentucky (2017)

446 Program Review and Investigations Motor Fuel Taxes And Reformulated Gasoline In Kentucky 2016

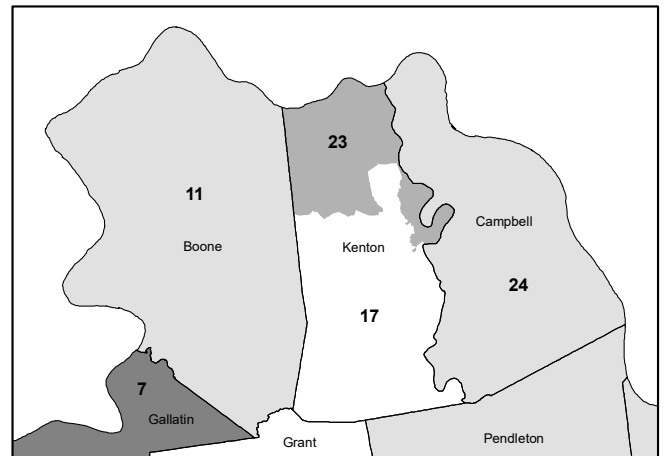
445 Program Review and Investigations Information Technology In Kentucky State Government (2014)



Jefferson Co. Detail



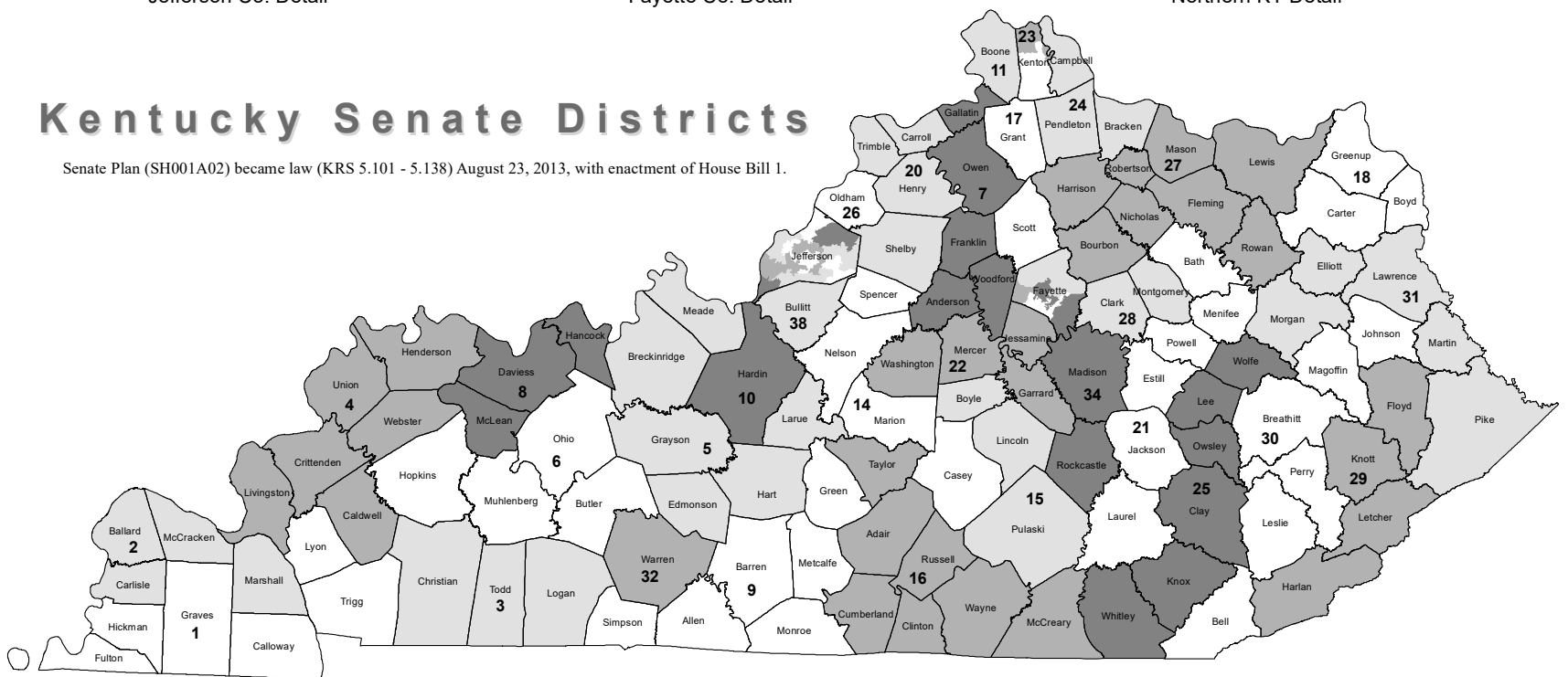
Fayette Co. Detail



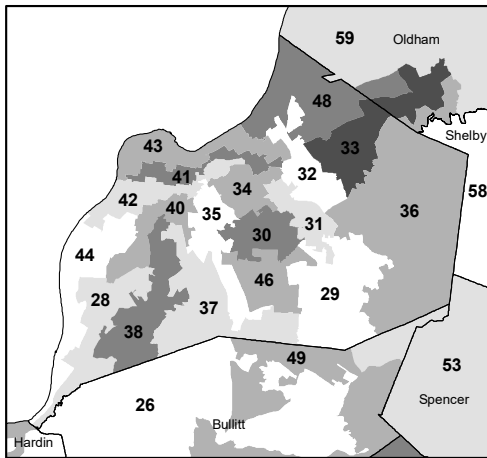
Northern KY Detail

Kentucky Senate Districts

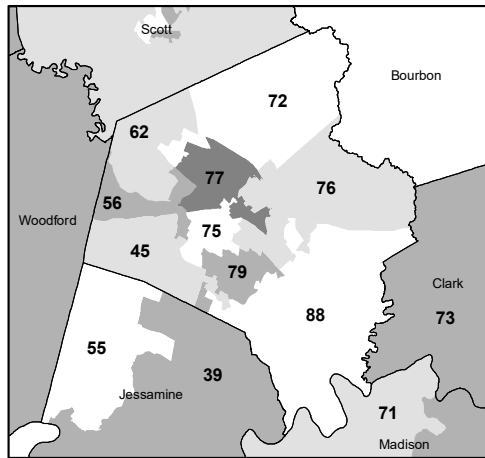
Senate Plan (SH001A02) became law (KRS 5.101 - 5.138) August 23, 2013, with enactment of House Bill 1.



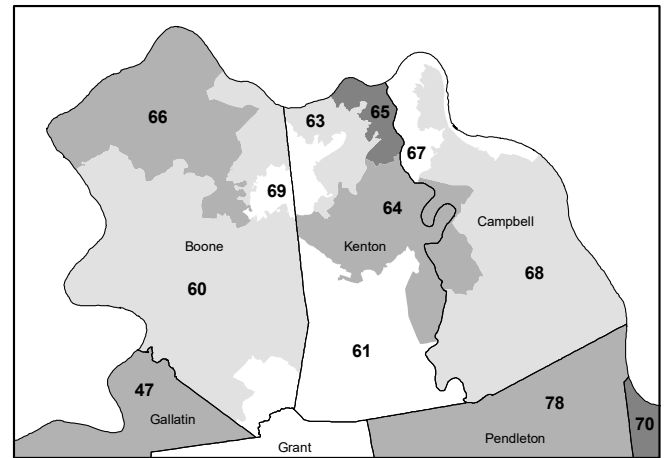
Produced by the Legislative Research Commission Geographic Information Systems Office, Room 26 Capitol Annex, Frankfort, KY, 40601, 502-564-8100, gis@lrc.ky.gov



Jefferson Co. Detail



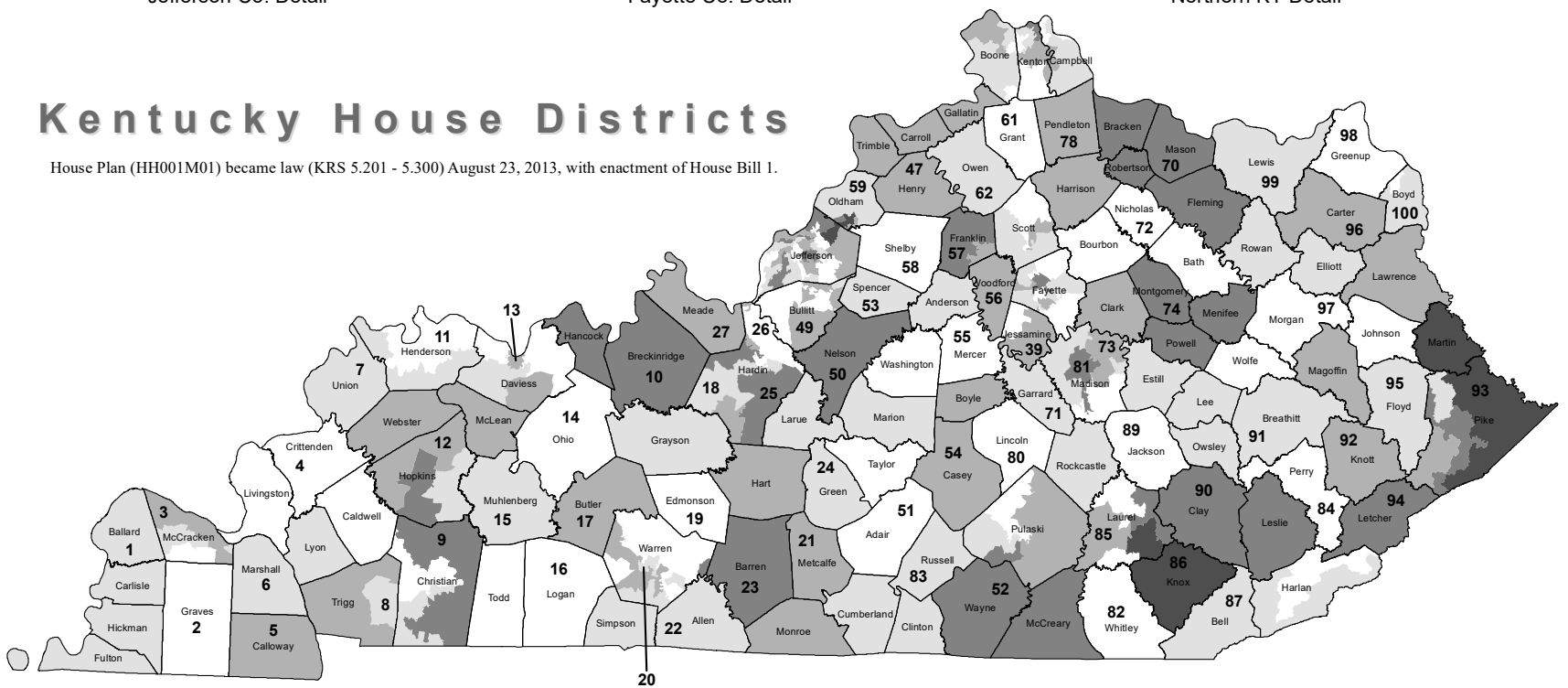
Fayette Co. Detail



Northern KY Detail

Kentucky House Districts

House Plan (HH001M01) became law (KRS 5.201 - 5.300) August 23, 2013, with enactment of House Bill 1.



Produced by the Legislative Research Commission Geographic Information Systems Office, Room 26 Capitol Annex, Frankfort, KY, 40601, 502-564-8100, gis@lrc.ky.gov

2019 Interim

LEGISLATIVE RECORD

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

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

The *Interim Record* can also be read online at legislature.ky.gov/Legislation/Pages/default.aspx. If you have a paper subscription and would like to end your subscription and read the *Interim Record* online only, please contact the LRC Public Information Office at 502-564-8100, ext. 307. Stories and photographs may be reprinted without permission, although credit is appreciated.

Printed with state funds

Jay D. Hartz
Director
Legislative Research
Commission

Robert Jenkins
Deputy Director for
Committee and Staff
Coordination

Rob Weber
Public Information
Officer

Joe Cox
Publications and Printing
Officer

Rebecca Mullins
Hanchett
Editor, Typography and
Design

Public Information Staff:
Stephanie Newberg
Jeff Fossett
Steve Gatewood
Bruce Phillips
Bud Kraft
Keith Krey
Jim Hannah
Susan Kennedy



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

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

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

Robert Stivers
SENATE PRESIDENT

David P. Givens
PRESIDENT PRO TEMPORE

Damon Thayer
MAJORITY FLOOR LEADER

Morgan McGarvey
MINORITY FLOOR LEADER

Julie Raque Adams
MAJORITY CAUCUS CHAIR

Johnny Ray Turner
MINORITY CAUCUS CHAIR

Mike Wilson

MAJORITY WHIP

Dennis Parrett

MINORITY WHIP

David Osborne
SPEAKER OF THE HOUSE

David Meade
SPEAKER PRO TEMPORE

John Bam Carney
MAJORITY FLOOR LEADER

Rocky Adkins
MINORITY FLOOR LEADER

Suzanne Miles
MAJORITY CAUCUS CHAIR

Derrick Graham
MINORITY CAUCUS CHAIR

Chad McCoy

MAJORITY WHIP

Joni L. Jenkins

MINORITY WHIP

2019 Interim

LEGISLATIVE RECORD

KENTUCKY GENERAL ASSEMBLY

700 Capital Avenue
Frankfort, Kentucky 40601

Change Service Requested

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