

2014 Interim

LEGISLATIVE

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* Read on-line at www.lrc.ky.gov/legislation.htm*

RECORD

Most laws take effect July 15

by Rob Weber, *LRC Public Information*

New laws approved during the Kentucky General Assembly's 2014 regular session go into effect on July 15.

That means victims of domestic violence who want concealed carry permits for protection will find them easier to obtain. Adult care employers will be able to check a new adult abuse registry to see if prospective employees are listed. And Kentucky nurses will have broader prescription writing authority.

The state constitution specifies that new laws take effect 90 days after the adjournment of the legislature, except for general appropriation measures and those containing emergency or delayed effective date provisions. (For example, a bill to prevent electronic cigarettes from being sold to children contained an emergency clause that allowed the measure to take effect when it was signed into law on April 10.)

The General Assembly's 2014 session adjourned on April 15, making July 15 the day that most laws will take effect.

Laws taking effect that day include measures the following topics:

Acupuncture. Senate Bill 29 will require acupuncturists to be licensed.

Adult protection. SB 98 will create an adult abuse registry to help employers in the adult care profession determine if a prospective employee has a previous history of substantiated adult abuse, neglect or exploitation.

All terrain vehicles. House Bill 260 will



Sen. Stan Humphries, R-Cadiz, speaks on the Senate floor during the 2014 Regular Session.

allow an ATV operator 16 years of age or older to cross a public roadway if the speed limit is 45 miles per hour or less without protective headgear in order to get from one ATV trail to another.

Boaters. SB 66, known as the "Boater Freedom Act," will require boating enforcement officers to have a reasonable suspicion of viola-

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Offender reentry to workforce discussed

by Rebecca Hanchett
LRC Public Information

Easing the transition from prison to the workforce for persons with a prior conviction who seek professional licensure was discussed on June 13 by a state legislative committee.

The Interim Joint Committee on Licensing and Occupations reviewed a proposal, introduced last legislative session in House Bill 384, that would prohibit a public agency or licensing authority from disqualifying someone from licensure based only on the person's prior criminal conviction unless a clear connection—or "nexus," as House Judiciary Committee Chairman and HB 384 sponsor John Tilley called it—is made between the type of crime committed and license sought. HB 384 passed the House, but not the Senate,

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Offenders, from page 1

during the recent legislative session.

"If you want to deny somebody the right to work, you need to do it based on a clear connection of direct relationship—what we call a nexus—to the crime committed," said Tilley.

Before an applicant for licensure could be disqualified under the proposal, he or she would have to be given written notice that a prior conviction may be a disqualifier and would have to be shown a connection between the criminal conviction and type of work sought. An opportunity to be heard before an administrative board

Justice and
Public Safety
Cabinet
Secretary J.
Michael Brown
encouraged
removal of
barriers to
employment.

would also have to be granted before any final decision could be made.

If licensure is then denied, the person would have the right to appeal.

The proposal is an expansion of current law found in KRS Chapter 335B, which prohibits public hiring discrimination based on a prior criminal conviction unless

the crime committed relates directly to the type of work that is sought.

Licensing and Occupations Committee Co-Chair Sen. John Schickel, R-Union, explained his concerns with how such legislation could impact an employer's right-to-know. "It's a bit hard for me to mandate from Frankfort and make a professional association prove a nexus to Frankfort on something pretty general like, let's say, good moral character which I noticed is to be repealed in your bill," he said.

The last section of HB 384 would have repealed a section of state law titled "denial of license on ground of absence of good moral character."

Tilley commented, "I hope that it's not necessarily about proving to us in Frankfort but more rather looking to a (trained) administrative board."

Kentucky Justice and Public Safety Cabinet Secretary J. Michael Brown, who joined in the discussion, encouraged removal of barriers to employment for those leaving the justice system. If those individuals return to prison, Brown said, it is usually "for a much longer period of time."

New laws, from page 1

tion of the state's boating laws before boarding and inspecting a boat on Kentucky waterways.

Bullying. SB 20 will designate October as Anti-Bullying Month and a purple and yellow ribbon as the symbol for anti-bullying awareness. The bill was the idea of students at Madison Middle School in Richmond.

Child abuse. HB 157 will require more training for doctors on recognizing and preventing abusive head trauma among children.

Concealed weapons. HB 128 will allow anyone who has been granted an emergency protective or domestic violence order to receive a provisional concealed carry permit in one business day. The petitioners would undergo the same background checks and application requirements as other applicants but would have up to 45 days to complete the necessary training for a full concealed carry license.

Consumer protection. HB 232 requires businesses and other entities to notify consumers if a security breach might have resulted in the unauthorized acquisition of consumers' personal or financial information.

Diabetes. HB 98 will allow school staff trained by health professionals to assist diabetic students with insulin administration.

Driver safety. HB 90 will require parents or guardians to make a court appearance when a driver under 18 is cited for a traffic violation.

Ethics. HB 28 will tighten legislative ethics rules to prevent a lobbyist from buying food or drink for an individual legislator. It will also prevent interest groups from paying for lawmakers' out-of-state travel and prohibits legislators and legislative candidates from accepting campaign contributions during General Assembly sessions from political action committees or organizations that employ lobbyists.

Health care. SB 7 will broaden the prescribing authority of Advanced Practice Registered Nurses.

Human trafficking. SB 184 will allow a person's record to be cleared of a non-violent offense if a judge determines the offense resulted from being a victim of human trafficking.

Invasive plants. SB 170 will update and expand the state's list of invasive and noxious plants, such as kudzu and poison hemlock, targeted for eradication from roadsides and public right-of-ways.

Jobs retention. HB 396 expands eligibility for Kentucky Jobs Retention Act benefits to include manufacturers of appliances. The legislation is expected to help GE invest up to \$325 million in its Appliance Park operations in Louisville.

Newborn health. SB 47 will require periodic reporting of health statistics relating to drug-addicted or dependent newborns.

Road plan. HB 237 outlines the state's \$5.2 billion plan for road and bridge projects throughout the state for the next two fiscal years.

State parks. HB 475 will allow residents near state park lodges and golf courses in counties where alcohol sales currently aren't allowed to vote on whether by-the-drink alcohol sales should be allowed at the facilities.

Tax zappers. HB 69 would make it a Class D felony to possess a "tax zapper," a device that could be used on a computerized cash register to help a retailer hide sales subject to tax from tax collectors.

Veterans. HB 337 will make it easier for veterans with applicable military experience to become licensed as an HVAC professional.

Voyeurism. SB 225 will update the state's voyeurism laws to outlaw a practice called "up-skirting" in which a cell phone is used to take pictures underneath a woman's skirt without her consent.

Wineries. SB 213 will allow Sunday alcohol sales at small farm wineries if authorized by a fiscal court vote or a local option election.

Report documents rise in tuition, fees at Kentucky's public colleges and universities

by Rebecca Hanchett
LRC Public Information

Tuition and fees for full-time resident undergraduate students at Kentucky's public colleges and universities have increased 110 percent over a recent 13-year period, according to a report approved by a state legislative committee on June 12.

The inflation-adjusted tuition and fee data, which tracks annual tuition and mandatory fees for full-time resident undergrads at each of the state's public institutions, is found in the Legislative Research Commission staff report titled "Cost and Funding of Higher Education in Kentucky." The report was approved by the Program Review and Investigations Committee on June 12.

According to the report, the University of Kentucky and the University of Louisville have the highest cost tuition and fees. The lowest cost tuition and fees are found at schools that are part of the Kentucky Community and Technical College System, or KCTCS, according to the report.

In the 2013 academic year, the cost of inflation-adjusted tuition and fees at the highest priced comprehensive public universities in Kentucky was \$1,678 more than tuition and fees at the state's lowest priced comprehensive public universities, the report said. During the 2001 academic year, the difference between the highest and lowest priced comprehensive public universities in the state in terms of inflation-adjusted tuition and fee cost was only \$258.

Additionally, tuition and fees are the largest revenue source of Kentucky's public colleges and universities and their only revenue source that has increased each year since fiscal year 2005, according to the report. Revenue from tuition and fees at the state's public colleges and universities was approximately \$1.46 billion in fiscal year 2012 compared to around \$1.28 billion in state revenue and around \$793 million in federal revenue that fiscal year.

The report says revenue from tuition and fees increased by approximately 83 percent among Kentucky's public colleges and universities between fiscal years 2005



Rep. Ruth Ann Palumbo, D-Lexington, asks questions about a legislative staff report on Kentucky higher education during the June 12 meeting of the Program Review and Investigations Committee in Frankfort.

and 2012. State funding increased approximately 10 percent while federal dollars increased about 44 percent and donor funding increased about 20 percent

As for student debt, the percentage of students graduating from Kentucky public colleges and universities with college debt is over 50 percent for most schools, according to the report. With the exception of KSU and UK, more than half of graduates of Kentucky's public universities had college debt as of fiscal year 2011, the report explains. Students graduating with the most college debt as of fiscal year 2011 were from EKU, Morehead State, and NKU where, the report states, more than two-thirds of students had debt at the time of graduation.

The tuition and fee and graduate debt figures were addressed as part of five "conclusions" made in the report as approved.

Sen. Tom Buford, R-Nicholasville, suggested a comparison of Kentucky's public college and university tuition costs with those of public postsecondary institutions in states of similar size. Buford explained that a comparison

of institutions in other states with populations of less than six million would allow the committee "to see how we may rank with tuition increases and tuition cost of public schools in states that are close to our population."

Buford also suggested further study of Kentucky public universities with a graduation rate below 50 percent.

Committee Co-Chair Sen. Christian McDaniel, R-Taylor Mill, called that a "great idea." McDaniel then proposed that legislative staff generate a letter that can be sent to those schools for their input.

Rep. Arnold Simpson, D-Covington, said that, additionally, Kentucky needs to look into the funding needs of its public colleges and universities.

"I would hope we would start looking into the concept of rewarding universities that are performing well, and not rewarding those universities that are not performing as well," he said.

2014

Kentucky

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LEGISLATIVE RESEARCH COMMISSION

Minutes of the 543rd Meeting June 4, 2014

Call to Order and Roll Call

The 543rd meeting of the Legislative Research Commission was held on Wednesday, June 4, 2014, at 1:30 PM, in Room 125 of the Capitol Annex. Senator Robert Stivers II, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robert Stivers II, Co-Chair; Representative Greg Stumbo, Co-Chair; Senators R.J. Palmer II, Jerry P. Rhoads, Dan “Malano” Seum, Brandon Smith, Katie Stine, Damon Thayer, and Johnny Ray Turner; Representatives Rocky Adkins, John Carney, Larry Clark, Bob M. DeWeese, Sannie Overly, and Tommy Thompson.

LRC Staff: Marcia Seiler and Christy Glass.

There being a quorum present, President Robert Stivers called for a motion to approve the minutes of the December 11, 2013, meeting; accept and refer as indicated items A. through L. under Staff and Committee Reports; refer administrative regulations as indicated and approve items B. through K. under New Business, and corrected item L., which has been distributed separately and reflects a corrected term expiration of April 30, 2016; and accept and refer as indicated items 1. through 43. under Communications. A motion was made by Senator Stine and seconded by Representative Stumbo. A roll call vote was taken, and the motion passed unanimously. The following items were approved, accepted, or referred.

The minutes of December 11, 2013, meeting were approved

STAFF AND COMMITTEE REPORTS

Information requests for December 2013 through May 2014.

Committee Activity Reports for December 2013 through May 2014.

Report of the Administrative Regulation

Review Subcommittee meetings on December 10, 2013, and January 13, February 10, March 10, April 14, and May 13, 2014.

Committee review of the administrative regulations by the House Standing Committee on Health and Welfare during its meetings of January 9, February 13, and March 20, 2014.

Committee review of the administrative regulations by the Senate Standing Committee on Health and Welfare during its meetings of January 15, February 19 and March 19, 2014.

Committee review of the administrative regulations by the Senate Standing Committee on Education during its meeting of January 23, 2014.

Committee review of the administrative regulations by the House Standing Committee on Education during its meeting of January 28, 2014.

Memorandum from Teresa Arnold, Deputy Director for Research, submitting the 2014 Report of the Unified Juvenile Code Task Force

Memorandum from Teresa Arnold, Deputy Director for Research, submitting the 2014 Report on the Probation and Parole System.

Committee review of FY 2014 Small Cities Community Development Block Grant and Section 108 Loan Guarantee Program Application by the Senate Standing Committee on State and Local Government and the House Standing Committee on Local Government during its meeting of February 26, 2014.

Committee review of SFY 2015 Social Services Block Grant Application by the Senate Standing Committee to Health and Welfare during its meeting of March 19, 2014.

Committee review of SFY 2015 Social Services Block Grant Application by the House Standing Committee to Health and Welfare during its meeting of March 20, 2014.

NEW BUSINESS

Referral of the administrative regulations to the following committees for secondary review pursuant to KRS 13A.290(6) and 158.6471(6): **907 KAR 1:019 & E** (Outpatient Pharmacy Program); **907 KAR 1:030 & E** (Home health

agency services); **907 KAR 1:038 & E** (Hearing Program coverage provisions and requirements); **907 KAR 1:039 & E** (Hearing Program reimbursement provisions and requirements); **907 KAR 1:044 & E** (Coverage provisions and requirements regarding community mental health center services); **907 KAR 1:045 & E** (Reimbursement provisions and requirements regarding community mental health center services); **907 KAR 1:054 & E** (Coverage provisions and requirements regarding federally-qualified health center services, federally-qualified health center look-alike services, and primary care center services); **907 KAR 1:082 & E** (Coverage provisions and requirements regarding rural health clinic services); **907 KAR 1:604 & E** (Recipient cost-sharing); **907 KAR 1:631 & E** (Vision Program reimbursement provisions and requirements); **907 KAR 1:632 & E** (Vision Program coverage provisions and requirements); **907 KAR 3:005 & E** (Coverage of physicians' services); **907 KAR 8:005 & E** (Definitions for 907 KAR Chapter 8); **907 KAR 8:010 & E** (Independent occupational therapy service coverage provisions and requirements); **907 KAR 8:015 & E** (Independent occupation therapy service reimbursement provisions and requirements); **907 KAR 8:020 & E** (Independent physical therapy service coverage provisions and requirements); **907 KAR 8:025 & E** (Physical therapy service reimbursement provisions and requirements); **907 KAR 8:030 & E** (Independent speech pathology service coverage provisions and requirements); **907 KAR 8:035 & E** (Speech language pathology service reimbursement provisions and requirements); **907 KAR 10:014 & E** (Outpatient hospital service coverage provisions and requirements); **907 KAR 13:005 & E** (Definitions for 907 KAR Chapter 13); **907 KAR 13:010 & E** (Private duty nursing service coverage provisions and requirements); **907 KAR 13:015 & E** (Private duty nursing service reimbursement provisions and requirements); **907 KAR 15:005 & E** (Definitions for 907 KAR Chapter 15); **907 KAR 15:010 & E** (Coverage provisions and requirements regarding behavioral health services provided by independent providers); **907 KAR 15:015 & E** (Reimbursement provisions and requirements for behavioral health services provided by independent providers) to **Appropriations and Revenue**; **102 KAR 1:270** (Statement of member account); **102 KAR**

1:320 (Qualified domestic relations orders) to **Education**; **201 KAR 8:016** (Registration of dental laboratories); **201 KAR 8:532** (Licensure of dentists); **201 KAR 8:562** (Licensure of dental hygienists); **908 KAR 2:240 & E** (Kentucky Youth Peer Support Specialist); **908 KAR 2:250 & E** (Community support associate; eligibility criteria and training) to **Health and Welfare**; **500 KAR 8:030** (Administration of breath alcohol tests and chemical analysis tests) to **Judiciary**; **803 KAR 50:010** (Hearings; Procedure, Disposition) to **Labor and Industry**; **201 KAR 3:025** (Reciprocity requirements); **201 KAR 3:090** (Administrative fees for applications and services); **201 KAR 14:090** (School curriculum); **201 KAR 14:115** (Examinations; school and board); **804 KAR 1:051** (Repeal of 804 KAR 1:050); **804 KAR 9:050** (Quota retail drink licenses) to **Licensing and Occupations**; **109 KAR 15:020** (County Budget Preparation and State Local Finance Officer Policy Manual) to **Local Government**; **301 KAR 2:132** (Elk depredation permits, landowner cooperator permits, and quota hunts) to **Natural Resources and Environment**; **600 KAR 6:040** (Prequalification of firms for engineering or engineering-related services); **601 KAR 1:230** (Education and safety training for motor carrier operations) to **Transportation**.

From Senate President Robert Stivers and House Speaker Gregory D. Stumbo: Memorandum appointing Commissioners to the National Conference of Commissioners on Uniform State Laws.

From Senator Alice Forgy Kerr and Representative Rick G. Nelson, Co-Chairs of the Interim Joint Committee on Labor and Industry: Memorandum requesting approval to meet on September 10, at Kentucky Dam Village State Resort, rather than the regularly scheduled meeting date of September 18. There are seven potential conflicts.

From Senator Mike Wilson and Representative Derrick Graham, Co-Chairs of the Interim Joint Committee on Education: Memorandum requesting authorization and the appointment of members to the Subcommittee on Postsecondary Education, Subcommittee on Elementary and Secondary Education, and Subcommittee on School Finance of the Interim Joint Committee on Education.

From Senate President Robert Stivers and House Speaker Gregory D. Stumbo:

Memorandum reappointing members to the Local Superintendents Advisory Council.

From Senator Jared Carpenter and Representative Richard Henderson, Co-Chairs of the Special Subcommittee on Energy: Memorandum requesting approval to meet on June 5, in Owensboro, rather than the regularly scheduled meeting date of June 20. There are no apparent conflicts.

From Senator Whitney Westerfield and Representative John Tilley, Co-Chairs of the Interim Joint Committee on Judiciary: Memorandum requesting approval to cancel the July 4 meeting, and in lieu thereof, convene a second meeting in August, to be held on August 21, in Lexington in conjunction with the annual Kentucky Prosecutors Conference. There are seven potential conflicts.

From Senator Joe Bowen and Representative Brent Yonts, Co-Chairs of the Interim Joint Committee on State Government: Memorandum requesting approval to meet on November 19, rather than regularly scheduled meeting date of November 26. There are four potential conflicts.

From Senate President Robert Stivers and House Speaker Gregory D. Stumbo: Memorandum authorizing and appointing membership to the Task Force on Elections, Constitutional Amendments, and Intergovernmental Affairs of the Interim Joint Committee on State Government.

From Senate President Robert Stivers and House Speaker Gregory D. Stumbo: Memorandum authorizing and appointing membership to the Task Force on Economic Development of the Interim Joint Committee on Economic Development and Tourism.

From Senate President Robert Stivers and House Speaker Gregory D. Stumbo: Memorandum appointing memberships to Interim Joint Committee on Education and Interim Joint Committee on Appropriations and Revenue.

From Senate President Robert Stivers and House Speaker Gregory D. Stumbo: Memorandum appointing Henry L. (Steve) Stephens, Jr., to the Kentucky Legislative Ethics Commission.

COMMUNICATIONS

From the Office of the Attorney General: Constitutional Challenge Report for the months of November and December 2013 and January, February, March and April, 2014.

From the Finance and Administration

Cabinet: Monthly Investment Income Report for the months of November and December 2013 and January, February, March and April 2014.

From the Cabinet for Economic Development, Office of Compliance and Administrative Services: Loan data sheets for each loan approved as of the quarter ending December 31, 2013 and March 31, 2014.

From the Auditor of Public Accounts: Cyber Security: Pay Now or Pay More Later, A Report on Cyber Security in Kentucky.

From the Personnel Cabinet: 2013 Annual Report of the Kentucky Group Health Insurance Board.

From Murray State University: FY 2013 Annual Financial Report.

From the Education and Workforce Development Cabinet: Unemployment Insurance Report for the fourth quarter of 2013 and the first quarter of 2014.

From the Cabinet for Economic Development: 2013 Report of Programmatic Involvement.

From the Justice and Public Safety Cabinet: 2013 Annual Carrying Concealed Deadly Weapons Report KRS 237.110(19)(h)(1-3).

From the Justice and Public Safety Cabinet: Annual Report on Mandatory Training for Peace Officers.

From the University of Kentucky: FY 13 Audited Financial Statements of the University of Kentucky and its affiliated corporations.

From the University of Kentucky: 2012-13 Kentucky Geological Survey Annual Report.

From the Personnel Cabinet: Personnel Cabinet Quarterly Reports as of December 31, 2013 and March 31, 2014.

From the Labor Cabinet, Division of Workers' Compensation Funds: Report for Kentucky Coal Workers' Pneumoconiosis Fund, Quarters Ending December 31, 2013 and March 31, 2014.

From the Energy and Environment Cabinet, Division of Waste Management: 2013 Report of Kentucky's Waste Tire Program.

From the Auditor of Public Accounts: FY 13 Report of the Audit of the Kentucky Retirement Systems.

From the Cabinet for Health and Family Services: SWIFT Adoption Teams Report for the third and fourth quarters of 2013.

From the Administrative Office of the Courts: FY 13 Report of State Citizen Foster

Care Review Board.

From the Tourism, Arts, and Heritage Cabinet: FY 13 Kentucky Tourism Development Act Incentives Annual Report.

From the Tourism, Arts, and Heritage Cabinet: FY 13 Kentucky Production Industry Incentives Annual Report.

From the University of Kentucky, College of Agriculture: FY 13 Kentucky Tobacco Research and Development Center Annual Report.

From the Auditor of Public Accounts and the Attorney General: 2012-2013 Biennial Report of the Kentucky Employers' Mutual Insurance Authority.

From the Louisville Firefighters Pension Fund: January 1, 2014 Actuarial Valuation and Report of the Louisville Firefighters Pension Fund.

From the Kentucky Department of Agriculture: 2013 Kentucky Equine Health and Welfare Council Administrative, Programmatic, and Financial Activity Report.

From the Cabinet for Health and Family Services: FY 13 Medicaid Fraud and Abuse Report.

From the Kentucky Council and Postsecondary Education: FY 13 Kentucky Coal County College Completion Scholarship Program Evaluation.

From the Kentucky Department of Fish and Wildlife Resources: FY 13 Hunger Relief Program Report.

From the Education and Workforce Development Cabinet, Kentucky Center for Education and Workforce Statistics: County Profiles for 2014-15.

From the University of Kentucky, Center for Business and Economic Research: 2014 Kentucky Annual Economic Report.

From the Cabinet for Economic Development: 2012-13 Report for the Business Information Clearinghouse.

From Kentucky Employers' Mutual Insurance: 2013 Annual Statement and Letter of Actuarial Opinion.

From the Kentucky State Nature Preserves Commission: 2014 Report on Kentucky's Native Flora, Status and Trends of Rare Plants.

From the Justice and Public Safety Cabinet: 2013 HB 463 Implementation Report.

From the Cabinet for Health and Family Services: 2013 Kentucky Elder Abuse Annual Report.

From the Cabinet for Health and Family Services: FY 2013 Traumatic Brain Injury Trust Fund Program Annual Report.

From the University of Kentucky, College of Agriculture: Kentucky Tobacco Research and Development Center, Quarterly Report for the period January 1 through March 31, 2014.

From the Cabinet for Health and Family Services: 2013 Batterer Intervention Provider Program Annual Report.

From the Cabinet for Health and Family Services: 2013 Annual Report of the Kentucky Spinal Cord and Head Injury Research Board.

From the Finance and Administration Cabinet, Department of Revenue, Office of Property Valuation: 2014 Real Estate Exemption List.

From Kentucky Employers' Mutual Insurance Authority: Statement of Assets, Liabilities, and Policyholder Equity; Statement of Income; and State of Solvency as of March 31, 2014.

From Kentucky Employers' Mutual Insurance Authority: Quarterly Statement and Financial Status for the period ending March 31, 2014.

From the Department of Military Affairs: Implementation of Fiscal Year 2013 Single Audit Recommendations.

From the Auditor of Public Accounts: Management Performance Review of Certain Policies, Procedures, Controls, and Financial Activity of the Jefferson County Public School District.

There being no further business, the meeting was adjourned.

INTERIM JOINT COMMITTEE ON EDUCATION

Minutes of the 6th Meeting of the 2014 Interim December 18, 2013

Call to Order and Roll Call

The 6th meeting of the Interim Joint Committee on Education was held on Wednesday, December 18, 2013, at 1:00 PM, in Room 154 of the Capitol Annex. Representative Derrick Graham, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Derrick Graham, Co-Chair; Senators Walter Blevins Jr., David P. Givens, Denise Harper Angel, Jimmy Higdon,

Gerald A. Neal, and Katie Stine; Representatives Regina Bunch, Leslie Combs, Jeffery Donohue, C.B. Embry Jr., Jim Glenn, Richard Heath, Joni L. Jenkins, Brian Linder, Mary Lou Marzian, Donna Mayfield, Reginald Meeks, Charles Miller, Marie Rader, Jody Richards, Tom Riner, Rita Smart, Wilson Stone, Addia Wuchner, and Jill York.

Guests: Erin Klarer, Kentucky Higher Education Assistance Authority; Marty White, Kentucky Association of School Administrators; Ross Boggess, Prichard Committee; Sahil Nain, Prichard Committee; Jaime Smith, Prichard Committee; Mahika Gupta, Prichard Committee; Sahar Mohammadzadeh, Prichard Committee; Sue Cain, Council on Postsecondary Education; Erik Jarboe, LearNet Inc.; Wayne Young, Kentucky Association of School Administrators; Clyde Caudill, Jefferson County Public Schools and Kentucky Association of School Administrators; Sandy Deaton, Prichard Committee.

LRC Staff: Kenneth Warlick, Jo Carole Ellis, Ben Boggs, Janet Stevens, and Daniel Clark.

Approval of the November 4, 2013 Minutes

Upon motion from Representative Leslie Combs, seconded by Representative Jim Glenn, the November 4, 2013 minutes were approved by voice vote.

Reports from Subcommittee Meetings

Representative Reginald Meeks reported that the Subcommittee on Postsecondary Education met to discuss digital learning opportunities and technological integration efforts in public school classrooms and curricula. Representative Wilson Stone reported that the Subcommittee on Elementary and Secondary Education met and heard a presentation from Commissioner Terry Holliday and the Kentucky Department of Education (KDE) staff about the 2013 statewide assessment results.

Executive Reorganization Order 2013-853

Dale Winkler, Associate Commissioner, Office of Career and Technical Education, Kentucky Department of Education, said in 2013 the General Assembly created the new Office of Career and Technical education. Executive Order 2013-853 would permit the office to create two divisions and five branches within those divisions.

Collaborative Center for Literacy Development

George G. Hruby, Executive Director, Collaborative Center for Literacy Development (CCLD), said CCLD was created by the General Assembly in 1998 to provide high quality professional development and research on literacy programs in Kentucky. CCLD's main professional development strategies are to attract the best teachers, provide them with challenging graduate level instruction provided by top literacy faculty members, use scientific research-grounded professional materials, and require yearlong field-testing of teacher developed instructional units.

Dr. Hruby said CCLD has reached over 5,000 teachers over the past 15 years. Dr. Hruby said teachers need research-based guidance to develop instruction and the professional autonomy to employ and improve it effectively. Also, teachers require peer expertise and support from mentors. Teachers who have received challenging, quality professional development make the best mentors to other teachers.

Dr. Hruby explained that the Reading Recovery program is an intervention approach for first graders who are falling behind in reading skills, permitting those students to catch up with the foundational skills of reading previously missed.

Dr. Hruby said that several CCLD programs are underfunded: specifically the Adolescent Literacy Project, the Early Childhood and Family Literacy project, and the new Comprehensive Intervention Model (K-5). Dr. Hruby said that CCLD funding has been cut over the past three years and that KDE is redirecting flow-through funds to other programs.

In response to Representative Addia Wuchner's question regarding the methodology CCLD uses in professional development about dyslexia, Dr. Hruby said CCLD does not incorporate the Orton Gillingham methodology.

In response to Senator David Givens' question regarding KDE's budget cuts to CCLD, Hiren Desai, Associate Commissioner, KDE, said KDE had redirected some funds across agency programs to support implementation of 2009 Senate Bill 1.

Representative Derrick Graham stated that it is essential to invest money in literacy and early childhood education. In response to Representative Derrick Graham's question

regarding a letter sent by KDE to members of the committee, Mr. Desai said he could not recall the date of the letter but would provide a copy to committee members.

Dr. Terry Holliday, Commissioner, KDE, said the department has had decreases in funds across the board. Dr. Holliday stated that the scope and impact of other initiatives provided by KDE are more effective at improving teaching and learning than the programs offered by CCLD.

Task Force on Teacher Effectiveness

Stu Silberman, Executive Director, and Cindy Heine, Associate Executive Director, Prichard Committee, said the Team on Teacher Effectiveness examined a broad range of issues and heard from many classroom teachers and experts from Kentucky and elsewhere. Ms. Heine said recruitment of top level postsecondary students is critical to improving the teaching profession. A related component is improvement in the recruitment, admission standards, and training in teacher preparation programs.

Becky Sagan, Co-Chair, Team on Teacher Effectiveness, recommends that school districts not place new teachers initially into the most challenging classroom situations. A new teacher needs to be supported by a professional learning community within the school.

Ms. Sagan discussed teacher retention. She said, in most cases, teachers do not leave the profession because of salary, but because they feel a lack of respect for the work they are doing. Ms. Sagan said working conditions impact retention. The TELL survey highlighted the importance of time during the day for teachers to collaborate with each other to improve instructional practices.

Ms. Heine said the revision of Kentucky's teacher evaluation system is one of the most important issues in education. The new system that KDE has put into place includes multiple indicators that are important in a teacher's professional growth and for measuring a teacher's effectiveness.

Ms. Heine said the team examined but did not make recommendations on teacher tenure. The team suggested that there be more in-depth studies about tenure to see whether it can be changed or adjusted.

Andrew Brennan, Student, Dunbar High School, and Prichard Committee member, said many of Kentucky students want to be a part of improving the classroom experience. Teachers affect the lives of students in so many ways

inside and outside of the classroom and students are capable of providing substantive feedback to help teachers improve learning and the teaching experience.

In response to Representative Charlie Miller's question regarding whether education majors ACT scores are lower than other majors, Ms. Heine said the team had only collected ACT scores on elementary education majors and could not make generalizations.

Senator David Givens thanked the Prichard Committee for its leadership in education policy. In response to Senator Givens' question about the steps, Mr. Silberman recommended collaboration with KDE on new assessment tools and the Vanguard Project.

Representative Derrick Graham thanked the Prichard Committee for its presentation.

AdvanceKentucky Five Year Review: 2008-2013

Joanne Lang, Executive Director, AdvanceKentucky, said AdvanceKentucky has impacted over 88 schools. In five years, Kentucky's statewide AP performance significantly outpaced the nation with a 100 percent increase in all subjects, including a 183 percent increase among minorities taking math and science. As AdvanceKentucky classes graduate, the students go to college better prepared, needing far fewer remedial courses and carrying higher course loads. Also, a typical school in the AdvanceKentucky program has seen significant gains from the first year. There has been a 413 percent increase from the first year through year five in the average annual AP qualifying scores in Math, Science, and English.

Kellie Lee, AP Math Teacher, Glasgow High School, said she started out as a special education teacher and went back to college to get a secondary math degree. After she received her secondary math degree she became an AP statistics teacher and started with only ten students. Ms. Lee said because her school was a cohort two school, AdvanceKentucky provided her a mentor to help with the AP statistics class she taught. Ms. Lee said in 2010 her school was a school at the bottom 50 percent of achievement amongst Kentucky schools. Now her school is in the top six percent amongst Kentucky schools. She gives a lot of the credit to AdvanceKentucky.

Anthony Mires, Director of Educational Services, Kentucky Science and Technology Corporation, said research shows exposing more students to AP courses will make a positive

difference for them after high school.

In response to Senator Givens' question regarding AP statistics courses, Ms. Lang said when AdvanceKentucky first started there were almost no AP statistics courses in Kentucky. Ms. Lang said she cannot recall the number of AP statistics courses in Kentucky currently but would get that information to the committee.

Representative Derrick Graham thanked Ms. Lee and Mr. Mires for the service they have provided to the students of Kentucky.

Senator Walter Blevins said there are not enough teachers qualified to teach AP courses in his district.

In response to Senator Walter Blevins' statement about qualified teachers to teach AP courses, Ms. Lang said a special certification is not needed to teach them.

Representative Joni Jenkins thanked and complimented AdvanceKentucky on the presentation.

With no further business before the committee, the meeting adjourned at 3:16 p.m.

INTERIM JOINT COMMITTEE ON EDUCATION Minutes of the 1st Meeting of the 2014 Interim June 9, 2014

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Education was held on Monday, June 9, 2014, at 1:00 PM, in Room 149 of the Capitol Annex. Representative Derrick Graham, Co-Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Mike Wilson, Co-Chair; Representative Derrick Graham, Co-Chair; Senators Walter Blevins Jr., Joe Bowen, Jared Carpenter, David P. Givens, Denise Harper Angel, Jimmy Higdon, Stan Humphries, Alice Forgy Kerr, Katie Stine, and Reginald Thomas; Representatives Regina Bunch, John Carney, Hubert Collins, Leslie Combs, Jim DeCesare, Jeffery Donohue, C.B. Embry Jr., Kelly Flood, Jim Glenn, Richard Heath, Joni L. Jenkins, James Kay, Brian Linder, Donna Mayfield, Reginald Meeks, Charles Miller, Rick G. Nelson, Ruth Ann Palumbo, Marie Rader, Tom Riner, Bart Rowland, Wilson Stone, Ben Waide, Addia Wuchner, and Jill York.

Guests: Erin Klarer, Kentucky Higher

Education Assistance Authority; Carl Rollins, Kentucky Higher Education Assistance Authority; Clyde Caudill, Jefferson County Public Schools and Kentucky Association of School Administrators; Doug Bennett, Laurel County Board of Education; Wayne Young, Kentucky Association of School Administrators.

LRC Staff: Kenneth Warlick, Jo Carole Ellis, Ben Boggs, Janet Stevens, and Daniel Clark.

From Two Systems to One World-Class System of Technical Centers

Gene Bottoms, Senior Vice President, Southern Regional Educational Board (SREB), said a world-class system of technical centers requires a clear connection between technical centers, local community colleges, and employers. Also, should be a bridge between secondary centers and work-site learning. A recent SREB report indicates that Kentucky's 95 career and technical centers offer students an inconsistent quality of work experiences.

Dr. Bottoms said the report contains four overarching recommendations for Kentucky's technical centers. There should be one system with equitable and adequate funding; one system of accountability and support for all centers, one system of world-class technical centers, and one system of technical centers in partnership with postsecondary and industry.

Dr. Bottoms said there appear to be weak links connecting the programs to work-site learning. There are things to learn at the work-site that cannot be learned elsewhere. The report recommends that a task force be established for targeted industry sectors to help improve work-site learning opportunities.

The report states that 41 percent of the 11,000 students who graduated from centers were college ready in 2013. Also, 63 percent of students were career ready in academic standards and 49 percent were career ready in technical standards. Only 40 percent of students were both academic and technical ready in 2013. Dr. Bottoms recommends that Kentucky set a 90 percent target for college-and career-readiness, provide technical centers with individual pathway programs for significant improvement, and require technical centers with less than 50 percent of students meeting academic and technical career-readiness standards to develop and implement a comprehensive improvement plan.

Dr. Bottoms said Kentucky should rethink

how industry certification exams are approved and expand options regarding what constitutes an approved exam or alternative to industry certification exams. Kentucky should also have career and technical instructors who teach in programs leading to industry certification exams to take and pass the exams students will take. Community college credits should be awarded based on students successfully passing state approved industry certification exams.

Dr. Bottoms said Kentucky should offer extensive staff development to encourage more career and technical students to enroll in college-preparatory English. Also, career and technical centers should offer intensive staff development for ninth and tenth grade teachers to use new college and career-readiness literacy and math tools and to train career and technical teachers to imbed literacy and math into assignments. Dr. Bottoms said Kentucky has a good policy structure regarding dual credit, but the execution of those policies is weak. Dr. Bottoms recommended that the Kentucky Department of Education (KDE) and the Kentucky Community and Technical College System (KCTCS) collaborate to develop new dual credit policies, prepare promotional materials, and promote career pathways with a workplace option.

Dr. Bottoms said Kentucky career and technical students are experiencing rigorous assignments, but instruction lacks balance and academic instruction is disconnected from application. Kentucky should provide career and technical teachers with intensive training to develop real-world assignments for students and challenge students to research, plan, and problem solve spanning several days. Over the last five years, SREB has developed over 200 hours of instruction on research-based accelerated learning.

In response to Representative Kelly Flood's questions regarding successful career and technical programs and intense teacher training, Dr. Bottoms said SREB staff along with KDE staff visited six different centers in Kentucky and concluded that leadership at the high performing technical centers was more progressive, more entrepreneurial, and more connected to worksites.

In response to Representative Ben Waide's questions regarding data on male and female students acquisition of technical degrees, Dale Winkler, Associate Commissioner, KDE, volunteered to provide the information. Mr. Winkler said that energy is one of the top

economic sectors identified by the Workforce Investment Board, but Kentucky does not have energy programs at the secondary education level.

In response to Representative Hubert Collins' questions regarding the relationship between classroom testing, workplace performance, and shortened labs at career and technical centers, Dr. Bottoms said there is a correlation between classroom testing requirements and workplace performance and that labs have been shortened by an hour because of rising requirements for graduation.

Representative Hubert Collins said it is very important for students that the labs at career and technical centers are longer.

In response to Senator Katie Stine's questions regarding math classes in career and technical schools and which states have the best career and technical school programs, Dr. Bottoms said SREB has developed an advanced manufacturing curriculum for Kentucky and the math classes that are important for that curriculum are algebra and statistics. Dr. Bottoms said Alabama, North Carolina, and Kentucky have some of the best career and technical programs in the country.

Representative John Carney said career and technical education can be an important economic tool in Kentucky and counselors in the school systems need to put more emphasis on promoting career and technical programs.

Chairman Derrick Graham said Kentucky should start career and technical education career pathways in middle school and inform parents about the successful jobs in the career and technical field.

Senator Jimmy Higdon said there should be more local control of career and technology centers, and funding should be equalized at non-state funded local area technology centers. Apprenticeships and cooperative learning opportunities are important in the career and technology field for students to get real life workforce experience.

Chairman Derrick Graham said career and technical education teachers have the same teacher evaluation as all other teachers in schools.

National Center for Innovation in Education

Gene Wilhoit, Executive Director, National Center for Innovation in Education (NCIE), said the vision for the NCIE is that all children will graduate in a culture of high expectations, able to fulfill their full potential in further learning and

work, to be contributing members of society, and to succeed in a changing world. The mission for NCIE is to support state efforts to test and scale up innovations in policy, practice, and structure that realign resources and human capacity throughout all levels of the system around the goal of supporting every child to succeed in college, career, and citizenship. NCIE will pursue that mission by bringing together leaders from the state and local levels to bridge the policy and practice gap in ways that build coherence and accelerate implementation toward the outcomes NCIE seeks.

Mr. Wilhoit said there needs to be a system in schools that is much more personalized in learning than it is today. Students need personalized learning so they can reach their full potential. There should be world-class expectations as the measure of success. Mr. Wilhoit said NCIE is working on cycles of innovation with school districts and believes that it takes changes in both policy and practice to improve outcomes.

In response to Representative Addia Wuchner's question regarding a timeline of application and process changes, Mr. Wilhoit said there should be some robust models available within two years.

In response to Senator Reginald Thomas' question regarding practical implementation and teachers adjusting to different learning styles, Mr. Wilhoit said it would be difficult for teachers to teach all students with the same instructional methodology. Most students have their own individualized way of learning a subject.

Representative John Carney said Taylor County is doing a lot of individualized instruction called Performance Based Instruction, which helps students learn at their own pace. Schools need to stop social promotions because they are not fair to students.

In response to Chairman Graham's questions regarding schools of innovation and achievement gaps, Mr. Wilhoit said NCIE is a working resource to the schools of innovation in Kentucky. NCIE is committed to every student being successful, and NCIE has a deep commitment to removing achievement gaps.

Representative Hubert Collins said it is difficult to keep students in school longer for snow days or for extra instructional days.

Mr. Wilhoit said there are issues with going to school longer, but there should be a way for students to continue doing the assignments at home on snow days and stay caught up.

With no further business before the committee, the meeting adjourned at 3:00 p.m.

SPECIAL SUBCOMMITTEE ON ENERGY

Minutes of the 1st Meeting of the 2014 Interim June 5, 2014

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Natural Resources and Environment was held jointly with the Special Subcommittee on Energy on Thursday, June 5, 2014, at 10:00 AM, in the West Ballroom of the Owensboro Convention Center in Owensboro, Kentucky. Senator Jared Carpenter, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jared Carpenter, Co-Chair; Senators Joe Bowen, Ernie Harris, Jimmy Higdon, Ray S. Jones II, Dorsey Ridley, Brandon Smith, and Katie Stine; Representatives Dwight D. Butler, Leslie Combs, Tim Couch, Jim Gooch Jr., Keith Hall, Martha Jane King, Sannie Overly, Tom Riner, and Brent Yonts.

Guests: Matt Tackett, Kentucky Gas Association; Mark Satkamp, Louisville Gas and Electric; Don Cartwright, Delta Natural Gas Company, Inc.; Melissa Howell, Kentucky Clean Fuels Coalition; and Dr. James Klauber, Owensboro Community and Technical College.

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

The Natural Gas Industry in the Commonwealth

Matt Tackett, Executive Director, Kentucky Gas Association (KGA) explained that the membership and function of the KGA board is to set the mission for the association.

Natural Gas as a Transportation Fuel

Melissa Howell, Kentucky Clean Fuels Coalition, stated that the coalition is a nonprofit organization that supports the use of clean transportation. Ms. Howell discussed using natural gas as a transportation fuel, specifically touching on expansion of the natural gas fleets, infrastructure, policy, and education.

Ms. Howell stated that freight transportation is the investment focus for natural gas because of higher returns. Infrastructure investment continues for compressed natural gas refueling stations and some for liquefied natural gas.

Educational initiatives and workforce training are two new trends. She said that the Owensboro Community and Technical College is working with several partners to provide the next generation of auto technicians the expertise for different fuels and new technologies. There are few technicians with expertise in clean fuels technologies such as natural gas, propane, fuel cells and plug-in hybrids.

Technician Training for the 21st Century

Dr. James Klauber explained the three year history of the clean fuels education project at Owensboro Community and Technical College. He said that the program started with renovating the automotive and diesel programs. Because of financial assistance from a multicounty coal severance grant, the college has been able to leverage an \$800,000 dollar National Science Foundation grant. The National Science Foundation has also given notice of its intent to help fund the program. The Owensboro Community and Technical College hopes to develop a curriculum on renewable/alternative fuels and offer statewide training. This program, the first of its kind, will be a model for the nation. Corporations have already expressed a desire to switch their fleets to compressed natural gas and the college will work to train existing workforces and provide a certification for graduates.

Legislators commended the use of coal severance money for educational initiatives.

In response to questions, Dr. Klauber said that most schools offer automotive training but do not offer training in alternative fuels. He said that approximately one-third of the nation's schools offer a component in alternative fuels but not a complete program.

In response to questions regarding access to private fueling stations for alternative fuels like natural gas, Ms. Howell said that Louisville, Lexington, Carrollton utilities, and Somerset have refueling stations open to the public. She said that in the 1990s, public refueling stations were closed due to the high costs. Refueling stations are a major investment, which is why there is more interest in investing in fleet stations and freight. The Clean Fuel Coalition is working with a firm in Chicago to use methane from an abandoned coal site to do refueling in Western Kentucky.

In response to comments, Ms. Howell said that creating natural gas from coal is not economically feasible. Natural gas works for aviation ground support vehicles because of the

size of their fleets.

In response to questions about refueling school buses, Ms. Howell stated that after the Carrollton bus crash, buses were prohibited from using anything other than gasoline and diesel. However, Crittenden County is conducting a pilot program using propane for school buses which has already demonstrated cost savings to the school system. In the future, school systems will be able to order propane buses, and hopefully the rule will also allow for natural gas usage.

Natural Gas Reliability

Mark Satkamp, Louisville Gas & Electric, described the company gas system and planning process under the duress of winter 2013-2014, which was Kentucky's sixth coldest winter on record. The systems performed adequately given the duration of the extreme cold temperatures.

In response to questions, Mr. Satkamp explained that an adequate supply is defined by use for traditional customers, but does not include gas supply for electric generation. Future natural gas use for electric generation will likely be connected to the interstate pipeline, and supply will be predicated on pipeline capacity.

Dan Cartwright, Delta Natural Gas (DNG), provided an update on the Delta gas system, located in central and eastern Kentucky. DNG is supplied by companies such as Columbia Gulf, Kinder Morgan, and Texas Gas. DNG has not seen a change in supply capacities, and there is an adequate supply for electric generation. The company has the ability to tap onto other pipeline systems, and it has backup equipment, both of which improve the reliability of the system. DNG has examined high pressure storage facilities that would allow for the free flow of natural gas throughout the system. It monitors the pipeline system twenty-four hours each day of the year, and the employees who maintain the system are trained and skilled.

In response to questions, Mr. Cartwright said that even though DNG was slightly behind its goal for storing gas, it should be fully restored by winter.

Senator Carpenter, Co-Chair, discussed the United States Environmental Protection Agency's proposed regulation of greenhouse gases. Kentucky continues to push for affordable energy without devastating the economies of the eastern and western Kentucky coal fields.

As general information to the committee, Chairman Carpenter identified a statement, provided by a constituent, which pertained to an

administrative regulation on catfish harvesting from the Ohio River.

Senator Harris commented that there was a bill in this year's 2014 session that would have given the legislature more authority over administrative regulations, but the bill did not pass.

The committee adjourned at 11:30 AM (CDT).

INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT

**Minutes of the 1st Meeting
of the 2014 Interim
June 5, 2014**

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Natural Resources and Environment was held jointly with the Special Subcommittee on Energy on Thursday, June 5, 2014, at 10:00 AM, in the West Ballroom of the Owensboro Convention Center in Owensboro, Kentucky. Senator Jared Carpenter, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jared Carpenter, Co-Chair; Representative Jim Gooch Jr., Co-Chair; Senators Joe Bowen, Ray S. Jones II, Jerry P. Rhoads, Brandon Smith, and Whitney Westerfield; Representatives Tim Couch, Keith Hall, Tim Moore, Jim Stewart III, and Jill York.

Guests: Matt Tackett, Kentucky Gas Association; Mark Satkamp, Louisville Gas and Electric; Don Cartwright, Delta Natural Gas Company, Inc.; Melissa Howell, Kentucky Clean Fuels Coalition; and Dr. James Klauber, Owensboro Community and Technical College.

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

The Natural Gas Industry in the Commonwealth

Matt Tackett, Executive Director, Kentucky Gas Association (KGA) explained that the membership and function of the KGA board is to set the mission for the association.

Natural Gas as a Transportation Fuel

Melissa Howell, Kentucky Clean Fuels Coalition, stated that the coalition is a nonprofit organization that supports the use of clean transportation. Ms. Howell discussed using

natural gas as a transportation fuel, specifically touching on expansion of the natural gas fleets, infrastructure, policy, and education.

Ms. Howell stated that freight transportation is the investment focus for natural gas because of higher returns. Infrastructure investment continues for compressed natural gas refueling stations and some for liquefied natural gas. Educational initiatives and workforce training are two new trends. She said that the Owensboro Community and Technical College is working with several partners to provide the next generation of auto technicians the expertise for different fuels and new technologies. There are few technicians with expertise in clean fuels technologies such as natural gas, propane, fuel cells and plug-in hybrids.

Technician Training for the 21st Century

Dr. James Klauber explained the three year history of the clean fuels education project at Owensboro Community and Technical College. He said that the program started with renovating the automotive and diesel programs. Because of financial assistance from a multicounty coal severance grant, the college has been able to leverage an \$800,000 dollar National Science Foundation grant. The National Science Foundation has also given notice of its intent to help fund the program. The Owensboro Community and Technical College hopes to develop a curriculum on renewable/alternative fuels and offer statewide training. This program, the first of its kind, will be a model for the nation. Corporations have already expressed a desire to switch their fleets to compressed natural gas and the college will work to train existing workforces and provide a certification for graduates.

Legislators commended the use of coal severance money for educational initiatives.

In response to questions, Dr. Klauber said that most schools offer automotive training but do not offer training in alternative fuels. He said that approximately one-third of the nation's schools offer a component in alternative fuels but not a complete program.

In response to questions regarding access to private fueling stations for alternative fuels like natural gas, Ms. Howell said that Louisville, Lexington, Carrollton utilities, and Somerset have refueling stations open to the public. She said that in the 1990s, public refueling stations were closed due to the high costs. Refueling stations are a major investment, which is why

there is more interest in investing in fleet stations and freight. The Clean Fuel Coalition is working with a firm in Chicago to use methane from an abandoned coal site to do refueling in Western Kentucky.

In response to comments, Ms. Howell said that creating natural gas from coal is not economically feasible. Natural gas works for aviation ground support vehicles because of the size of their fleets.

In response to questions about refueling school buses, Ms. Howell stated that after the Carrollton bus crash, buses were prohibited from using anything other than gasoline and diesel. However, Crittenden County is conducting a pilot program using propane for school buses which has already demonstrated cost savings to the school system. In the future, school systems will be able to order propane buses, and hopefully the rule will also allow for natural gas usage.

Natural Gas Reliability

Mark Satkamp, Louisville Gas & Electric, described the company gas system and planning process under the duress of winter 2013-2014, which was Kentucky's sixth coldest winter on record. The systems performed adequately given the duration of the extreme cold temperatures.

In response to questions, Mr. Satkamp explained that an adequate supply is defined by use for traditional customers, but does not include gas supply for electric generation. Future natural gas use for electric generation will likely be connected to the interstate pipeline, and supply will be predicated on pipeline capacity.

Dan Cartwright, Delta Natural Gas (DNG), provided an update on the Delta gas system, located in central and eastern Kentucky. DNG is supplied by companies such as Columbia Gulf, Kinder Morgan, and Texas Gas. DNG has not seen a change in supply capacities, and there is an adequate supply for electric generation. The company has the ability to tap onto other pipeline systems, and it has backup equipment, both of which improve the reliability of the system. DNG has examined high pressure storage facilities that would allow for the free flow of natural gas throughout the system. It monitors the pipeline system twenty-four hours each day of the year, and the employees who maintain the system are trained and skilled.

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As general information to the committee, Chairman Carpenter identified a statement, provided by a constituent, which pertained to an administrative regulation on catfish harvesting from the Ohio River.

Senator Harris commented that there was a bill in this year's 2014 session that would have given the legislature more authority over administrative regulations, but the bill did not pass.

The committee adjourned at 11:30 AM (CDT).

INTERIM JOINT COMMITTEE ON TRANSPORTATION

Minutes of the 1st Meeting of the 2014 Interim June 3, 2014

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Transportation was held on Tuesday, June 3, 2014, at 1:00 PM, in Room 149 of the Capitol Annex. Representative Hubert Collins, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Ernie Harris, Co-Chair; Representative Hubert Collins, Co-Chair; Senators Jimmy Higdon, Ray S. Jones II, Morgan McGarvey, Dorsey Ridley, Albert Robinson, John Schickel, Brandon Smith, Johnny Ray Turner, and Whitney Westerfield; Representatives Kevin D. Bratcher, Denver Butler, Leslie Combs, Tim Couch, David Floyd, Keith Hall, Richard Henderson, Toby Herald, Kenny Imes, Jimmie Lee, Charles Miller, Terry Mills, Rick G. Nelson, Marie Rader, Steve Riggs, Sal Santoro, John Short, Arnold Simpson, Diane St. Onge, Fitz Steele, Jim Stewart III, Tommy Turner, David Watkins, and Addia Wuchner.

Guests: Kim Jenkins, Legislative Liaison, Kentucky Transportation Cabinet; Carlos Cassidy, Executive Director, Kentucky Motor Vehicle Commission, Kentucky Transportation Cabinet; Nancy Albright, Deputy State Highway Engineer, Operations and Maintenance, Kentucky

Transportation Cabinet; Tammy Branham, Executive Director, Office of Budget and Fiscal Management, Kentucky Transportation Cabinet.

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

Implementation of Transportation-related Legislation from 2014 Regular Session

Kim Jenkins, Legislative Liaison, Kentucky Transportation Cabinet, and Carlos Cassidy, Executive Director, Kentucky Motor Vehicle Commission, Kentucky Transportation Cabinet, discussed the implementation of transportation-related legislation from the 2014 regular session.

Ms. Jenkins stated the cabinet does not foresee problems with implementing the legislation that was passed in the 2014 Regular Session. With the passage of Senate Bill 23, which eliminated the hearing process for the issuance of household goods movers certificates, some regulations need to be updated. The cabinet plans to have the regulations updated by July 15, 2014, to be able to implement the legislation on time.

Mr. Cassidy stated the Kentucky Motor Vehicle Commission will send a letter to all dealers informing them that dealers' insurance minimums will change (House Bill 169), and the dealers may make that change through their renewal process until December 31, 2014.

In response to a question asked by Representative Lee, Ms. Jenkins stated she is unaware if anything can be done by the cabinet without further legislation to prevent holders of disabled parking placards from parking in a designated van-accessible disabled parking spot, even if they are not in a van. The statutes do not address this situation. Ms. Jenkins stated she would check to see if anything could be done by the Cabinet and would let the committee know if legislation is required.

Chairman Collins commented that motor vehicle dealers are happy with House Bill 169 and that it seems it will do what was intended.

In response to a question asked by Representative Short, Ms. Jenkins stated the trade-in credit on usage tax for new vehicle purchases, which was included in House Bill 440 from the 2013 Regular Session, will begin July 1, 2014, and after that date, the trade-in credit will be permanent.

In response to a question asked by Senator Schickel concerning House Bill 290, which deals with disposition of traffic citations for

minors, Ms. Jenkins said the cabinet has met with Representative Meeks, the sponsor of House Bill 290, but she has not been informed of any other action since the end of the 2014 Regular Session. She stated there were minor changes for the court system and State Police that needed to be made for the implementation of House Bill 290, but she believed they would occur by the intended implementation date.

Transportation Maintenance Activities and Budgeting Issues Related to Snow and Ice Removal

Nancy Albright, Deputy State Highway Engineer, Operations and Maintenance, Kentucky Transportation Cabinet, gave an update on maintenance activities and budgeting issues facing the state due to the harsh winter. The cabinet spent over \$75 million this fiscal year in snow and ice removal, after spending \$42 million and \$28 million in fiscal year 2013 and fiscal year 2012, respectively.

In response to a question asked by Chairman Collins concerning the timetable on striping roads, Ms. Albright stated contracts are issued by districts for striping purposes. Some contractors have more than one striping truck, allowing them to be in more than one place at a time; however, striping is done according to a schedule that is made with each contractor and district.

In response to a concern by Senator Higdon regarding the replacement of guardrail along KY 555 when it appeared to be in good condition, Ms. Albright stated the guardrail that was replaced did not meet specific guidelines mandated by the federal government, and therefore was replaced. The cabinet reuses a significant amount of that guardrail after regalvanizing.

Senator Higdon suggested initially making the guardrails taller with wooden blocks as reinforcement behind them to abide by the federal guidelines and prevent further guardrail waste.

In response to a concern voiced by Chairman Collins about possible lawsuits that could arise from reusing guardrail, Ms. Albright stated concerns of that nature could arise, but generally the cabinet reuses the old guardrail for cribbing, the reinforcement and stabilization of the ground to build up shoulders or rights of way, and not for making other guardrails.

In response to a question asked by Chairman Harris, Ms. Albright stated she expects the current figure of \$16 million spent on pothole patching thus far to increase due to the rough winter and the significant potholes that still need

to be patched. Ms. Albright stated she is unsure how much the amount will rise, but the cabinet is doing its best to make sure the potholes in travel lanes are patched before potholes on shoulders are patched to further ensure travel safety.

In response to a request made by Representative Miller, Ms. Albright stated she will provide him with the information concerning the amount that Jefferson County Metro Government is paid through its contract with the state for ice and snow removal and other maintenance activities.

In response to a series of questions asked by Representative Riggs, Ms. Albright stated the lighting of highways is included in the traffic budget. The cabinet uses, and has in the past, solar panels for remote traffic lighting, but has had some bad experiences such as damage and theft of the solar panels. The cabinet is not opposed to using solar panels, but because of the damage and theft issues, the cabinet has not used them for the previous few years. The cabinet is looking into using more of those and in doing so will keep them high enough so they are not accessible for possible damage or theft.

Representative Riggs raised concerns over the Transportation Cabinet not aggressively seeking payment for damaged signs, bridges, and guardrails by the responsible parties' insurance companies instead of the repair funds coming out of state funds. Ms. Albright stated she will relay the concern to her superiors and will give the committee a follow up about how to handle the situation best in the future.

Chairman Collins added that there are several instances where a liable party may not be able to be found because an accident report has not been filed and no one knows who damaged the guardrails, signs, or bridges, and it is his understanding that the collection of revenues for such repairs has increased slightly.

In response to a question asked by Chairman Collins, Ms. Albright stated the cost of dead animal pickup and disposal is determined by the cabinet's operations management system. The cabinet uses an activity code for when staff performs that duty or when an inmate crew performs that duty, and the cabinet will charge it to the dead animal pickup and disposal activity code.

In response to a question asked by Representative Floyd, Ms. Albright stated the repairing of guardrails is not based on history of

when the cabinet was made aware of the needed repair, but instead they are repaired in order of perceived danger. The cabinet reviews all guardrail repair requests from the oldest request to the most recent, and ranks them according to such things such as the height of the drop, the traffic around the area, the wreck history around the area, the speed limit, and how many obstacles there are around the area if someone were to leave the roadway. There are two separate fund sources that are used when a guardrail is brought to standard and for total new guardrail installation, however the federal government does not participate in either fund source.

In response to Representative Floyd's assumption that it was the cabinet's decision that the KY 555 replacement of guardrail was a more critical project than others, Ms. Albright stated that, without knowing the specific details, she is assuming there were circumstances that made the replacement of the KY 555 guardrail perceived to be a higher ranking priority.

In response to a question asked by Representative St. Onge concerning how often contracts for snow and ice removal are reviewed for competitiveness, Ms. Albright stated the cabinet issues two year contracts with an option for two two-year renewals to the contractors, therefore the contracts usually last for six years unless there is a reason to terminate the contract early. Some contractors' cycle comes up for renewal every year. However, if there is no issue, and the contractor is interested in renewing the contract when the time comes for renewal, the cabinet opts to renew the contract rather than rebid. She said the materials contracts for salts and calcium chlorides are bid every year, and it is an open bidding process.

In response to a question asked by Representative Mills concerning the removing of trees and brush along roadways, Ms. Albright stated the cabinet coordinates with the Division of Environmental Analysis for environmental concerns such as loss of habitats and aquatic life, before the tree is removed. Representative Mills encouraged the cabinet to also check with the Division of Forestry before removing trees to prevent mudslides and further damage.

In response to a question asked by Representative Couch, Ms. Albright stated that although the cabinet has used wooden guardrails in the past, it does not currently use them. The replacement of wooden guardrails is addressed

on a per project basis and it is not a program or policy decision. Ms. Albright stated she will investigate Representative Couch's request on how to get wooden guardrails replaced with steel ones.

Ms. Albright stated the actions that will likely be reduced as a result of the harsh winter and occurring expenses because of the winter includes but is not limited to, tree and brush removal, signal operations, roadway lighting, panel sign repairs, and pavement strip patching. She stated what simply cannot be reduced because of safety issues are the repairing of guardrails, repairing of pipes and ditches where water is backing up onto the pavement, removal of trees that fall into the roadway, fixing of pavements as best as the Cabinet is capable, and removal of snow and ice. The long-term impacts of the harsh winter include the preparation for a reduced level of service, items may include less pavement striping every year, adding that more roads may only be restriped every two to three years, less staff at rest areas, less litter pick up, less mowing per cycle, and less right of way mowed per mile.

Chairman Collins stated he would like to see jailers use inmates for litter pick up more often as both a potential cost saver and a deterrent for citizens to violate the law and become an inmate. Ms. Albright stated some jailers actively pursue the use of inmates for trash pickup.

Correspondence from Tammy Branham Regarding Motor Fuels Tax Rate Adjustments for Quarter Beginning July 1, 2014

Tammy Branham, Executive Director, Office of Budget and Fiscal Management, Kentucky Transportation Cabinet, explained that the correspondence she provided the committee is speculative information only, and it is what the cabinet is anticipating because the Department of Revenue has not officially made the announcement.

Based on the current average wholesale price (AWP) of gasoline being \$2.634, statute allows only a 10 percent growth over that AWP at the close of the fiscal year into the next fiscal year. Given that, Ms. Branham anticipates an increase of 2.4 cents per gallon on the variable rate, increasing the 9 percent taxable rate to a total of 26.1 cents per gallon for the first quarter of FY 2015. Combined with the other components of the tax, this will result in a total gas tax of 30.5 cents per gallon on July 1, 2014.

In response to a question asked by Chairman Collins concerning this estimated rate in comparison with the estimate that was made in December of 2013, Ms. Branham stated the Consensus Forecasting Group (CFG) anticipated that the first quarter AWP rate would be 24.5 cents per gallon, therefore there is a 1.6 cents per gallon increase over what was estimated in December by CFG. Annualized, this increases the amount to approximately \$60 million.

With no further business before the committee, Chairman Collins adjourned the meeting at 1:45 PM.

CAPITAL PLANNING ADVISORY BOARD

Minutes of the 1st Meeting of the 2014 Calendar May 27, 2014

Call to Order and Roll Call

The 1st meeting of the Capital Planning Advisory Board was held on Tuesday, May 27, 2014, at 10:00 AM, at Eastern State Hospital, Lexington, Kentucky. Senator Stan Humphries, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stan Humphries, Co-Chair; Representative Terry Mills, Co-Chair; Charles Byers, Carole Henderson, John Hicks, Sherron Jackson, Jane Driskell on behalf of Mary Lassiter, James W. Link, and Mark Overstreet.

Guests testifying before the board: Mary Begley, Commissioner, Department for Behavioral Health, Developmental and Intellectual Disabilities, Scott Baker, Energy Management Program Manager, Division of Facilities Management, Beth Jurek, Executive Director, Office of Policy and Budget, Shari Randle, Director, Division of Systems Management, Office of Administrative and Technology Services, and Dr. Allen Brenzel, Medical Director, Department for Behavioral Health, Developmental and Intellectual Disabilities, Cabinet for Health and Family Services (CHFS).

LRC Staff: Shawn Bowen, Katherine Halloran, and Jennifer Luttrell.

Approval of Minutes

A motion to approve the minutes of the September 24, 2013, meeting was made by John Hicks, seconded by James Link, and approved by voice vote.

Introduction of New Staff Member

Chairman Humphries introduced Katherine Halloran. Ms. Halloran has been a Legislative Analyst for the Capital Projects and Bond Oversight Committee and the Capital Planning Advisory Board since November 2013. She is replacing Josh Nacey, who was promoted to Committee Staff Administrator for the Capital Projects and Bond Oversight Committee.

Information Items

Two spreadsheets, relating to newly authorized capital projects, and state agency maintenance pool allocations, were included as information items in members' folders. These items did not require action.

Chairman Humphries noted that several of the newly authorized capital projects were recommended by members in the last capital planning cycle as high priority for funding. He said the 2014-2016 Executive Budget authorizes about \$33.5 million for agency miscellaneous maintenance pools. This amount is an increase of about \$2 million over the 2012-14 budget appropriation, however, it falls short of what agencies need. In the last capital plan for the first biennium, agencies estimated the need for about \$86 million for its miscellaneous maintenance pools.

Instructions for the 2016-2022 Capital Plans

Chairman Humphries said the Instructions for the 2016-2022 Capital Plans were included in the members' materials. Three forms in the planning system have been changed to better match the forms in the Kentucky Budget System, and the instructions have been updated to reflect these changes.

With there being no questions, a motion to approve the instructions was made by Representative Mills, seconded by James Link, and approved by roll call vote.

CHFS Report on Capital Projects – Replacement of Eastern State Hospital

Mary Begley, Scott Baker, and Dr. Allen Brenzel discussed the Eastern State Hospital Replacement project. Construction of the new facility began in September 2010, and was completed in May 2013, at a cost of \$118,135,000. The new complex, situated on 29 acres at the UK Coldstream Research Park, consists of an inpatient facility with 239 patient beds, a 17-bed neuro-behavioral unit for patients with acquired brain injuries, and a long-term care unit. Four

personal-care homes, totaling 50,000 square feet with 16 beds each, are provided for patients that will eventually return to a community setting.

Mr. Baker said the new facility was designed and built under the guidelines of the Kentucky High Performance Building Standards. It is one of the first new buildings to be designed and built with integration to the Commonwealth Energy Management Control System (CEMCS) as part of the plan. Full implementation and functionality of CEMCS is nearing completion.

Relative to the Lexington-Fayette Urban County Government Public Facilities Corporation Lease Revenue Bonds, Series 2011A (Eastern State Hospital project), Mr. Hicks said the debt service is \$10 million annually for 30 years rather than 20 years, as indicated by the debt service schedule included in member folders.

In response to a question from Mr. Hicks, Mr. Baker stated that the Commonwealth has achieved about \$4 million in energy savings since the pilot implementation of CEMCS began.

In response to questions from Representative Mills, Dr. Brenzel said prior to the opening of the brain injury unit at Eastern State Hospital, Frazier Rehabilitation Institute in Louisville, and Cardinal Hill Rehabilitation Hospital in Lexington, accepted brain injury patients. Dr. Brenzel further stated that the hospital serves approximately 80 counties within its defined catchment area of central and northern Kentucky.

In response to another question from Representative Mills, Dr. Brenzel said before patients are transitioned back to the community, a patient risk assessment is conducted by staff. Former patients have daily or weekly contact with staff, are transported to and from appointments, and have access to medications.

Relative to a question from Senator Humphries, Dr. Brenzel said the most significant needs, relative to patient custodial care, include access to qualified workers, and access to medication, telehealth resources, and training.

CHFS Report on Capital Projects – Eligibility Systems Integration Services project

Beth Jurek and Shari Randle reported on the Eligibility Systems Integration Services project. The Capital Projects and Bond Oversight Committee approved this project in October 2013 at a scope of \$80,000,000 (Federal Funds \$66,000,000; Restricted Funds \$14,000,000.) The project was initially included in the cabinet's

2014-2020 capital plan as its number two priority (\$11,378,000 General Funds; \$46,122,000 Federal Funds, Plan Version 3.)

The project will integrate the cabinet's intake and eligibility programs through the development of a single enterprise eligibility system. The current eligibility system, known as KAMES (Kentucky Automated Management and Eligibility System), is a 20-year old legacy mainframe system that is obsolete and not fully integrated. The project is scheduled for completion in December 2015. Programs administered by KAMES include Supplemental Nutrition Assistance Program; Temporary Assistance for Needy Families program; Low Income Home Energy Assistance program; State Supplementation for the Aged, Blind, and Disabled; Medicaid Waiver programs; and Women, Infants, and Children programs.

In response to a question from Chairman Humphries, Mrs. Jurek said that the new system should last about 20 years.

Representative Mills commented positively on the Eligibility Systems Integration Services project and said he was supportive of the project.

Next Meeting

Chairman Humphries said the board will meet in August in Frankfort, tentatively at the new AOC facility, and at Western Kentucky University later in the fall.

Adjournment

With there being no further business, a motion to adjourn the meeting was made. The motion was seconded, and the meeting adjourned at 11:13 AM. A tour of the facility followed the meeting.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

May 20, 2014

Call to Order and Roll Call

The Capital Projects and Bond Oversight Committee meeting was held on Tuesday, May 20, 2014, at 1:00 p.m., in Room 169 of the Capitol Annex. Senator Chris Girdler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senators Chris Girdler, Julian Carroll, Bob Leeper, and Christian McDaniel; Representatives Robert Damron, Steven Rudy, and Jim Wayne.

Guests Testifying Before the Committee:

Ms. Terry Rutledge, Assistant Vice President for Business Affairs, University of Louisville (UofL); Ms. Donna Gissen, Assistant Vice President for Health Affairs, UofL; Mr. Bob Wiseman, Vice President for Facilities Management, University of Kentucky; Mr. Scott Aubrey, Director of Real Properties, Finance and Administration Cabinet; Mr. John Hicks, Deputy State Budget Director; Mr. John Covington, Executive Director, Kentucky Infrastructure Authority; Ms. Katie Smith, Executive Director, Office of Financial Services, Kentucky Cabinet for Economic Development; and Mr. Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Josh Nacey, Katherine Halloran, and Angela Offerman.

Approval of Minutes

Senator Carroll moved to approve the minutes of the February 18, 2014, meeting. The motion was seconded by Representative Wayne and approved by voice vote.

Correspondence Items

Mr. Josh Nacey, Committee Staff Administrator, presented two correspondence items. The first item included letters between the committee and the Secretary of the Finance and Administration Cabinet advising that no action had been taken on the projects submitted for April 2014, because of a lack of quorum, and the cabinet's response that it will proceed with the projects.

The second item was a letter from the Louisville Arena Authority (LAA) to the Kentucky State Fair Board (KSFB) stating the Authority's intention to not pay the net-negative impact reimbursement.

In response to a question from Senator Leeper, Mr. Nacey said no additional information had been received from LAA or KSFB.

Representative Wayne requested committee staff to further investigate LAA's statements regarding there being no obligation for LAA to make payment to KSFB for lost revenues and LAA's ability to state a claim against KSFB.

Chairman Girdler said he is aware of other steps being taken to look into the matter and letters will be prepared to request a more thorough response.

Information Items

Mr. Nacey said there was a press release for members to review from the Finance and Administration Cabinet regarding a recent Request for Information for the Next Generation

Kentucky Information Highway project.

Project Reports from the University of Louisville (UofL)

Ms. Terry Rutledge, Assistant Vice President for Business Affairs, UofL, presented two items. The first item was a report of the purchase of unbudgeted scientific equipment. The first purchased item reported was a Next Seq 500 Sequencing Instrument to be used to analyze DNA and RNA sequences from human and mouse samples in a research setting. The cost of the instrument was \$252,500 and paid from restricted funds.

The second purchased item reported was two Becton Dickinson Flow Cytometers to be used to separate and collect specific immune cell populations and for multi-color analysis of rare subpopulations of immune cells. The cost of the Cytometers was \$700,000 and paid from restricted funds. No action was required.

In response to a question from Senator McDaniel, Ms. Donna Gissen, Assistant Vice President for Health Affairs, UofL, said the lab performs contract work when there is time available on the equipment, and it may be possible to contract with the Kentucky State Police to address the substantial backlog in DNA analysis.

The second item was a lease renewal for the UofL Neuroscience Collaborative Center for 6,780 square feet (sq ft) of clinical facility and office space owned by Jewish Hospital and St. Mary's Healthcare, Inc., f/k/a JH Properties, Inc. The lease was renewed under the same terms and conditions for an annual rental cost of \$120,175 through June 30, 2015.

Representative Rudy made a motion to approve the lease renewal. The motion was seconded by Senator Carroll and approved by roll call vote.

Project Reports from the University of Kentucky (UK)

Mr. Bob Wiseman, Vice President for Facilities Management, UK, presented three items. The first item was a \$200,000 request for an increase in the authorized scope for a budgeted capital project, Acquire Campus Security System. The increase was to fund remaining project management and installation costs. The increase will be paid from restricted funds.

Representative Wayne made a motion to approve the increase in authorized scope. The motion was seconded by Senator Carroll and approved by roll call vote.

The second item was a \$10,000,000 request for an increase in the authorized scope for a budgeted capital project, Expand/Renovate Commonwealth Stadium and Nutter Training Center. The increase was to accommodate increased construction costs, unexpected infrastructure repairs, and additional program elements including ADA compliance. The increase will be paid from private funds.

Senator Carroll made a motion to approve the increase in authorized scope. The motion was seconded by Senator Leeper and approved by roll call vote.

The third item was a \$12,000,000 request for an increase in the authorized scope for a budgeted capital project, Construct Academic Science Building. The increase was to accommodate the change in projects from 5,000 students per incoming class to 6,000 students. Two million dollars of the scope increase will be used for site preparation work. The increase will be paid from restricted funds.

Representative Rudy made a motion to approve the increase in authorized scope. The motion was seconded by Representative Wayne and approved by roll call vote.

Lease Reports from the Finance and Administration Cabinet

Mr. Scott Aubrey, Director of Real Properties, Finance and Administration Cabinet, presented three items. The first item was for a new lease, PR-5300, for the Cabinet for Health and Family Services in Kenton County. The new lease was procured through the competitive bidding process and was awarded to Bill and Deborah Fowler for 54,722 sq ft of office space at \$15.45 per sq ft for an annual cost of \$848,455. The lease will expire June 30, 2021.

Senator Carroll made a motion to approve the new lease. The motion was seconded by Senator Leeper and approved by roll call vote.

The second item was for a lease modification and amortization of leasehold improvements for the Department of Agriculture Offices of Agriculture Marketing and Product Promotion and State Veterinarian in Franklin County. The leases were modified to allow for the conversion of a storage room in the Hay and Grain Lab (PR-4505) to a network room to support a campus-wide network in the renovated buildings and the modification of new space for the Commissioner of Agriculture (PR-5363).

Two estimates were obtained and the department recommended the acceptance of the

lowest bid for each of the modifications: \$15,400 from Warnick Construction to be amortized through June 30, 2015 for PR-4505 and \$19,140 from Sorg Heating and Cooling and \$29,500 from American Drywall for PR-5363 to be amortized through June 30, 2017.

In response to a question from Representative Wayne, Mr. Aubrey said renovations were required for the move of the Commissioner of Agriculture offices. The fit-up costs were capped and a market average rental rate was maintained. No action was required.

The third item was for a lease modification and amortization of leasehold improvements, PR-3590, for the Cabinet for Health and Family Services in Franklin County. The lease was modified to convert open space into two training rooms. Two estimates were obtained and the cabinet recommended the acceptance of the lowest bid of \$64,115 from Warnick Construction and will be amortized through June 30, 2017.

Senator Leeper made a motion to approve the lease modification. The motion was seconded by Senator McDaniel and approved by roll call vote.

Project Reports from the Finance and Administration Cabinet

Mr. John Hicks, Deputy State Budget Director, presented a report for a pool project in excess of \$600,000 from the Department of Fish and Wildlife Resources, FILO – Sinking Valley project, in Pulaski County. The \$1,730,000 project involved the acquisition of 804 acres and was funded from the 2012-2014 Fees-in-Lieu of Stream Mitigation Pool.

In response to a question from Senator McDaniel, Mr. Hicks said the account balance would be provided to committee staff. No action was required.

Kentucky Infrastructure Authority (KIA) Loans

Mr. John Covington, Executive Director, KIA, presented six new loans and five grant requests. The first request was for a Fund A loan for the City of Vanceburg in Lewis County. The request was for a \$665,000 loan for the Wastewater Treatment Plant Rehabilitation project. The project involves the replacement of various components, a new sludge drying bed, and the repair or replacement of 660 linear feet of twelve-inch sewer lines. The loan will have a 20-year term, an interest rate of 0.75 percent, and a debt service payment of \$18,599.

Senator McDaniel made a motion to approve

the Fund A loan. The motion was seconded by Senator Carroll and approved by roll call vote.

The second request was for a Fund B loan for the City of Lebanon Junction in Bullitt County. The request was for a \$200,000 loan for the Truck Stop Lift Station Replacement project. The project involves the installation of a new lift station. The loan will have a 20-year term, an interest rate of 1.75 percent, and a debt service payment of \$12,295.

Senator Carroll made a motion to approve the Fund B loan. The motion was seconded by Senator McDaniel and approved by roll call vote.

The third request was for a Fund B loan for the City of Grand Rivers in Livingston County. The request was for a \$263,000 loan for the Lake City Waterline Replacement project. The project involves the replacement of 5,220 linear feet of old waterlines and valves to reduce water loss and improve water quality. The loan will have a 20-year term, an interest rate of 0.75 percent, and a debt service payment of \$14,711.

Senator McDaniel made a motion to approve the Fund B loan. The motion was seconded by Senator Carroll and approved by roll call vote.

The fourth request was for a Fund B loan for the City of London for benefit of the London Utility Commission in Laurel County. The request was for a \$1,100,300 loan for the Sampson Branch Storm Water project. The project involves the replacement of a failed 48-inch corrugated vinyl storm water line with a 60-inch diameter reinforced concrete line. The loan will have a 20-year term, an interest rate of 0.75 percent, and a debt service payment of \$61,548.

In response to questions from Senator McDaniel, Mr. Covington said representatives from the City of London were present at the KIA Board meeting to discuss the loan request and it was unknown why the Court ruled the City of London was responsible for correcting the failed line and assuming liability the project. Mr. Covington said residents affected by flooding sued the City, and the City of London felt it had no recourse in the matter.

In response to concerns and questions from committee members, committee staff will contact the City of London to request representatives from the City of London appear before the committee.

Senator Carroll made a motion to approve the Fund B Loan on the condition the representatives appear before the committee to address members questions and concerns. The motion was seconded by Representative Damron

and approved by roll call vote with two “no” votes.

The fifth request was for a Fund B loan for the City of Hickman in Fulton County. The request was for a \$55,000 loan for the Water Filter Tank Rehabilitation project. The project involves the rehabilitation of two holding tanks and related pipes and fixtures. The loan will have a 10-year term, an interest rate of 0.75 percent, and a debt service payment of \$5,829.

Senator McDaniel made a motion to approve the Fund B Loan. The motion was seconded by Representative Rudy and approved by roll call vote.

The sixth request was for a Fund F loan for the City of Midway in Woodford County. The request was for a \$215,000 loan for the Higgins Street Waterline Replacement project. The project involves the replacement of 2,100 linear feet of four- and six-inch aging cast iron water lines with PVC lines. The loan will have a 20-year term, an interest rate of 2.75 percent, and a debt service payment of \$14,585.

Senator Leeper made a motion to approve the Fund F Loan. The motion was seconded by Representative Rudy and approved by roll call vote.

Mr. Covington reported five Infrastructure for Economic Development Grants. These grants were for Greenup County Fiscal Court (Coal) in Greenup County for the Water and Sewer Improvements project; City of Covington (Non-Coal) in Kenton County for the Covington Flood Protection Storm Center project; City of Covington (Non-Coal) in Kenton County for the Pointe Benton Storm Water Sewer Improvement Project; City of Owenton (Non-Coal) in Owen County for the Owen County unserved areas; and City of Owenton (Non-Coal) in Owen County for the Construction of Main from New Kentucky American Water Treatment Plant to City of Owen project. No action was required.

Reports from the Office of Financial Management (OFM)

Ms. Katie Smith, Executive Director, Office of Financial Services, Kentucky Cabinet for Economic Development, presented one Economic Development Bond project. The \$300,000 grant was made to McCracken County Fiscal Court for the benefit of SRS Industries LLC dba Whitehall Industries to establish a new facility in Paducah to produce aluminum extrusions and machine fabricated components for the automotive industry. The company agreed

to create 140 new full-time jobs for Kentucky residents with an average hourly wage of \$19.50, including benefits, within three years of the date of KEDFA approval and to maintain those jobs for three additional years.

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

Mr. Ryan Barrow, Executive Director, OFM, presented one new bond issue for the Turnpike Authority of Kentucky (TAK) Economic Development Road Revenue Refunding Bonds (Revitalization Projects), 2014 Series A. Proceeds from the issue will finance the advance refunding of up to \$132,410,000 of TAK’s Economic Development Road Revenue Bonds (Revitalization Projects), 2005 Series B, for economic savings and associated costs of issuance. The bond issue will not exceed \$150,000,000 with a proposed date of sale on June 11, 2014. It will be a negotiated sale with Peck, Shaffer and Williams LLP serving as bond counsel; Stites & Harbison, underwriter’s counsel; Office of Financial Management, financial advisor; and Bank of New York Mellon, trustee. No action was required.

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

Mr. Barrow reported eight school bond issues with SFCC debt service participation with a total par amount of \$101,395,000. The state portion of the annual debt service payment was \$1,352,352 and the local contribution was \$6,451,597. The bond issues did not involve tax increases.

Senator Leeper made a motion to approve the school bonds. The motion was seconded by Representative Rudy and approved by roll call vote.

New School Bond Issues with 100 Percent Locally Funded Debt Service Participation

Mr. Nacey said eight local bond issues have been reported to the committee. The bond issues are 100 percent locally funded and do not involve tax increases. No action was required.

With there being no further business, the meeting adjourned at 2:02 p.m.

ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE

Minutes of the April Meeting

April 14, 2014

Call to Order and Roll Call

The April meeting of the Administrative Regulation Review Subcommittee was held on Monday, April 14, 2014, at 9:00 AM, in Room 149 of the Capitol Annex. Representative Johnny Bell, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Johnny Bell, Co-Chair; Senators Perry B. Clark, Sara Beth Gregory, and Alice Forgy Kerr; Representatives Robert R. Damron, Jimmie Lee, and Tommy Turner.

Guests: Becky Gilpatrick, Melissa F. Justice, Kentucky Higher Education Assistance Authority; Russ Salsman, Darren T. Sammons, Department for Local Government; Sonja Minch, Francis Simpson, Board of Barbering; Nathan Goldman, Paula Schenk, Board of Nursing; Mark Brengelman, Board of Physical Therapy; Ava Eaves, Angela Evans, Board of Certification for Dietitians and Nutritionists; Ron Brooks, Karen Waldrop, Kentucky Department of Fish and Wildlife Resources; Amy Barker, Department of Corrections; Kevin Brown, Robin Chandler, April Pieper, David Wickersham, Kentucky Department of Education; Lucretia Johnson, Pam Knight, Dwight Lovan, Charles E. Lowther, Department of Workers’ Claims; Marc A. Guilfoil, Mary Scollay, Susan Speckert, John Ward, Kentucky Horse Racing Commission; Troi J. Cunningham, Paula Goff, C. Darrell Jennings, William Nold, David Edward Sponard, Cabinet for Health and Family Services; Landon Garrison, Sports Anglers; Toby Clark, David Cottrell, Richard Elliott, Heath Frailley, Alfred Gibson, Albert Knisley, Gary D. Nale, James Reed, Joseph R. Schigur, Robert Yockey; and George Tapp, Paylake Owner.

LRC Staff: Donna Little, Emily Caudill, Sarah Amburgey, Carrie Klaber, Emily Harkenrider, Karen Howard, and Betsy Cupp.

The Administrative Regulation Review Subcommittee met on Monday, April 14, 2014, and submits this report:

Administrative Regulations Reviewed by the Subcommittee:

KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY: Division of Student and Administrative Services: Authority

11 KAR 4:080. Student aid applications. Becky Gilpatrick, director of student aid services, and Melissa Justice, senior associate counsel,

represented the division.

**OFFICE OF THE GOVERNOR:
Department for Local Government: Special
Purpose Governmental Entities**

109 KAR 16:010 & E. Special purpose governmental entities. Russ Salsman, chief of staff, and Darren Sammons, staff attorney, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph to add a statutory citation; and (2) to amend Sections 1 through 7 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

**GENERAL GOVERNMENT CABINET:
Board of Barbering: Board**

201 KAR 14:015. Retaking of examination. Sonja Minch, administrator, and Francis Simpson, chair, represented the board.

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

201 KAR 14:030. Five (5) year expiration of license.

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

201 KAR 14:040. Inspection of shops and schools.

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

approved.

201 KAR 14:050. Probationary license; qualifications.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 3 to comply with the drafting requirements of KRS Chapter 13A; and (2) to create a new Section 5 to establish application requirements. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 14:052. Repeal of 201 KAR 14:051, 201 KAR 14:080, and 201 KAR 14:170.

201 KAR 14:060. Licensing requirements for qualified nonresidents.

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

201 KAR 14:065. Place of business requirements.

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

201 KAR 14:150. School records.

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

201 KAR 14:180. License fees, examination fees, renewal fees, and expiration fees.

A motion was made and seconded to approve the following amendments: (1) to create a new Section 1 to establish fee requirements; and (2) to amend Sections 1 through 4 to comply with the formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board of Nursing: Board

201 KAR 20:470. Dialysis technician credentialing requirements and training program standards. Nathan Goldman, general counsel, and Paula Schenk, executive director, represented the board.

A motion was made and seconded to

approve the following amendments: (1) to amend the RELATES TO paragraph to add statutory citations; (2) to amend Sections 1 through 13 to comply with the drafting and formatting requirements of KRS Chapter 13A; (3) to amend Section 13 to clarify procedures if a dialysis technician is found by a chemical dependency evaluation, mental examination, or physical examination to be unable to practice safely and effectively; and (4) to create a new Section 14 to clarify that due process shall be in accordance with KRS Chapter 13B. Without objection, and with agreement of the agency, the amendments were approved.

Board of Physical Therapy: Board

201 KAR 22:001. Definitions for 201 KAR Chapter 22. Mark Brengelman, general counsel, represented the board.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph to add statutory citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 1 to comply with the drafting requirements of KRS Chapter 13A; and (3) to revise the REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT to correct an agency response. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 22:020. Eligibility and credentialing procedure.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph to correct statutory citations; (2) to amend Section 7 to comply with the drafting requirements of KRS Chapter 13A; and (3) to revise the REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT to correct an agency response. Without objection, and with agreement of the agency, the amendments were approved.

**Board of Licensure and Certification for
Dietitians and Nutritionists: Board**

201 KAR 33:015. Application; approved programs. Ava Eaves, chair, and Angela Evans, assistant attorney general, represented the board.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to: (a) require that an applicant for licensure or certification enclose, as an alternative to the copy of his or her registration card, a letter indicating the successful completion of the examination; and (b) clarify that the membership

card issued by the Academy of Nutrition and Dietetics shall not comply with the requirements of the application for licensure or certification; (2) to amend Section 3 to update the material incorporated by reference; and (3) to revise the SUMMARY OF MATERIAL INCORPORATED BY REFERENCE to add statutory citations relating to nutritionists. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 33:070. Telehealth and telepractice.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (3) to amend Sections 1 through 5 to comply with the drafting and formatting requirements of KRS Chapter 13A; (4) to amend Section 2 to: (a) provide examples of methods for a client to contact the practitioner; (b) require that the practitioner document the client's acknowledgement of the risks and limitations of telepractice; and (c) require that a practitioner include documentation on which services to the client were provided by telepractice; and (5) to revise the REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT to correct an agency response. Without objection, and with agreement of the agency, the amendments were approved.

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

301 KAR 1:155. Commercial fishing requirements. Ron Brooks, fisheries division director, and Karen Waldrop, wildlife division director, represented the department. Landon Garrison, sports angler, appeared in support of this administrative regulation. David Cottrell, Richard Elliot, Albert Knisley, and James Reed, commercial fishermen; Alford Gibson, fisherman; and George Tapp, pay lake owner, appeared in opposition to this administrative regulation.

In response to questions by Representative Turner, Mr. Brooks stated that the department held preliminary stakeholder meetings before receiving the biological data on which the new size limits were based. Those preliminary meetings

were intended to be a starting point, not a firm agreement, and the size limits discussed at those meetings, including the "four (4) over forty (40)" limit, were not intended as a policy agreement. The second of the stakeholder meetings included an agreement by the department to conduct a five year biological study; however, that study was not intended to be completed prior to an administrative regulation amendment. At the third stakeholder meeting, the department submitted a draft of the proposed administrative regulation amendment and requested stakeholder comments on the proposal. The matter was further discussed at the public fisheries meeting, and there was additional opportunity to submit comments during the public comment period conducted pursuant to KRS Chapter 13A. Biological data demonstrated a decrease in fish size around the Cannelton part of the Ohio River waterway. The proposed administrative regulation amendment represented a compromise between stakeholders and the department. Most commercial fishing in the Cannelton part of the Ohio River waterway was for fish transfer to area pay lakes.

In response to questions by Representative Turner, Mr. Reed stated that most commercial fishermen believed that the "four (4) over forty (40)" limit was a firm agreement made with the department. The commercial fishermen believed that would be the limit for the entire Ohio River waterway, not that there would be a different limit for the Cannelton area. Mr. Brooks stated that commercial fishermen below the Cannelton area dam were in agreement with this administrative regulation amendment, but commercial fishermen above the Cannelton area dam were not in agreement. Biological data demonstrated that fish above the Cannelton area dam were not replenished as readily and were less likely to migrate.

In response to a question by Senator Kerr, Mr. Brooks stated that the department was mandated to protect the fish resources.

Mr. Reed stated that the pay lake industry was essentially the only viable commercial fishing left in Kentucky. The pay lake industry brought trophy catfish popularity to Kentucky. Pay lake owners had made significant investments, and this administrative regulation amendment was overly burdensome. Biologists did not supply sufficient data to support this administrative regulation amendment. The size limit would cause commercial fishermen to throw back approximately seventy (70) percent of each

catch. This administrative regulation amendment would effectively shut down approximately 400 miles of waterway and jeopardize commercial fishing jobs and revenue.

Mr. Gibson stated that the only remaining viable industry for commercial fishermen in Kentucky was pay lakes because 30 years ago the administration advised consumers not to eat channel catfish because of contamination.

In response to questions by Co-Chair Bell, Mr. Gibson stated that Cannelton area commercial fishermen were not aware of some of the stakeholder meetings and did not know there was a spokesperson who represented them. Mr. Cottrell stated that the commercial fishing industry dated to before George Washington's time. Commercial fishermen kept fish populations in balance, which improved the sport of fishing. The James River in Virginia established policies similar to those in this administrative regulation, and the effect on fishing was negative because fish populations became unbalanced. Mr. Garrison stated that this was a situation of the "tragedy of the commons." Sport fishermen wanted to protect the resource. Tournaments brought in revenue, but appropriately sized fish populations had become depleted.

In response to a question by Representative Lee, Mr. Garrison stated that sports anglers caught, photographed, and returned fish. Mr. Brooks stated that the issue of concern was not that of overfishing, except pertaining to trophy-sized catfish. The department tried to reach all stakeholders for comments. Biological data was used to restrict only fishing requirements in the depleted area. Illinois, Indiana, Ohio, and Kentucky all contributed data for the biological reports. The issue of concern was that public fish populations would be damaged for private financial gain. Mr. Reed stated that, for the commercial fishing industry to remain viable, a market had to exist. The only current viable market was the pay lake industry. Twelve percent of fishing licenses were pay lake-related. This administrative regulation amendment would destroy livelihoods without sufficient biological evidence supporting the department's position.

A motion was made and seconded to approve the following amendments: to amend Sections 1, 4 through 8, 10, 11, and 14 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Game

301 KAR 2:049. Small game and furbearer hunting and trapping on public and other federally owned areas.

A motion was made and seconded to approve the following amendments: to amend Sections 3 through 6, 9, and 10 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

301 KAR 2:126. Repeal of 301 KAR 2:125.

301 KAR 2:251. Hunting and trapping seasons and limits for furbearers.

A motion was made and seconded to approve the following amendments: (1) to amend Section 6 to establish that, except as established in 301 KAR 2:049, trapping season for furbearers shall begin one-half hour before sunrise on the third day of the modern gun deer season; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 6, 10, and 11 to comply with the drafting requirements of KRS Chapter 13A; and (3) to create a new Section 12 to incorporate the application form by reference. Without objection, and with agreement of the agency, the amendments were approved.

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

501 KAR 6:170. Green River Correctional Complex. Amy Barker, assistant general counsel, represented the department.

A motion was made and seconded to approve the following amendments: to amend Section 1 and the material incorporated by reference to: (1) update citations; (2) clarify various provisions; and (3) comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Kentucky Board of Education: Department of Education: School Administration and Finance

702 KAR 3:300. Approval for school district lease and retirement incentive annuity agreements. Kevin Brown, general counsel, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph and Section 1 to correct a statutory citation; and (2) to amend the NECESSITY, FUNCTION,

AND CONFORMITY paragraph and Section 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Office of Learning Support Services

704 KAR 7:151. Repeal of 704 KAR 7:150.

LABOR CABINET: Department of Workers' Claims: Workers' Claims

803 KAR 25:089. Workers' compensation medical fee schedule for physicians. Dwight Lovan, Commissioner, represented the department.

PUBLIC PROTECTION CABINET: Kentucky Horse Racing Commission: Thoroughbred Racing

810 KAR 1:040. Drug, medication, and substance classification schedule and withdrawal guidelines. Marc Guilfoil, director; Dr. Mary Scollay, equine medical director; and Susan Speckert, general counsel, represented the commission.

Harness Racing

811 KAR 1:090. Medication; testing procedures; prohibited practices.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to correct a statutory citation; and (2) to amend Sections 6, 8, 10, 12 through 15, 17, and 20 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

811 KAR 1:093. Drug, medication, and substance classification schedule and withdrawal guidelines.

811 KAR 1:095. Disciplinary measures and penalties.

A motion was made and seconded to approve the following amendments: (1) to amend Section 2 to delete duplicative text; and (2) to amend Sections 5 and 9 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Quarter Horse, Appaloosa and Arabian Racing

811 KAR 2:093. Drug, medication, and substance classification schedule and withdrawal guidelines.

CABINET FOR HEALTH AND FAMILY SERVICES: Office of the Kentucky Health Benefit Exchange: Kentucky Health Benefit

Exchange

900 KAR 10:100 & E. Appeals of Eligibility Determinations for KHBE Participation and Insurance Affordability Programs. William Nold, deputy executive director, represented the cabinet.

In response to a question by Senator Gregory, Mr. Nold stated that this administrative regulation did relate to the Affordable Care Act.

A motion was made, without a second, to find this administrative regulation deficient based on lack of statutory authority. Because there was not a second, the motion failed.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1, 2, and 13 to correct statutory citations; and (2) to amend Sections 1, 4 through 10, 12, and 13 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Department for Public Health: Division of Maternal and Child Health: Maternal and Child Health

902 KAR 4:030. Newborn Screening Program. Troi Cunningham, nurse administrator, and Dr. C. D. Jennings, director of the state newborn screening laboratory, represented the cabinet.

A motion was made and seconded to approve the following amendments: (1) to amend Section 3 to update citations; (2) to amend Sections 3 and 11 to clarify how test results are reported to the cabinet; (3) to amend Sections 3 and 9 to specify exceptions; (4) to amend Section 10 to clarify procedures for pending pulse oximetry results; (5) to amend Sections 1 through 4, 7, and 10 to comply with the drafting requirements of KRS Chapter 13A; and (6) to amend Section 2 to require newborn screening for Severe Combined Immunodeficiency (SCID). Without objection, and with agreement of the agency, the amendments were approved.

Other Business: A motion was made by Representative Turner and seconded by Representative Damron to consider 301 KAR 10:031 at the May 13 meeting of the Subcommittee. Without objection, the motion was approved.

The following administrative regulations were deferred to the May 13, 2014, meeting of the Subcommittee:

**OFFICE OF THE GOVERNOR:
Department for Local Government: County
Budget**

109 KAR 15:020. County Budget Preparation and State Local Finance Officer Policy Manual.

**GENERAL GOVERNMENT CABINET:
Board of Barbering: Board**

201 KAR 14:085. Sanitation requirements.

201 KAR 14:090. School curriculum.

201 KAR 14:115. Examinations; school and board.

Board of Physical Therapy: Board

201 KAR 22:160. Telehealth and telephysical therapy.

**JUSTICE AND PUBLIC SAFETY
CABINET: Department of State Police: Driver
Testing Branch: Breath Analysis Operators**

500 KAR 8:030. Administration of breath alcohol tests and chemical analysis tests.

**LABOR CABINET: Kentucky
Occupational Safety and Health Review
Commission: Commission**

803 KAR 50:010. Hearings; Procedure, Disposition.

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

907 KAR 1:039 & E. Hearing Program reimbursement provisions and requirements.

**Hospital Service Coverage and
Reimbursement**

907 KAR 10:825. Diagnosis-related group (DRG) inpatient hospital reimbursement.

Private Duty Nursing

907 KAR 13:015 & E. Private duty nursing service reimbursement provisions and requirements.

**Department for Behavioral Health,
Developmental and Intellectual Disabilities:
Division for Behavioral Health: Mental Health**

908 KAR 2:240 & E. Kentucky Youth Peer Support Specialist.

908 KAR 2:250 & E. Community support associate; eligibility criteria and training.

The Subcommittee adjourned at 2:00 P.M. until May 13, 2014 at 1:00 P.M.

**ADMINISTRATIVE REGULATION
REVIEW SUBCOMMITTEE**

**Minutes of the 1st Meeting
May 13, 2014**

Call to Order and Roll Call

The 1st meeting of the Administrative Regulation Review Subcommittee was held on Tuesday, May 13, 2014, at 1:00 PM, in Room 149 of the Capitol Annex. Senator Ernie Harris, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Ernie Harris, Co-Chair; Representative Johnny Bell, Co-Chair; Senators Perry B. Clark, Sara Beth Gregory, and Alice Forgy Kerr; Representatives Robert R. Damron, and Tommy Turner.

Guests: Beau Barnes, Kentucky Teachers' Retirement System; Robert Brown, Darren Sammons, Department for Local Government; Lavonne Bowling, Kenneth Hill, Steve VanZant; Board of Auctioneers; David Beyer, Board of Dentistry; Sonja Minch, Francis Simpson, Board of Barbering; Karen Waldrop, David Wicker, Department of Fish and Wildlife Resources; Morgain Sprague, Kentucky State Police; Amy Barker, Department of Corrections; Ann D'Angelo, Michael Hill, Jamie Fiepke, Transportation Cabinet; Fred Huggins, Eddie Jacobs, Occupational Safety and Health Review Commission; Trey Hieneman, Department for Alcoholic Beverage Control; Mary Begley, Ijeoma Eneje, Kara Fresh, Beth Jordan, Natalie Kelly, Lawrence Kissner, Stuart Owen, Vestena Robbins, Cabinet for Health and Family Services; Peter Goodman, Randall Payne, R. Bruce Scott, Department for Environmental Protection; Nancy Galvagni, Sarah Nicholson, Kentucky Hospital Association; Darlene Eakin, Kentucky Optometric Association; Kathy Wheeler, Kentucky Coalition of Nurse Practitioners/Nurse Midwives; Doug Doerrfeld, Suzanne Tallichet, Ted Withrow; Kentuckians for the Commonwealth.

LRC Staff: Donna Little, Emily Caudill, Sarah Amburgey, Carrie Klaber, Emily Harkenrider, Karen Howard, and Betsy Cupp.

**The Administrative Regulation Review
Subcommittee met on Tuesday, May 13, 2014,
and submits this report:**

**The Subcommittee determined that the
following administrative regulation did not
comply with statutory requirements and was
deficient:**

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

907 KAR 1:604 & E. Recipient cost-sharing. Lawrence Kissner, commissioner, and

Stuart Owen, regulation coordinator, represented the department. Nancy Galvagni, senior vice president, and Sarah Nicholson, vice president, represented the Kentucky Hospital Association and appeared in opposition to this administrative regulation.

Ms. Galvagni stated that the Kentucky Hospital Association was opposed to this administrative regulation because of provisions for an eight (8) dollar copay for nonemergency use of an emergency room. The copay itself was not the issue. The cabinet had federal approval regarding the state plan to determine what constituted nonemergency use of an emergency room; however, two managed care organizations (MCOs) were using different standards to determine nonemergency use. Coventry and WellCare MCOs, in policies developed subsequent to contracts between the MCOs and the providing hospitals, established criteria that differed from that approved for Kentucky by the federal agency.

Ms. Galvagni stated that the appropriate party to determine if use of an emergency room was for nonemergency reasons would be hospital medical personnel, as established in the federal approval of the cabinet's determination criteria. The determination criteria established by Coventry and WellCare were not part of any negotiated policies with the providing hospitals. The hospitals had not agreed to and were opposed to these policies. Ms. Galvagni requested that the eight (8) dollar copay requirements be removed from this administrative regulation until the related issues were resolved. If the cabinet declined to amend this administrative regulation to remove the copay, Ms. Galvagni requested that the Subcommittee find this administrative regulation deficient.

In response to a question by Senator Clark, Ms. Galvagni stated that the copay was being increased from \$6 to \$8. The issue however was with the independent policies established by Coventry and WellCare MCOs.

In response to a question by Representative Damron, Ms. Galvagni stated that Kentucky had five Medicaid MCOs. Three of the five seemed to be following federally approved guidelines regarding determination of nonemergency use of emergency rooms; however, Coventry and WellCare did not seem to be complying with those standards.

In response to a question by Co-Chair Harris, Mr. Kissner stated that the cabinet

could not agree to remove the copay because of financial imbalances that would result.

In response to a question by Senator Kerr, Subcommittee staff stated that there were not any representatives of the MCOs present at the Subcommittee meeting.

In response to a question by Senator Clark, Mr. Kissner stated that the cabinet did not have authority regarding MCO compliance with contracts between the MCOs and the providing hospitals.

In response to questions by Co-Chair Bell, Mr. Kissner stated that the decision regarding if an emergency room visit is an actual emergency was made by a doctor based on national standards after the visit. MCOs made the decisions pursuant to contracts between the MCOs and the providing hospitals. Co-Chair Bell responded that a medical expert at the providing hospital, not someone in another state, should make the decision. He expressed concern that a hospital may not treat the patient effectively if the hospital was preoccupied with concerns regarding reimbursement. Additionally, the Subcommittee did not have access to the contracts in order to make an informed decision.

In response to a question by Senator Kerr, Mr. Owen stated that the cabinet was not disputing the federal authority to require the providing hospital to make a determination regarding if an emergency room visit was nonemergency, but that issue was not directly germane to the \$8 copay. Ms. Galvagni stated that the contracts between the MCOs and the providing hospitals did not include the policies used by Coventry and WellCare to determine nonemergency emergency room use. These policies were developed after the contracts were already in place. Senator Kerr stated that the MCOs should have representatives available to respond.

In response to questions by Representative Damron, Mr. Kissner stated that the Department of Insurance provided oversight and reviewed fiscal filings of these MCOs. The filings were conducted quarterly, and an audit was conducted each June. Both Coventry and WellCare have been losing money pertaining to these contracts; however, they remain hopeful and continue to honor the contracts that have been made.

In response to a question by Co-Chair Harris, Mr. Kissner stated that the cabinet declined to defer because the affiliated emergency administrative regulation would then expire before this ordinary administrative regulation

could become effective.

Co-Chair Bell stated that, if this problem was not soon resolved, the General Assembly would consider legislation to establish the determination criteria statutorily.

A motion was made by Representative Turner and seconded by Senator Gregory to find 907 KAR 1:604 & E deficient due to lack of statutory authority. A roll call vote was conducted, and with six votes to find this administrative regulation deficient, one pass vote, and one member absent, the motion was approved.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph to add a statutory citation; (2) to amend Sections 1, 2, 3, 7, and 9 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (3) to amend Section 2 to: (a) establish the copayment amount for services at a federally qualified health center look-alike; and (b) specify that the full amount of the established copayment shall be deducted from the provider reimbursement. Without objection, and with agreement of the agency, the amendments were approved.

Administrative Regulations Reviewed by the Subcommittee:

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

102 KAR 1:270. Statement of member account. Beau Barnes, deputy executive secretary and general counsel, represented the system.

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

102 KAR 1:320. Qualified domestic relations orders.

In response to a question by Co-Chair Harris, Mr. Barnes stated that the determination of the marital portion was a calculation used in situations of divorce. The calculation was an alternative and better way to calculate the marital portion.

A motion was made and seconded to approve the following amendments: (1) to amend the

STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct statutory citations; and (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2, 7, 9, and 10 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

OFFICE OF THE GOVERNOR: Department for Local Government: County Budget

109 KAR 15:020. County Budget Preparation and State Local Finance Officer Policy Manual. Robert Brown, state and local finance officer, and Darren Sammons, staff attorney, represented the department.

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

GENERAL GOVERNMENT CABINET: Board of Auctioneers: Board

201 KAR 3:025. Reciprocity requirements. Kenneth Hill, executive director, and Steve Van Zant, attorney, represented the board.

201 KAR 3:090. Administrative fees for applications and services.

In response to a question by Co-Chair Harris, Mr. Van Zant stated that the filing fee was being increased to meet the board's budget needs because new requirements increased expenses while a 12 percent reduction in the number of licensees and the elimination of the principal examination and its fee decreased income. The fee had not been increased since 2003.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to add statutory citations; (2) to amend Section 1 to: (a) establish the \$125 examination fee for each new applicant with the board; and (b) delete the payment of an additional late fee after the six (6) month grace period; (3) to amend Section 4 to require a licensee to pay the renewal recovery fee of thirty (30) dollars to reactivate a license placed in escrow; and (4) to amend the NECESSITY,

FUNCTION, AND CONFORMITY paragraph and Sections 1, 2, 4, and 6 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board of Dentistry: Board

201 KAR 8:016. Registration of dental laboratories. David Beyer, executive director, represented the board.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2, 3, 7, and 9 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 8:532. Licensure of dentists.

A motion was made and seconded to approve the following amendments: to amend Section 16 to revise the renewal form incorporated by reference because the administrative regulation no longer requires the form to be notarized and include a photograph. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 8:562. Licensure of dental hygienists.

A motion was made and seconded to approve the following amendments: to amend Section 17 to revise the renewal form incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

Board of Barbering: Board

201 KAR 14:090. School curriculum. Sonja Minch, administrator, and Francis Simpson, chair, represented the board.

In response to questions by Co-Chair Harris, Ms. Minch stated that the one hour per day lecture and demonstration requirement has been an ongoing requirement; however, in the previous amendment to this administrative regulation, the requirement was inadvertently deleted. A total of 1,500 total hours was required for licensure.

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

201 KAR 14:115. Examinations; school and board.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to specify examination requirements; (2) to create a new Section 9 to incorporate by reference various application forms; and (3) to amend Sections 2, 3, 5, 6, and 7 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

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

301 KAR 2:132. Elk depredation permits, landowner cooperators permits, and quota hunts. Karen Waldrop, wildlife division director, and David Wicker, general counsel, represented the department.

In response to a question by Senator Clark, Ms. Waldrop stated that provisions related to elk depredation were for homeowners who had experienced property damage due to elk.

In response to questions by Co-Chair Harris, Ms. Waldrop stated that elk were present in the sixteen (16) counties that constituted the Elk Restoration Zone, and elk had not strayed much from those counties. A hunter who found an elk outside of the Elk Restoration Zone may take the elk if the hunter has a deer permit. Initially, approximately 1,500 elk were brought into the Elk Restoration Zone, and today there were approximately 10,000 elk.

A motion was made and seconded to approve the following amendment: to amend Section 5 to clarify subsection (14). Without objection, and with agreement of the agency, the amendment was approved.

**JUSTICE AND PUBLIC SAFETY
CABINET: Department of State Police: Driver
Testing Branch: Breath Analysis Operators**

500 KAR 8:030. Administration of breath alcohol tests and chemical analysis tests. Morgain Sprague, counsel, represented the department.

A motion was made and seconded to approve the following amendments: to amend Section 3 for clarification. Without objection, and with agreement of the agency, the amendments were approved.

**TRANSPORTATION CABINET:
Department of Highways: Division
of Professional Services: Professional
Engineering and Related Services**

600 KAR 6:040. Prequalification of firms for engineering or engineering-related services. Ann

D'Angelo, assistant general counsel; Michael Hill, professional services division director; and Jamie Fiepkke, motor carrier advisory committee president, represented the department.

In response to questions by Co-Chair Harris, Mr. Hill stated that the authorizing statute required annual qualification submittal. This administrative regulation clarified that a letter shall suffice as the annual submittal in odd-numbered years if there were not significant changes, such as changes in qualified personnel.

**Department of Vehicle Regulation:
Division of Motor Carriers: Motor Carriers**

601 KAR 1:230. Education and safety training for motor carrier operations.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1, 2, and 4 to comply with the drafting requirements of KRS Chapter 13A; and (2) to amend Section 6 to revise the application form incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

**LABOR CABINET: Kentucky
Occupational Safety and Health Review
Commission: Commission**

803 KAR 50:010. Hearings; Procedure, Disposition. Fred Huggins, attorney, and Eddie Jacobs, executive director, represented the commission.

In response to questions by Senator Clark, Mr. Huggins stated that labor unions, in addition to corporations and partnerships, were required to be represented by an attorney. Kentucky Constitution Section 116 established that the Kentucky Supreme Court had the authority to establish rules of practice. The Kentucky Supreme Court, in its rules, established that a person may serve as his or her own counsel, but an artificial person, such as a corporation, etc. was required to retain a licensed attorney. Most businesses already had legal representation; however, there were businesses that were unable to retain counsel. Usually those businesses without legal counsel worked with the agency to settle issues before hiring an attorney would be necessary. When a labor union was involved, there was usually a third party intervener in matters of litigation.

In response to a question by Senator Gregory, Mr. Jacobs stated that a non-person entity that was unable to afford or for another reason retain a licensed attorney typically did not

appear at hearings; therefore, the matter would result in default of the entity.

Representative Damron stated that the General Assembly had experienced similar problems pertaining to the autonomy of the Judicial Branch. For example, Frankfort's former Home Depot building had been obtained and remodeled without authority of the General Assembly and with independent, unaccounted for funds of the branch. The Judicial Branch lacked adequate auditing standards, and the State Auditor did not have constitutional authority to investigate the financial matters of the branch. The requirement to hire a licensed attorney seemed inappropriate.

In response to a question by Co-Chair Bell, Mr. Huggins stated that the language was added back into this administrative regulation after an ethics opinion. Case law focused exclusively on the idea that a non-attorney shall not practice law.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to include additional relevant citations; (2) to amend Section 2 to delete requirements that repeated statutory provisions; (3) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 9, 13, 26, 28, 29, 33, 45, and 51 to include cross-references and make other changes for clarity; and (4) to amend Sections 1, 3, 4, 6 through 11, 13 through 18, 20, 21, 22, 26 through 32, 35 through 37, 39, 40, 42, and 44 through 59 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

**PUBLIC PROTECTION CABINET:
Department of Alcoholic Beverage Control:
Advertising Distilled Spirits and Wine**

804 KAR 1:051. Repeal of 804 KAR 1:050. Trey Hieneman, legislative liaison, represented the department.

Quotas

804 KAR 9:050. Quota retail drink licenses.

In response to a question by Co-Chair Harris, Mr. Hieneman stated that this was not a new ratio and was intended to create parity with the administrative regulation governing quota licenses by the drink.

A motion was made and seconded to approve the following amendments: (1) to amend Section 2 to clarify this administrative regulation's applicability to cities that have already been given quotas; (2) to amend Section 3 to establish

the standard the board shall use to determine if a city shall receive an increased quota; (3) to add new Sections 5 and 6 to establish procedures for quota vacancies and reductions; (4) to add a new Section 7 to establish that if a dry county with a wet city becomes wet, the quota for the county shall supersede the city quota; and (5) to amend Sections 1, 2, and 3 to reorganize provisions and comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

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

907 KAR 1:019 & E. Outpatient Pharmacy Program. Lawrence Kissner, commissioner, and Stuart Owen, regulation coordinator, represented the cabinet. Dr. Kathy Wheeler, Kentucky Coalition of Nurse Practitioners or Nurse Midwives, appeared in support of 907 KAR 1:082. Darlene Eakin, executive director, Kentucky Optometric Association, appeared in support of 907 KAR 1:631 and 1:632.

In response to a statement by Senator Gregory, Mr. Owen stated that all of these administrative regulations were not mandated by the Affordable Care Act, but all related to the expansion of Medicaid.

A motion was made by Senator Gregory and seconded by Representative Turner to find these administrative regulations deficient due to lack of statutory authority. A roll call vote was conducted, and, with four votes to find these administrative regulations deficient, one pass vote, two votes against a finding of deficiency, and one member absent, the motion failed. A majority vote of at least five votes for a finding of deficiency is required for the motion to pass.

Representative Damron stated that he voted against finding these administrative regulations deficient because there were many good things in these administrative regulations, including provisions for substance abuse treatment and eye care.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1 through 5, 7, 8, 9, 13, 14, 15, and 17 to comply with the drafting and formatting requirements of KRS Chapter 13A; (2) to amend Section 3 to delete from the list of drugs excluded from coverage a barbiturate or a benzodiazepine; and (3) to amend Section 17 and the forms incorporated by reference to update the forms

required to request prior authorization for drugs. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 1:030 & E. Home health agency services.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1, 3, 4, 5, 7, 8, 10, and 11 to comply with the drafting and formatting requirements of KRS Chapter 13A; (2) to amend Section 3 to require coverage of: (a) a supply listed on the Home Health Schedule of Supplies if the supply is provided to a recipient pursuant to the recipient's plan of care; or (b) a listed supplemental nutritional product if a physician certifies the medical necessity of the supplemental nutritional product; and (3) to amend Section 11 to update material incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 1:038 & E. Hearing Program coverage provisions and requirements.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1 through 6 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to amend Sections 3 and 4 to delete provisions already established elsewhere in this administrative regulation or in 907 KAR 1:039. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 1:039 & E. Hearing Program reimbursement provisions and requirements.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1 and 2 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to amend Section 2 to delete provisions that duplicated provisions established in 907 KAR 1:038. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 1:044 & E. Coverage provisions and requirements regarding community mental health center services.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to define "mental health associate"; (2) to amend Section 4 to delete medication assisted treatment for a substance use disorder from the list of rehabilitative mental health and substance use disorder services covered under this administrative regulation; (3) to amend Section 7 to change references from "practitioner" to "mental health associate working under

supervision or a professional equivalent”; (4) to amend Section 13 to update the material incorporated by reference; (5) to amend Sections 2, 5, 7, and 9 through 14 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (6) to amend Section 9 to delete provisions that duplicated provisions established elsewhere in the administrative regulation. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 1:045 & E. Reimbursement provisions and requirements regarding community mental health center services.

A motion was made and seconded to approve the following amendments: (1) to amend Section 3 to delete medication assisted treatment for a substance use disorder and its per diem unit of service from the table establishing the payments based on units of service; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2, 3, 5, and 8 to comply with the drafting and formatting requirements of KRS Chapter 13A; (3) to amend Sections 2 and 3 to delete provisions that duplicated provisions established elsewhere in the administrative regulation and in 907 KAR 1:044; and (4) to amend Section 3 to change a unit of service for therapeutic rehabilitation from one hour to 15 minutes. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 1:054 & E. Coverage provisions and requirements regarding federally-qualified health center services, federally-qualified health center look-alike services, and primary care center services.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to: (a) insert definitions for “licensed assistant behavior analyst”, “licensed behavior analyst”, “licensed professional art therapist”, and “licensed professional art therapist associate”; and (b) delete the definitions of “club house model of psychosocial rehabilitation” and “fountain house”; (2) to amend Section 4 to: (a) delete requirements that the supervising professional also be the billing provider for the service; (b) update the list of providers authorized to provide given services; (c) delete authorization for medication assisted treatment for a substance use disorder; (d) clarify requirements for service planning and for therapeutic rehabilitation program services; (e) authorize group outpatient therapy for groups not to exceed twelve (12), rather than eight (8),

individuals; and (f) authorize intensive outpatient program services with a recipient-to-staff ratio of ten (10) to one (1), rather than fifteen (15) to one; (3) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 3 and 4 to specify that this administrative regulation also applies to federally qualified health center look-alike services; (4) to amend Sections 1 through 4, 8, 11, 12, 15, and 16 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (5) to amend Section 8 to delete provisions that duplicated provisions established elsewhere in the administrative regulation. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 1:082 & E. Coverage provisions and requirements regarding rural health clinic services.

Dr. Wheeler stated that the Kentucky Coalition of Nurse Practitioners or Nurse Midwives supported this administrative regulation.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to: (a) insert definitions for “licensed assistant behavior analyst”, “licensed behavior analyst”, “licensed professional art therapist”, and “licensed professional art therapist associate”; and (b) delete the definitions of “club house model of psychosocial rehabilitation” and “fountain house”; (2) to amend Section 3 to: (a) delete requirements that the supervising professional also be the billing provider for the service; (b) update the list of providers authorized to provide given services; (c) delete authorization for medication assisted treatment for a substance use disorder; (d) clarify requirements for service planning and for therapeutic rehabilitation program services; (e) authorize group outpatient therapy for groups not to exceed 12, rather than eight, individuals; and (f) authorize intensive outpatient program services with a recipient-to-staff ratio of 10 to one, rather than 15 to one; (3) to amend Sections 1 through 4, 8, 11, 14, and 15 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (4) to amend Section 8 to delete provisions that duplicated provisions established elsewhere in the administrative regulation. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 1:631 & E. Vision Program reimbursement provisions and requirements.

Ms. Eakin stated that the Kentucky

Optometric Association supported this administrative regulation.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1, 2, and 5 to comply with the drafting and formatting requirements of KRS Chapter 13A; (2) to amend Section 1 to define “CPT code” and “usual and customary charge”; (3) to amend Section 2 to delete provisions that are established in 907 KAR 1:632; (4) to amend Section 5 to change references from “twelve (12) consecutive month period” to “calendar year”; and (5) to amend Section 10 to update the material incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 1:632 & E. Vision Program coverage provisions and requirements.

Ms. Eakin stated that the Kentucky Optometric Association supported this administrative regulation.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1 through 4 and 11 to comply with the drafting and formatting requirements of KRS Chapter 13A; (2) to amend Section 2 to: (a) specify that a physician shall be an authorized provider of vision services; and (b) delete provisions that are established in 907 KAR 1:631; (3) to amend Section 3 to specify that vision service coverage is limited to a service listed with a CPT code or an item with an HCPCS code on the fee schedule; (4) to amend Section 4 to specify that provisions regarding any limit on the number of eyeglasses covered shall be as established in 907 KAR 1:631; and (5) to amend Section 14 to update the material incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

Payments and Services

907 KAR 3:005 & E. Coverage of physicians’ services.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1 through 8 and 10 to comply with the drafting and formatting requirements of KRS Chapter 13A; (2) to amend Section 1 to define “advanced practice registered nurse”, “locum tenens APRN”, and “locum tenens physician”; (3) to amend Section 3 to specify that direct physician contact is not required for a locum tenens APRN who provides direct APRN contact; and (4) to amend Section 6 to clarify prior authorization requirements. Without objection, and with agreement of the

agency, the amendments were approved.

Occupational, Physical, and Speech Therapy

907 KAR 8:005 & E. Definitions for 907 KAR Chapter 8.

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

907 KAR 8:010 & E. Independent occupational therapy service coverage provisions and requirements.

A motion was made and seconded to approve the following amendments: to amend Sections 1, 2, 7, and 10 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 8:015 & E. Independent occupation therapy service reimbursement provisions and requirements.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1, 2, and 5 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to amend Section 1 to delete provisions that repeated 907 KAR 8:010. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 8:020 & E. Independent physical therapy service coverage provisions and requirements.

A motion was made and seconded to approve the following amendments: to amend Sections 1, 2, 7, and 10 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 8:025 & E. Physical therapy service reimbursement provisions and requirements.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1, 2, and 5 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to amend Section 1 to delete provisions that repeated 907 KAR 8:020. Without objection, and with agreement of the agency, the amendments

were approved.

907 KAR 8:030 & E. Independent speech pathology service coverage provisions and requirements.

A motion was made and seconded to approve the following amendments: to amend the TITLE; the NECESSITY, FUNCTION, AND CONFORMITY paragraph; and Sections 1 through 5, 7, 8, and 10 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 8:035 & E. Speech language pathology service reimbursement provisions and requirements.

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

Hospital Service Coverage and Reimbursement

907 KAR 10:014 & E. Outpatient hospital service coverage provisions and requirements.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to: (a) add definitions for “certified alcohol and drug counselor”, “licensed assistant behavior analyst”, “licensed behavior analyst”, “licensed professional art therapist”, and “licensed professional art therapist associate”; and (b) revise the definitions of “licensed psychological associate” and “licensed psychological practitioner”; (2) to amend Section 5 to: (a) update the list of providers authorized to provide specific services; and (b) authorize intensive outpatient program services with a recipient-to-staff ratio of 10 to one, rather than 15 to one; (c) clarify the requirements for partial hospitalization; and (d) authorize group outpatient therapy for groups not to exceed 12, rather than eight, individuals; (3) to amend Sections 1 through 8, 10, 11, and 13 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (4) to amend Sections 2 and 5 to delete provisions established elsewhere in this administrative regulation. Without objection, and with agreement of the agency, the amendments were approved.

Private Duty Nursing

907 KAR 13:005 & E. Definitions for 907

KAR Chapter 13.

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

907 KAR 13:010 & E. Private duty nursing service coverage provisions and requirements.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1, 2, 3, 8, and 11 to comply with the drafting requirements of KRS Chapter 13A; and (2) to amend Section 2 to specify that the limit for private duty nursing services is based on a 12 consecutive month period, rather than annually. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 13:015 & E. Private duty nursing service reimbursement provisions and requirements.

A motion was made and seconded to approve the following amendments: (1) to amend the TITLE; the NECESSITY, FUNCTION, AND CONFORMITY paragraph; and Sections 1 through 4 to clarify that this administrative regulation also established reimbursement provisions for private duty nursing supplies; (2) to amend Sections 2 and 5 to comply with the drafting requirements of KRS Chapter 13A; and (3) to create a new Section 6 to incorporate by reference the Private Duty Nursing Supplies Fee Schedule. Without objection, and with agreement of the agency, the amendments were approved.

Behavioral Health

907 KAR 15:005 & E. Definitions for 907 KAR Chapter 15.

A motion was made and seconded to approve the following amendments: to amend Section 1 to: (1) define “approved behavioral health services provider”, “licensed assistant behavior analyst”, “licensed behavior analyst”, “licensed art therapist”, and “licensed professional art therapist associate”; and (2) comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 15:010 & E. Coverage provisions and requirements regarding behavioral health services provided by independent providers.

A motion was made and seconded to

approve the following amendments: (1) to amend Section 3 to: (a) update the list of providers authorized to provide given services; (b) delete medication assisted treatment for a substance use disorder from the list of covered services; (c) authorize group outpatient therapy for groups not to exceed 12, rather than eight, individuals; (d) authorize intensive outpatient program services with a recipient-to-staff ratio of 10 to one, rather than 15 to one; and (e) establish requirements for billing providers; and (2) to amend Sections 2 and 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 15:015 & E. Reimbursement provisions and requirements for behavioral health services provided by independent providers.

A motion was made and seconded to approve the following amendments: (1) to amend Section 2 to: (a) update the list of providers authorized to be reimbursed for providing given services; and (b) specify that reimbursement for various services shall be as stated on the Non-Medicare Services Fee Schedule; and (2) create a new Section 6 to incorporate by reference the Non-Medicare Services Fee Schedule. Without objection, and with agreement of the agency, the amendments were approved.

Department for Behavioral Health, Developmental and Intellectual Disabilities: Division for Behavioral Health: Mental Health

908 KAR 2:240 & E. Kentucky Youth Peer Support Specialist. Mary Begley, commissioner; Ijeoma Eneje, regulation coordinator; Beth Jordan, branch manager; Vestena Robbins, policy advisor; Kara Fresh, program administrator; and Natalie Kelly, division director, represented the cabinet.

In response to a question by Representative Damron, Ms. Begley stated that provider groups were in support of these administrative regulations.

In response to a question by Senator Gregory, Ms. Begley stated that these administrative regulations, both of which were new administrative regulations, were the result of Medicaid expansion pursuant to the Affordable Care Act.

A motion was made by Senator Gregory and seconded by Representative Turner to find these administrative regulations deficient due to lack of statutory authority. A roll call vote was conducted, and, with four votes to find these administrative

regulations deficient, three votes against a finding of deficiency, and one member absent, the motion failed. A majority vote of at least five votes for a finding of deficiency is required for the motion to pass.

Representative Damron stated that he voted against finding these administrative regulations deficient because they established standards for the Kentucky Youth Peer Support program. Without these administrative regulations, the program would be without protocol.

A motion was made and seconded to approve the following amendments: (1) to amend Section 7 to: (a) insert a new list of professionals that can serve as a KYPSS supervisor; and (b) require a written record of supervision; (2) to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to add statutory citations; (3) to amend Section 1 to add a definition for “child-serving agency”; (4) to amend Section 3 to establish standards for the department to approve the required training courses; (5) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 8 to clarify various provisions; (6) to amend the training application to align the application with the requirements of this administrative regulation; and (7) to amend Sections 1, 3, 6, and 7 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

908 KAR 2:250 & E. Community support associate; eligibility criteria and training.

A motion was made and seconded to approve the following amendments: (1) to amend Section 2 to: (a) insert a new list of professionals who may serve as a community support associate supervisor; and (b) require a written record of supervision; (2) to amend Section 1 to delete unnecessary definitions; and (3) to amend Sections 1 through 3 to clarify various provisions. Without objection, and with agreement of the agency, the amendments were approved.

OTHER BUSINESS:

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

401 KAR 10:031. Surface water standards. Peter Goodmann, executive director; Randall Payne, environmental scientist III; and Bruce Scott, commissioner, represented the division. Ted Withrow, Kentuckians for the Commonwealth, appeared in opposition to this administrative

regulation.

In response to questions by Representative Turner, Mr. Scott stated that the division became aware of the December 27, 2013 letter from Virgil Lee Andrews, Jr., field office supervisor, U.S. Fish and Wildlife, to Annie Godfrey, chief, Water Quality Standards Section, U.S. Environmental Protection Agency (EPA), in February 2014. The letter addressed an issue of consultation between U.S. Fish and Wildlife and U.S. EPA. The issue concerned the selenium standard established in 401 KAR 10:031. The main concern by U.S. Fish and Wildlife was the division’s lack of peer review regarding the studies used to support the selenium standard. The division was not a direct party to the letter. U.S. EPA had approved the standard and disagreed with concerns expressed by U.S. Fish and Wildlife. U.S. EPA was drafting a response letter to U.S. Fish and Wildlife and was working on a national fish-tissue based selenium standard, which would probably differ from Kentucky’s standard because it would be a national standard. U.S. EPA approved the Kentucky standard after considering U.S. Fish and Wildlife’s concerns regarding threatened and endangered species. There was also on-going litigation regarding U.S. EPA’s approval of the standard and a second notice of intent to litigate on the same issue. The standard was comparable or more stringent than many other states, and the division believed it to be a protective standard. Analytical methods were the same from state to state because they were based on federally approved methods. The division considered U.S. EPA’s approval to be a form of peer review, and the matter had been fully vetted at the federal level. The standard was determined based on science, not politics, and the division believed that more selenium impairments would be identified with this standard and method than the previous method. Numerous studies were listed from the past 20 years to support that selenium was not a significant problem in Kentucky waterways.

Representative Turner thanked the agency for appearing and stated that the General Assembly had the authority to establish the standard through the legislative process and that he looked forward to more studies and information from the division regarding selenium.

Mr. Withrow stated that he was formerly employed by the Division of Water, and that this administrative regulation was insufficient to prevent selenium contamination. Outstanding State Resource Waters were rare, and there were

only approximately 100 miles of waters in that classification. The public meetings conducted regarding this administrative regulation were really private meetings by invitation of the division. U.S. EPA was one (1) step in the process but did not constitute full peer review. The scientific studies used to support the standard were “cherry picked.” Outfields were not previously monitored. The analytical method was difficult and expensive for the agency to sufficiently monitor, and because of the method’s difficulty and expense watchdog oversight would not be feasible. This administrative regulation was a gift to the coal industry.

Senator Kerr requested that Subcommittee members be provided with more information about the Subcommittee’s duties, powers, and history, especially the reason for the creation of this Subcommittee. She stated that there was a pattern of a lack of respect toward the Subcommittee by those submitting testimony from the Executive Branch.

In response to questions by Senator Kerr, Subcommittee staff stated that some matters may be established or amended through legislation, but that the Subcommittee had limits based on case law, especially LRC v. Brown and Patton v. Sherman. Subcommittee staff stated that information would be personally provided to Senator Kerr about the Subcommittee’s duties, powers, and history.

The following administrative regulations were deferred to the June 10, 2014, meeting of the Subcommittee:

GENERAL GOVERNMENT CABINET:

Board of Barbering: Board

201 KAR 14:085. Sanitation requirements.

Board of Nursing: Board

201 KAR 20:360. Evaluation of prelicensure registered nurse and practical nurse programs.

Board of Physical Therapy: Board

201 KAR 22:160. Telehealth and telephysical therapy.

Board of Licensure for Professional Art Therapists: Board

201 KAR 34:060. Qualifying experience under supervision.

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

501 KAR 6:020. Corrections policies and procedures. Amy Barker, assistant general counsel, represented the department.

In response to questions by Co-Chair

Bell, Ms. Barker stated that this administrative regulation provided for an extension of time to address an inmate grievance if necessary to adequately investigate. The term “contraband” was amended to create parity for the term across the program. The term “cross-gender search” was amended to insert a word that was inadvertently missing. The term “exigent circumstances” changed “facility” to “institution.” A waiver was required of media in case of injury because it was impossible to 100 percent guarantee safety.

In response to a question by Co-Chair Harris, Ms. Barker stated that the intent of this administrative regulation was not to limit media access but to establish security measures pertaining to media situations. Ms. Barker agreed to defer consideration of this administrative regulation, as amended, to the June 10 Subcommittee meeting.

A motion was made and seconded to approve the following amendments: (1) to amend CPP 1.2, News Media, to: (a) establish the conditions under which an interview request may be denied; and (b) clarify identification requirements; (2) to amend CPP 9.8, Search Policy, to clarify definitions for contraband, cross-gender searches, and exigent circumstances; and (3) to amend Section 1 to change the edition dates for those revised policies. Without objection, and with agreement of the agency, the amendments were approved.

TRANSPORTATION CABINET: Department of Highways: Division of Maintenance: Billboards

603 KAR 10:001. Definitions.

603 KAR 10:010. Static advertising devices.

603 KAR 10:020. Electronic advertising devices.

603 KAR 10:030. Removal of vegetation related to advertising devices.

CABINET FOR HEALTH AND FAMILY SERVICES: Department for Medicaid Services: Hospital Service Coverage and Reimbursement

907 KAR 10:825. Diagnosis-related group (DRG) inpatient hospital reimbursement.

The Subcommittee adjourned at 3:10 p.m. until June 10, 2014 at 1 p.m.

EDUCATION ASSESSMENT AND ACCOUNTABILITY REVIEW SUBCOMMITTEE Minutes of the Meeting

March 26, 2014

Call to Order and Roll Call

The meeting of the Education Assessment and Accountability Review Subcommittee was held on Wednesday, March 26, 2014, at 9:00 AM, in Room 125 of the Capitol Annex. Senator Mike Wilson, Co-Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Mike Wilson, Co-Chair; Representative Rita Smart, Co-Chair; Senators David P. Givens, and Alice Forgy Kerr, Representatives Mary Lou Marzian.

Legislative Guest: Representative Derrick Graham

Guests: Bridget Stanfield, Kentucky Department of Education; Cindy Greer, Kentucky Department of Education; Kathy Moore, Kentucky Department of Education; John Collett, Kentucky Department of Education.

LRC Staff: Janet Stevens, Ken Warlick, and Daniel Clark.

Review of Administrative Regulations

703 KAR 5:070

703 KAR 5:080 and E

Kevin Brown, Associate Commissioner and General Counsel, Kentucky Department of Education (KDE) and Ken Draut, Associate Commissioner, Office of Assessment and Accountability, KDE, explained administrative regulation 703 KAR 5:070, Procedures for the inclusion of special populations in the state-required assessment and accountability programs.

In response to Senator David Givens questions regarding the population that qualifies for accommodations and test scores, Mr. Draut said the population of students that qualify for the accommodations would stay exactly the same along with the trend of test scores.

In response to Chairman Mike Wilson’s question regarding controversial pieces in the regulation, Mr. Draut said besides having a reader to accommodate students during testing, the use of a calculator during testing has also been controversial.

In response to Senator Alice Forgy Kerr’s question regarding readers during testing, Mr. Draut said students can use a physical reader or an electronic reader but the idea is for the student to hear words being read to them.

Mr. Brown and Mr. Draut explained administrative regulation 703 KAR 5:080 and E, Administration Code for Kentucky’s Educational Assessment Program.

In response to Chairman Mike Wilson's question regarding feedback, Mr. Draut said all feedback for the regulation was mostly positive and some feedback led to small technical changes that were not controversial.

Chairman Mike Wilson stated there needs to be a technical change to the table of contents of the regulation. The page numbers are incorrect for the violation section.

In response to Representative Rita Smart's question regarding teacher training, Mr. Draut said every school district has a District Assessment Coordinator (DAC) who handles all of the assessments for the district. KDE does training with each of the DACs, and then those DACs are required to train the teachers in their school districts.

Representative Mary Lou Marzian moved to approve administrative regulations 703 KAR 5:070 and 703 KAR 5:080 and E and Senator Alice Forgy Kerr seconded the motion. The motion carried.

With no further business before the committee, the meeting adjourned at 9:44 a.m.

GOVERNMENT CONTRACT REVIEW COMMITTEE

Committee Minutes May 13, 2014

Call to Order and Roll Call

The Government Contract Review Committee met on Tuesday, May 13, 2014, at 10:00 AM, in Room 131 of the Capitol Annex. Senator Sara Beth Gregory, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Sara Beth Gregory, Co-Chair; Representative Dennis Horlander, Co-Chair; Senators Julian M. Carroll and Paul Hornback; Representatives Jesse Crenshaw, Brad Montell, and Brent Yonts.

Guests: Julie Brewer, Reba Lewis, Nikki James, Shawnee Bennett, Doug Lefevers, Todd Mobley, Heather Inich, Leslie Brown, Connie Neal, Jenny Lafferty, Leslie Stamper, Kara Couch, Claudette Tracy, Stephanie Robey, Jessica Mitchell, Amy Barnes, Mike Hill, Eric Pelfrey, Mark Mangeot, Christina Smith, Alicia Sneed, Marshall Carrier, Stephanie Castle, Dana Mayton, Jennifer Elliott, Jason Dunn, Todd Trapp, and Darren Sammons.

LRC Staff: Kim Eisner and Jennifer Wilson.

A motion was made by Representative Yonts

to approve Minutes of the April 2014, meeting of the committee. Representative Horlander seconded the motion, which passed without objection.

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

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

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

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

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

A motion was made by Senator Gregory to reconsider previous motion considering all lists as reviewed. Representative Yonts seconded the motion, which passed without objection.

A motion was made by Representative Yonts to consider all lists as reviewed, with exception of those items selected for further review by members of the committee. Senator Carroll seconded the motion, which passed with Representative Crenshaw electing to abstain (pass) on contract 1400001818, Braxton Crenshaw, #4 on the Personal Service Contract List.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

**BOARD OF CLAIMS & CRIME VICTIMS
COMPENSATION:**

Florence Sue Huffman, 1400001814;
Goldberg Simpson, LLC, 1400001816; Mike

Wilson, 1400001817; Braxton Crenshaw, 1400001818.

**CRIMINAL JUSTICE TRAINING,
DEPARTMENT OF:**

Kimberly Henderson Baird, 1400001431.

**DEPARTMENT FOR ENVIRONMENTAL
PROTECTION:**

Jackson Environmental Consulting
Services, LLC, 1400001579; Dr. Ted Pass II,
1400001600.

DEPARTMENT FOR INCOME SUPPORT:

Alexis M. Guerrero, 1400000895; Ann Hess,
1400000896; Anna L. Demaree, 1400000897;
Bruening & Associates, 1400000898; Dan K.
Vandivier, 1400000899; Diosdado Irlandez,
1400000901; Edward A. Ross, Jr., 1400000902;
Thompson H. Prout, 1400000904; Humildad
Arizures, 1400000905; Ilze A. Sillers,
1400000907; Jane F. Brake, 1400000908; Jo
Anne Sexton, 1400000909; John I. Gedmark,
1400000910; Larry Freudenberger, 1400000912;
Laura Cutler, 1400000913; Lea J. Perritt, Ph.D,
1400000914; Lisa D. Beihn, 1400000915; M.
Allen Dawson, 1400000916; Mary Thompson
Ph.D, 1400000918; Parandhamulu Saranga,
1400000919; R. Kendall Brown, 1400000920;
Sudhideb Mukherjee, 1400000921; Dr.
William Underwood, 1400000922; Lisa D.
Beihn, 1400000926; The Visions Group, LLC,
1400000930; Nick Watters, PSYD, 1400000937.

DEPARTMENT FOR PUBLIC HEALTH:

Kentucky Pharmacists Association,
1400001126; Wendell Fosters Campus d/b/a
Western KY Assistive Technology, 1400001174.

**DEPARTMENT OF WORKPLACE
STANDARDS:**

Blue & Company, LLC, 1400001781.

EASTERN KENTUCKY UNIVERSITY:

MGT of America Incorporated, 14-075.

**EDUCATION PROFESSIONAL
STANDARDS BOARD:**

Ruby D. Carr, 1400001766; Boehl Stopher
and Graves, LLP, 1400001774; Bobby S. Pace,
1400002105.

**ENVIRONMENTAL EDUCATION
COUNCIL:**

Issues and Answers Network Incorporated,
1400001995.

FAIR BOARD:

Scarlett W. Mattson, 1400000843; Clifford
Rippetoe, 1400002016.

**FINANCE AND ADMINISTRATION
CABINET - DIVISION OF ENGINEERING:**

Multi, 1400001798.

INFRASTRUCTURE AUTHORITY:
Dinsmore & Shohl, LLP, 1400001598.
KENTUCKY COMMUNITY &
TECHNICAL COLLEGE SYSTEM:
The Evans Consulting Group Incorporated,
576.

KENTUCKY HIGHER EDUCATION
STUDENT LOAN CORPORATION:
BLX Group, LLC, 15-001; Mountjoy
Chilton Medley, LLP, 15-002; Valenti Hanley &
Robinson, PLLC, 15-005.

KENTUCKY HOUSING CORPORATION:
Kinkead & Stilz, PLLC, 2015-09; Lerner,
Sampson & Rothfuss Corporation, 2015-10;
Stierle and Rettig, PLLC, 2015-11; Goldberg
Simpson, LLC, 2015-12; Kinkead & Stilz,
PLLC, 2015-14; McBrayer, McGinnis, Leslie
& Kirkland, PLLC, 2015-15; Crowe Horwath,
LLP, 2015-16; McBrayer, McGinnis, Leslie &
Kirkland, PLLC, 2015-19; Valbridge Property
Advisors, 2015-2; Caine Mitter & Associates
Incorporated, 2015-3; BLX Group, LLC, 2015-4;
Multi, 2015-8.

KENTUCKY LOTTERY CORPORATION:
Camelot Global Services (North America),
14-14-015; Commonwealth Radio Reports, 15-
08-002; PDT Communications, LTD., 15-10-
027; Software Information Systems, LLC, 15-10-
053; Goldberg Simpson, LLC, 15-11-037-2; TEK
Systems, 15-11-040.

KY RACING COMMISSION:
HFL Sport Science Incorporated,
1400001242; HFL Sport Science Incorporated,
1400001245.

MOREHEAD STATE UNIVERSITY:
MAXIMUS Higher Education Incorporated,
14-033; Dean Dorton Allen Ford, PLLC, 14-035.

MURRAY STATE UNIVERSITY:
Peck, Shaffer & Williams, a division of
Dinsmore & Shohl, LLC, 018-14.

PERSONNEL-OFFICE OF THE
SECRETARY:

Cannon Cochran Management Services
Incorporated, 1400001823; Multi, 1400001998;
Blue & Company, LLC, 1400002046.

POST SECONDARY EDUCATION,
COUNCIL ON:
Blue & Company, LLC, 1400001784.

TOURISM DEVELOPMENT CABINET:
The Pace Group, 1400002321.

TRANSPORTATION CABINET:
Blue & Company, LLC, 1400001982;
Municipal Engineering Company, 1400002217.
UNIVERSITY OF KENTUCKY:

Strand Associates Incorporated, A141190.
UNIVERSITY OF LOUISVILLE:
Six Feet Up Incorporated, 15-001; ERP
Analysts, 15-002; TEKSystems, 15-003;
VeBridge, 15-004; APTEC, LLC, 15-005; BKD,
LLP, 15-006; Multi, 15-007.

VETERANS AFFAIRS, DEPARTMENT
OF:

ARH Regional Medical Center,
1400001274; Spencer Ray Incorporated d/b/a/
Forward Edge Associates, 1400001573; Premier
Integrity Solutions, 1400001603; American
Legion, 1400001648; Disabled American Vets,
1400001650; Hazard ARH Imaging Center,
1400001678; Hazard Radiology Associates,
1400001740; Trilogy Rehabilitation Services,
LLC, 1400001776; Trilogy Rehabilitation
Services, LLC, 1400001957.

**THE FOLLOWING PERSONAL
SERVICE AMENDMENTS WERE
REVIEWED WITHOUT OBJECTION:**

CRIMINAL JUSTICE TRAINING,
DEPARTMENT OF:

Commonwealth Research Consulting
Incorporated, 1300002189; Rodney Dean Reder,
1300002517.

DEPARTMENT FOR BUSINESS
DEVELOPMENT:

Finn Weisse, 1200002843.

DEPARTMENT FOR PUBLIC HEALTH:
Crown Services Incorporated, 1300000307.
EDUCATIONAL TELEVISION,
KENTUCKY:

Tighe Publishing Services Incorporated,
1300001695.

FINANCE AND ADMINISTRATION
CABINET - DIVISION OF ENGINEERING:

Paladin Incorporated, 0600003090; Stantec
Consulting Services Incorporated, 1100001637;
ATC Associates Incorporated, 1200002604;
Third Rock Consultants, LLC, 1200003126;
Stantec Consulting Services Incorporated,
1300002153; Staggs & Fisher Consulting
Engineers Incorporated, 1400000570; Thelen
Associates Incorporated, 1400000717; EOP
Architects, 1400000960.

JUSTICE CABINET:

William C. Ralston, 1300001399.

MEDICAL LICENSURE, BOARD OF:
Multi, 1200002107.

PERSONNEL BOARD:

Colleen Beech, 1200002870; Ann M.
Sheadel, 1200002996; Roland P. Merkel,
1200003022.

PUBLIC ADVOCACY, DEPARTMENT
FOR:

George Burgess, 1400000498.

TRANSPORTATION CABINET:

HMB Professional Engineers Incorporated,
0700004075; HMB Professional Engineers
Incorporated, 0900012535; Applied Pavement
Technology Incorporated, 1100001466;
QK4, 1100002323; HMB Professional
Engineers Incorporated, 1100002335; QK4,
1200000162; URS Corporation, 1200000826;
HMB Professional Engineers Incorporated,
1200000966; Palmer Engineering Company,
1200002607; QK4, 1200003579; Cultural
Resource Analysts Incorporated, 1200003583;
Linebach Funkhouser Incorporated, 1200003609;
HMB Professional Engineers Incorporated,
1200003738; Third Rock Consultants, LLC,
1200003739; Linebach Funkhouser Incorporated,
1300000059; HMB Professional Engineers
Incorporated, 1300000069; HMB Professional
Engineers Incorporated, 1300000349; Parsons
Brinckerhoff Incorporated, 1300001224; E A
Partners, PLC, 1300001430; WMB Incorporated,
1300001682; H.W. Lochner Consulting
Incorporated, 1300001776; Palmer Engineering
Company, 1300001944; Burgess and Niple
Incorporated, 1300002497; ICA Engineering
Incorporated f/k/a Florence & Hutcheson
Incorporated, C-01228504-1.

UNIVERSITY OF KENTUCKY:

Bender Associates Architects, A131130;
Central Kentucky Interpreter Referral
Incorporated, K13-135.

WESTERN KENTUCKY UNIVERSITY:
Multi, 121421.

**THE FOLLOWING MEMORANDA
OF AGREEMENTS WERE REVIEWED
WITHOUT OBJECTION:**

CORRECTIONS, DEPARTMENT OF:

Grant County Jail, 1400001692; Grayson
County Jail, 1400001693; Hardin County Jail,
1400001694; Harlan County Fiscal Court,
1400001704; Hopkins County Detention Center,
1400001705; Marion County Jail, 1400001725;
Mason County Detention Center, 1400001726;
Pike County Detention Center, 1400001741;
Powell County Fiscal Court, 1400001835.

DEPARTMENT FOR ENVIRONMENTAL
PROTECTION:

US Department of Interior Geological
Survey, 1400001937; U.S. Department of Interior
Geological Survey, 1400001960.

DEPARTMENT FOR NATURAL

RESOURCES:

Northern Kentucky Urban Community Forest Council, 1400001935; Northern Kentucky Urban Community Forest Council, 1400001936; Kentucky KYTC Capital City Airport, 1400002087; Department for Environmental Protection, 1400002120.

DEPARTMENT FOR PUBLIC HEALTH:

Community Action Lexington Fayette, 1400001530; Four Rivers Behavioral Health, 1400001588; Adanta Group, 1400001590.

DEPARTMENT OF ENERGY DEVELOPMENT AND INDEPENDENCE:

University of Louisville Research Foundation, 1400001683.

DEPARTMENT OF WORKPLACE STANDARDS:

Department for Public Health OSHA Laboratory Services, 1400001315; Office of Vocational Rehabilitation, 1400001541.

EDUCATION, DEPARTMENT OF:

KCTCS, 1400001822; KCTCS, 1400001824.

EDUCATION, OFFICE OF THE SECRETARY:

Personnel Cabinet CETA Administration, 1400001565.

INFRASTRUCTURE AUTHORITY:

Letcher County Fiscal Court, 1400002020; Floyd County Fiscal Court, 1400002042; Harlan County Fiscal Court, 1400002385; Black Mountain Utility District, 1400002421.

JUSTICE CABINET:

University of Louisville, Department of Pathology, 1400002007; Access To Justice Foundation, 1400002014.

KENTUCKY HOUSING CORPORATION:

UK Research Foundation, 2015-004.

LIBRARIES & ARCHIVES, DEPARTMENT FOR:

Boyle County Public Library, 1400001136; Campbell County Public Library, 1400001138; Carroll County Public Library, 1400001139; Clark County Public Library, 1400001140; Daviess County Public Library, 1400001142; Elliott County Fiscal Court, 1400001149; Lexington Public Library, 1400001150; Fleming County Public Library, 1400001152; Grant County Public Library, 1400001153; Greenup County Public Library, 1400001183; Laurel County Public Library, 1400001185; Lawrence County Public Library, 1400001186; Lincoln County Public Library, 1400001188; McCreary County Public Library, 1400001190; Menifee

County Public Library, 1400001192; Metcalfe County Public Library, 1400001193; Morgan County Fiscal Court, 1400001194; Nelson County Public Library, 1400001195; Oldham County Public Library, 1400001200; Pulaski County Public Library, 1400001203; Robertson County Public Library, 1400001206; Wolfe County Public Library, 1400001210; Rowan County Public Library, 1400001940; Bell County Public Library, 1400002382.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT:

City of Nortonville, 1400001093; Leslie County Fiscal Court, 1400001617; Harlan County Fiscal Court, 1400001830; Union County Fiscal Court, 1400001904; Mason County Fiscal Court, 1400001930; City of Dawson Springs, 1400001933; City of Middlesboro, 1400001945; Hopkins County Fiscal Court, 1400001950; City of Ewing, 1400002251; Campbell County Fiscal Court, 1400002315; City of Greenville, 1400002496.

VETERANS AFFAIRS, DEPARTMENT OF:

Volunteers of America of Kentucky Incorporated, 1400001645; Brain Injury Alliance of Kentucky, 1400001661.

WORKFORCE INVESTMENT, OFFICE OF:

Kentucky Educational Television Foundation, 1400001596; Council on Postsecondary Education, 1400001695.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS:

Lifeskills Corporation Offices, 1300003098; Kentucky River Community Care Incorporated, 1400000975.

AGRICULTURE, DEPARTMENT OF:

Multi, 1300001595.

DEPARTMENT FOR AGING & INDEPENDENT LIVING:

Lincoln Trail Area Development District, 1300002008; Kentuckiana Regional Planning & Development Agency, 1300002009; Big Sandy Area Development District, 1300002014; Barren River Area Development District, 1300002028.

DEPARTMENT FOR BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES:

Pennyroyal Regional Mental Health Mental Retardation Board, 1200001110; Four Rivers

Behavioral Health, 1300001811; Pennyroyal Mental Health, 1300001812; Green River Regional Mental Health Mental Retardation Board d/b/a Rivervalley Behavior, 1300001813; Lifeskills Incorporated, 1300001814; Seven Counties Services, 1300001816; Northern Kentucky Regional Mental Health Mental Retardation Board, 1300001817; Comprehend Incorporated, 1300001818; Pathways Incorporated, 1300001819; Kentucky River Community Care, 1300001821; Cumberland River Mental Health Mental Retardation Board Incorporated, 1300001822; Bluegrass Regional Mental Health Mental Retardation, 1300001824.

DEPARTMENT FOR COMMUNITY BASED SERVICES:

Kentucky Association of Sexual Assault Programs, 1300002077.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION:

University of Kentucky Medical, 1300002978.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES:

Kentucky Domestic Violence Association, 1200003629; Homeless and Housing, 1200003665; Green River Area Development District, 1200003670; Barren County Board of Education, 1300000226; Project Unite, 1300000230; Ohio Valley Education Cooperative, 1300000240; Murray State University, 1300001965; Northern Kentucky Community Action, 1400000004; Green River Area Development District, 1400000011; Jefferson County Board of Education, 1400000479.

EDUCATION, DEPARTMENT OF:

Treasurer Casey County Board of Education, 1300000079; Treasurer Jefferson County Board of Education, 1300002490; Treasurer Jefferson County Board of Education, 1300002494; Trustees of Indiana University, 1300002548; Carter County Board of Education, 1300002555; McCracken County Board of Education, 1300002572; Georgetown College, 1300002651; Warren County Board of Education, 1300002693; Martin County Board of Education, 1400000321; Council on Postsecondary Education, 1400000346.

FISH & WILDLIFE, DEPARTMENT OF:

Henderson County Fiscal Court, 1300002522.

INFRASTRUCTURE AUTHORITY:

Letcher County Fiscal Court, 0900012856.

MILITARY AFFAIRS, DEPARTMENT OF:

Multi, 0700004519; Multi, 0800011229; Multi, 0900011669; Multi, 0900012807; Multi, 1000000349; Multi, 1100000456; Jessamine County Fiscal Court, 1400000381.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT:

Harlan County Fiscal Court, 0700003421; Federation of Appalachian Housing Enterprises, 1000000714; Breathitt County Fiscal Court, 1000003995; Troublesome Creek Environmental Authority, 1200000746; Troublesome Creek Environmental Authority, 1200000747; Harlan County Fiscal Court, 1200000998; Breathitt County Fiscal Court, 1200001039; Union County Fiscal Court, 1200001040; Johnson County Fiscal Court, 1200001277; Johnson County Fiscal Court, 1200001284; Johnson County Fiscal Court, 1200001287; Hopkins County Fiscal Court, 1200002503; Pike County Fiscal Court, 1200003408; Pike County Fiscal Court, 1200003653; Leslie County Fiscal Court, 1300000539; Leslie County Fiscal Court, 1300000541; Knott County Fiscal Court, 1300000722; Muhlenberg County Fiscal Court, 1300000801; Webster County Fiscal Court, 1300000805; Leslie County Fiscal Court, 1300000937; Floyd County Fiscal Court, 1300000941; Breathitt County Fiscal Court, 1300000945; Wolfe County Board of Education, 1300001058; Harlan County Fiscal Court, 1300001121; Harlan County Fiscal Court, 1300001122; Harlan County Fiscal Court, 1300001124; Harlan County Fiscal Court, 1300001129; Harlan County Fiscal Court, 1300001130; Harlan County Fiscal Court, 1300001131; Harlan County Fiscal Court, 1300001132; Harlan County Fiscal Court, 1300001134; Harlan County Fiscal Court, 1300001136; Harlan County Fiscal Court, 1300001137; Harlan County Fiscal Court, 1300001138; Harlan County Fiscal Court, 1300001146; Harlan County Fiscal Court, 1300001147; Harlan County Fiscal Court, 1300001148; Harlan County Fiscal Court, 1300001149; Harlan County Fiscal Court, 1300001150; Harlan County Fiscal Court, 1300001151; Harlan County Fiscal Court, 1300001154; Harlan County Fiscal Court, 1300001155; Harlan County Fiscal Court, 1300001156; Harlan County Fiscal Court, 1300001157; Harlan County Fiscal Court, 1300001158; Harlan County Fiscal

Court, 1300001159; Harlan County Fiscal Court, 1300001160; Knox County Fiscal Court, 1300001167; Union County Fiscal Court, 1300001173; Leslie County Fiscal Court, 1300001177; Johnson County Fiscal Court, 1300001182; Menifee County Fiscal Court, 1300001197; Wolfe County Fiscal Court, 1300001205; City of Elkhorn City, 1300001411; City of Prestonsburg, 1300001414; Henderson County Fiscal Court, 1300001434; Hopkins County Fiscal Court, 1300001470; Breathitt County Fiscal Court, 1300001544; City of Pineville, 1300001561; Union County Fiscal Court, 1300001590; Leslie County Fiscal Court, 1300001611; Harlan County Fiscal Court, 1300001635; Harlan County Fiscal Court, 1300001643; Harlan County Fiscal Court, 1300001645; Harlan County Fiscal Court, 1300001647; City of Barbourville, 1300001664; Floyd County Fiscal Court, 1300001666; Harlan County Fiscal Court, 1300001697; Harlan County Fiscal Court, 1300001698; Harlan County Fiscal Court, 1300001699; Harlan County Fiscal Court, 1300001700; Harlan County Fiscal Court, 1300001701; Harlan County Fiscal Court, 1300001702; Knox County Fiscal Court, 1300001788; Floyd County Fiscal Court, 1300001801; Union County Fiscal Court, 1300001840; Bell County Fiscal Court, 1300001842; Webster County Fiscal Court, 1300001857; Ohio County Fiscal Court, 1300001887; Morgan County Board of Education, 1300001917; Consolidated Health Systems d/b/a Highland Health System, 1300002053; City of Prestonsburg, 1300002202; Hancock County Fiscal Court, 1300002609; Kenton County Fiscal Court, 1300002646; City of Greenville, 1300002688; Middlesboro Independent Board of Education, 1300002828; Martin County Fiscal Court, 1300002863; Pike County Fiscal Court, 1300002869; City of Clay, 1300002887; City of Prestonsburg, 1300003101; Leslie County Fiscal Court, 1300003103; Floyd County Fiscal Court, 1300003140; Bell County Fiscal Court, 1400000228; Madisonville Community College, 1400000284; Hopkins County Fiscal Court, 1400000312; Johnson County Fiscal Court, 1400000316; Morgan County Board of Education, 1400000660; Knox County Fiscal Court, 1400000701; Knox County Fiscal Court, 1400000720; Knox County Fiscal Court, 1400000738; Pike County Fiscal Court, 1400000743; Morgan County Board of Education, 1400000744; Harlan County Fiscal

Court, 1400000790; Harlan County Fiscal Court, 1400000791; Bell County Board of Education, 1400000962; Bell County Board of Education, 1400000983; Bell County Board of Education, 1400000984; City of Pineville, 1400000999.

TRANSPORTATION CABINET:

Kentucky Association of Chiefs of Police, 1400000119; Kentucky Association of Chiefs of Police, 1400000124; Kentucky Association of Chiefs of Police, 1400000129; Kentucky Association of Chiefs of Police, 1400000132; Kosair Children's Hospital, 1400000244; T J Samson Community Hospital, 1400000258.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR INCOME SUPPORT:

John M. Reed, MD, 1400000928; John M. Reed, MD, 1400000938. Doug Lefevers, Shawnee Bennett, and Todd Mobley discussed the contracts with the committee. A motion was made by Senator Gregory to consider the contracts as reviewed. Representative Horlander seconded the motion, which passed without objection.

EDUCATION PROFESSIONAL STANDARDS BOARD:

Linda Nickel, 1400002106. Alicia Sneed discussed the contract with the committee. A motion was made by Senator Gregory to consider the contract as reviewed. Representative Yonts seconded the motion, which passed without objection.

EDUCATION PROFESSIONAL STANDARDS BOARD:

Cathy A. Jackson, 1400002353. Alicia Sneed discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Representative Horlander seconded the motion, which passed without objection.

TRANSPORTATION CABINET:

QK4, 1400001951. Mike Hill and Marshall Carrier discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Representative Horlander seconded the motion, which passed with Representative Montell and Senator Gregory electing to abstain (pass).

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

CORRECTIONS, DEPARTMENT OF:

Correct Care Incorporated, 1300001272. Reba Lewis and Stephen Castle discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Representative Horlander seconded the motion, which passed with Representatives Crenshaw and Yonts electing to abstain (pass).

UNIVERSITY OF LOUISVILLE:

Stites & Harbison, PLLC, 14-022. Dana Mayton and Jennifer Elliott discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed without objection.

THE FOLLOWING MEMORANDUM OF AGREEMENT WAS SELECTED FOR FURTHER REVIEW:

ADMINISTRATIVE OFFICE OF THE COURTS:

Morehead State University, 1400001526. Leslie Brown and Connie Neal discussed the contract with the committee. A motion was made by Representative Crenshaw to consider the contract as reviewed. Senator Carroll seconded the motion, which passed without objection.

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

DEPARTMENT FOR COMMUNITY BASED SERVICES:

Louisville/Jefferson County Metro Government, 1300002092; Northeast Kentucky Community Action Agency, 1300002095. Jason Dunn and Todd Trapp discussed the contracts with the committee. A motion was made by Representative Yonts to consider the contracts as reviewed. Representative Crenshaw seconded the motion, which passed without objection.

MILITARY AFFAIRS, DEPARTMENT OF:

Multi, 1000002374. Stephanie Robey and Jessica Mitchell discussed the contract with the committee. A motion was made by Representative Hornback to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed without objection.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT:

Webster County Fiscal Court, 1200002596; Harlan County Fiscal Court, 1300001123; Laurel County Fiscal Court, 1300001278, Clay County Public Library, 1300001342, City of Pineville, 1300001560. Amy Barnes and Darren Sammons discussed the contracts with the committee. A

motion was made by Representative Montell to consider the contracts as reviewed. Representative Crenshaw seconded the motion, which passed without objection.

EXEMPTION REQUESTS:

ENERGY AND ENVIRONMENT CABINET, OFFICE OF THE SECRETARY:

The Office of the Secretary, Energy and Environment Cabinet on behalf of the Kentucky Heritage Land Conservation Fund requested an exemption pertaining to the biennial requirement GCRC Policy Statement 99-4 and from the committee's routine review process. A motion was made by Representative Yonts to grant the request to June 30, 2018. Representative Montell seconded the motion, which passed without objection.

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION:

The Kentucky Council on Postsecondary Education requested an exemption from the committee's routine review process for the Title II of the Workforce Investment Act Memoranda of Agreement, Title IV for the Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP) grant and the Improving Teacher Quality (IEQ) state grant (part of the No Child Left Behind Act). A motion was made by Representative Yonts to grant the request to June 30, 2016. Representative Crenshaw seconded the motion, which passed without objection.

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

GOVERNMENT CONTRACT REVIEW COMMITTEE

Committee Minutes

June 10, 2014

Call to Order and Roll Call

The Government Contract Review Committee met on Tuesday, June 10, 2014, at 10:00 AM, in Room 131 of the Capitol Annex. Representative Dennis Horlander, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Sara Beth Gregory, Co-Chair; Representative Dennis Horlander, Co-Chair; Senators Julian M. Carroll and Paul Hornback; Representatives Jesse Crenshaw, Brad Montell, and Brent Yonts.

Guests: Andrea Smith, Joy Moll, Laura Begin, Shawnee Bennett, Todd Mobley,

Doug Lefevers, Tammy Isenberg, Cara Clay, Chris Workman, Sharon Clark, DJ Wasson, David Gordon, Jim Clark, Charlie Harmon, Thelma Hawkins, Tommy Floyd, Gregory Johnson, David Wicker, Paula Schenk, Nathan Goldman, Walt Gaffield, Chris Biddle, Robert Brown, Jenny Goins, Travis Powell, Ron Carson, David Talley, Peggy Stratton, Kevin Martin, David Martin, Stephen Castle, Jim Erwin, Cookie Crews.

LRC Staff: Kim Eisner and Jennifer Wilson.

A motion was made by Representative Yonts to approve Minutes of the May 2014, meeting of the committee. Senator Carroll seconded the motion, which passed without objection.

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

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

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

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

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

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

AGRICULTURE, DEPARTMENT OF:

Core Laboratories L.P., 1400001986; Miss Kentucky Scholarship Organization Incorporated, 1400002345; McBrayer McGinnis Leslie and Kirkland, 1400002347.

AUDITOR OF PUBLIC ACCOUNTS, OFFICE OF THE:

Tichenor and Associates, 1400002254; Peercy and Gray, 1400002344; Morgan Franklin, LLC, 1400002348; Crowe Horwath, LLP, 1400002758.

CABINET FOR HEALTH AND FAMILY SERVICES:

Fred de Rosset, 1400002517.

CORRECTIONS, DEPARTMENT OF:

Chrysalis House Incorporated, 1400001430; Hope Center, 1400001432; Brenda Laurie Huntsman, 1400001985; Counseling Association of Lexington, 1400002026; Transitions Incorporated, 1400002039; Transitions Incorporated, 1400002388; Big Brothers Big Sisters of Kentuckiana Incorporated, 1400002405; Glenn Stuart Minor, 1400002447; Transitions Incorporated, 1400002504.

CRIMINAL JUSTICE TRAINING, DEPARTMENT OF:

Law Enforcement Services Incorporated (LESI), 1400001812; William Oscar Rousseau, 1400001961; Rodney Dean Reder, 1400001962.

DEPARTMENT FOR INCOME SUPPORT:

Maximus Human Services Incorporated, 1400001010.

DEPARTMENT FOR MEDICAID SERVICES:

Fairbanks, LLC, 1400001003; Myers and Stauffer, LC, 1400001015; Myers and Stauffer, LC, 1400001088; Multi, 1400001129.

DEPARTMENT FOR PUBLIC HEALTH:

University of Louisville Hospital, 1400001072; Mayo Medical Laboratories, 1400001187.

DEPARTMENT OF INSURANCE:

Prometric Incorporated, 1400002524; Pinnacle Actuarial Resource Incorporated, 1400002592; Merlinos & Associates Incorporated, 1400002598; Madison Consulting Group Incorporated, 1400002600; Actuarial Resources Corporation, 1400002611; Highland Clark, LLC, 1400002729; J.W.G. Financial Examinations, LLC, 1400002781; Black, Benton and Associates, LLC, 1400002786; Maynard Consulting, LLC, 1400002796; Brent D. Simpson Consulting, 1400002815; RCM Examinations, LLC, 1400002830; MDG Examination Consulting, LLC, 1400002834.

EASTERN KENTUCKY UNIVERSITY:

MGT of America Incorporated, 16-003; Employee Network Incorporated, 16-005; Assured NL Insurance Agency Incorporated f/k/a Neace Lukens, 16-006; BioMedical Research Services, 16-023; Solaritech d/b/a The Solarity

Group, 16-024; Dr. Vincent J. Mullen, II, 16-026.

EDUCATION PROFESSIONAL

STANDARDS BOARD:

Robert S. Thompson III, 1400001767; Cynthia Grohmann, 1400002305; Chelsea Fannin, 1400002446; Constance M. Evans, 1400002897; Judy Kurtz, 1400002898; Karla H. Spencer, 1400002899; Deborah Mapp-Embry, 1400002900.

EDUCATION, DEPARTMENT OF:

Metametrics, 1400002589.

EDUCATIONAL TELEVISION, KENTUCKY:

Vince Spoelker, 1400002554; Susan B. Hines Bricker, 1400002685.

ENGINEERS & LAND SURVEYORS, KENTUCKY BOARD OF REGISTRATION FOR PROFESSIONAL:

Edmund S. Miller, Jr., 1400001964; Robert S. Thompson, III, 1400002381.

FINANCE AND ADMINISTRATION CABINET:

McBrayer McGinnis Leslie and Kirkland, 1400002541; Merlinos & Associates Incorporated, 1400002551; Blue & Company, LLC, 1400002572; Arbitrage Compliance Specialists, Inc., 1400002581; Conliffe Sandmann and Sullivan, 1400002590; Embry Merritt Shaffar Womack, PLLC, 1400002889.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING:

Kentucky Auctioneers Associates Incorporated, 1400002518.

GOVERNORS OFFICE FOR TECHNOLOGY:

Columbia Telecommunications Corporation, 1400002511.

INFRASTRUCTURE AUTHORITY:

Dinsmore & Shohl, LLP, 1400002397.

KENTUCKY HOUSING CORPORATION:

Winifred K. Smith, 2015-26; Matt Fiscus, 2015-28; Kenneth Slattery, Whole Kentucky Home, LLC, 2015-29.

KENTUCKY LOTTERY CORPORATION:

Kizan Technologies, LLC, 15-05-013; PriceWeber Marketing Communications, Inc., 15-08-043; Bandy Carroll Hellige, 15-09-042; Valenti, Hanley & Robinson, PLLC, 15-11-037-1; Blue & Company, LLC, 15-13-029.

KY RACING COMMISSION:

Durham Jones & Pinegar, 1400002341; McBrayer McGinnis Leslie and Kirkland, 1400002350; Stoll Keenon Ogden, PLLC, 1400002352.

LEGISLATIVE RESEARCH COMMISSION:

Landrum & Shouse, LLP, 14-15-15.

MILITARY AFFAIRS, DEPARTMENT

OF:

Utilities Aviation Specialists Incorporated, 1400001997.

MOREHEAD STATE UNIVERSITY:

CG&B Marketing, LLC, 15-001.

MURRAY STATE UNIVERSITY:

Sherman, Carter, Barnhart, PSC, 019-14; Hastings & Chivetta Incorporated, 020-14.

PERSONNEL-OFFICE OF THE SECRETARY:

Mercer Investment Consulting Incorporated, 1400001762; Blue & Company, LLC, 1400002605.

TRANSPORTATION CABINET:

Dennis Badger & Associates Incorporated, 1400001056; CEI Appraisal Group Incorporated, 1400001326; Allgeier Company, 1400001327; Tammy L. Barnes, 1400001328; James Bauer, 1400001329; Rick O. Baumgardner, 1400001331; Edward L. Beck, 1400001332; Berkley Appraisal Company, 1400001333; Charles Joseph Bird, 1400001334; Harold Brantley, 1400001336; Paul D. Brown, 1400001338; William R. Cox, 1400001342; Curd Professional Appraisal Service, 1400001343; James Doran, 1400001344; Intequal-Duncan Appraisal, 1400001345; Robert Edwards, 1400001346; Gary Endicott, 1400001347; Thurston Freeman, 1400001349; Thomas Ray Garner, 1400001350; Allgeier Company, 1400001351; Dennis Badger & Associates Incorporated, 1400001353; Keaton Real Estate Services LLC, 1400001355; Jere Kennedy, 1400001356; John Daniel Lyons, 1400001358; Allgeier Company, 1400001359; Paul E. McDonogh, 1400001360; McPherson Appraisal Service, Douglas McPherson, 1400001361; Kentucky Field Service Realty, 1400001362; Murphy Napier and Company Real Estate Appraisers Incorporated, 1400001363; Dixon Nunnery, 1400001364; Brook Ping, 1400001365; G. Herbert Pritchett, 1400001367; Stephen G. Raleigh, 1400001368; Darval E. Rash, 1400001372; Russell Roberts Appraisals Incorporated, 1400001373; Appco Appraisal Service Incorporated, 1400001374; W. Clement Russell, 1400001375; F A R M Appraisals, 1400001376; David P. Schoepf Associates, 1400001377; Shouse, Belinda d/b/a Brandis Incorporated, 1400001378; Darin Sizemore, 1400001379; Sloan Appraisal & Realty Services,

1400001380; Philip J. Tamplin, Jr., 1400001381; Dana Thornberry Appraisals, LLC, 1400001382; E. Clark Toleman, 1400001383; Waldrop and Associates, 1400001384; Cornerstone Commercial Appraising & Real Estate, LLC, 1400001385; Williams Appraisal Company, 1400001386; Vaughn and Melton, 1400001389; Assured NL Insurance Services Incorporated, 1400001516; Charles R. Hines, 1400001522; Blue & Company, LLC, 1400001984; E. Patrick Moores, 1400002058; Blankenship Massey & Associates, PLLC, 1400002060; Bowles Rice, LLP, 1400002063; Embry Merritt Shaffar Womack, PLLC, 1400002065; Fox Wood Wood and Estill, 1400002066; Hazelrigg and Cox, 1400002069; Kerrick Bachert Stivers, PSC, 1400002072; Logan & Gaines, PLLC, 1400002073; McMurry and Livingston, 1400002074; Morgan and Pottinger, 1400002076; Patrick Law Firm, 1400002078; Reed Weitkamp Schell and Vice, 1400002079; Sturgill Turner Barker and Moloney, PLLC, 1400002080; Tooms & Dunaway, PLLC, 1400002081; Vanantwerp, Monge, Jones, Edwards & McCann, LLP, 1400002082; Wallace Boggs, PLLC, 1400002084; Walther, Roark & Gay, PLC, 1400002086; Wanda Ballard Repasky, Attorney at Law, 1400002088; GRW Aerial Surveys Incorporated, 1400002667; Woolpert Incorporated, 1400002680; Photo Science Incorporated, 1400002684; Wyatt Tarrant and Combs, 1400002807; Lee Engineering, LLC, 1400002852; Linebach Funkhouser Incorporated, 1400002854; CDP Engineers Incorporated, 1400002855; Lee Engineering, LLC, 1400002856; Linebach Funkhouser Incorporated, 1400002857; Burgess and Niple Incorporated, 1400003102; QK4, 1400003194; Stantec Consulting Services Incorporated, 1400003195; Parsons Brinckerhoff Incorporated, 1400003196.

UNIVERSITY OF KENTUCKY:

Ross Tarrant Architects, A141200; Omni Architects, A141210; SC Search Consultants, LLC d/b/a BeecherHill Search, K14-149; BKD Incorporated, K14-150; hyperCision Consulting, K14-151.

UNIVERSITY OF LOUISVILLE:

VB Consulting, 15-008; John McGinnis Auctioneers Incorporated d/b/a McGinnis Auction & Appraisal Service, 15-009; Crowe Horwath, LLP, 15-010; Laureate Consulting Group d/b/a Chartwell Business Advisors Ltd., 15-011; Multi, 15-013; Aon Consulting, 15-018.

VETERANS AFFAIRS, DEPARTMENT OF:

Veterans of Foreign Wars, 1400001651; Baptist Health Madisonville Incorporated, 1400002019; Baptist Health Madisonville Incorporated, 1400002023; Baptist Health Madisonville Incorporated, 1400002024; Baptist Health Madisonville Incorporated, 1400002025; Quality Mobile X-Ray Services Incorporated, 1400002522; Multi, 1400002542; Firstlab, LLC, 1400002743; Trilogy Rehabilitation Services, LLC, 1400002967.

WESTERN KENTUCKY UNIVERSITY:

Multi, 141502; RuffaloCODY, 141503; Grant Thornton, LLP, 141504; Mid Continent Research for Education and Learning, 141505; Sibson Consulting, 141506; Crowe Horwath, LLP, 141507; Kerrick Bachert Stivers, PSC, 141604; Quest Diagnostics, 141605; Multi, 141606; Educational Computer Systems Incorporated, 141608; Multi, 1416207.

Workers Claims, Department of:

Underwriters Safety and Claims Incorporated, 1400001321.

WORKFORCE INVESTMENT, OFFICE OF:

Edward J. Donahue, 1400002467; Donald L. Chaffin, 1400002623; Tonya D. Westmoreland, 1400002634; Chua Corazon, 1400002637.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

BOARD OF PROFESSIONAL COUNSELORS:

Scanlan Associates, LLC, 1400000502.

DEPARTMENT FOR BUSINESS DEVELOPMENT:

Finn Weisse, 1200002843.

DEPARTMENT FOR COMMUNITY BASED SERVICES:

Public Consulting Group Incorporated, 1400000444.

DEPARTMENT FOR PUBLIC HEALTH:

Kentucky Hospital Research & Education Foundation, 1200002794; Multi, 1300002593.

EDUCATION, DEPARTMENT OF:

NCS Pearson Incorporated, 1200002693; Measured Progress, 1200003646; Larry Hammond, 1300001396.

FINANCE AND ADMINISTRATION CABINET:

Merlinos & Associates Incorporated, 1200002344.

FINANCE AND ADMINISTRATION

CABINET - DIVISION OF ENGINEERING:

Arrasmith Judd Rapp Chovan Incorporated, 0900011608; URS Corporation, 1100000073; Michael Baker Jr. Incorporated, 1200002777; Omni Architects, 1300002049; K. Norman Berry Associates, 1300002050; Stantec Consulting Services Incorporated, 1400000625.

KENTUCKY LOTTERY CORPORATION:

Avnet Government Solutions, 14-14-038.

LEGISLATIVE

RESEARCH

COMMISSION:

Robert L. Linn, 13/14-05; Ron Hambleton, 13/14-06; Pat Roschewski, 13/14-07; Daniel Koretz, 13/14-08; Doris Redfield, 13/14-09.

MEDICAL LICENSURE, BOARD OF:

Multi, 1200002107; Thomas J. Hellmann, PLLC, 1200002716.

MILITARY AFFAIRS, DEPARTMENT

OF:

Family Dynamics Behavioral Health Care, PLLC, 1200003729; Mark E. Demuth, 1400000974.

MOREHEAD STATE UNIVERSITY:

Stamats Incorporated, 14-018.

PERSONNEL-OFFICE OF THE SECRETARY:

Multi, 1400001998.

POST SECONDARY EDUCATION, COUNCIL ON:

The Lampo Group Incorporated, 1300000460; CBW Associates, 1300000989; Premier Agendas Incorporated, 1400000082.

TRANSPORTATION CABINET:

American Engineers Incorporated, 1100003014; ICA Engineering Incorporated f/k/a Florence & Hutcheson Incorporated, 1100003026; American Engineers Incorporated, 1200000220; Vaughn & Melton Consulting Engineers Incorporated, 1200000458; Stantec Consulting Services Incorporated, 1200002065; John E. Witt, 1200002656; Occupational Health Center of the Southwest, 1200003409; Lee Engineering, LLC, 1200003606; Lee Engineering, LLC, 1300000057; HMB Professional Engineers Incorporated, 1300000186; HMB Professional Engineers Incorporated, 1300000190; HMB Professional Engineers Incorporated, 1300000199; HMB Professional Engineers Incorporated, 1300000207; EA Partners, PLC, 1300002652; Stantec Consulting Services Incorporated, 1300002846; Palmer Engineering Company, C-00124800-5; Gresham Smith and Partners, C-01209233-3.

UNIVERSITY OF KENTUCKY:

Economic Research Services Incorporated d/b/a ERS Group, K13-172; Academic Leadership Associates, K14-127.

WESTERN KENTUCKY UNIVERSITY: Educational Computer Systems Incorporated, 121401; Murphy & Graves Architects, 121439.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

AGRICULTURE, DEPARTMENT OF: Northern Kentucky Area Development District, 1400001969; Purchase Area Development District, 1400001970; God's Pantry Food Bank Incorporated, 1400001971; Dare to Care Food Bank, 1400001972; Feeding America, Kentucky's Heartland, 1400001973; Dare to Care Food Bank, 1400001975; Feeding America, Kentucky's Heartland, 1400001977; God's Pantry Food Bank Incorporated, 1400001978; Purchase Area Development District, 1400001979; Northern Kentucky Area Development District, 1400001980; University of Kentucky Research Foundation, 1400001981.

BOARD OF LICENSURE FOR PRIVATE INVESTIGATORS:

Occupations and Professions, 1400001254.
BOARD OF PROFESSIONAL COUNSELORS:

Occupations and Professions, 1400001208.
COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS:

University of Kentucky Research Foundation, 1400001559; University of Kentucky Research Foundation, 1400001652.

CORRECTIONS, DEPARTMENT OF: Danville Public Library Incorporated, 1400001172; Hardin County Jail, 1400001428; Boyle County Detention Center, 1400001569; Christian County Jail, 1400001644; Fulton County Jail, 1400001688; Henderson County Jail, 1400001770; Bullitt County Jail, 1400001772; Seven Counties Services Incorporated, 1400001832; Seven Counties Services Incorporated, 1400001836; University of Kentucky Research, 1400001912; Eastern Kentucky University, 1400001967.

CRIMINAL JUSTICE TRAINING, DEPARTMENT OF: Eastern Kentucky University, 1400001399; Eastern Kentucky University, 1400001400; University of Louisville, 1400001403.

DEPARTMENT FOR BEHAVIORAL HEALTH, DEVELOPMENTAL AND

INTELLECTUAL DISABILITIES: Department of Education, 1400002513.
DEPARTMENT FOR ENVIRONMENTAL PROTECTION:

UK Research Foundation, 1400001991.
DEPARTMENT FOR INCOME SUPPORT: Kentucky State Police Headquarters, 1400001330.

DEPARTMENT FOR MEDICAID SERVICES: Department of Education, 1400001004; Kentucky Board of Nursing, 1400001127; University of Kentucky Research Foundation, 1400001179; Veterans Affairs, 1400001261.

DEPARTMENT FOR NATURAL RESOURCES: Kentucky Waterways Alliance Incorporated, 1400002457.

DEPARTMENT FOR PUBLIC HEALTH: Kentucky Board of Emergency Medical Service, 1400002005.

DEPARTMENT OF ENERGY DEVELOPMENT AND INDEPENDENCE: Cedar Incorporated, 1400002742.

DIETITIANS & NUTRITIONISTS, BOARD OF LICENSURE CERTIFICATION:

Occupations and Professions, 1400001218.
EDUCATION, DEPARTMENT OF: Multi, 1400002048.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING: City of Frankfort, 1400002396.

FISH & WILDLIFE, DEPARTMENT OF: US Fish and Wildlife Service, 1400001744.
GEOLOGISTS, BOARD OF:

Occupations and Professions, 1400001255.
JUSTICE CABINET:

Department of Pathology and Laboratory Medicine, 1400002378; Project Unite, 1400002425.

JUVENILE JUSTICE, DEPARTMENT OF:

Eastern Kentucky University, 1400001994; Eastern Kentucky University, 1400002731.

KENTUCKY BOARD OF HOME INSPECTORS:

Occupations and Professions, 1400001176.
KENTUCKY BOARD OF LICENSURE FOR MASSAGE THERAPY:

Occupations and Professions, 1400001215.
KENTUCKY RIVER AUTHORITY:

Bluegrass Water Supply Commission, 1400002099; US Department of Interior Geological Survey, 1400002318; University of

Kentucky Research Foundation, 1400002547.
MARRIAGE AND FAMILY THERAPISTS, BOARD OF LICENSURE FOR: Occupations and Professions, 1400001248.
OCCUPATIONAL THERAPY, BOARD OF:

Occupations and Professions, 1400001244.
OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT: Adair County Fiscal Court, 1400001061; Bell County Fiscal Court, 1400002357; Bell County Fiscal Court, 1400002362; Floyd County Fiscal Court, 1400002363; Fulton County Fiscal Court, 1400002402; City of Hartford, 1400002414; Housing Partnership, 1400002620; Perry County Fiscal Court, 1400002643; Letcher County Fiscal Court, 1400002658; Harlan County Fiscal Court, 1400002718; Knott County Fiscal Court, 1400002724; Jackson County Fiscal Court, 1400002771; Bell County Fiscal Court, 1400002803; Union County Fiscal Court, 1400002904; Lincoln County Fiscal Court, 1400002925; Lyon County Fiscal Court, 1400002930.

OSH REVIEW COMMISSION: Attorney General, 1400002579.

SPEECH-LANGUAGE PATHOLOGY & AUDIOLOGY, BOARD OF:

Occupations and Professions, 1400001249.
TRANSPORTATION CABINET:

Commonwealth Office of Technology, 1400001519; Kentucky Department of Corrections, 1400001521; Kentucky Transportation Center, 1400001561; National Highway Institute, 1400001562; Kentucky Transportation Center, 1400001566; Kentucky Waterways Alliance, 1400001685; Kentucky Natural Lands Trust Incorporated, 1400001722.

VETERANS AFFAIRS, DEPARTMENT OF:

Epilepsy Foundation Kentuckiana Incorporated, 1400001662.

VETERINARY EXAMINERS, BOARD OF:

Occupations and Professions, 1400001252.
WORKFORCE INVESTMENT, OFFICE

OF: Kentucky Transportation Cabinet, 1400001257; UK Research Foundation, 1400002387; UK Research Foundation, 1400002392; UK Research Foundation, 1400002400; UK Research Foundation, 1400002422; Morehead State University, 1400002424; Eastern Kentucky University,

1400002441; Eastern Kentucky University, 1400002445; Spalding University Entech, 1400002514; Western Kentucky Assistive Technology Center, 1400002585; Redwood School and Rehabilitation Center, 1400002588; Council on Developmental Disabilities Incorporated, 1400002599.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS:

River Valley Behavioral Health, 1300003154.

AGRICULTURE, DEPARTMENT OF:

Multi, 1100001230; Multi, 1300001593; Multi, 1300001595.

DEPARTMENT FOR AGING & INDEPENDENT LIVING:

Purchase Area Development District, 1300002004; Pennyrile Area Development District, 1300002005; Kentuckiana Regional Planning & Development Agency, 1300002009; Northern Kentucky Area Development District, 1300002010; FIVCO Area Development District, 1300002013; Cumberland Valley Area Development District, 1300002016; Lake Cumberland Area Develop District, 1300002019; Bluegrass Area Development District Title III, 1300002020.

DEPARTMENT FOR COMMUNITY BASED SERVICES:

Kentucky Housing Corporation, 1300001283.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES:

Multi, 1300001954; Multi, 1300001955; Jefferson County Board of Education, 1300001956; Multi, 1300001957; Multi, 1300001958; Multi, 1300001959; Multi, 1300001960; Multi, 1300001961; Multi, 1300001962; Multi, 1300001963; Multi, 1300001964.

EDUCATION, DEPARTMENT OF:

Ballard County Board of Education, 1300000064; Berea Independent Board of Education, 1300000066; Boone County Board of Education, 1300000068; Bourbon County Board of Education, 1300000070; Boyd County Board of Education, 1300000072; University of Kentucky, 1300000607; Western Kentucky University, 1300002855; Madisonville Community College, 1300002917; Eastern Kentucky University,

1300002920.

INFRASTRUCTURE AUTHORITY:

Mountain Water District, 1400001555.

MILITARY AFFAIRS, DEPARTMENT OF:

Multi, 0600000819; Multi, 0800007107; Multi, 1100001569; Multi, 1200003933; Multi, 1200003957; Multi, 1200003959; Multi, 1300000008; Multi, 1300000009; Multi, 1300002443; Multi, 1400001322.

OFFICE OF INSPECTOR GENERAL:

Kentucky State Police, 1200003396.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT:

Letcher County Fiscal Court, 0600002930; Letcher County Fiscal Court, 0600002936; Letcher County Fiscal Court, 0700004134; McCreary County Fiscal Court, 0700005807; City of Bellevue, 0700006414; Letcher County Fiscal Court, 0700006672; Letcher County Fiscal Court, 0700006717; City of Covington, 0800007100; Knott County Fiscal Court, 0800008603; City of Cynthiana, 0800010040; Letcher County Fiscal Court, 0900012930; Letcher County Fiscal Court, 0900013166; Letcher County Fiscal Court, 1000000908; Big Sandy Regional Independent Development Authority, 1000001496; Letcher County Fiscal Court, 1000003400; City of Providence, 1200000206; Letcher County Fiscal Court, 1200000290; Letcher County Fiscal Court, 1200000291; Letcher County Fiscal Court, 1200000292; Madisonville Community College, 1200000596; Elliott County Fiscal Court, 1200000771; Coal Fields Regional Independent Authority, 1200000963; Letcher County Fiscal Court, 1200001352; Letcher County Fiscal Court, 1200001356; Letcher County Fiscal Court, 1200001368; Letcher County Fiscal Court, 1200001369; Henderson County Fiscal Court, 1200002088; Webster County Fiscal Court, 1200002130; Letcher County Fiscal Court, 1200002818; City of Mount Olivet, 1200003919; City of Campbellsville, 1300000022; Laurel County Fiscal Court, 1300000524; Laurel County Fiscal Court, 1300000526; Laurel County Fiscal Court, 1300000528; Laurel County Fiscal Court, 1300000529; Laurel County Fiscal Court, 1300000530; Laurel County Fiscal Court, 1300000531; Laurel County Fiscal Court, 1300000532; Laurel County Fiscal Court, 1300000533; Laurel County Fiscal Court, 1300000534; Laurel County Fiscal Court, 1300000535; Laurel County Fiscal Court, 1300000545; City of Berea, 1300000547;

Laurel County Fiscal Court, 1300000563; City of Columbia, 1300000635; Knott County Fiscal Court, 1300000723; Muhlenberg County Fiscal Court, 1300000801; Webster County Fiscal Court, 1300000804; City of Sturgis, 1300000811; Whitley County Fiscal Court, 1300000825; City of Saint Charles, 1300000873; Letcher County Fiscal Court, 1300000935; Perry County Fiscal Court, 1300000939; Letcher County Fiscal Court, 1300001015; City of Allen, 1300001023; City of Wheelwright, 1300001024; Whitley County Fiscal Court, 1300001038; Lexington-Fayette Urban County Government, 1300001077; City of Covington, 1300001090; City of Covington, 1300001091; Pulaski County Fiscal Court, 1300001109; Ohio County Fiscal Court, 1300001115; Whitley County Fiscal Court, 1300001119; City of Cumberland, 1300001176; Menifee County Fiscal Court, 1300001194; City of Wheelwright, 1300001204; Menifee County Fiscal Court, 1300001226; Johnson County Fiscal Court, 1300001238; Johnson County Fiscal Court, 1300001239; Johnson County Fiscal Court, 1300001240; Johnson County Fiscal Court, 1300001241; Johnson County Fiscal Court, 1300001242; Johnson County Fiscal Court, 1300001243; Johnson County Fiscal Court, 1300001244; Johnson County Fiscal Court, 1300001277; Bell County Fiscal Court, 1300001368; Bell County Fiscal Court, 1300001369; City of Prestonsburg, 1300001414; Lawrence County Board of Education, 1300001423; Henderson County Fiscal Court, 1300001434; Floyd County Board of Education, 1300001442; Union County Fiscal Court, 1300001535; Perry County Fiscal Court, 1300001546; Leslie County Fiscal Court, 1300001610; Bell County Fiscal Court, 1300001711; Knox County Fiscal Court, 1300001795; Bell County Fiscal Court, 1300001808; City of Coal Run Village, 1300001809; Webster County Fiscal Court, 1300001857; Ohio County Fiscal Court, 1300001884; Bell County Fiscal Court, 1300001894; Hopkins County Fiscal Court, 1300001916; Johnson County Fiscal Court, 1300001924; City of Corbin, 1300002161; City of Prestonsburg, 1300002200; Wolfe County Fiscal Court, 1300002204; City of Winchester, 1300002227; City of Grand Rivers, 1300002408; Hopkins County Fiscal Court, 1300002436; Knox County Fiscal Court, 1300002606; City of Jackson, 1300002817; Middlesboro Independent Board of Education, 1300002826; Middlesboro

Independent Board of Education, 1300002827; Elliott County Fiscal Court, 1300002829; Pike County Fiscal Court, 1300002953; Bell County Fiscal Court, 1300003055; City of Earlington, 1300003085; Knox County Fiscal Court, 1300003100; Knox County Fiscal Court, 1300003143; City of Wheatcroft, 1300003187; Knott County Fiscal Court, 1400000057; Bell County Fiscal Court, 1400000226; Bell County Fiscal Court, 1400000227; City of Madisonville, 1400000314; Martin County Fiscal Court, 1400000315; City of Pikeville, 1400000352; Perry County Fiscal Court, 1400000423; Laurel County Fiscal Court, 1400000609; Letcher County Fiscal Court, 1400000712; Bell County Fiscal Court, 1400000745; Elliott County Fiscal Court, 1400001089; Leslie County Fiscal Court, 1400001320; Knott County Fiscal Court, 1400001564.

POST SECONDARY EDUCATION, COUNCIL ON:

National Council for Community and Education Partnerships, 1300000917.

TRANSPORTATION CABINET:

Kentucky Transportation Center, 1200002118.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT OF ENVIRONMENTAL PROTECTION:

Crittenden County Board of Education, 1400001903. Andrea Smith, Joy Moll, and Laura Beacon discussed the contract with the committee. A motion was made by Representative Montell to consider the contract as reviewed. Representative Yonts seconded the motion, which passed.

DEPARTMENT FOR INCOME SUPPORT:

Ed Stodola, 1400000903; Marina T. Yarbrow, 1400000917; Donna Fay Sadler, 1400000931; Sanjoydeb Mukherjee, 1400000934; Psych Incorporated, 1400002448; Michelle D. Bornstein, 1400002449; Kay Barnfield, Psy.D., 1400002450; Tonya R. Gonzalez, 1400002451; Paul Anthony Ebben, PSYD., 1400002715; Rebecca Luking, 1400002716; Baba Sokan, MD., PSC., 1400002717. Shawnee Bennett, Todd Mobley, and Doug Lefevers discussed the contracts with the committee. A motion was made by Representative Montell to consider the contracts as reviewed. Representative Yonts seconded the motion, which passed.

DEPARTMENT FOR PUBLIC HEALTH:

Dr. Stephen Gobel, 1400001078. Chris

Workman, Tammy Isenberg, and Cara Clay discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Representative Montell seconded the motion, which passed with Senator Gregory electing to abstain (pass).

DEPARTMENT FOR PUBLIC HEALTH:

St. Elizabeth Medical Center, 1400001177.

Tammy Isenberg and Cara Clay discussed the contract with the committee. A motion was made by Senator Gregory to consider the contract as reviewed. Representative Yonts seconded the motion, which passed.

DEPARTMENT OF INSURANCE:

Optuminsight Incorporated, 1400002616; Wakely Consulting Group, 1400002618. Sharon Clark and DJ Wasson discussed the contracts with the committee. A motion was made by Senator Gregory to consider the contracts as reviewed. Representative Yonts seconded the motion, which passed.

DEPARTMENT OF INSURANCE:

Axams, LLC, 1400002621; Vjie, LLC, 1400002624; Compex Incorporated, 1400002633; Visionary Insurance Examinations Incorporated, 1400002636; Insurance Regulatory Services, LLC, 1400002645; C & L Black Enterprises, LLC, 1400002646; Kathleen M. Bergan, LLC, 1400002648; Financial Analysis Services, LLC, 1400002698; Eldridge Consulting Services, LLC, 1400002701; Central Analysis Service, LLC, 1400002707; Financial and Regulatory Consulting, LLC, 1400002708; LeDuke Financial Consulting, LLC, 1400002710; Regulatory Services, LLC, 1400002714; Taylor-Walker & Associates Incorporated, 1400002721. Sharon Clark and DJ Wasson discussed the contracts with the committee. A motion was made by Representative Montell to consider the contracts as reviewed. Representative Yonts seconded the motion, which passed.

DEPARTMENT OF REVENUE:

Billy Whittaker, 1400003061. David Gordon discussed the contract with the committee. A motion was made by Senator Gregory to consider the contract as reviewed. Representative Montell seconded the motion, which passed.

EASTERN KENTUCKY UNIVERSITY:

Embanet-Compass Knowledge Group Incorporated, 16-004. Jim Clark discussed the contract with the committee. A motion was made by Senator Gregory to consider the contract as reviewed. Representative Yonts seconded the motion, which passed.

EDUCATION, DEPARTMENT OF:

Kentucky Association of School Administrators, 1400002044. Charlie Harmon, Thelma Hawkins, and Tommy Floyd discussed the contract with the committee. A motion was made by Representative Montell to consider the contract as reviewed. Representative Yonts seconded the motion, which passed.

EDUCATION, DEPARTMENT OF:

Sivic Solutions Group, 1400002640. Charlie Harmon, Thelma Hawkins, and Tommy Floyd discussed the contract with the committee. A motion was made by Senator Gregory to consider the contract as reviewed. Representative Yonts seconded the motion, which passed.

FISH & WILDLIFE, DEPARTMENT OF:

Gregory K. Johnson, 1400002474. Gregory Johnson and David Wicker discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed.

NURSING, BOARD OF:

Landrum and Shouse, 1400002431. Paula Schenk and Nathan Goldman discussed the contract with the committee. A motion was made by Representative Crenshaw to consider the contract as reviewed. Senator Carroll seconded the motion, which passed.

PERSONNEL, OFFICE OF THE SECRETARY:

Winner Resources, LLC, 1400001771. Walt Gaffield, Chris Biddle, and Robert Brown discussed the contract with the committee. A motion was made by Senator Gregory to consider the contract as reviewed. Representative Yonts seconded the motion, which passed.

PERSONNEL, OFFICE OF THE SECRETARY:

CliftonLarsonAllen, LLP, 1400001819; Reed Weitkamp Schell and Vice, 1400002322. Walt Gaffield, Chris Biddle, and Robert Brown discussed the contracts with the committee. A motion was made by Senator Gregory to consider the contracts as reviewed. Representative Crenshaw seconded the motion, which passed.

PERSONNEL, OFFICE OF THE SECRETARY:

First Onsite, LLC, 1400002018. Walt Gaffield and Jenny Goins discussed the contract with the committee. A motion was made by Representative Montell to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed.

**POST SECONDARY EDUCATION,
COUNCIL ON:**

Dianne Bazell, 1400002008; John A. Muffo & Associates Incorporated, 1400002009; Legacy Consulting Group, LLC, 1400002010; Management and Training Consultants Incorporated, 1400002011. Travis Powell and Ron Carson discussed the contracts with the committee. A motion was made by Senator Gregory to consider the contracts as reviewed. Representative Crenshaw seconded the motion, which passed.

TRANSPORTATION CABINET:

Public Financial Management Incorporated, 1400001512; Computer Aid Incorporated, 1400001515. David Talley discussed the contracts with the committee. A motion was made by Senator Gregory to consider the contracts as reviewed. Representative Crenshaw seconded the motion, which passed.

TRANSPORTATION CABINET:

Kentucky Society of Professional Engineers Incorporated, 1400001520. Peggy Stratton and Kevin Martin discussed the contract with the committee. A motion was made by Representative Montell to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed.

UNIVERSITY OF LOUISVILLE:

Academic Search Incorporated, 15-014. David Martin discussed the contract with the committee. A motion was made by Representative Horlander to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed.

**THE FOLLOWING PERSONAL
SERVICE CONTRACT AMENDMENTS
WERE SELECTED FOR FURTHER
REVIEW:**

CORRECTIONS, DEPARTMENT OF:

Correct Care Solutions, LLC, 1400000447. Stephen Castle, Jim Erwin, and Cookie Crews discussed the contract with the committee. A motion was made by Senator Gregory to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed.

UNIVERSITY OF LOUISVILLE:

Academic Search Incorporated, 12-056. David Martin discussed the contract with the committee. A motion was made by Representative Horlander to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed.

THE FOLLOWING MEMORANDUM

**OF AGREEMENTS WERE SELECTED
FOR FURTHER REVIEW:**

CORRECTIONS, DEPARTMENT OF:

KCTCS, 1400001963. Stephen Castle, Jim Erwin, Martha Slemple, and Cookie Crews discussed the contract with the committee. A motion was made by Senator Gregory to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed.

DEPARTMENT FOR PUBLIC HEALTH:

Cumberland River Regional Mental Health Mental Retardation Board, 1400001585; Bluegrass Regional MHMR Board Incorporated, 1400001594; Comprehend Incorporated, 1400001595; Kentucky River Community Care, 1400001597; Mountain Comp Care Center, 1400001599; Pennyroyal Mental Health, 1400001611; Lifeskills, 1400001616; Northern Kentucky MHMR Regional Board Incorporated d/b/a North Key, 1400001633; Seven Counties Services, 1400001634. Tammy Isenberg and Cara Clay discussed the contracts with the committee. A motion was made by Senator Gregory to consider the contract as reviewed. Representative Yonts seconded the motion, which passed.

**POST SECONDARY EDUCATION,
COUNCIL ON:**

Eastern Kentucky University, 1400001005. Travis Powell and Ron Carson discussed the contract with the committee. A motion was made by Senator Gregory to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed.

EXEMPTION REQUESTS:

**EDUCATION AND WORKFORCE
DEVELOPMENT CABINET:**

The Education and Workforce Development Cabinet, Department of Education requested an exemption pertaining to the biennial requirement GCRC Policy Statement 99-4 for federal grant agreements issued to local school districts and other sub-recipients. A motion was made by Representative Yonts to grant the request to September 30, 2016. Representative Crenshaw seconded the motion, which passed without objection.

**THE DEPARTMENT FOR JUVENILE
JUSTICE:**

The Department for Juvenile Justice requested an exemption from the committee's routine review process for emergency governmental services and unanticipated or specialized medical care of youth. A motion was made by Representative Yonts to grant

the request to June 30, 2015. Representative Crenshaw seconded the motion, which passed without objection.

With no further business before the committee, the meeting adjourned at 12:03 p.m.

**PROGRAM REVIEW AND
INVESTIGATIONS COMMITTEE**

Minutes

June 12, 2014

Call to Order and Roll Call

The Program Review and Investigations Committee met on Thursday, June 12, 2014, at 10:00 AM, in Room 131 of the Capitol Annex. Greg Hager, Committee Staff Administrator, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel, Co-Chair; Senators Tom Buford, Perry Clark, Ernie Harris, Dorsey Ridley, Dan "Melano" Seum, and Whitney Westerfield; Representatives Leslie Combs, David Meade, Terry Mills, Ruth Ann Palumbo, Rick Rand, and Arnold Simpson.

Guests: Mary Elizabeth Harrod, Commissioner, Department of Public Resource Administration, Personnel Cabinet

LRC Staff: Greg Hager, Committee Staff Administrator; Chris Hall; Colleen Kennedy; Van Knowles; Jean Ann Myatt; William Spears; Shane Stevens; Joel Thomas; Brad Mackin, Carolyn Purcell, Graduate Fellows; Kate Talley, Committee Assistant.

Election of Senate and House Co-Chairs

Upon nomination by Senator Harris and second by Senator Buford, Senator McDaniel was nominated for the position of Senate Co-Chair.

Upon motion by Senator Harris and second by Senator Westerfield that nominations cease, Senator McDaniel was elected Senate Co-Chair by acclamation, without objection.

Upon nomination by Representative Rand and second by Representative Simpson, Representative King was nominated for the position of House Co-Chair.

Upon motion by Representative Combs and second by Representative Simpson that nominations cease, Representative King was elected House Co-Chair by acclamation, without objection.

Minutes for December 11, 2013

Upon motion by Senator Buford and second

by Representative Mills, the minutes of the December 11, 2013, meeting were approved by voice vote, without objection.

Senator McDaniel recognized the new committee members, Senator Whitney Westerfield and Representative David Meade.

Staff Report: Cost and Funding of Higher Education in Kentucky

Tosha Fraley said that the first conclusion of the report is that from Fall 2000 to Fall 2012, enrollment in Kentucky public 2-year institutions increased 63.1 percent; 4-year undergraduate and graduate enrollment increased 20.6 percent. Fall enrollment in the state's 4-year institutions grew steadily from 2000 to 2012. Growth in the state's 2-year system has been inconsistent, with an annual increase and decrease of more than 10 percent in recent years.

In Fall 2012, more than 128,000 undergraduate, graduate, and post-doctoral students were enrolled in a Kentucky public 4-year institution. The same semester, nearly 97,000 students were enrolled in a Kentucky public 2-year institution. In Fall 2010, 81 percent of undergraduate students at Kentucky public 4-year universities were full-time students; 19 percent were part-time students. In Fall 2010, 42 percent of Kentucky Community and Technical College System (KCTCS) students were full-time; 58 percent were part-time.

The report's second conclusion is that for six of eight Kentucky 4-year public institutions, the 6-year graduation rates for students entering in 2005 were below the median rates of their benchmark institutions.

Murray State's graduation rate is better than approximately 75 percent of its benchmarks. Western Kentucky's graduation rate was 49 percent, which is slightly above the median for its benchmarks. Four Kentucky universities were in the lowest quarter for 6-year graduation rates compared to their benchmarks.

The third conclusion is that tuition and fees for full-time resident undergraduate students have steadily increased among all Kentucky public 4-year and 2-year institutions.

After adjusting for inflation, the average annual tuition and mandatory fees increased 110 percent from over a 13 year period. The University of Kentucky (UK) and University of Louisville (UL) have the highest tuition and fees. The comprehensive universities were very close initially in the cost of tuition and fees, but there is now more variation among them. Using inflation-

adjusted dollars, in Academic Year 2001-2002, the difference between the highest and lowest priced comprehensive universities was \$258; in Academic Year 2013-2014, that difference was \$1,678. KCTCS remains the lowest cost for tuition and fees.

Each Kentucky public 4-year institution's published tuition and fees fall within the middle half of its benchmarks. UK, Morehead State, Murray, and Northern Kentucky have lower tuition and fees than the median; UL, Eastern Kentucky, Kentucky State, and Western Kentucky have higher tuition and fees than the median.

Conclusion four is that tuition and fees revenue surpassed state funds as the largest source of revenue for the state's public institutions in FY 2010. It is the only revenue source that has increased each year since FY 2005.

In FY 2012, tuition and fees revenue was approximately \$1.46 billion, state funds were approximately \$1.28 billion, federal funds were approximately \$793 million, and donor funds were approximately \$156 million. From FY 2005 to FY 2012, tuition and fees revenue increased approximately 83 percent, state funds increased approximately 10 percent, federal funds increased approximately 44 percent, and donor funds increased approximately 20 percent. Tuition and fees was the only revenue source that did not decrease from FY 2011 to FY 2012.

Comparing net general fund appropriations for Kentucky public institutions for FY 2002, FY 2008, and FY 2012, revenues peaked in FY 2008 for all public 4-year institutions and KCTCS. In FY 2008, the total net general fund appropriations for public higher education were slightly over \$1 billion. UK and UL received less net general fund appropriations in FY 2012 than in FY 2002, and the six comprehensive universities and KCTCS received more net general fund appropriations in FY 2012 than in FY 2002. The total change for net general fund appropriations for Kentucky public institutions was 3 percent. Unless noted, these figures have not been adjusted for inflation or enrollment.

Significant percentages of students graduate with debt. For FY 2011, only KSU and UK had fewer than one-half of graduates without debt. More than two-thirds of graduates of Eastern Kentucky, Morehead State, and Northern Kentucky had debt. Average student debt per institution ranged from less than \$19,000 to more than \$36,000 at the time of graduation.

From FY 2005 to FY 2011, full-time-

equivalent undergraduate and graduate enrollment at Kentucky public institutions increased every year except FY 2007. Total expenditures increased every year during this time period and at a greater rate than enrollment with the exception of FY 2010. From FY 2004 to FY 2011, enrollment increased approximately 31 percent and total inflation-adjusted expenditures increased approximately 55 percent. Conclusion five is that in academic year 2011-2012, Kentucky public 4-year institutions spent \$670 million on public service and \$484 million on research. UK, EKU, and Murray had the highest percentage of spending devoted to public service, compared to their benchmarks. Research as a share of total spending was below the median benchmark institution for UK and UL.

From FY 2004 to FY 2011, total expenditures of Kentucky public institutions increased 55 percent, expenditures for instruction increased 54 percent, public service increased 132 percent, and research increased 41 percent. The public service expenditures increase was driven by UK, which increased public service expenditures by 269 percent. In FY 2011, Kentucky public institutions had \$4.9 billion in total expenditures. Of that amount, \$1.28 billion was for instruction, \$691 million was for public service, and \$487 million was for research. In FY 2012, total operations and maintenance was \$209 million, student services was \$145 million, information technology was \$107 million, travel was \$59 million, and public safety was \$22 million. That year, UK and UL accounted for 67 percent of total athletic expenditures of \$215 million.

Information on adjunct, non-tenure track, tenure track, and tenured faculty with teaching loads over time is shown in this table. In academic year 2011-2012, Kentucky's public 4-year institutions spent \$450.5 million toward salaries without benefits for adjunct, non-tenure track, tenure track, and tenured faculty with teaching loads. From academic year 2002-2003 to academic year 2011-2012, salaries increased 42.4 percent at Kentucky's 4-year institutions, not including Kentucky State.

Administration and staff include persons who maintain the facilities and provide information technology support. It may also include professional nonfaculty, office clerical, and executive personnel. In academic year 2011-2012, public 4-year institutions spent \$986 million on part-time and full-time administrators

and staff. From academic year 2002-2003 to academic year 2011-2012, part-time and full-time administrator and staff salaries increased 50 percent at Kentucky's 4-year institutions, not including Kentucky State and Murray State. Northern Kentucky had the largest increase, at 96 percent. Increases were less than 40 percent for Murray State and UK.

From FY 2003 to FY 2012, total retirement and other post-employment contributions for Kentucky's public 4-year institutions increase approximately 111 percent. Three institutions increased by more than 100 percent. In FY 2012, total employee health benefits paid by Kentucky 4-year institutions was \$183 million. For four institutions, this was an increase of more than 100 percent since FY 2003.

In response to questions from Representative Palumbo, Ms. Fraley clarified that UK has the highest 6-year graduation rate among Kentucky public institutions but is among the bottom quarter among its benchmarks.

Referring to the slide indicating that state appropriations for UK have declined compared to other institutions, Representative Palumbo commented that UK seems to be doing more with less. Tax reform should be considered as a way to increase revenue.

Senator Buford said that he would like to see comparisons of tuition and fees and their increases for public schools in states with populations of 6 million or less. Administrators and faculty at Kentucky institutions with graduation rates lower than 50 percent should be asked why they think this is the case. Senator McDaniel said that staff could generate a letter.

In response to a question from Senator Harris, Ms. Fraley confirmed that dollar amounts were not adjusted for inflation except for the trend in tuition and fees.

Upon motion by Representative Simpson and second by Senator Buford, the report was adopted.

In explaining his vote, Representative Simpson said that he would like Ms. Fraley to make this presentation to the Budget Review Subcommittee on Postsecondary Education. Funding of higher education is being done by addition and subtraction. This year, 1.5 percent per university was subtracted. The concept of rewarding universities that are performing well should be considered. Increases in enrollment are good, but he is more concerned with students graduating and getting jobs in their area of study.

Report: Number, Cost, and Policies Related to Non-Merit Employees

Ms. Kennedy said that for this report, Program Review staff estimated the number and cost of non-merit employees in the executive and judicial branches of Kentucky state government. In 2012, there were nearly 3,500 non-merit employees in the executive branch, at an estimated cost of \$238 million. There were 675 non-merit employees in the judicial branch, at a cost of nearly \$36 million.

The term "non-merit" employee is not defined in Kentucky, either in statute or in clearly-stated personnel policies. The closest definitive correlation between the term "non-merit" and an employee category is for the executive branch in the Personnel Cabinet's Employee Handbook, which defines an "unclassified employee" as "an employee serving in an unclassified ("non-merit") position. That handbook, however, does not have the force and effect of law. In the judicial branch's personnel policies, which do have the force and effect of law, no mention is made of the term "non-merit." For this study, executive branch "unclassified" employees are considered non-merit employees. "Classified" employees are considered merit employees. Judicial branch "non-tenured" employees are considered non-merit employees in this study. "Tenured" employees are considered merit employees.

In the executive branch, the key distinction between a non-merit and a merit employee is that a non-merit employee serves at the pleasure of the appointing agency or authority, whereas a merit employee can only be dismissed for cause following a process defined in statutes and regulations. The hiring, promotion, and penalization processes are strictly defined for merit employees; while for non-merit employees they are left largely to the discretion of the agency. In the executive branch, the body of law that governs the merit system is KRS 18A.005 to KRS 18A.200. This study describes four categories of executive branch non-merit employees. The first category is a lengthy list of positions specifically named in KRS 18A.115 as exempt from the executive branch merit system. Examples include employees of the governor, members of boards and commissions, and cabinet secretaries. The second category is made up of entities statutorily authorized to create their own personnel systems separate from the provisions of KRS Chapter 18A. Examples are the Kentucky State Police and the Unified Prosecutorial System. The third category

is made up of entities statutorily authorized to create specific groups of non-merit employees who do not fall under the provisions of KRS Chapter 18A. An example is the Department of Military Affairs. The fourth category is made up of entities with employees that have been statutorily designated as non-merit. An example is the Kentucky State Fair Board.

The entire KRS Chapter 18A applies to executive branch state employees, even though KRS 18A.005 to 18A.200 is the body of law that governs the merit system. Colloquially, non-merit employees are often called "non-chapter" employees, while merit employees are often called "chapter" employees or "18A" employees. This causes confusion. Further, some statutes within KRS 18A.005 to KRS 18A.200, the merit system body of law, also apply to non-merit employees. Ms. Kennedy gave examples to illustrate. Although the administrative regulations in KAR Title 101 are divided into classified, or merit, and unclassified, or non-merit, chapters, some of the merit regulations include references that also apply to non-merit employees.

Recommendation 1 is that the General Assembly may wish to consider revising the KRS 18A statutes to clearly separate the body of law that governs only the merit system from the body of law that governs the non-merit system.

Recommendation 2 is that the General Assembly may wish to consider revising KRS 18A so that statutes referring to "this chapter" that refer only to KRS 18A.005 to 18A.200 reflect that meaning.

Recommendation 3 is that the Personnel Cabinet may wish to consider revising KAR Title 101 to clearly separate the body of law that governs only the merit system from the body of law that governs the non-merit system.

The two main changes to Kentucky law in recent years regarding executive branch non-merit employees are related to Personnel Cabinet reporting requirements and the length of the probationary period for certain non-merit employees who move into merit system positions. In 2010, legislation was enacted that requires the Personnel Cabinet to submit to the governor and the LRC, every 6 months, a list and designated information for specified filled positions considered to be non-merit under KRS 18A.115. Each submission of the list must indicate any position that has been added to the list since the last submission. Also in 2010, legislation was enacted that requires the Personnel Cabinet

to report to the LRC, on a quarterly basis, the number of employees in each program, cabinet, and department of the executive branch. That report must include the number of all full-time, non-merit employees, listed by cabinet and department, who are employed pursuant to KRS Chapter 16 (State Police); KRS Chapter 18A (executive branch personnel); and KRS Chapter 151B (Education and Workforce Development Cabinet). It is possible that the statutes for this list should now include KRS Chapter 156 because many statutes formerly in Chapter 151B were revised and renumbered following a reorganization within the cabinet. Also, in 2010, legislation was enacted that lengthened the probationary period from the usual 6 months to 12 months for many categories of executive branch non-merit employees who move into merit positions.

The Kentucky Court of Justice operates its own personnel system, which has the force and effect of law. Judicial branch employees are not covered by the KRS 18A statutes. Judicial branch non-merit employees are “at-will” employees who serve at the pleasure of their appointing authority for an unspecified period of time. They are somewhat different from executive branch non-merit employees in that the judicial branch personnel policy specifically states that an appointing authority may terminate a non-merit employee’s employment for any reason or no reason, with or without notice, at any time. Non-merit employees do not have the right to appeal disciplinary actions. Examples of judicial branch non-merit employees include judicial staff; court administrators; chief deputy clerks; and principal administrative officials.

Mr. Thomas said that the Kentucky Human Resources and Information System (KHRIS), which went live in April 2011, is the current state human resource and payroll management system. The Unified Personnel and Payroll System (UPPS) previously served as the primary human resource management system, but there were also non-integrated systems. He explained that data from the two systems are not directly comparable and that Program Review staff had to make decisions as to which groups of employees to count as non-merit.

In 2011 and 2012, the number of executive branch non-merit employees decreased by 2.3 percent, from just over 3,500 in 2011 to 3,447 in 2012. In 2003, the number of executive branch non-merit employees was just over 3,500; in 2010,

the number of non-merit employees was just over 3,600. Nearly one-third of non-merit employees as of 2012 were in the Unified Prosecutorial System, which consists of commonwealth’s attorneys, county attorneys, and their employees. Outside of General Government Cabinet agencies, six other cabinets have greater than three percent of the total number of non-merit employees. Three have greater than five percent.

The Personnel Cabinet did not provide cost data, so Program Review staff estimated cost using data gathered by LRC Budget Review. Data were obtained through the InfoAdvantage Data Warehouse and are based on information from both UPPS and KHRIS, depending on the year. The data show salaries only, so the total cost estimate in this report is calculated by adding 45 percent for estimated benefits for full-time employees and part-time salaried employees working 100 hours or more per month.

In both nominal and adjusted amounts, annual cost was lower in 2010 than in 2006. For 2012, annual cost was estimated to be \$238 million, a decrease of 1 percent from the previous year when adjusted for inflation.

In 2012, the total number of judicial branch non-merit employees was 675, less than a 1 percent decrease from 2011. Since 2003, judicial branch non-merit numbers have ranged from just over 600 to just under 700 employees. The number of judicial branch non-merit employees has remained relatively stable since 2007.

The cost for judicial branch non-merit employees represents total compensation, including annual salary, FICA, retirement, and health and life insurance. In 2012, total compensation for judicial branch non-merit employees was nearly \$35.7 million dollars. This represents a 16 percent increase from 2003, when adjusted for inflation. Because of the detail of the data the Administrative Office of the Courts provided, trends for different types of compensation were identifiable. Salary and FICA were just under \$25 million in 2012, a decrease from 2003. Health and life insurance costs nearly doubled from 2003 to 2012 after adjusting for inflation. Retirement costs in 2012 were more than three times higher than in 2003.

Program Review staff reviewed the personnel systems in Alabama, Arkansas, Florida, Georgia, Missouri, and Virginia. The states with merit systems most similar to Kentucky’s are Alabama, Missouri, and Virginia. Arkansas does not have a merit system, per se, but the personnel

system is structured in such a way as to provide classifications and pay schedules for employees. Typically, this sort of personnel structuring is seen in merit systems; however, Arkansas does not have a merit system authority. Florida does not have a merit system but still maintains structured pay plans for employees. Recruiting and hiring are conducted by individual agencies, according to their policies. Florida restructured its classification scheme to reduce the number of employee classes. The old classification scheme included over 3,000 classes; the new structure is consolidated into 237 occupations. Georgia has been a totally at-will personnel system since 1996.

Individual agencies determine all policies for hiring, dismissal, and appeals. The appeal process is conducted in-house and does not go above the agency director level. Termination is permitted with or without cause, so long as no prevailing contractual obligation affects employment status.

In response to a question from Senator McDaniel, Mr. Thomas said that he would check for an explanation for the spike in judicial branch non-merit employees from 2006 to 2007.

Senator Westerfield asked why prosecutors are classified differently than employees of the Department of Public Advocacy, who are merit employees in the Justice and Public Safety Cabinet. Ms. Kennedy said that representatives of the Personnel Cabinet may be able to address this.

Representative Mills asked about the availability of Personnel Cabinet reports that are sent to LRC. Mr. Hager said that reports received by LRC are distributed to the committees of jurisdiction.

In response to a question from Senator McDaniel, Ms. Harrod said that the Personnel Cabinet does not maintain data on personnel costs. The Office of the State Budget Director has these data.

In response to a question from Senator McDaniel, Mr. Thomas said that the data accessed by LRC Budget Review staff used in the report come from the same source used by the Office of the State Budget Director.

Senator McDaniel asked whether the data used are the most accurate and are not an estimate. Mr. Thomas replied that the report and presentation used the term estimate to indicate that, because there is no statutory definition of non-merit, categorizing some employees as merit

or non-merit is open to interpretation.

Senator Seum asked for clarification as to whether the Personnel Cabinet was underreporting the numbers for some types of employees. Ms. Kennedy said the types of employees to be reported on are determined by statute; it is not a decision by the cabinet. The cabinet's report is accurate; the Program Review report just includes different categories.

Senator McDaniel asked whether staff investigated outcomes measures such as disciplinary procedures for Georgia. Mr. Thomas replied that staff analyzed the structures of different state systems for comparison but did not research outcome measures.

Senator McDaniel commented that state employees have higher retirement and insurance benefits than private sector employees. They have not been getting salary increases, although the recently enacted budget will help. They are higher cost, lower compensation employees, which makes keeping employees difficult.

Senator Buford said that salary data are available via newspapers; everything is on the record. Senator McDaniel said he would like to postpone action on the report until staff could report on whether the cost data used are the best available. The meeting adjourned at 11:20.

PUBLIC PENSION OVERSIGHT BOARD

Minutes

April 28, 2014

Call to Order

The meeting of the Public Pension Oversight Board (PPOB) was held on Monday, April 28, 2014, at 12:00 Noon, in Room 154 of the Capitol Annex. Representative Yonts, Co-Chair, called the meeting to order.

Present were:

Members: Representative Brent Yonts, Co-Chair; Senator Jimmy Higdon, Representative Brian Linder, Robyn Bender, Tom Bennett, James M. "Mac" Jefferson, and Sharon Mattingly.

Guests: John Hicks, State Budget Director's Office; Lowell Reese, Kentucky Roll Call, Frankfort, Kentucky; Mary Helen Peter, Kentucky Retirement Systems Trustee, Louisville, Kentucky; and Larry Totten, retiree, Frankfort, Kentucky.

LRC Staff: Brad Gross, Greg Woosley, and Marlene Rutherford.

Approval of Minutes

Mr. Bennett moved that the Minutes of March 24, 2014, be approved, which was seconded by Mr. Jefferson. The minutes were approved without correction.

Kentucky Retirement Systems Trustee Election Process, Procedures, and Issues

Chair Yonts said the 2014 General Assembly considered a bill relating to election of members to the Kentucky Retirement Systems (KRS) Board of Trustees when members die or resign from the board. The bill did not pass because the suggested language was not supported by the administration.

Mr. Thielen and Brad Gross provided an overview of the KRS election process. Mr. Thielen indicated that prior to the passage of Senate Bill 2, effective July 1, 2013, there were nine board members: the Secretary of the Personnel Cabinet, who served as an ex-officio member; five trustees elected by active and retired members of each system, two from the Kentucky Employees Retirement System (KERS), two from the County Employees Retirement System (CERS), and one from the State Police Retirement System (SPRS); and three trustees appointed by the Governor, two of whom were required to have investment experience as defined by statute, and one who was knowledgeable about the impact of the retirement system on local governments. In July, 2013, the board membership increased to 13 members: the Secretary of the Personnel Cabinet; six trustees elected by the active and retired members of each system, two by KERS, three by CERS, and one by SPRS; six trustees appointed by the Governor, of which one must be knowledgeable of the local impact of pensions, two must have at least ten years of investment experience as defined by statute, and three must be appointed from lists of nominees submitted to the Governor by the Kentucky League of Cities, Kentucky Association of Counties, and the Kentucky School Boards Association. Since the board's annual meeting, held April 17, 2014, there is a full board membership. Mary Helen Peter is a newly elected trustee who was elected by the KERS membership. Thomas K. Elliott, a gubernatorial appointee, was elected as Chair of the board, and Dr. Daniel Bauer, was elected as Vice-Chair, to serve one-year terms.

The KRS board is responsible for the administration of the retirement systems, including the investment functions, which is a significant portion of the board's responsibilities given the approximately \$15.5 billion invested as

of the end of February, 2014. Through the board and staff, the KRS provides retirement and health benefits, and pre-retirement services, to over 340,000 members and beneficiaries in the system, with 1,473 participating employers. Over \$2 billion in health and retirement benefits are paid to retirees each year, 96 percent of which is paid to retirees and beneficiaries in Kentucky, which is a fairly significant impact on the economy of the state. All KRS functions are accomplished with approximately 250 employees, of which about 100 are retirement counselors. Mr. Thielen took exception with any notion that this was a bloated personnel system, given the complex nature of the system that they administer relative to other pension systems. As an example, he noted that KRS has three complex benefit tiers on the pension side and three complex benefit tiers on the health side, and 10 plans that are invested and accounted for separately. The counselors' workload in 2013 included over 253,000 phone calls made and received in the call center, and over 13,300 on-site visits for counseling services.

Responding to a question by Chair Yonts concerning call center wait times to consult with a counselor, Mr. Thielen stated that the wait times vary, with the worst period of time being during open enrollment for health insurance. The phone system is an issue because KRS does not have the resources to handle calls at peak levels, which can be over 5,000 calls during open enrollment and result in wait times in excess of an hour. Conversely, the phone system is adequate for the approximately 800 or so calls in a normal month, which result in normal and relatively short wait times. Recently, \$500,000 was spent upgrading the phone system. KRS will have additional upgrades to improve wait times and service to the members of the systems.

In response to a question on rates of retirement, Mr. Thielen stated that in 2013 there were approximately 9,000 retirements, which is compared to a normal year of 5,000 to 6,000 retirements, and that there could be a significant increase in the number of employees eligible for retirement over the next three years. Many recent retirements can be attributed to the required furloughs and lack of compensation increases over the last several years, which is causing employees to retire in greater numbers than historically seen. Chair Yonts asked if the recent salary enhancements, although small, will have any effect on the increasing number of retirements. Mr. Thielen responded that KRS

believes retirements will continue to increase slightly over the next two or three years, which is likely somewhat attributable to the “baby boom” generation, eligible by either age or years of service, or both. The overall number of employees in state government is down, but this is not the case at the local level where it appears retirees are being replaced by new employees.

Mr. Thielen described the work of the KRS Board, which meets at least five times per year, with four quarterly meetings required by statute and an annual meeting. There are six board committees: investments; retiree health; audit; disability appeals/administrative appeals; human resources; and legislative and budget. The board members serve on at least two of the committees, and the committees meet regularly to cover issues related to their subject matter jurisdiction. Mr. Thielen said the board recently amended its bylaws to create a Disability Appeals Committee I and II to allow members on these committees to meet every other month, instead of every month, and to help alleviate some of the workload on the board members who serve on them. Members serve four-year terms, with a maximum of three consecutive terms, and they receive a \$190 day per diem, plus expenses, on days they meet or have official business, which normally must be approved in advance.

Individuals may be placed on the ballot for the election process either by board nomination or by petition. The statute requires individuals seeking election to the board be active or inactive members, or retired members, of the system to which the election applies, such as KERS, CERS, or SPRS, and cannot be current or former employees of KRS. As for the election, the statutes requires the board to nominate, six months prior to the expiration of an elected term, up to three members for each available position. Elected member terms are four years and end on March 31, with one exception: the new CERS elected member position, created as a result of Senate Bill 2, whose term began on November 1 for a four-year term.

The board nominates up to three candidates for each available position six months in advance of the expiration of a term, which typically occurs at the September quarterly meeting. Information is contained in the KRS newsletter and on the website for the election for the next year, and applications and resumes are solicited from interested individuals in May preceding an election. Background checks are conducted

on all individuals who submit applications. If a person is not nominated by the board but is still interested in being on the ballot, he or she may be nominated by the membership by submitting a petition with the names, last four digits of the social security number, and signatures of at least 10 percent of the number of members voting in the last election, which for the last election cycle was approximately 1,300 member signatures.

After the nomination process, the ballots are prepared in early January and distributed by first-class mail to all eligible voters, which for CERS elections amount to more than 227,000 ballots. The mailing includes the ballot and a postage-paid return envelope that must be submitted by March 1 in the election year, thirty days before the expiration of the term. The ballots are returned to the KRS external auditor via a post office box, and the auditor tallies the votes and certifies the results to the KRS board. The election ballots allow for write-in candidates. Vacancies in elected positions as a result of death or resignation during a term are filled by a majority vote of the remaining board members for the remainder of the unexpired term. Occasionally, there are issues of incompatible offices, meaning that an individual cannot be a member of the KRS board, a state office, and an officer in a city, county, town, or the General Assembly, or be an employee of any of those offices.

Chair Yonts said that one of the suggestions in Representative Graham’s proposal during the session dealt with how vacancies in elected positions are filled and would have specified that only those members who were elected to the board would select individuals to replace the vacancy. He asked Mr. Thielen to explain the pros and cons of replacement in this manner. Mr. Thielen suggested a “con” would be that, as a member of the board, the full board has the responsibility for all actions of the board. A “pro” would be that, if there were a dichotomy of positions between the elected and appointed membership of the board, the elected members might feel that only the elected members would reflect the perspective of the membership that elected the departed member. KRS staff avoids these types of issues, and those situations are within the purview of the KRS board.

Mr. Gross discussed statistics and costs of board elections. KRS provided statistics on the number of ballots that were mailed and received to indicate the level of participation in the election process. In SPRS, approximately

25 percent of the membership returns a ballot, versus CERS and KERS with an average of 12 percent participation. The housekeeping bill in the 2014 session would have permitted the board to authorize electronic voting, in whole or in part, which the board believes would be a cost savings. The total cost for the election process is over \$100,000 per election for CERS, and approximately \$70,000-\$75,000 KERS. The cost for a SPRS election is significantly lower due to the smaller number of its membership. Ballots must be mailed by first class mail because they contain a specific identification code and related information in a bar code unique to each member, which allows the ballots to be tallied by an external auditor. The mailing expense and use of an external auditor represent significant portions of the total costs of an election.

Mr. Gross addressed a couple of issues that had been brought up about electronic balloting and how other states or systems conduct elections. The Kentucky Teachers Retirement System has a nine member board, of which seven are elected, and KTRS follows a similar paper ballot process as used by the KRS. However, the KTRS nomination process is conducted through the Kentucky Education Association, which has a nominating committee that nominates the candidates for any open seats. Also, due to staggered terms, KTRS has elections essentially every year, and similarly to the KRS process of filling vacancies, any KTRS board vacancies are filled by the vote of the remaining board members. Although KTRS has a uniform population, the response rate on the elections is about the same as with the KERS elections. The total cost for printing ballots and postage in the 2013 KTRS election was about \$0.52 per mailed ballot, but there is no cost to KTRS for an auditor to tabulate the results of its elections because that function is performed at no cost by the Commissioner of Education.

Since 2006, there have been three elected board member vacancies, one in the KERS and two in the CERS. Two of these vacancies were open for some time because there was no majority vote of the remaining members to fill either vacancy. The proposed amendments in the KRS housekeeping bill would have required the vacancies to be filled by the remaining elected board trustees. One difference between the KTRS and KRS board structures is that the entire KTRS membership is elected, with the exception of two lay trustees or ex officio members, whereas the

KRS board has gubernatorial appointments.

Mr. Gross stated that staff did an informal review of other states to determine how board election processes are handled. There are a variety of processes for establishing boards, with some states having all appointed trustees and others with a mix of elected and appointed or ex officio members. As for state employee retirement systems, about 54 percent had no elected board members. Of the twenty-three states with elected board members, seven allow some type of electronic or on-line voting by members, and 16 exclusively use paper ballots. The Maryland state retirement and pension system moved to electronic voting in 2005. In Maryland, members receive a postcard with a unique voting identification that they enter with the last four digits of their social security number on-line to cast a ballot. Maryland also allows voting by phone using this method. A concern of moving to electronic voting is the capabilities of the membership. Maryland addressed this concern by providing two methods of voting: on-line and by phone. A similar process is used in Alabama and Louisiana, which utilize an outside election consulting firm that mails ballots to members who may return the paper ballot by mail, or vote on-line or by phone. In Kansas, members vote on-line, but the members can request a paper ballot. Texas, Minnesota, and Massachusetts allow paper ballots but also allow on-line voting. Ohio, Mississippi, and Missouri have statutory authority to conduct electronic trustee elections, but they have not implemented the process to date.

Mr. Gross also noted that Senate Bill 2 established an additional CERS elected member, but because this new member position started off cycle with the remaining member terms, there is a situation where two CERS elections could occur in the same future year at different times of the year, creating duplicate costs. The KRS housekeeping bill in the 2014 Regular Session would have set the election cycle on the same terms and adjusted the future term of office of the "new" member seat to bring it in line with the other terms, thereby avoiding the additional \$100,000 or more in election expenses.

Responding to questions by Mr. Bennett, Mr. Thielen stated that the Secretary of the Personnel Cabinet is a voting member of the Board of Trustees. The members who recently resigned did so because of a variety of factors, one because of personal workload and not being

able to devote the necessary time to serve on the board, another because of an incompatible office, and a third for personal reasons.

Responding to questions from Senator Higdon concerning the budgeted amount for board meetings, committee meetings, travel, and how much compensation a board member may accrue in a given year, Mr. Thielen said there is no separate board budget, but he estimated that it would be about \$35,000-\$40,000 per year. Board members receive an hourly amount for preparation time, which is calculated at the per diem rate of \$190 divided by 7.5 hours and equates to about \$25 per hour, but the maximum number of hours is limited to three hours for disability and administrative appeals committee members and two hours for other members. The average board member receives about \$3,000-\$4,000 per year, but a member on the disability or administrative appeals committees could receive \$7,000-\$8,000 per year because those committees meet more frequently. The Chair of the Board of Trustees receives no additional compensation. A proposal to allow chairs of the different committees to have an additional hour or two of preparation time has been considered, but the board has taken no action.

In response to a question from Chair Yonts, Mr. Thielen said the board is a hardworking board, and there have been no issues of board attendance or participation.

Responding to questions from Mr. Jefferson concerning counselors and the KRS staff who may be retiring in the future and whether there would be the expertise, especially in the investment area, to oversee the complex functions of the system and if there had been any discussions with the other retirement systems about sharing employees, Mr. Thielen said they had not had discussions of that nature. He said he believed it would be extremely difficult to implement an employee-sharing process because each system is complex and different. As an example, the training period for KRS counselors is six to nine months, and it is very difficult to get those employees educated on all of the complexities of the KRS systems, let alone the differences that would be seen across systems.

Mr. Thielen summarized the recent investment returns for the systems, stating that as of the end of March there was an 11.37 percent return in the pension plan and a 10.6 percent return in the health insurance trust, compared to last year at 10.7 percent in the health insurance

trust and 11.3 percent in the pension plan. KRS is ahead of the benchmarks for the systems this year, which is a reflection of the better economy and investment allocation decisions.

Senator Higdon inquired about the administrative costs of the systems, and Mr. Thielen stated that he received a monthly budget report. He noted that the overall administrative budget for the fiscal year is about \$38 million, with a good portion being dedicated to salaries and benefits paid to staff, and that the overall administrative costs have amounted to about 0.5 percent of the assets under management.

Mr. Hicks inquired about the five year smoothing of the actuarially required contributions for the valuation on June 30, 2014, noting the year that occurred during the last major recession will be dropping off that valuation, and asked about the return on investment. Mr. Thielen said that, in fiscal year 2009, there was a loss of about 17 percent on investments, or just over \$2 billion. The funding status of most of the plans will begin to increase, but that the KERS nonhazardous full actuarially required contribution will not be paid until fiscal year 2015-2016, which will have some negative impact in the 2014 evaluation. The actuaries are conducting a five-year experience study that will be reported to the KRS Board of Trustees at its meeting on May 15, and will include recommendations about whether the actuarial assumptions should be changed, with the most important being the assumed investment rate of return that is set at 7.75 percent.

Responding to Chair Yonts as to how Kentucky compares to other states on improvement in pension plans, Mr. Thielen said that Kentucky has 10 separate plans, taking into account pension and health insurance benefit plans, and nonhazardous and hazardous plans, separately. The KERS nonhazardous plan is about 23 percent funded. The much smaller SPRS plan is about 40 percent funded, the CERS plans are about 60 percent funded, and the KERS hazardous plan is about 67 percent funded. Looking at the plans separately, the only plan that is severely underfunded is the KERS nonhazardous plan, which is the second largest plan to the CERS nonhazardous plan.

Chair Yonts announced that a final legislative update was contained in the members' folders. The Board will not meet in June and July. The normal meeting date for the May meeting is also Memorial Day, thus an alternate meeting day would need to be chosen. He asked the members

contact staff about May availability.

Chair Yonts asked if it would be appropriate if the Board met with the KRS board in a joint meeting to develop a working relationship with the KRS board, and if not in May, at a time later in the year. Mr. Thielen indicated he would discuss the topic with the KRS board, and said that the board is scheduled to meet at 9:00 a.m. on May 15 for about six hours. The actuary will meet with staff and external accountants on May 14.

Chair Yonts said that Board had discussed having the actuary attend its next meeting to review the experience study recommendations and, if unavailable, to participate by videoconference.

The meeting adjourned at about 1:00 p.m.

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes

May 7, 2014

Call to Order and Roll Call

The meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Wednesday, May 7, 2014, at 10:00 AM, in Room 131 of the Capitol Annex. Senator Paul Hornback, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Paul Hornback, Co-Chair; Senators Carroll Gibson, Jimmy Higdon, Dennis Parrett, Robin L. Webb, and Whitney Westerfield; Representatives Mike Denham, Tom McKee, Terry Mills, and Ryan Quarles.

Guests: Roger Thomas, Joel Neaveill, Bill McCloskey, Angela Blank, Brian Murphy, and Biff Baker, Governor's Office of Agricultural Policy; Jason Vincent, Pennyryle Area Development District; and Lisa Cooper, Northern Kentucky Area Development.

LRC Staff: Kelly Ludwig and Kelly Blevins.

The March 10, 2014, minutes were approved without objection by voice vote, upon motion by Senator Webb and second by Senator Higdon.

Governor's Office of Agricultural Policy

Mr. Roger Thomas, Executive Director, Mr. Joel Neaveill, Chief of Staff, and Mr. Bill McCloskey, Director of Financial Services, Governor's Office of Agricultural Policy (GOAP), testified about project funding decisions made by the Agricultural Development Board (ABD) during its March and April meetings.

Mr. Neaveill summarized tobacco settlement

funding allocations for the previous months under the County Agricultural Improvement (CAIP), Deceased Farm Animal Disposal Assistance, and Shared-use Equipment programs.

In response to Chairman Hornback, Mr. Neaveill confirmed that CAIP funds are lower this year because overall Master Settlement Agreement (MSA) funds have decreased. In 2014, counties received six million dollars. During fiscal years 2015 and 2016, counties will receive approximately \$29 million dollars. Counties determine the amount of funding that goes to CAIP.

The GOAP officials summarized those projects approved for state funding during the previous ADB meeting: Kentucky Sheep and Goat Development Office, Inc. was approved for \$60,000 in state funds over two years. Mr. McCloskey stated that the number of sheep and goats in Kentucky has doubled since funding has been allocated to the Kentucky Sheep and Goat program.

Lee's Plant Farms, Inc. requested and was approved for \$60,000 in state funds to construct and equip a vegetable processing facility. Senator Parrett complimented the Agricultural Development Board on its approval of the project and noted that Lee's Plant Farms provides local food and produce to schools.

The Kentucky Distillers' Association requested and was approved for \$11,250 in State funds to update an expanded economic impact analysis of the distilling industry in Kentucky. Several members complimented the Agricultural Development Board for including additional provisions to the Kentucky Distillers' Association economic impact study as it relates to total corn usage.

In addition, Mr. Thomas stated that the Breathitt Veterinary Diagnostic Laboratory is involved in the accreditation process.

Update on the Master Settlement Agreement arbitration issues

Mr. Thomas then provided an update on the MSA litigation. Mr. Thomas stated that Pennsylvania courts awarded a partial settlement. Other states that have been ruled to be non-diligent have hearings scheduled in the coming months. No action on Kentucky's hearing is expected until May 12, 2014. In response to Representative McKee, Mr. Thomas stated that Kentucky has not implemented policy changes after Kentucky was ruled as being non-diligent.

Kentucky Agricultural Development

Information System

Mr. Jason Vincent, Executive Director of the Pennyryle Area Development District and Ms. Lisa Cooper, Executive Director of the Northern Kentucky Area Development District (ADD) presented the Kentucky Agricultural Development Information System. The system will be the state's first interactive agricultural asset map designed to help identify agricultural trends within the state, plan for disaster mitigation and drive economic development efforts. Mr. Vincent stated existing information is not accurate or easily accessible.

In response to Senator Webb, Mr. Vincent explained the origins of the concept and the Agricultural Development Districts' intentions to interact and partner with the agriculture sector. Mr. Vincent stated existing information is not centralized or web based.

Senator Parrett encouraged Mr. Vincent and Ms. Cooper to train local Agricultural Development Districts on ways to utilize the data.

In response to Representative Mills, Mr. Vincent stated that they anticipate the website to launch in the fall of 2014.

A record of all meeting materials is on file with the LRC Library.

There being no further business the meeting was adjourned.

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes

June 4, 2014

Call to Order and Roll Call

The meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Wednesday, June 4, 2014, at 10:00 AM, in Room 129 of the Capitol Annex. Representative Wilson Stone, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Wilson Stone, Co-Chair; Senators Carroll Gibson, Jimmy Higdon, Dennis Parrett, Robin L. Webb, and Whitney Westerfield; Representatives Mike Denham, Tom McKee, Terry Mills, Ryan Quarles, and Jonathan Shell.

Guests: Roger Thomas, Joel Neaveill, Bill McCloskey, Angela Blank, Brian Murphy, Angie Justice, Beth Herbert, and Ray Arnold, Governor's Office of Agricultural Policy; Shannon Morgan,

Governor's Office of Agricultural Policy legal counsel; Charles Greenwell, Goldberg Simpson; and Sean Riley, Office of the Attorney General.

LRC Staff: Lowell Atchley, Kelly Ludwig, and Kelly Blevins.

The May 7, 2014 minutes were approved, without objection by voice vote, upon a motion by Senator Gibson and seconded by Representative McKee.

Governor's Office of Agricultural Policy

Mr. Roger Thomas, Executive Director, Mr. Joel Neaveill, Chief of Staff, and Mr. Bill McCloskey, Director of Financial Services, Governor's Office of Agricultural Policy, summarized the project funding decisions made by the Agricultural Development Board (ADB) during its May meeting.

Mr. Neaveill discussed the tobacco settlement funding allocations for the previous months under the County Agricultural Improvement (CAIP), Deceased Farm Animal Disposal Assistance, and Shared-use Equipment programs. Mr. McCloskey presented the On-Farm Energy Program funding decisions.

Mr. Neaveill responded to questions from Co-Chair Stone and Representative McKee on the deceased animal removal program. He indicated during the discussion that an analysis of all programs in the state showed a number of counties provide free-of-charge pickup service to livestock producers. Regarding the On-Farm Energy Program, Mr. McCloskey explained the ADB is attempting to publicize the program in a series of meetings throughout the state, with one upcoming in the Ashland area.

In a response to Senator Higdon, Mr. McCloskey said the ADB had committed funds to alternative energy endeavors, such as solar and green energy, in the past, but now the emphasis is on energy efficiency. The senator said he had a constituent who was interested in funding for alternative energy production.

Mr. Thomas observed that energy efficiency projects taken on by producers in the early years of the program continue to pay off.

The GOAP officials reviewed the regional and county projects approved for funding. Those included: Henry County Meat Market LLC, approved for \$500,000 in state and county funds to build a USDA-inspected meat processing facility and retail outlet in Henry County; Jessamine County FFA Alumni Association, approved for \$8,000 in Jessamine County funds for a youth cost-share program for agriculture-

related projects; Hopkinsville Elevator Co., Inc., approved for \$11,000 to conduct a feasibility study on possibly expanding the co-op's operations to central Kentucky; Mulberry Orchard LLC, approved for \$35,000 to construct and equip a facility to house a commercial kitchen in Shelby County; and Owen County 4-H Fair and Horseshow Inc., approved for \$20,000 to repair and upgrade a 4-H livestock barn in Owen County.

Commenting to Senator Parrett, who asked a series of questions about the Henry County meat processing project, Mr. Thomas indicated the ADB earlier committed tobacco settlement funds to a similar project in Wolfe County. Mr. Thomas said there are several other similar endeavors in the state. The board, according to Mr. Thomas, has funded smaller meat processing projects in lieu of larger ones.

Mr. Thomas responded to Senator Gibson that he had not heard of any objections from other privately funded meat processors about the state funding commitment. The senator expressed his concern about the competition with private businesses. Mr. Thomas responded that the board looks at projects like that as a resource for local farmers to add value to livestock production. Mr. Neaveill mentioned a feasibility study that revealed no other businesses were willing to take on meat processing in the affected area.

During a subsequent discussion of the Hopkinsville Elevator project, Senator Parrett alluded to Senator Gibson's earlier remarks. He indicated that he did not want to do anything that would jeopardize local businesses. He mentioned similar businesses in the area, such as the new Meade County Riverport. Mr. Thomas indicated that if the Hopkinsville project could benefit farmers, the feasibility study would be worthwhile. According to his testimony, most of the counties to be studied border or are near Hardin County.

Senator Webb mentioned the need by the board to focus on the eastern Kentucky region. Mr. Thomas referred to the energy meeting in Ashland as an example of the board's emphasis on that area.

The GOAP officials reviewed one project denied funding, Jessamine County FFA Alumni Association, which sought \$1,000 in Jessamine County funds to provide financial assistance for a farmers back-to-school program. Senator Webb mentioned that she would support funding for programs that educate people on technology.

Following the projects review, Representative Quarles alluded to Kentucky's potential impending hemp industry and asked whether the GOAP is prepared to consider hemp production projects.

In his response, Mr. Thomas said the Kentucky Agricultural Finance Corporation offers an agricultural processing loan. He mentioned the Chop Shop in Wolfe County as an example a commodity processing project that had regional support. Representative Quarles said he anticipated that many people will be processing hemp into a variety of products, such as pharmaceutical and fiber products.

Both Mr. Thomas and Mr. Neaveill responded to Representative Shell, who asked if the current county loan programs would apply to hemp production. Mr. Thomas indicated that every year, the ADB looks at its programs and considers changes that need to be made. He said his guess is the county programs could be modified to allow farmers producing hemp to apply. Mr. Neaveill added that program modifications would require knowledge of what production methods would be allowable.

Master Settlement Agreement Report

Mr. Shannon Morgan, Legal Counsel for the Governor's Office of Agricultural Policy, Mr. Charles Greenwell of the Goldberg Simpson law firm, and Mr. Sean Riley of the Office of the Attorney General, reported on current issues related to the Master Settlement Agreement arbitration.

The report dealt with the ramifications of an arbitration panel's ruling last fall that Kentucky and other states in 2003 failed to diligently enforce escrow provisions aimed at tobacco companies not participating in the MSA. The adverse ruling could mean a future MSA payment reduction of an estimated \$45-\$50 million.

Mr. Riley explained the Office of the Attorney General had filed two motions in Franklin Circuit Court – one calling on the court to set aside the arbitration ruling and another to set aside an earlier settlement agreement involving tobacco companies and several other states. The state court had previously heard arguments on the motions and denied a motion that would have resulted in an immediate delay in this year's MSA payment reduction. Mr. Riley told the committee the lawsuits are in a dormant phase at this time.

Responding to Senator Westerfield, Mr. Riley explained that the latest ruling only

involves the state's enforcement of the MSA in 2003. By virtue of the arbitration panel's decision, the tobacco companies that were party to the litigation will be able to reduce the amount of this year's payment. Mr. Riley told the senator that the Franklin County Circuit Court judge has asked for the decisions handed down in a Missouri court and a Pennsylvania court. Those states, also found to be nondiligent for 2003, received favorable rulings in their respective courts.

Mr. Morgan told the committee that the Franklin County Circuit Court judge has requested that parties to the litigation settle. Through the last few months, according to Mr. Morgan, settlement discussions have been under way.

Mr. Riley responded to Representative Quarles that Kentucky has been in contact with other states similarly affected. Each state has its own MSA issues, but the states have worked together collectively in the MSA enforcement issue, according to Mr. Riley.

In a response to Senator Webb, who asked why the years 2003 and 2004 were unique related to MSA enforcement, Mr. Greenwell indicated that in 2003 Kentucky did not have in place the "complementary" MSA statutes, and some "allocable share" legislation did not pass until 2004. Senator Webb pointed out that the state had a better statutory structure after 2004.

Mr. Greenwell said he would not speculate as to what the state court will do, but the judge has reviewed the decisions in Missouri and Pennsylvania.

Mr. Greenwell and Mr. Morgan responded to Senator Gibson, who asked how the rulings in Missouri and Pennsylvania affect those states' MSA payments. Mr. Greenwell noted that the court in one of the states told an MSA independent auditor to recalculate that state's payment. Mr. Morgan said the Pennsylvania Attorney General has pressed forward in efforts to obtain that state's MSA funding. Responding to Representative Shell, who asked about possible litigation past 2003, Mr. Riley said each year stands on its own and he does not know about 2004. According to his testimony, any adverse rulings affecting 2004 and beyond would result in winning tobacco companies receiving a reduction in their current MSA obligation. Documents distributed during the committee meeting are available with meeting materials in the LRC Library. There being no further business, the meeting was adjourned.

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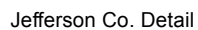
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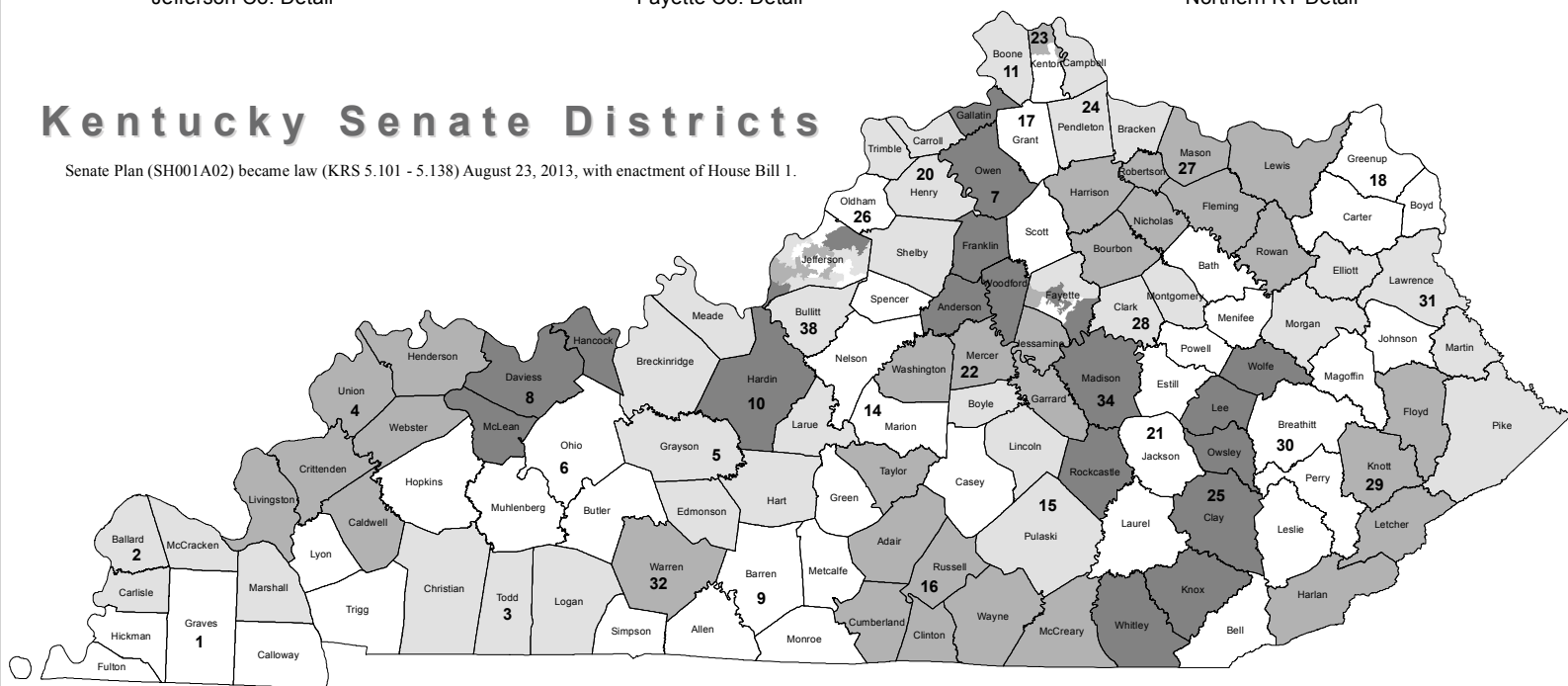
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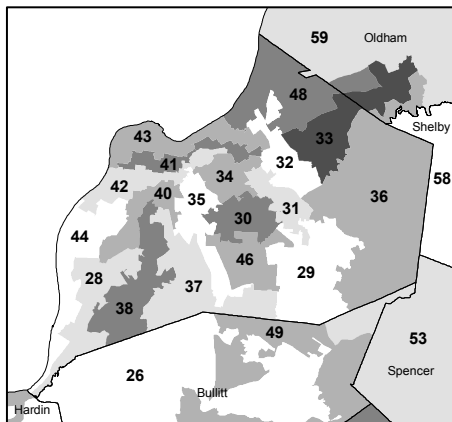
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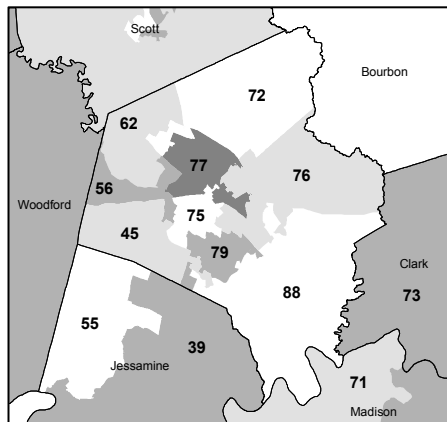
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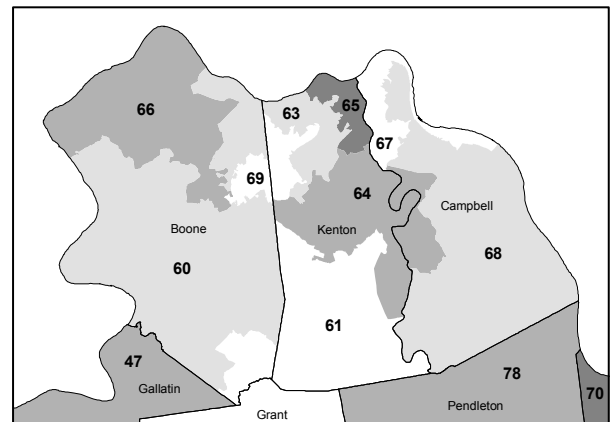
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Jefferson Co. Detail



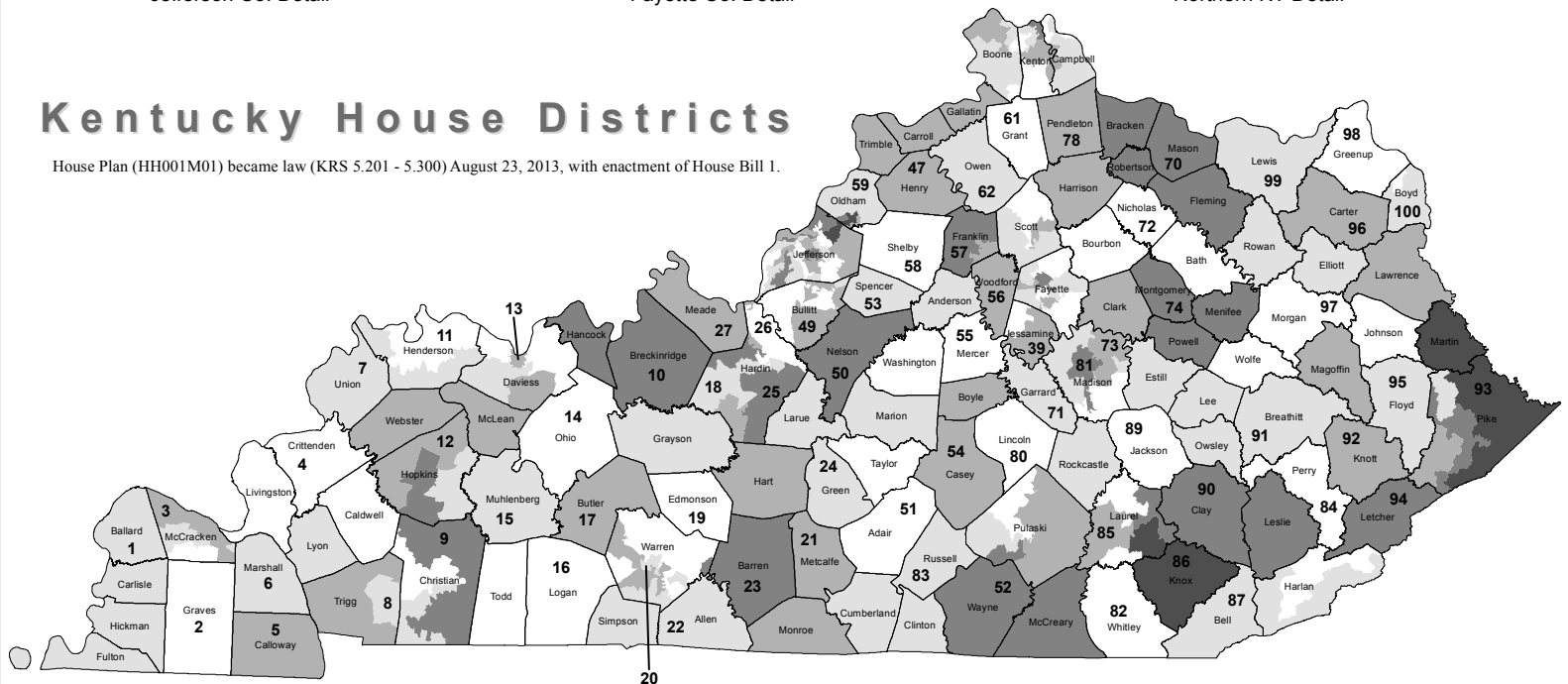
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Kentucky House Districts

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