



# INTERIM RECORD

A SUMMARY OF INTERIM ACTIVITIES

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## Panel updated on battle against fatal overdoses

by Jim Hannah  
*LRC Public Information*

FRANKFORT – Drug overdose deaths in Kentucky decreased 15 percent last year. That's 233 fewer people dying.

"We were very pleased to see 233 families that did not have to go through the pain of losing a loved one to a preventable death," Office of Drug Control Policy Executive Director Van Ingram said while testifying during the Nov. 18 meeting of the Interim Joint Committee on Health, Welfare and Family Services. "We are certainly not declaring victory. We are not celebrating, but we do feel confident that we are moving in the right direction."

He was among a group that spoke about the results of numerous policy initiatives in Kentucky to reduce the number of drug overdose deaths. Last year's decrease followed years of steady increases in the death toll, driven mostly by a rise in opioid abuse, heroin and fentanyl.

Ingram said the 15 percent decrease was a bright spot because the nation as a whole saw a decrease of just under 5 percent.

He said some of the policy initiatives include curbing the number of controlled substances prescribed by doctors. From 2015 to 2018, the number of opioid analgesics dispensed in Kentucky fell by a little over 800,000. That's equivalent to 64 million fewer



Interim Joint Committee on Health, Welfare, and Family Services Co-Chair Rep. Kimberly Poore Moser, R-Taylor Mill, comments during the committee's meeting.

dosage units.

Dr. Doug Oyler of University of Kentucky HealthCare testified that the initiative had reduced opioid prescriptions by 1,300 annually just within that health care system.

"I love hearing that some ... of the legislative actions we have taken to really move this conversation forward are making a difference," said Rep. Kimberly Poore Moser, R-Taylor Mill, co-chair of the committee, and former director of the Northern Kentucky Office of Drug Control Policy.

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## Hemp, broadband concerns brought before state panel

by Rebecca Hanchett  
*LRC Public Information*

FRANKFORT—Kentucky Farm Bureau President Mark Haney said his organization's advice for Kentucky's growing number of hemp producers is "be careful."

Haney told the Interim Joint Committee on Agriculture on Nov. 19 that farmers are being encouraged to enter the growing hemp industry, but with minimal risk. Kentucky is finishing its first five years of modern hemp production which began in 2014 under the state's Industrial Hemp Research Pilot Program.

The research pilot program is ending this year, with the state's Hemp Licensing Program entering a new stage of commercial production in 2020.

"We tell all the producers, and have been saying all along, be careful. Go slow. Don't risk any more than you can afford to put at risk," said Haney. The caution comes as many farmers, he said, look to hemp as a replacement for once-reliable sources of income—like tobacco—amid today's agriculture market disruptions and downturns.

Making hemp as profitable as tobacco once was to Kentucky farmers, if possible, will take

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# Kentucky changes route to REAL ID compliance

by Jim Hannah  
LRC Public Information

FRANKFORT – A change in how Kentucky plans to comply with the federal REAL ID Act will require additional legislation during the upcoming Regular Session of the Kentucky General Assembly.

That's what Department of Vehicle Regulation Commissioner Matt Henderson told members of the Interim Joint Committee on Transportation during their Nov. 18 meeting, the group's last scheduled gathering before the opening of session on Jan. 7.

"It is not a topic without strong opinions on both sides, but I would like to remind everyone this is a federal mandate," committee

Co-chair Sen. Ernie Harris, R-Prospect, said upon hearing of the change. "We are just trying to play catch-up with what the feds want us to do in a limited timeframe."

Legislation passed in 2017 to comply with the federal law envisioned each of Kentucky's 120 circuit court clerks issuing the new REAL IDs, but Harris said unforeseen workloads stymied that plan. Circuit court clerks have traditionally issued driver's licenses in Kentucky.

Henderson said the new plan is to set up 12 regional offices to issue REAL IDs before the October 2020 deadline. That's when Kentucky's traditional driver's licenses will no longer be accepted for commercial air travel or to enter certain federal facilities like military bases and the White House.

The transportation cabinet is currently only issuing REAL IDs at its headquarters in Franklin County. It is accepting applications from both Franklin County residents and neighboring Anderson County residents. Henderson said it would soon start accepting applications from nearby Scott County.

Henderson said the 12 regional offices would be located in Paducah, Madisonville, Bowling Green, Elizabethtown, Louisville, Lexington, Florence, Somerset, Manchester, Jackson, Prestonsburg and Morehead. He said state officials are looking to locate them in existing state buildings such as transportation cabinet field offices. Henderson said the hope is to have

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## Agriculture, from page 1

time, said Haney.

"It would be wonderful if we could do that," he said. "So we're telling folks, 'help us build the industry and don't just try to swing for a home run.'"

Haney said the Kentucky Farm Bureau has formed a hemp advisory committee to work on issues that could help farmers build the industry moving forward. That work, he said, could come in handy in any future legislative discussions concerning the farmer's role in the hemp industry. Haney said he hopes hemp processors will take a similar approach regarding their role in the industry.

"Most of the questions about hemp that I've heard were not about production of hemp. It was about the processing of hemp and how we transport it, how we get paid for it, (about) the systems from the farm gate through the rest of the pipeline," said Haney.

Rep. Joe Graviss, D-Versailles, asked Haney if the Kentucky Farm Bureau's hemp advisory committee could look into whether Kentucky farmers are being fairly compensated for their crop. He also encouraged a standard means to test hemp products, saying he would like the organization to look into "standardization in testing" of hemp products on store shelves to make sure "what is on the shelf at a gas station or a pharmacy is actually going to contain the



Interim Joint Committee on Agriculture Co-Chair Rep. Richard Heath, R-Mayfield, fields questions during the committee's Nov. 18 meeting in Frankfort.

same stuff."

Concerns about cash flow to hemp producers also voiced by Graviss were shared earlier in the meeting with Governor's Office of Agricultural Policy Executive Director Warren Beeler, who said farmers have had high hopes for hemp amid uncertainty in other agricultural markets. Now farmers are finding that hemp production brings its own uncertainty, he told lawmakers.

"We don't know exactly where we're going to end up," said Beeler. "But hemp has a chance to help us. It has a chance to be maybe that tobacco that we thought we'd never have a replacement for."

One of the most critical issues facing many Kentucky farmers, said Haney, is the need for high-speed broadband. While most Kentuckians have internet access, Haney said rural areas remain that don't have the connection speed necessary to use high-tech apps and programs now commonplace in modern agriculture.

"If you can't operate the device that you're working with because the speed is so low that

you can't even download the programming ... it's pretty sad. And it's important to our members more now than it has ever been before," said Haney, adding that his organization will likely approach the Kentucky General Assembly for help on the matter in the future.

Sen. Stephen West, R-Paris, an attorney and cattle farmer, said internet connectivity is important to him and his constituents, including a number of rural Kentuckians with limited internet access. West said that while full implementation the KentuckyWired project—which is intended to provide gigabit-speed access statewide—is expected within the next year or so, he wonders what support there is from the private sector for improved internet speed.

"They have to address these issues to get more service out to our farmers and rural areas," West said.

Haney said the Farm Bureau is communicating with the private sector and is "hoping to put together some stakeholders that will continue to work on this in the near future."



## REAL ID, from page 2

all 12 operating by early next year.

Henderson said would like to have about 28 regional offices but knew that wasn't feasible before the federally imposed deadline. He added that a decision on how many offices to open might be left to the new administration. (Kentucky's governor-elect will be sworn into office on Dec. 10.)

Sen. Albert Robinson, R-London, expressed concern that the final plan didn't include a regional office in Laurel County. "I understood that was the original intention," Robinson said.

Sen. Stephen Meredith, R-Leitchfield, said he preferred issuing REAL IDs in every county. He said the regional plan places a financial burden on rural residents who live far away from centers of commerce.

"I still have a problem with the fact we can't do this in each county," Meredith said, "but I guess that is something we will get into during the next legislative session."

Rep. Maria Sorolis, D-Louisville, asked what the maximum distance residents would have to travel to get a Real ID. Henderson said the longest drive would be for Eastern Kentucky



Rep. Chris Harris, D-Forest Hills, comments on transportation issues facing the state at the Nov. 18 Interim Joint Committee on Transportation meeting.

residents. He said some mountain residents might have over an hour-long drive.

Rep. Chris Harris, D-Forest Hills, asked what the new plan was costing. Henderson estimated it would cost \$16 million annually for 28 regional offices. That prompted Harris, who chaired the meeting, to add he was originally told the cost would be \$5 million.

Henderson said fees to get the REAL IDs could fund the regional offices – but that would require yet more legislation.

Sen. Jimmy Higdon, R-Lebanon, stressed that not everyone needs a Real ID.

He said Kentucky's traditional driver's license could still be used to apply for or receive federal benefits, access health and medical services, participate in law enforcement investigations, operate a vehicle and vote.

"I don't want people to panic to think they have to have a Real ID and drive an hour out of their way when grandma simply doesn't need one if she doesn't plan to fly," Higdon said.

## Opioids, from page 1

One initiative is expanding the use of medication-assisted treatment, known as MAT, to treat opioid use disorders. Ingram said 1,240 doctors practicing in Kentucky have received a federal waiver to prescribe the drug buprenorphine, used in MAT. Ingram added, however, that most of those doctors are treating five or fewer patients.

Buprenorphine has also become the No. 1 drug being diverted or given to another person for illicit use. Ingram said that was "tragic" but that the abuse of buprenorphine generally doesn't cause overdose deaths.

Rep. Robert Goforth, R-East Bernstadt, a pharmacist by trade, asked if Kentucky needed to pass legislation to increase training for doctors in hopes of reducing the diversion of the drug. Ingram said Kentucky could require more rigorous training than the eight-hour online course federal authorities require before prescribing buprenorphine.

"We should look into that," Goforth said in response.

Ingram said arrests for possession of heroin were down 15 percent and arrests for trafficking heroin were down 12 percent from 2017 through March of this year. He added that heroin deaths were down almost 54 percent during the same period.

Ingram attributed the downturn to fentanyl from China flooding the United States. He said the drug cartels recognized that it was a more profitable business model to buy chemicals from China than it is to grow opium poppies.

"Unless the Chinese live up to their promises and make real efforts to control the chemical supply in that country ... fentanyl is going to be the business model we see," Ingram said. "That is alarming."

He highlighted the fact that fentanyl trafficking arrests are up 73 percent in the state.

"There is a lot of work to be done," Ingram said, adding that there were still 1,333 lethal overdoses last year. "That isn't acceptable. It's not a number we can live with."

Ingram said the 10 counties where people

are statistically at the greatest risk of overdosing are Madison, Clark, Kenton, Boyd, Gallatin, Pendleton, Owen, Jefferson, Grant and Campbell.

"As a state, we have come to learn treatment isn't enough," Ingram said as he described some recent initiatives undertaken by his office. "Transitional housing for people in early recovery and employment support for people in early recovery are just as important as anything else we can do."

"People do get better, but it doesn't always happen on our timetable. It happens on theirs. We want to do the things we can to increase the odds that people stay in recovery and continue to get better."

Rep. Danny Bentley, R-Russell, also a pharmacist, asked Ingram about recent court settlements against drug companies and pharmacy chains accused of fueling the addiction crisis.

"There is lots of blame to go around, but there is only a small group that profited," Ingram said.

# 2020 REGULAR SESSION CALENDAR

## JANUARY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
		(1)	(2)	(3)	(4)	
12	13	14	15	16	17	18
	(5)	(6)	(7)	(8)	(9)	
19	20 Martin Luther King, Jr. Day	21	22	23	24	25
		(10)	(11)	(12)	(13)	
26	27	28	29	30	31	
	(14)	(15)	(16)	(17)	(18)	

## FEBRUARY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4	5	6	7	8
	(19)	(20)	(21)	(22)	(23)	
9	10	11	12	13	14	15
	(24)	(25)	(26)	(27)	(28)	
16	17 Presidents' Day	18	19	20	21 Last Day for Bill Requests	22
		(29)	(30)	(31)	(32)	
23	24	25	26	27	28	29
	(33)	(34)	(35)	(36)	(37)	

( ) Denotes Legislative Day

## MARCH

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 Last day for new House bills (38)	3 Last day for new Senate bills (39)	4	5	6	7
8	9	10	11	12	13	14
	(43)	(44)	(45)	(46)	(47)	
15	16	17	18	19	20	21
	(48)	(49)	(50)	(51)	(52)	
22	23	24	25	26	27	28
	(53)	(54)	(55)	(56)		
29	30	31 Concurrence (57)				

## APRIL

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 Concurrence (58)	2 VETO	3 VETO	4 VETO
5	6 VETO	7 VETO	8 VETO	9 VETO	10 VETO	11 VETO
12	13 VETO	14	15 SINE DIE (60)	16	17	18
		(59)				
19	20	21	22	23	24	25
26	27	28	29	30		

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## INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

### Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection

#### Minutes of the 4th Meeting of the 2019 Interim

October 1, 2019

##### Call to Order and Roll Call

The fourth meeting of the Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection of the Interim Joint Committee on Appropriations and Revenue was held on Tuesday, October 1, 2019, at 9:00 AM, in Room 154 of the Capitol Annex. Representative Lynn Bechler, Chair, called the meeting to order, and the secretary called the roll.

##### Present were:

Members: Representative Lynn Bechler, Co-Chair; Senators Perry B. Clark; Representatives Terri Branham Clark, Savannah Maddox, Russell Webber, and Les Yates.

Guests: K. Gail Russell, Secretary, Public Protection Cabinet; Carol Beth Martin, Commissioner, Department of Alcoholic Beverage Control; Steve Humphress, General Counsel, Department of Alcoholic Beverage Control; and Joseph Fawns, Legislative Liaison, Public Protection Cabinet.

LRC Staff: Sara Rome, Kevin Newton, and Amie Elam.

##### Public Protection Cabinet

Representatives from the Public Protection Cabinet gave a presentation to the committee on the implementation and fiscal impact of proposed Medical Marijuana Legislation.

In response to a question from Representative Branham Clark, Commissioner Martin stated that Washington regulates marijuana through Alcoholic Beverage Control (ABC).

In response to a question from Representative Webber, Commissioner Martin noted that most of the 47 additional personnel that would be needed would be field office personnel. Secretary Russel noted that ABC would have an additional cost in finding office space for the additional personnel.

In response to a question from Chair Bechler, Commissioner Martin stated that implementation would cost \$2.5 million, with a recurring annual cost of around \$5.5 million. Mr. Humphress noted that the first year cost would be \$8 million. Secretary Russel noted that licensing fees should be sufficient to cover expenses.

In response to a question from Representative Branham Clark, Commissioner Martin noted that Oklahoma has enough revenue from medical marijuana to cover expenses and has

accumulated \$50 million in reserve funds in less than a year.

In response to a question from Chair Bechler, Mr. Humphress stated that ABC would like to have two years to develop regulations and implement if medical marijuana legislation were passed.

There being no further business to come before the subcommittee, the meeting was adjourned at 9:45 a.m.

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

### Minutes of the 6th Meeting of the 2019 Interim

September 30, 2019

##### Call to Order and Roll Call

The 6th meeting of the Interim Joint Committee on Health, Welfare, and Family Services was held on Monday, September 30, 2019, at 1:00 PM, in Room 154 of the Capitol Annex. Senator Ralph Alvarado, Chair, called the meeting to order, and the secretary called the roll.

##### Present were:

Members: Senator Ralph Alvarado, Co-Chair; Representative Kimberly Poore Moser, Co-Chair; Senators Julie Raque Adams, Danny Carroll, David P. Givens, Denise Harper Angel, Alice Forgy Kerr, Stephen Meredith, and Max Wise; Representatives Danny Bentley, Tina Bojanowski, Adam Bowling, George Brown Jr, Tom Burch, Deanna Frazier, Robert Goforth, Joni L. Jenkins, Scott Lewis, Mary Lou Marzian, Josie Raymond, Steve Riley, Steve Sheldon, Nancy Tate, Russell Webber, and Lisa Willner.

Guests: Representative Jerry T. Miller, District 36; Tresa Straw, Chief of Staff, Cabinet for Health and Family Services; Eric T. Clark, Commissioner, Elizabeth Caywood, Deputy Commissioner, Lisa Dennis, Chief of Staff, Paula Saenz, Transitional Services Branch Manager, Lorraine Wilbur, Social Service Specialist, Department for Community Based Services, Cabinet for Health and Family Services; Cameron Galloway, Tamara Vest, Voices of the Commonwealth; April Abell, Executive Director National Kidney Foundation; Beth Burbridge, Living Organ Donor; Thomas H. Waid, M.D., Medical Director, Kidney and Kidney/Pancreas Transplant Program, and Dylan Adamson, M.D., Transplant Surgeon, University of Louisville Hospital, KentuckyOne Jewish Hospital Downtown.

LRC Staff: DeeAnn Wenk, Ben Payne, Chris Joffrion, Dana Simmons, Becky Lancaster, Hillary McGoodwin, and Sean Meloney.

##### Approval of the Minutes

A motion to approve the minutes of the September 9, 2019 meeting was made by Representative Jenkins, seconded by Representative Marzian, and approved by voice vote.

## **Legislative Hearing on Executive Order 2019-0719 - Reorganization of the Cabinet for Health and Family Services**

Tresa Straw, Chief of Staff, Cabinet for Health and Family Services, gave a summary of the changes within the Cabinet for Health and Family Services. The organizational enhancements being made are designed to improve efficiency and provide a more effective management structure. She stated that combining and compressing programmatic functions will improve the Cabinet's ability to serve Kentucky. A motion to accept Executive Order 2019-0719 was made by Representative Burch, seconded by Representative Sheldon, and accepted by voice vote.

### **Discussion of Prefiled Bills 2020 Regular Session BR 179**

AN ACT relating to the promotion of living donor human organ and bone marrow donation, sponsored by Representative Jerry T. Miller, District 36. Beth Burbridge, living organ donor, shared her experience of donating one of her kidneys to her neighbor's son in Kentucky. Kentucky is 1 of 13 states that do not have any protection for living organ donors. Her company required her time off to come from her vacation time and any additional time off would be unpaid. The organ donation surgery was considered an elective surgery. She stated that BR 179 will help Kentuckians who need an organ. The bill will also help the people who are considering living organ donation. The bill will provide some financial relief for living organ donors through tax deductions.

April Abell, Executive Director National Kidney Foundation, stated that over 30 million people have chronic kidney disease (CKD). In Kentucky there are 75,300 Medicare patients diagnosed with CKD. Kentucky has approximately 5,372 people on dialysis and 711 on the kidney transplant waitlist. In 2018, there were 201 kidney transplants, with 55 having living donors, in Kentucky. 38 Kentucky patients died while on the waitlist in 2018.

Thomas H. Waid, M.D., Medical Director, Kidney and Kidney/Pancreas Transplant Program, stated that if a patient has CKD and is on dialysis, the chance of living for 10 years is 18 percent. If a patient receives a live donor transplant the chance of living for ten years increases to 54 percent. The cost of dialysis is approximately \$90,000 per year. The cost of the kidney transplant is approximately \$90,000; however, the patient should recoup all of the cost within the first 18 to 20 months. After the 18 to 20 months, everything is cost effective from that point. In the United States, there are 110,000 people on waiting lists for kidney transplants. There will be approximately 22,000 transplants in 2020; however, only 33 percent will be from live donors. Encouraging living donations is very important to increase the amount of transplantations. The number of live donors has been declining since 2007. There have been cases where live donors' health or life insurance policies were canceled, disability claims were canceled, or time off was denied under the Family Medical Leave Act, because live donation is considered an elective procedure. The University of Kentucky provides 30 additional days of medical leave for organ donation and 5 additional days of medical leave for bone marrow donation for employees.

Dylan Adamson, M.D., Transplant Surgeon,

University of Louisville Hospital, KentuckyOne Jewish Hospital Downtown, stated that living donation is the only operation that is performed on patients that are completely healthy. The kidney donation surgery is done laparoscopically using minimally invasive techniques; however, a sizable incision is made to remove the kidney with no surgical damage. The recovery is minimally six weeks including two days spent in the hospital.

Representative Miller stated that the intention of the bill is that for the listed organs, state employees would be given 240 hours of paid leave for organ donation. For a bone marrow transplant state employees would be given 40 hours of paid leave. The bill allows all Kentuckians a \$10,000 tax deduction related to the organ donation. He hopes that the bill will inspire companies in Kentucky to offer the same benefits for its employees to encourage live organ donation.

In response to questions and comments from Representative Jenkins, Representative Miller stated that he was not aware of previously proposed legislation regarding live organ donation. The bill covers donations of the human intestines, kidneys, liver, lungs, or the pancreas.

In response to questions and comments from Senator Meredith, Dr. Waid stated that the overall number of patients who are requiring a transplant continues to grow in excess of the organ supply. In the United States, there are approximately 600,000 patients who are in at least one form of end stage renal disease management. Ms. Abell stated that life insurance denials for donors may have helped to cause the plateau in organ donation. The Living Donor Protection Act protects individuals who are donating an organ from being discriminated against. Dr. Adamson stated that is very specific as to who can donate a kidney. A donor cannot have a history of high blood pressure, diabetes, or other procedures that could have affected the kidneys. Ms. Burbridge stated that BR 179 would support those who choose living organ donation. She was in a financial scenario where she was able to donate but knows that finances may also prohibit others from donating. Representative Miller stated that he will find out if Kentucky is lagging behind in the number of living organ donations.

In response to questions and comments from Representative Marzian, Representative Miller stated that he does not know how many state employees have donated organs. He stated that the majority of states with living organ donation laws give time off for the state employees to donate organs. There is no language in BR 179 that prohibits insurers from canceling a life insurance or health insurance policy.

### **Child Welfare Transformation**

Eric T. Clark, Commissioner, Department for Community Based Services (DCBS), Cabinet for Health and Family Services (CHFS), stated that in the United States there are over 400,000 children in foster care. In 2018, DCBS decided to put a focus on the transformation of the child welfare system. The 2018 Regular Session House Bill 1 (HB 1) was referred to as landmark child welfare legislation and touched many aspects of the system from prevention of child removal to adoption. The federal government also passed landmark child welfare legislation with

the Family First Prevention Services Act. HB 1 was incorporated into the daily work of DCBS. In 2018, a DCBS project management team began convening workgroups dedicated to various components of Kentucky's child welfare continuum. Stakeholders were brought into the nine workgroups where scopes of work and strategies were further developed. DCBS published a Child Welfare Transformation annual report on July 1, 2019. Kentucky is leading the nation as a model on how to transform a child welfare system.

Commissioner Clark stated that all states have to comply with the Family First Prevention Services Act by October of 2021. The three transformation goals are to: (1) safely reduce the number of children entering out-of-home care; (2) reduce caseloads for workers; (3) and improve the timeliness to appropriate permanency. DCBS has studied performance based contracting. DCBS wants to be a data-informed, outcome-driven agency. He shared a graph that shows an increase of 26.1 percent in the number of youth in out-of-home care over a four year period. The highest number of children in out-of-home care, 9,916, was in November of 2018. As of September 30, 2019, there were 9,721 children in out-of-home care. The most recent six month trend shows decreases in April, July, and August. There are fewer children placed in out-of-state residential facilities than in previous years. Elizabeth Caywood, Deputy Commissioner, Department for Community Based Services, Cabinet for Health and Family Services, stated that despite the stresses on the system in terms of the quantity of children in the system, DCBS is serving more children in-state and in the least restrictive care setting.

Commissioner Clark stated that there has been a 24.2 percent increase in the total number of foster homes. The spike in foster homes is a direct result of DCBS's diligent recruitment efforts. Compared to state fiscal year (SFY) 2015, SFY 2019 DCBS saw an increase of 15.5 percent, 325 children, in the number of children reunified with a parent or primary caretaker. The average time to permanency reunifications is eight months. The average time to permanency adoptions is 36 months. Compared to SFY 2015, SFY 2019 DCBS saw an increase of 37.5 percent in the number of children adopted; a total of 343 adoptions. The past due Child Protective Services (CPS) cases that have not been completed within the procedural timeframe, although a DCBS worker intervention has been initiated, averages 30 cases per social worker statewide. Fayette and Jefferson counties have a much higher average caseload. Jefferson County social workers have an average of 80 cases per worker. High average caseloads reflect the underlying issues with staff recruitment and retention, in addition to the overall increased volume in the service demand placed on DCBS. DCBS has hired an additional 40 social workers statewide since 2018.

### **Department for Community Based Services Social Worker Caseloads, Career Ladders, Recruitment, and Retention**

Eric T. Clark, Commissioner, Department for Community Based Services, Cabinet for Health and Family Services, stated that DCBS is working on a series of videos with a mission to recruit more quality staff and build current employee morale. DCBS offers a special entrance pay rate for social workers



and clinicians. DCBS has a Public Child Welfare Certification Program where students sign a contract to work for DCBS for two years after obtaining their degree in exchange for DCBS paying for their schooling. The stipend program is for current employees to get their Master's degree paid for while they work for DCBS. The front line social workers received a raise last year and technology solutions to make the administrative parts of the job easier while in the field. DCBS has increased the starting salary for social workers from \$32,000 to \$34,000 a year. DCBS has a career ladder in place for social workers with the titles of Social Service Worker I and II and Social Service Clinician I and II.

Commissioner Clark stated that CHFS supports the workforce in DCBS. DCBS must create a culture of safety that attracts and retains social workers in Kentucky in spite of high caseloads and low pay. The three transitions to a culture of safety are from: (1) a culture of blame to a culture of accountability; (2) continuously applying quick fixes to addressing underlying systemic issues; and (3) seeing employees as a problem to control to a solution to harness. DCBS is empowering workers to speak for themselves and to talk about the challenges they face while working. DCBS will support the workers and take a holistic view to address underlying systemic issues that relate to the workforce.

Commissioner Clark stated that The Family First Prevention Services Act provides Title IV-E federal funding toward prevention services and makes efforts to reduce the number of children living in congregate or residential care facilities. Kentucky spent \$476 million on children in out-of-home care and only spent \$18 million on prevention services and supports to keep children from entering foster care during the same time period. Of the families that received preservation and prevention services, 96 percent remained together. There were approximately 5,000 children prevented from going into foster care due to the prevention services. DCBS is the child welfare agency not the child welfare system. Everyone including the schools, courts, Department for Juvenile Justice, treatment and recovery programs, Department for Public Health, mental and behavioral health centers, and the faith-based community all belong to the child welfare system.

In response to questions and comments from Representative Burch, Ms. Caywood stated that there are 20 children that are in facilities that are out-of-state.

In response to questions and comments from Representative Moser, Ms. Caywood stated that the number of children in out-of-home care represents the number of children that are in the custody of CHFS. There are children who are placed with relatives and fictive kin that are in the custody of CHFS. The children that have been diverted from foster care that are living with relatives and fictive kin but not in the custody of CHFS are not included in the total number of children in out-of-home care. She stated that the DCBS data system has been set up to do foster care reporting and claiming. DCBS has not been good about capturing the number of children who are placed with relatives or fictive kin and who are not in the custody of CHFS. DCBS does have programming

technology that is in process that will start capturing that data in approximately one month. Commissioner Clark stated that some of the prevention services offered by CHFS are The Kentucky Health Access Nurturing Development Services (HANDS) program and the Sobriety Treatment and Recovery Team (START) program. He stated that Kentucky's social workers salaries are lower and not comparable to surrounding states such as Ohio, Indiana, Tennessee, and West Virginia.

In response to questions and comments from Senator Alvarado, Commissioner Clark stated that he does not know how much money it would take to match the surrounding states social worker salaries. DCBS social workers received a pay increase with HB 1. DCBS wants to reevaluate the approach of only social workers receiving the pay increases. There are workers within DCBS that did not receive a pay increase and it has created a morale issue for those employees. A smaller increase but more far reaching would have a better effect on the department.

In response to the questions and comments from Senator Meredith, Commissioner Clark stated that for every dollar spent on prevention services there is approximately a three dollar return on investment. DCBS is confident that every dollar put into prevention services will reduce the amount spent on out-of-home care. The 2022 budget for out-of-home care should be less than \$476 million. Ms. Caywood stated that DCBS has increasing operating costs in out-of-home care.

In response to questions and comments from Representative Sheldon, Commissioner Clark stated that in the TWIST data system, DCBS tracks the prevention services and the families that receive the prevention services. DCBS can cross-reference that data with the outcomes of what happened to that child in foster care to know how the preventative services impact families. Ms. Caywood stated that DCBS does not have the capacity to serve the statewide demand for prevention services. DCBS continues to track whether the families are still intact at three, six, and 12 month intervals.

In response to the questions and comments from Senator Danny Carroll, Lisa Dennis, Chief of Staff, Department for Community Based Services, Cabinet for Health and Family Services, stated that in 2018, DCBS invested in work tablets and mobile technology for social workers. DCBS continues to work with the internet technology (IT) office to build better supports for the staff to work more efficiently. DCBS has developed training tools to help the staff with the new technology. DCBS is looking at ways to modernize the workforce through the child welfare transformation. The case management is standardized throughout the state. The public foster care agencies complete the primary case management with the family. The private providers are subject to licensure and contractual requirements. DCBS has a set standard of practice and protocols however, there are some regional variances to meet the needs of the families. Commissioner Clark stated that there are funds that are re-allocated from one region of the state to another region. DCBS has brought in additional resources through a private provider for

additional social workers in Jefferson County to build support and to have the past due cases addressed. He stated that DCBS has a good relationship with law enforcement. In some parts of the state, DCBS's relationship with the courts and county attorneys can be very challenging.

In response to the questions and comments from Senator Wise, Commissioner Clark stated that DCBS promulgated regulations in relation to 2019 Regular Session House Bill 446 and the regulations are in effect. DCBS moved from a one year to a three recertification of foster parents.

#### **Transition Age Youth**

Paula Saenz, Transitional Services Branch Manager, Division of Protection and Permanency, Department for Community Based Services, Cabinet for Health and Family Services, stated that in October of 2018, DCBS created a transitional services branch in the Division of Protection and Permanency to focus exclusively on improving the services to older youth in foster care. The new name for Kentucky's independent living program is Kentucky Resources for Independence Success and Empowerment (RISE). Kentucky RISE is an internet portal for transition age foster youth, foster parents, and other stakeholders to access information about the array of resources and services available to current and former foster youth. DCBS added supports for foster youth and foster parents to receive financial assistance for driver's insurance and education.

Ms. Saenz stated that DCBS purchased the LYFT curriculum, an online skills program, for foster youth aged 16 and older. LYFT has 25 study units and 5 different modules to include personal finance, communication, independent living, keeping a job, and resiliency. DCBS implemented significant improvements for the foster youth who chose to extend their commitment to foster care. DCBS put intentional focus on strategies to build skills for self-sufficiency, including increasing savings accounts, stable housing, post-secondary education, and permanent connections. DCBS has expanded services for foster youth who age out of care at the age of 18. Services can be provided until the age of 23.

Cameron Galloway, Voices of the Commonwealth, stated that the Voices of the Commonwealth Leadership Council exists to educate foster youth about the options, resources, and services available to them while striving to advocate for positive change within the Commonwealth of Kentucky's foster care system. The Voices of the Commonwealth has 15 members across the state. The Voices of the Commonwealth advocate for changes to policy and legislation, provide training and recruitment of foster parents, educate and empower foster youth, plan regional events, and work with the DCBS leadership on policy development.

Tamara Vest, Voices of the Commonwealth, stated that the Voices of the Commonwealth have been working on initiatives at the youth continuous quality improvement (CQI) meetings, foster parent pre-service trainings, a targeted recruitment workgroup, a transition age workgroup, the Family First Prevention Services Act regional convening, and the National Chafee grantee meeting. The second phase of the transformation workgroups will continue



to support the regional youth CQI meetings across the state, improve and recruit high quality foster homes, empower foster youth to be their own best advocates, advocate for change in policy and legislation, educate the public around the needs of foster youth, and partner with DCBS on policy development.

Lorraine Wilbur, Social Service Specialist, Department for Community Based Services, Cabinet for Health and Family Services, stated that Fostering Success is a 10-week workforce development initiative sponsored by DCBS. Fostering Success provides current and former foster youth the opportunity to participate in a paid internship while receiving professional development and career planning support. There were 118 youth that applied to the program with 82 participating. Each youth has a job coach to provide professional development support. Each youth participates in an internship at DCBS offices across the state or with one of the 85 private and public partners. Future initiatives for the Voices of the Commonwealth are to expand the partnership with Workforce Development and to develop partnerships with post-secondary colleges and universities.

In response to questions and comments from Representative Bojanowski, Ms. Wilbur stated that the Family Scholar House in Louisville provides housing and educational services to youth who had a foster care experience. DCBS has similar services across the state for foster youth. DCBS has an aftercare program that partners with community action to provide housing and other services.

In response to the questions and comments from Senator Danny Carroll, Ms. Wilbur stated that DCBS contracts with the University of Kentucky to provide the job coaches. The job coaches are employees of University of Kentucky. There are nine job coaches, one for each of the DCBS regions of Kentucky.

#### **Adjournment**

There being no further business, the meeting was adjourned at 3:00 PM.

## **INTERIM JOINT COMMITTEE ON TRANSPORTATION**

### **Minutes of the 4th Meeting of the 2019 Interim**

September 30, 2019

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

The 4th meeting of the Interim Joint Committee on Transportation was held on Monday, September 30, 2019, at 3:00 PM, in Room 149 of the Capitol Annex. Representative Ken Upchurch, Chair, called the meeting to order, and the secretary called the roll. The minutes from the Committee's September 09, 2019 meeting were approved.

Present were:

Members: Senator Ernie Harris, Co-Chair; Representative Ken Upchurch, Co-Chair; Senators Ralph Alvarado, Jared Carpenter, Perry B. Clark, C.B. Embry Jr., Jimmy Higdon, Paul Hornback, Stephen Meredith, Albert Robinson, Brandon Smith, and Mike Wilson; Representatives Terri Branham Clark, Randy Bridges, Chris Fugate, Al Gentry, Robert Goforth, David Hale, Chris Harris, Thomas Huff, Derek Lewis, Savannah Maddox, Bobby McCool, Rick Rand, Maria Sorolis, Cherlynn Stevenson, Jim Stewart III, Walker Thomas, and Tommy Turner.

Guests: Representative James Tipton; Representative Steve Sheldon; Jennifer Smith, CEO, Stopdistractions.org; Carl Breeding, American Property and Casualty Insurers Association; David Sanford, Goss Samford, PLLC; Brian Clark, Executive Director, KPMA; Mike Hardy, Owner, Hardy Oil, Board of Directors, KPMA; Representative Kim Moser; Jason Siwula, Assistant State Highway Engineer, Kentucky Department of Highway Safety, KYTC; and Dr. Chip Richardson, Ophthalmologist

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

#### **Discussion of the 2020 Regular Session BR 166: An act relating to operating a motor vehicle**

Representative James Tipton, and Representative Steve Sheldon, gave a brief explanation of BR 166, which would ban the use of hand held cell phones while driving. Under this measure, a motorist could still use GPS and make and take calls hands-free. If the phone is in the motorist's hand, then they would be in violation.

He stated due to an increase in motor vehicle accidents occurring due to distracted driving through the use of a cell phone, this bill is needed. Jennifer Smith, CEO, Stopdistractions.org, gave a brief presentation in favor of the proposed bill. Distracted driving results in higher fatality rates for motorists. As of September 24, 2019, there have been 554 fatalities on Kentucky's roadways this year.

Also, distracted driving related to smartphone usage has driven car insurance rates higher. Insurers increasingly blame distracted drivers as costs related to crashes outpace premium increases. Since 2011, the average insurance premium has jumped 16% to \$926. Insurance companies say the sharp spike is partly caused by more drivers distracted on their smartphones and subsequently getting into crashes. In a recent study, it was found that driver cellphone interactions have increased 57% since 2014.

Ms. Smith stated a poll was taken in Tennessee asking if the residents would support or oppose enacting a "hands-free" law that would prohibit holding a phone to talk or text while driving. The statewide results were that 91% would support such a law, 6% would oppose it, and 3% were undecided. Ms. Smith stated there are currently 20 states that ban hand held cell phone use for all drivers.

Ms. Smith stated in July of 2018, Georgia passed a hands-free law. Since the passage, traffic fatalities are down 3.4% from 2017 to 2018. Phone use while driving has dropped 22% in the first month. There was also a 15% reduction in commercial motor vehicle fatalities over 2017. In 12 states traffic fatalities decreased 16% within two years of passing handheld bans.

Ms. Smith clarified that in the proposed legislation, the use of GPS is allowed while driving. However, a motorist cannot watch, record, broadcast, or engage in video chat. She added that the proposed legislation does not cost constituents any additional money, adding that any smartphone can work with voice activation for free. She stated currently, over 90% of the population owns a smart phone. If a cell phone mount is needed, they can be found online for approximately \$5.00 or less.

Law enforcement has training developed on how

to enforce these laws, and it is offered by the National Highway Traffic Safety Administration (NHTSA) and United States Department of Transportation (USDOT) traffic safety services. Existing texting laws are unenforceable and obsolete, as it is too difficult to see what the driver is doing on their phone. States with stricter distracted driving laws see an 11% lower rate of fatal crashes for motorcyclists. Six in 10 parents or guardians admit to personally using a mobile device to check an application, text, or make a call while driving. Motorists with smart phones use held-held devices in 88 out of every 100 trips. Zendrive estimates there are approximately 600 million trips involving distracted driving in the U.S. each day. Approximately 80% of teens considered smartphone application use while driving as "not distracting." Distracted driving has occurred during 52% of trips that resulted in a crash. Almost ¼ of the drivers were using a phone within one minute before a crash which could include the moment the collision occurred. Ms. Smith also stated that like drunk driving, texting in the driver's seat endangers everyone on or newer the road, not just the texter.

In conclusion, Ms. Smith reiterated some key points of support for the proposed legislation. Current laws are unenforceable, which results in a need for expanding language, as people do not just text anymore. There is no organized or individual opposition, and that there is overwhelming public support. There are also broad amounts of coalitions that are pushing this type of legislation. Data on reductions in crashes, fatalities, insurance rates, and use shows that the law will work.

Carl Breeding, American Property and Casualty Insurers Association, also gave a brief presentation supporting BR 166. Over the course of several decades, auto accident rates had been slowly but steadily declining, offsetting slightly increased accident severity, and that has helped to keep car insurance rates relatively stable. But starting in 2013, there was a sharp increase in accidents, with the roads becoming increasingly dangerous, which is believed to be in large part because of distracted driving. Auto accident deaths have increased nearly 14% from 2013 to 2017, the biggest increase in over a half of a century. In 2017 1.8 million people were significantly injured on the roads, an 11% increase since 2013. Meanwhile, automobile insurance loss costs have increased as the cost of repairing damaged cars, and injured people – have continued to increase. According to the NHTSA, 5,977 pedestrians were killed in motor vehicle crashes in the United States in 2017. Pedestrian deaths accounted for 16% of all traffic fatalities in 2017. Although bicyclists' deaths have decreased 23% since 1975, they have increased 25% since reaching their lowest point in 2010, suggesting our at-risk population is not just distracted drivers but also the pedestrians and bicyclists with whom they share the road.

One of the Insurtech companies that has shared their data and analysis with the American Property Casualty Insurance Association (APCIA), True Motion, found that 92% of drivers interact with their devices in some way while driving; 71% for text messages; their list of the top 10 apps used while driving includes Google Chrome, YouTube and

Netflix. True motion also found that drivers were being distracted by their smartphones roughly 20% of their driving time, with their corresponding accident risk increased by 2-20 times.

Mr. Breeding stated that smartphone ownership has more than doubled over the past 8 years, and it is not surprising that the percentage of accidents involving phone distractions have increased. According to a NHTSA study released this summer, having a strong set of distracted driving laws is key to prevent distracted driving. Many state laws only cover cell phone voice call usage, not modern smartphone use as we know it today. States have started to update their laws, for example this year Washington changed its laws to prohibit use of streaming video and social media while driving. Penalties for distracted driving need to be sufficient to change behaviors. Having the right laws is important, but enforcing those laws is essential and enforcement of distracted driving laws is a challenge, since it can be difficult to prove without a major crash where a smartphone has been impounded. In conclusion, Mr. Breeding stated that tackling distracted driving is no easy task, but APCIA believes it's a task that we must take on, and we must take on together.

Lieutenant Arnold Rivera, Louisville Metro Police Department, Traffic Unit, also spoke in favor of BR 166, reiterating statements that Ms. Smith and Mr. Breeding both mentioned.

In response to a question asked by Representative Jim Stewart, Ms. Smith stated she does also believe that having an animal in the vehicle can also be a distraction, however, cellphone use is the most prevalent form of distracted driving.

In response to a question from Representative Maria Sorolis, Ms. Smith stated the proposed legislation would be for holding a device, and there would be no penalty for listening to the device.

In response to a question asked by Chairman Ken Upchurch, Representative Tipton stated the first offense would call for a fine of \$100, and the second offense would be \$200.

In response to a question asked by Senator Stephen Meredith, Mr. Breeding stated he is unaware of insurance companies proposing penalties for distracted driving offenses.

In response to a question asked by Representative Walker Thomas concerning points being taken off of a person's license if they are cited for the offense, Representative Tipton stated that is not in the current version of the proposed legislation, but he would be open to discussing that possibility.

Senator Albert Robinson cautioned that it was important not to cut off all cell phone usage, but he does support the hands free legislation.

#### **Industry Update from the Kentucky Petroleum Marketers Association (KPMA)**

Brian Clark, Executive Director, KPMA, updated the Committee on the petroleum industry. Mr. Clark stated the petroleum industry has an economic impact of \$3.7 billion to Kentucky. In Kentucky, there are \$618 million in Kentucky wages and over 33,000 jobs directly or indirectly from the petroleum industry. The industry collects and remits over \$750 million in gas tax revenue to the Commonwealth. Since their last update to the Committee, both federal

and state underground storage tank regulations were updated and the association has been working hard to educate the members to ensure compliance.

Mr. Clark updated the Committee on the Petroleum Storage Tank Environmental Assistance Fund (PSTEAF.) He stated petroleum underground storage tanks (USTs) exist in every county and every legislative district in Kentucky. Kentucky has approximately 10,400 active USTs in the ground. Approximately 80% of these active tanks are more than 15 years old. Because all tanks age and some will fail, there will always be a need for the PSTEAF program to assure remediation of petroleum UST leaks. Without PSTEAF, businesses across Kentucky would be at risk, resulting in revenue loss for the Commonwealth from the taxes these businesses pay and collect. Without PSTEAF, Kentucky's communities would suffer harmful environmental impacts, and the state, counties and municipalities could face crippling financial liability. Mr. Clark stated the essential need for PSTEAF has not changed since its inception in 1990 and should continue for the foreseeable future without alteration, except to extend or even remove the deadline dates. A map was also provided that showcased where each of the underground storage tanks were in Kentucky. Another chart was provided showcasing the aging infrastructure of the petroleum underground storage tanks in Kentucky.

Mr. Clark also updated the Committee on the evaporation and collection allowance. Kentucky fuel marketers are required by state law to remit the motor fuels tax (gas tax) based upon the volume of fuel purchased from the supplier. Marketers must then assume the cost, and the risk, of attempting to recoup the tax from the consumer when the fuel is sold at retail (KRS 138.220 and KRS 138.240). A 2.25% allowance, set forth in KRS 138.270(1)(b), exists to cover the difference in the amount of fuel taxes remitted to the state by marketers and the amount they may ultimately recover from consumers. This difference arises from the natural evaporation, shrinkage, unaccountable losses, collection costs, and handling and reporting of the gas tax. That collection and evaporation allowance is a line item deduction that offsets the portion of the motor fuels tax Kentucky marketers are obligated to pay but are not able to collect from the consumer, as well as specific costs incurred performing the tax collection function. Adjustments to the motor fuels tax have direct impacts on marketers. As the gas tax increases, costs to marketers increase (collection, surety expense, etc.). Mr. Clark stated this allowance is necessary and good for taxpayers as a whole. Mr. Clark asked that the 2.25% allowance be preserved.

Mike Hardy, Owner, Hardy Oil, Board Member of KPMA, addressed the Committee and stated that the loss of any PSTEAF or evaporation and collection allowance funds would be devastating to his business as well as any businesses like his. Without these funds, "mom and pop" operations across the state would likely close. He added that Hardy oil alone has lost tens of thousands of dollars in collections. The surety bond alone has cost his company approximately \$100,000 annually.

Mr. Jordan Harris, Pegasus Institute, further explained the motor fuels evaporation and collection allowance. Tax expenditures, often appropriately

besmirched as "tax loopholes," should be routinely examined for their effectiveness with three questions in mind: 1.) Is this expenditure a good deal for taxpayers as a whole?, 2.) Is this expenditure accomplishing its intended purpose?, and 3.) Should the policy be altered to better achieve its intended purpose? For at least two years in earnest, the General Assembly has been examining tax expenditures in an effort to broaden the tax base and create a more effective structure. His briefing provided an overview of the evaporation and collection allowance, which was a tax expenditure on the books since 1936, which not only upholds the three criteria listed above, but because of its age and effectiveness, should be a benchmark in evaluating expenditures currently on the books in Kentucky. Decreasing the allowance, which has remained unchanged for more than seven decades, despite increases in cost to retailers and markets, would be devastating to one of Kentucky's largest industries and have a negative economic impact in every community in the Commonwealth.

Mr. Harris reviewed four steps of the evaporation and collection allowance. Step one is that refiners supply motor fuels at the terminal. The second step is that marketers purchase motor fuels from refiners at the terminal and pay the entire tax to the state based on these purchases. Marketers then transport the product to individual retailers and commercial end users. During this period evaporation and shrinkage occurs. Lastly, the consumer pays the motor fuel tax at the current rate. However, the marketers do not recoup all the tax liability they have incurred. Mr. Harris stated that allowances similar in nature exist for most states. When compared with neighboring states and regional distributor states the average of 2.24% nearly mirrors Kentucky's 2.25%. There is a far reaching recognition that the process described above, while imperfect, is an effective structure for a state to collect taxes.

In conclusion, he stated there is little doubt that the allowance is good for taxpayers as a whole. There is reasonable argument that the percentage allowance should increase but there is no reasonable argument that it should decrease. Lowering the percentage would have a negative economic impact, cost the commonwealth valuable jobs, many of which are in economically distressed areas, and ultimately risk losing revenue for the state in the long term.

Senator Jimmy Higdon reminded the Committee about credit card fees that are assessed when a consumer purchases gasoline. He stated that retailers need to be reimbursed for the cost of those fees.

In response to a question asked by Representative Al Gentry concerning PSTEAF funds, Mr. Clark stated funds have been swept from it before, by the General Assembly.

Representative Gentry stated there have been a lot of new tanks put in because of environmental regulations, which also means there are a lot left that are very old. Because of that, Kentucky was not accessing a lot of funds that were available to be utilized. He added that now, there is a great need to move forward and those funds need to be used for those reasons.

Mr. Goss stated that the PSTEAF fund have been swept by the General Assembly on a regular



basis, since the Governor Patton administration, but it has never been on a permanent basis and never to a dedicated point of funding.

In response to a question asked by Chairman Upchurch regarding a spill, Mr. Clark stated that federal funding per incident is \$1 million, per tank.

In response to a question asked by Representative Randy Bridges regarding bonding requirements, Mr. Clark stated that as collectors of the tax, petroleum marketers must post surety bonds equal to three months of receipts, or \$5,000 dollars, whichever is greater. He went on to say that while such a bond might have made sense when the statute was written, the streamlined system for reporting and remission of taxes may open a window for the bonding amount to be lowered. Currently the cycle takes from 25 to 45 days.

#### **Presentation requiring vision testing for Operator's License; 2020 Regular Session BR 311**

Representative Kim Moser gave a brief overview of BR 311 proposed for the 2020 Regular Session. The bill addresses the issue of lack of vision screening for driver's license renewals. Currently the only time an individual is tested for vision is when receiving an initial driver's license. Kentucky is one of eight states remaining that do not revisit vision testing. The proposed legislation is not age discriminatory due to the requirement of vision retesting at any age upon driver's license renewal. Jason Siwula, Assistant State Highway Engineer, Kentucky Department of Highway Safety, KYTC, and Dr. Chip Richardson, Ophthalmologist, both spoke in favor of the measure. A letter of support was also distributed to members from the American Automobile Association. Dr. Richardson stated you must perform at a 20/60 vision or better in order to obtain a Kentucky Driver's license. He added there is no downside to continue proper vision screening. There have been issues with state clerks being unable to keep up with vision screening, and that vision screening can take place in the clerk's office, KSP, or any Ophthalmologist office. Also able to do the vision screen tests are AAA offices, as well as physician's offices.

Some Committee members had questions concerning the Real ID act and how Representative Moser's proposed bill relates to it. Chairman Upchurch stated that the Real ID act is scheduled to be discussed at the November meeting.

In response to a question asked by Senator Jimmy Higdon, Representative Moser stated Kentucky State Police can still give vision screening tests as that has not changed. She added an Ophthalmologist is also able to give the test and provide the proper paperwork needed.

In response to a question asked by Senator Ralph Alvarado, Dr. Richardson said it is recommended that citizens under the age of 40 get their eyes examined every two years, those over 40 should get them examined annually.

#### **Discussion on of the 2020 Regular Session BR 136: an act relating to school bus safety and making an appropriation therefor**

Representative Robert Goforth gave a brief overview of BR 136 proposed for the 2020 Regular Session relating to adding stop-arm cameras on school buses. Representative Goforth stated a stop-

arm camera is a device installed on the exterior of a school bus for the purpose of capturing recorded images of motor vehicles passing the school bus from any direction when the bus is stopped with the stop arm fully extended and signal lights activated.

Representative Goforth stated that in a 2018 survey by the National Association of State Directors of Pupil Transportation Services reports the prevalence of illegal school bus passing in 38 states including Kentucky. The 2,667 participating Kentucky school bus operators reported on April 25 2018 there were 728 illegal passes. Those 728 illegal observed passes were on 27% of 2,667 buses with a total inventory of 9,854 buses in Kentucky. If all buses participated, it is expected to see 2,689 illegal passes on the survey date. If there are 180 school days, there could be 484,020 illegal passes annually.

Representative Goforth stated that the proposed changes in the bill include adding a civil penalty option, as well as increasing the penalty fines. The first offense would now be \$200, the second offense \$500 within three years. A civil penalty must be issued within 30 days of the first offense, and a civil penalty must be paid within 30 days of the offense and failure to pay results in immediate suspension of vehicle registration.

Representative Goforth stated that the intention is to install stop-arm cameras by August 1, 2023. A district may contract with a third party, and create procedures for submitting and processing. There will be a 90 day emergency window, and also exceptions and extensions will be allowed.

Representative Goforth stated the cost of installing these arms will vary depending on district size and purchases. A single stop-arm camera system could be as much as \$1,200, however integrating a stop-arm camera into the current system may only cost \$300 to \$500.

Representative Goforth added that projections suggest stop-arm cameras could generate as much as \$96,804,000 annually. He added that 80% of those funds collected shall be immediately forwarded to the school district in which the violation occurred for the purchase or lease, installation, operation, and maintenance of the school stop-arm cameras. He stated many third party contractors will lease equipment to the districts for a percentage of the citation, capped at 80% or \$160. 10 percent is forwarded to the Kentucky Department of Education for inspection cost and promotion of school safety. 10 percent is then transferred to the Kentucky Transportation Cabinet. Representative Goforth added that there are currently 12 counties that already have stop-arm cameras installed on buses in their fleet.

#### **LRC Staff Presentation on the effect of overweight trucks on highway infrastructure**

Brandon White, Senior Legislative Analyst, LRC Transportation Committee, gave a brief presentation on overweight trucks on highway infrastructure. In the 2017 Regular Session, the General Assembly passed HB 184. The bill also tasked the Interim Joint Committee on Transportation of the Legislative Research Commission to conduct a review of the effect that all overweight and over dimensional vehicles have on the Commonwealth's roadways and railroad infrastructure. During negotiations regarding

2017 HB 184, this study was added as an incentive for support of the measure. The Commissioner of Vehicle Regulation at the time assured the legislators and staff involved in the discussion that the Cabinet would keep the necessary data needed to complete the study. However, that individual left the position just after the session, and subsequently, the data was not collected.

Despite best efforts by staff, there simply was not enough data provided to make a determination regarding any aspect of the study. In the 2019 Regular Session, the General Assembly passed House Bill 352. The measure allowed the transport of unrefined petroleum to operate at a gross weight not to exceed 120,000 pounds. The bill included a section that created a moratorium on new overweight or over dimensional permits or tolerances for motor carriers. If the General Assembly does not withstand 2019 HB 352, the moratorium on overweight vehicles will remain and no other commodities will be allowed to run at weights up to the 120,000 pound threshold.

If the IJC on Transportation or the General Assembly still seeks to add any overweight/over dimensional issues, included the issues that the study directed by HB 184 sought to determine, staff recommended the use of the Kentucky Transportation Center. The Kentucky Transportation Center is a leader at the state and national levels in multidisciplinary transportation research and is well equipped with the staff and resources to study any transportation related issues that the General Assembly deems necessary. Staff has contacted the Kentucky Transportation Center and they have confirmed that the study is something they can do and is in the purview of their organizational vision.

#### **Consideration of deferred regulation with amendment 601 KARA 09:130**

There were no objections raised to the amendment of the regulation. The KYTC proposed an amendment to the regulation that was deferred at the Committee's September 9, 2019 meeting. The amendment made an exception to the prohibition on issuing titles to non-residents, to clarify that the prohibition does not apply to such transactions allowed by statute in limited instances. A motion was made by Co-Chair Ernie Harris to adopt the amendment. The motion was seconded by Representative Derek Lewis, and was adopted by voice vote.

#### **Correspondence and future meetings**

A handout from KYTC was given to the Committee that provided research on background checks for TNC drivers and fees for TNCs in other states (which was a response from the September 9, 2019 meeting.)

The next meeting was announced to be on November 18, 2019. With no further business to come before the Committee, the meeting was adjourned at 4:38 P.M.

## **INTERIM JOINT COMMITTEE ON AGRICULTURE**

### **Minutes of the 4th Meeting of the 2019 Interim**

October 7, 2019

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

The 4th meeting of the Interim Joint Committee on Agriculture was held on Monday, October 7, 2019,



at 10:00 AM, in Room 154 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; Representative Richard Heath, Co-Chair; Senators Stan Humphries, Dennis Parrett, Damon Thayer, Robin L. Webb, Stephen West, and Whitney Westerfield; Representatives Myron Dossett, Joe Graviss, Angie Hatton, Kim King, Matthew Koch, Rick Rand, Brandon Reed, Rob Rothenburger, John Sims Jr, Wilson Stone, Nancy Tate, Walker Thomas, James Tipton, and Susan Westrom.

**Guests:** Ryan Quarles, Commissioner, Kentucky Department of Agriculture, Joe Bilby, General Counsel, Kentucky Department of Agriculture, and Brian Lacefield, Executive Director, United States Department of Agriculture (USDA) Farm Service Agency.

**LRC Staff:** Stefan Kasacavage, Kelly Ludwig, Nathan Smith, and Susan Spoonamore, Committee Assistant.

The September 9, 2019, minutes were approved by voice vote, upon motion made by Representative Reed and seconded by Representative Tipton.

#### **Discussion on Issues Facing Kentucky Agriculture**

Ryan Quarles, Commissioner, Kentucky Department of Agriculture (KDA), stated that the drought conditions have resulted in yield issues for corn and soybeans, as well as hay and forage shortages. Field fires have increased along with farm equipment catching fire.

He said that KDA is expecting the United States Department of Agriculture (USDA) to issue guidelines for hemp. He stated that KDA approved 60,000 acres of hemp for the 2019 growing season, although only 26,000 acres were actually planted. He said that 1,000 grower applications had been approved, which was up from 200 growers last year. Commissioner Quarles stated that there are 200 hemp processors versus 70 the year before. He explained that growing hemp involves risks since the market is in its infancy. Several issues still exist such as the Food and Drug Administration's (FDA) oversight of any consumable hemp products. The FDA still considers any consumable hemp product to be illegal. Other concerns include hesitation among financial institutions to extend credit, a lack of technology, and no approved herbicides for hemp. He said that in 2020 there will be an insurance product available for hemp growers called Whole Farm Insurance. Commissioner Quarles stated that during the 2020 legislative session, KDA will ask for an update to Kentucky's hemp laws, pending USDA's guidelines.

Commissioner Quarles explained that KDA is preparing farmers, who meet certain criteria, to implement the new standards of the Food Safety Modernization Act (FSMA). He stated that KDA received a \$3 million grant from the FDA to train and educate farmers on the new rules for growing, harvesting, packing, and holding produce.

Commissioner Quarles said that KDA had implemented six budget cuts in three years. He said many KDA employees make less than \$35,000 a year which makes it hard to retain employees, especially

when it comes to training and keeping inspectors.

In response to Senator Hornback, Commissioner Quarles said that KDA is a large regulatory agency. The KDA inspectors touch consumers on a daily basis by inspecting, among other things, food, gas pumps, carnival rides, airports, and trucks. The KDA performs over 60,000 inspections a year. KDA also monitors diseases related to livestock, internationally and across the United States, in order to stop diseases from coming into Kentucky.

In response to Senator Thayer, Commissioner Quarles stated any hemp legislation will be dependent upon the USDA's rules such as definitions related to hemp and the specifics of hemp licensing. He said that KDA may propose legislation to protect growers and processors with regard to THC levels of hemp at the processing centers, as well as implementing product standards.

In response to Representative Tipton, Commissioner Quarles said it was imperative that Kentucky farmers have access to international markets.

In response to Representative Graviss, Commissioner Quarles said hemp is experiencing growing pains. Though some companies are experiencing large orders, one major issue affecting payments to hemp farmers is the inability of legal hemp companies to access credit at banks. There are other companies who may have decided to change or renege on their contracts with the farmers. Commissioner Quarles stated that Kentucky is still a family-farm state with few corporate farms. Compared nationally, Kentucky is holding steady on the amount of farms still in business. He stated that it is important to farmers that the tax exemption on farm inputs be protected.

Representative Stone stated that the KDA farm safety program is a great program for educating youth about safety around tractors, ATVs, and mowers.

In response to Representative Rothenburger, Commissioner Quarles stated that the movie "Silo" was filmed in Kentucky and Iowa and is centered on grain entrapment, featuring Kentucky residents. Commissioner Quarles said that if money is available, KDA would be open to building a permanent facility for fire/rescue training related to farm safety.

In response to Senator West, Commissioner Quarles stated that the USDA is conducting an investigation into possible collusion with packing plants in the Midwest. KDA has challenged The Kentucky Cattlemen's Association and other agriculture groups to begin discussions about Kentucky opening a large-scale packing plant.

Senator Hornback stated that the profits at the packers, per pound, are double that of the agriculture producers on the farm.

In response to Representative Graviss, Commissioner Quarles stated that he did not have an opinion on proposed legislation to eliminate the time change, but he said it might be good to start discussions with farm groups to get their opinion. He said that Kentucky is fortunate to have the Kentucky Agricultural Finance Corporation (KAFC), which has \$84 million in assets. He said half of the loans through KAFC are dedicated to beginning farmers in Kentucky.

Senator Hornback explained that the University of Kentucky (UK) and Eastern Kentucky University (EKU) would be merging its dairy programs, and this joint merger will be located at Eastern Kentucky University. He said that EKU is in the process of designing new facilities, but there is concern about the total cost of the project. The rough estimate is \$17 million, but cutting through red tape could save over \$10 million.

#### **Update on Federal Issues**

Brian Lacefield, Executive Director, United States Department of Agriculture, Farm Service Agency, explained that the Farm Service Agency (FSA) implements the Farm Bill, dealing with price support programs, conservation programs, and farm loans. There are 64 FSA county offices across the state, divided into four districts. The FSA coordinates with KDA and the Governor's Office of Agricultural Policy. He stated that a federal tariff relief program called the Market Facilitation Program (MFP), containing \$12 billion, was created in 2018 to help mitigate the disruption in the trade negotiations. The program is tied directly to crop production and money is paid on a per unit basis for corn, soybeans, wheat, dairy, and other agriculture commodities. He said that FSA administered \$168 million to over 14,000 farmers in Kentucky. Mr. Lacefield said that the original MFP had been slightly changed for 2019 and FSA is expected to administer \$200 million.

Mr. Lacefield explained that the Farm Bill, passed in 2018, was farmer-friendly. The FSA handles commodities, conservation, and credit programs. In addition, he said that a new dairy program called the Dairy Margin Coverage program (DMC) was created to help dairy producers with price support for their milk. He said that the farm loan programs saw an increase in funding. He explained that most borrowers were beginning farmers or farmers who failed to meet the criteria used by traditional lenders. He said that there was approximately \$200 million in loans in 2018, which was a record year in number of loans for Kentucky.

Mr. Lacefield stated that Kentucky is a national leader in advocating for hemp as a legal crop. He said that the FDA still has not yet made any decision as to the legality of hemp nor any promulgated regulations. More data would be helpful in order to build a more comprehensive program.

Mr. Lacefield noted that due to staffing shortages, Farm Service Agencies across the state are doing more with less. Another issue facing FSA is the large number of employees who are eligible for retirement. Offices across the state are staffed, but with a limited number of employees.

In response to Senator Hornback, Joe Bilby, General Counsel, Kentucky Department of Agriculture, explained that KDA made changes to the grain regulations in accordance with Senate Bill 153 which revamped the grain laws. When the new law took effect, KDA realized that some of the regulations were obsolete. Commissioner Quarles noted that KDA was in the process of reviewing regulations that no longer serve a purpose.

Meeting adjourned.

## CHILD WELFARE OVERSIGHT AND ADVISORY COMMITTEE Minutes

October 16, 2019

### Call to Order and Roll Call

The Child Welfare Oversight and Advisory Committee meeting was held on Wednesday, October 16, 2019, at 10:00 AM, in Room 131 of the Capitol Annex. Representative David Meade, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Tom Buford, Co-Chair; Representative David Meade, Co-Chair; Senators Denise Harper Angel and Reginald Thomas; Representatives Lynn Bechler, Angie Hatton, Joni L. Jenkins, and Suzanne Miles.

Guests: Commissioner Ryan Quarles, Kentucky Department of Agriculture; Major Jeremy Murrell, Chief Information Officer, Technical Services Division, Kentucky State Police; Heather Wagers, Legislative Director, Kentucky Justice Cabinet; Elizabeth Caywood, Deputy Commissioner, Mary Carpenter, Assistant Director, Division of Protection and Permanency, Laura Begin, Legislative Liaison, Department for Community Based Services, Cabinet for Health and Family Services; and Pamela Priddy, Chief Strategy Officer, Necco.

LRC Staff: Ben Payne, Lead Staff, Dana L. Simmons, and Becky Lancaster.

### Approval of Minutes

A motion to approve the minutes of the September 9, 2019 meeting was made by Senator Buford, seconded by Representative Bechler, and approved by voice vote.

### Kentucky Hunger Initiative

Commissioner Ryan Quarles, Kentucky Department of Agriculture (KDA), stated that KDA is addressing food insecurity across the Commonwealth. He stated that KDA is in the food business; the production, processing, and the promotion of food through Kentucky Proud. KDA wants to make sure that all Kentuckians have access to high quality, nutritious, and preferably locally grown food. The Kentucky Hunger Initiative is an umbrella effort of KDA to bring together all parts of the food chain to reduce hunger. In Kentucky, 40 percent of all prepared food is throw away each day. According to the 2017 Feeding America study, one in seven Kentuckians are food insecure, meaning there is doubt as to where their next meal will come from. Hunger adversely affects children and senior populations at higher rates. Kentucky is estimated to have 186,000 children who are food insecure and half of Kentucky's counties have a food insecurity rate higher than 20 percent. Of those 60 counties, all but five are in rural areas.

Commissioner Quarles stated that a recent study showed that food insecurity costs the healthcare system \$78 billion a year in the United States. Children who are food insecure have smaller gains in reading and math courses, are more likely to miss school, are more likely to repeat a grade, and are less likely to graduate high school on time. KDA held sessions across Kentucky to gain feedback on what programs work well within each region. There is a lack of communication among the hunger groups. The logistics of moving the donated food are always

challenging. KDA found that due the law being unclear, some grocery stores were less likely to donate, because they are afraid of being sued by someone who got sick from a donated item. In 2017, the General Assembly passed House Bill 237 (HB 237), providing the strongest legal protections in the nation for individuals and businesses seeking to donate to food pantries. Food donations from grocery stores have increased due to this law. When KDA realized there was a lack of cold storage in food pantries, it received a donation of 150 chest freezers to distribute across Kentucky.

Commissioner Quarles stated that maintaining adequate funding is an issue. He thanked the legislature for funding the food bank system and Feeding Kentucky. KDA also raises funds from other organizations such as Hunters for the Hungry, Glean Kentucky, and the Kentucky Farm Bureau. Each summer children that qualify for free or reduced lunch, also qualify for summer feeding programs. The summer feeding program is a federally funded program through the United States Department of Agriculture (USDA) with over 2,000 sites across Kentucky.

In Letcher County, a program called Farmacy provides healthy foods from farmers' markets to patients with dietary restrictions. KDA has many programs that help Kentuckians have better access to healthier foods. The food insecurity rates have decreased by one percent in Kentucky in the past three years.

KDA is reviewing the labeling laws. Shellfish and dairy products are the only food items that are required to have a labels. KDA is researching ways to clarify labels so that items may have a longer shelf life and can be donated. KDA has commodity and livestock groups donating such as the Kentucky Cattlemen's Association, the Poultry Federation, and the dairy industry.

In response to questions and comments from Senator Thomas, Commissioner Quarles stated that legislative food drives are a good idea because donations will be made and KDA can meet with policy makers. KDA is doing more food drives at different conferences in the state. KDA will follow up on the ideas for the legislative food drives.

In response to questions and comments from Representative Miles, Commissioner Quarles stated that approximately \$9 million comes into Kentucky to pay for the summer feeding program. KDA needs more school buses to distribute. Schools have donated buses to transport the food or people for better utilization of the summer feeding program. The regulations regarding the school lunch programs, the breakfast programs, and the summer feeding programs should be reviewed.

In response to questions and comments from Representative Jenkins, Commissioner Quarles stated that the KDA backpack programs are very popular across the state. Each county does the program differently, some have help from the community. He stated that the Family Resource and Youth Services Coalition of Kentucky (FRYSCKy) program officers are paramount in making the backpack programs work. Often times the FRYSCKy workers deliver the meals in a discreet way to prevent food shaming.

In response to questions and comments from Senator Buford, Commissioner Quarles stated that the idea of having unused campaign funds go to programs to feed children is a great idea.

### Fingerprint Processes and Technology for Foster and Adoptive Parent Applicants

Pamela Priddy, Chief Strategy Officer, Necco, stated that Necco is a Kentucky-based foster care agency servicing all 120 counties. Necco serves approximately 750 children in foster care and over 100 youth in independent living and provides other services for families. Necco has 654 open foster homes in Kentucky. Necco also serves similar foster populations in Georgia, West Virginia, and Ohio. In Kentucky, Necco helps applicants to complete a form to initiate the background check for a potential foster parent. Necco assists applicants to make an appointment with a Department for Community Based Services (DCBS) office and with travel if necessary, to have their fingerprints taken and submitted for processing. It can take 30 days to receive the results of the fingerprint background check and more than 30 days to find out if the family is eligible to foster.

Ms. Priddy stated that in Ohio, Necco uses portable fingerprint machines at its offices purchased from a third party vendor. The vendor provides training and support to the staff. Necco submits the fingerprints directly to the state. If there are no "hits" on the fingerprints, Necco can then proceed to work with a family on training. If there is a "hit" on the fingerprints, the results are sent through mail within 30 days. Training for potential families can start earlier if the fingerprint checks can come back in a timelier manner.

Ms. Priddy stated that the appointments for potential foster parents at DCBS offices to complete the fingerprinting are not always conducive with the foster parents' schedules which may cause delays for potential foster parents. The mobile units will instantly let the worker know if the fingerprints are not able to be read. In Kentucky, it could take up to 30 days to find out the fingerprints are not able to be read. Rescheduling appointments with DCBS can be troublesome for potential foster parents and Necco workers. She stated that the fingerprint processing time can be a barrier for potential foster parents.

Major Jeremy Murrell, Chief Information Officer, Technical Services Division, Kentucky State Police (KSP), stated that KSP receives the request for a background check for many reasons including the adoption and foster process. KSP receives the fingerprint submissions electronically or on paper from the mail. Electronic fingerprints are submitted to the FBI, and KSP retains a digital image of the submission. The paper fingerprint cards require data entry. The paper fingerprint cards are scanned into the KSP system and sent to the FBI. The FBI sends the background check results back to KSP. The fingerprint results for adoption and foster parent applications are manually printed, then held at the Criminal and Technology Building for someone from the Cabinet for Health and Family Services (CHFS) to pick up. Typically, the results are picked up by CHFS on a daily basis. The average time for this process at KSP is one to four days.



Major Murrell stated that several factors can affect the processing time. The biggest reason for a delay in the results is the quality of the fingerprints submitted. Approximately, two percent of fingerprint submissions are rejected. As of October 4, 2019, KSP has received 6,072 fingerprint-based background checks. There is not a backlog of fingerprints to be processed at KSP. Heather Wagers, Legislative Director, Kentucky Justice Cabinet, stated that there are inquiries for information regarding any backlogs at KSP, but the fingerprint-based background checks do not have a backlog. Typically, the background check results are completed within 24 hours to 36 hours.

In response to questions and comments from Representative Meade, Ms. Wagers stated that some states use the Volunteer and Employee Criminal History System (VECHS) is used. VECHS has many different layers that have to be reviewed and approved before fingerprints can be processed. For Kentucky to consider the VECHS approach, the Commonwealth needs to have an electronic background check system. The Kentucky Justice Cabinet has reviewed what other states are using and are working with other Cabinets and vendors in the pursuit of an electronic background check system. Once an electronic background check system is in place, DCBS with FBI input, can create language to be put in to statutes. The Kentucky Justice Cabinet is working to acquire the electronic background check system on a daily basis, but there is not a set timeline. Ms. Wagers is hopeful that there will be an electronic background check system in 2020. Once a vendor is chosen, the Kentucky Justice Cabinet will work with the vendor on a more specific timeline.

In response to questions and comments from Senator Buford, Ms. Wagers stated that the Kentucky Justice Cabinet is looking at various options for the electronic background check system to have a limited cost. She did not have specific costs for an electronic background check system but could provide them.

Elizabeth Caywood, Deputy Commissioner, Department for Community Based Services, Cabinet for Health and Family Services, stated that DCBS background checks are done with paper and not online. A hardcopy form must be completed by the potential foster or adoptive parents. The potential foster or adoptive parent is fingerprinted in a local DCBS office. The DCBS Records Management Section (RMS) runs a child abuse and neglect (CAN) check and a sex offender registry check, then matches the criminal check results with the fingerprint form. If a potential foster or adoptive parent has lived out-of-state within five years, DCBS is required by federal law to request a CAN check from the prior states of residence. DCBS does have occasional complications in requesting child maltreatment checks from other states. RMS stores the background check results for federal audit purposes. DCBS is subject to corrective actions or financial penalties if the requirements of the audits are not met. DCBS uses the KARES National Background Check Program infrastructure for fingerprinting.

Ms. Caywood stated that DCBS has proposed the National Background Check Program to the DCBS provider group with unanimous support.

DCBS is proposing the National Background Check Program as a solution to the complications with the paper-based process. The foster parent application would be made online. DCBS uses the Kentucky Applicant Registry and Employment Screening (KARES) National Background Check Program infrastructure for fingerprinting. If there are no records found on the background check, results can be rendered in days as opposed to weeks. The proposed program has an automatic interface with the state child abuse and neglect central registry as well as in-state criminal records. If there is a conviction or a substantiation subsequent to the initial approval, the individual would be flagged for a review and fitness determination. The new program would be working within six to 12 months with no complications from audit requirements.

#### **Foster Parent Three Year Reevaluation Process and Procedures**

Elizabeth Caywood, Deputy Commissioner, Department for Community Based Services, Cabinet for Health and Family Services, stated that requirements are placed upon potential foster parents, because children in foster care are particularly vulnerable for repeat victimization. DCBS must make sure that foster parents are capable of dealing with the trauma and healing that needs to occur. In the last State Fiscal Year (SFY) 2019, there were 52,628 reports of child abuse and/or neglect that met criteria for an investigation or assessment. There were 15,182 reports with a substantiated or services needed finding in SFY 2019. DCBS is working to obtain data on the number of reports of child abuse and/or neglect while in foster care. The mission of DCBS is to build an effective and efficient system of care with Kentucky citizens and communities to reduce poverty, reduce adult and child maltreatment and its effects; and to assure all children have safe and nurturing homes and communities. There is an emphasis in child welfare on safety first, above permanency or other well-being indicators.

Mary Carpenter, Assistant Director, Division of Protection and Permanency, Department for Community Based Services stated that with the child welfare transformation DCBS has reviewed the foster parent approval process. The Kentucky FACES portal is an online resource for foster parents and prospective foster parents that DCBS uses as a recruitment tool. DCBS streamlined the application process by allowing foster parent applications and inquiries to be submitted online. Foster parent inquiries go directly to the region where the foster parent resides and the responses are timelier. An application can be submitted online and go directly into the TWIST system. Foster and adoptive parents can now track their home study process through the online portal. Ms. Carpenter listed the requirements for the initial foster parent approval.

Ms. Carpenter stated that a foster or adoptive parent applicant must complete a minimum of 15 hours of curricula in topics outlined in regulation and five web-based trainings. Prior to or during the month of the second anniversary date of a foster or adoptive parent's initial approval, the foster or adoptive parent must complete a minimum of 30 hours of training.

Families are required to complete 10 hours of annual ongoing training with 50 percent being in a class and 50 percent completed online. DCBS is working on new platforms for foster families to make training more available.

Laura Begin, Legislative Liaison, Department for Community Based Services, Cabinet for Health and Family Services, stated that with the adoption of 2018 Regular Session House Bill 1 (HB 1) CHFS amended the administrative regulations and policies to further align foster home standards, created the online foster parent registry, and enacted the implementation of a child-specific foster home type for relatives and fictive kin that includes a per diem. CHFS created a diligent recruitment plan to support the recruitment and retention of family foster homes. There has been targeted recruitment in each service area ensuring access to informational meetings, trainings, and home studies.

Ms. Begin stated that the 2019 Regular Session House Bill 446 (HB 446) was passed and amendments were made to remove annual reevaluation requirements. The reevaluations are now required every three years. DCBS has advised the Office of the Inspector General (OIG) and held statewide meetings that included private providers, recruitment and certification of supervisors advising them of the changes. With the implementation of HB 446, the reevaluation requirements are to include a home visit, an interview with the foster parents, and paperwork. DCBS is working towards a solution that would allow background checks to be conducted less frequently. Ms. Caywood stated that there has been a 27 percent increase in the total number of foster homes from 4,372 in August of 2014 to 5,455 in August of 2019. Ms. Begin stated that having an increase in foster homes means that DCBS can more readily meet the needs of the child and keep the child closer to their community.

In response to questions and comments from Representative Meade, Ms. Caywood stated that DCBS does not have good data on child abuse within foster care homes. She stated that it is not uncommon that once a child is removed from their home of origin that more allegations of maltreatment are disclosed. DCBS cannot distinguish with great accuracy, what maltreatment occurred in the child's home of origin and what happened during the child's time in foster care. She stated that DCBS believes there is a low percentage of child abuse or maltreatment that happens while a child is in foster care in Kentucky. She stated that the DCBS diligent recruitment subcommittee is focusing on the retention of foster parents.

Ms. Caywood stated that there is a dedicated staff in the records management section to process foster care and adoptive background checks. The foster care and adoptive background checks are separate and apart from the child abuse and neglect central registry checks. The Kentucky FACES portal provides for online inquiries and applications for foster or adoptive parents. The Kentucky FACES portal interfaces with the protection and permanency data base reducing data entry and processing time so that workers can focus more on direct contact with the foster or adoptive parent. Through federal funding,



DCBS has an online kinship navigator program that provides information to kinship caregivers about different services that are available. DCBS has a data dashboard that is in the process of being created. The dashboard will provide an at a glance review of health and well-being indicators for children in foster care to help the case workers manage their caseloads more efficiently.

In response to questions and comments from Senator Thomas, Ms. Caywood stated that she believes that DCBS will be able to do all background checks electronically within two years.

#### **Adjournment**

There being no further business, the meeting was adjourned at 11:35 AM.

## **INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE Budget Review Subcommittee on Education Minutes of the 4th Meeting of the 2019 Interim**

October 1, 2019

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

The fourth meeting of the Budget Review Subcommittee on Education of the Interim Joint Committee on Appropriations and Revenue was held on Tuesday, October 1, 2019, at 10:00 AM, in Room 154 of the Capitol Annex. Representative James Tipton, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representatives James Tipton, Co-Chair; Senators C.B. Embry Jr., Johnny Ray Turner, and Mike Wilson; Representatives Tina Bojanowski, Randy Bridges, Joseph M. Fischer, Cluster Howard, Regina Huff, C. Ed Massey, and Attica Scott.

Guests: Senator David Givens; Gene Hutchins, Executive Director/CEO, Kentucky Higher Education Assistance Authority; Summer Gortney, Assistant Director, Outreach Services, Kentucky Higher Education Assistance Authority; Becky Gilpatrick, Director, Grant Services, Kentucky Higher Education Assistance Authority; Dr. Aaron Thompson, President, Council on Postsecondary Education; Lee Nimocks, Vice President, Council on Postsecondary Education.

LRC Staff: Chuck Truesdell, Nick Peak, and Amie Elam.

#### **Kentucky Higher Education Assistance Authority (KHEAA)**

Representatives from KHEAA spoke to the subcommittee about financial aid programs funded via state appropriations.

In response to a question from Chair Tipton, Mr. Hutchins said the recent budget surplus, in the amount of \$14.5 million, enabled KHEAA to extend the period that funds were awarded to students. He explained that the Work Ready Kentucky Scholarship program is funded through a baseline appropriation and a \$13 million continuing appropriation. Mr. Hutchins said the baseline appropriation would need to be increased after the continuing appropriation is exhausted.

In response to a question from Representative Bojanowski, Ms. Gilpatrick said scholarships awarded from the KHEAA Teacher Scholarship Program

average approximately \$3,000. She added that the awards are conversion scholarships. Mr. Hutchins said that the teacher scholarship program was funded through a General Fund appropriation that was phased out in the current biennium.

In response to a question from Senator Givens, Mr. Hutchins said the chart on the "How Financial Aid is Awarded" slide shows the average annual cost of education. He said the number includes room and board, books, and tuition and fees. Mr. Hutchinson stated that there are mechanisms in place for students to receive credentials without being left with catastrophic levels of debt.

In response to a question from Senator Wilson, Ms. Gortney said affordability and alternatives to student debt are discussed with students and families. She added that college coaches work with the same student cohort during the duration of each student's high school career.

In response to a question from Representative Fischer, Mr. Hutchins said that a new product, Be Loan Smart, sends letters to students to illustrate what they have borrowed and what their anticipated monthly obligation will be. Ms. Gortney said student workshops identify the reasonable amount of debt a student should take on based on their income. Mr. Hutchins said that recently students have become more debt adverse.

#### **Council on Postsecondary Education (CPE)**

Representatives from CPE gave a presentation to the committee about financial aid programs funded via state appropriations.

In response to a question from Chair Tipton, Dr. Thompson said that high schools are clamoring for more dual credit courses that may not be beneficial for students. He added that the belief there will not be a financial return on investment has led some institutions to not take part in dual credit at the level they need to. Dr. Thompson said in some cases there is a disparity about the courses being offered to students.

In response to a question from Senator Givens, Dr. Thompson said that even though the economy has improved, only 47 percent of Kentucky high school students are enrolled in college. He said that support must be provided and behavioral changes must be made to ensure enrollment numbers continue to grow and that quality service is maintained.

There being no further business to come before the subcommittee, the meeting was adjourned at 11:38 a.m.

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

### **Budget Review Subcommittee on Justice and Judiciary Minutes of the 4th Meeting of the 2019 Interim**

October 1, 2019

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

The 4th meeting of the Budget Review Subcommittee on Justice and Judiciary of the Interim Joint Committee on Appropriations and Revenue was held on Tuesday, October 1, 2019, at 8:00 AM, in Room 129 of the Capitol Annex. Senator Stephen

West, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen West, Co-Chair; Senator Denise Harper Angel; Representatives Nima Kulkarni and Brandon Reed.

Guests: Laurie Dudgeon, Director, Administrative Office of the Courts (AOC); Danny Rhoades, Executive Officer, Department of Facilities, AOC; Carole Henderson, Budget Director, AOC; and Jimmy Shaffer, Executive Secretary, Judicial Conduct Commission.

LRC Staff: Zachary Ireland, Savannah Wiley, and Benjamin Thompson

#### **Judicial Facilities and Judicial Conduct Commission**

Ms. Dudgeon, Mr. Rhoades, and Ms. Henderson provided information on judicial facility capital projects that were authorized between fiscal year 2014 and fiscal year 2018. Ms. Shaffer provided information on the Judicial Conduct Commission and its budget.

In response to questions from Chair West, Ms. Dudgeon noted that the total cost of the Jefferson County Hall of Justice renovation would be \$5.2 million, split almost equally between the AOC and Jefferson County. Ms. Dudgeon stated that within the memorandum of understanding signed by both the AOC and Jefferson County, there is no point laid out where funding would be pulled back from the project even though it is on hold due to Jefferson County's budgetary constraints. Ms. Shaffer noted that AOC handles contracts for the Judicial Conduct Commission. Ms. Henderson stated that AOC receives contract agreements from the Judicial Conduct Commission and inputs them into the budgeting system. Ms. Shaffer noted that the Kentucky Bar Association refers to the Judicial Conduct Commission concerning judicial complaints. Ms. Shaffer said there had been no judges removed by the commission in the last five years.

In response to a question from Representative Reed, Ms. Dudgeon stated that judicial construction projects authorized in FY 2014 are still in progress.

In response to questions from Chair West, Mr. Rhoades noted that projects completed in the late 1990s and early 2000s have begun having heating and air conditioning issues. Mr. Rhoades stated that many repairs are covered by the judicial facility maintenance budget. Ms. Dudgeon noted that only capital projects over \$1 million need to be approved by the General Assembly. Ms. Henderson stated that the AOC sets aside \$1.5 million for deferred maintenance.

In response to a question from Representative Reed, Mr. Rhoades said janitorial staff in courthouses are either contractors or county employees.

There being no further business before the subcommittee, the meeting was adjourned at 8:40 AM.

## **PUBLIC PENSION OVERSIGHT BOARD**

### **Minutes of the 7th Meeting of the 2019 Interim**

September 23, 2019

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

The 7th meeting of the Public Pension Oversight

Board was held on Monday, September 23, 2019, at 1:00 PM, in Room 154 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

**Members:** Senator Jimmy Higdon, Co-Chair; Representative Jim DuPlessis, Co-Chair; Senators Christian McDaniel, Gerald A. Neal, Dennis Parrett, Wil Schroder, and Mike Wilson; Representatives Joe Graviss, Jerry T. Miller, Phillip Pratt, Russell Webber, and Buddy Wheatley; J. Michael Brown, John Chilton, Timothy Fyffe, Mike Harmon, James M. “Mac” Jefferson, and Sharon Mattingly.

**Guests:** Mike Harmon, Auditor, Tiffany Welch, Audit Manager of Public Accounts; David Eager, Executive Director, Kentucky Retirement Systems; Beau Barnes, Deputy Executive Secretary of Operations and General Counsel, Teachers’ Retirement System; Chris Biddle, Executive Director, Kentucky Public Employees’ Deferred Compensation Authority; and Joe Bowen, former Senator of the Kentucky General Assembly.

**LRC Staff:** Brad Gross, Jennifer Black Hans, Bo Cracraft, and Angela Rhodes.

#### **Approval of Minutes**

Sharon Mattingly moved that the minutes of the August 26, 2019 meeting be approved. Representative Miller seconded the motion, and the minutes were approved without objection.

#### **Examination of Certain Policies, Procedures, Controls, and Transparency Compliance Activities of Retirement Systems in Kentucky**

Mike Harmon, Auditor of Public Accounts, began by noting that his office had recently completed and released on August 28, 2019, a special examination related to the transparency of all three state-administered retirement systems: Kentucky Retirement Systems (KRS), Teachers’ Retirement System (TRS), and Judicial Form Retirement System (JFRS). He noted that with passage of SB 2 in 2017, a high level of interest from the Public Pension Oversight Board (PPOB), as well as members of the public, has been focused on whether the retirement systems were in compliance.

Mr. Harmon outlined the scope of the audit, which primarily focused on evaluating the systems compliance with the increased transparency requirements of SB 2. The audit also reviewed a couple other special topics, such as delinquent employer balances and benefit payments to deceased individuals. The audit reviewed the period between July 1, 2017, and June 30, 2018, with additional data supplied through August 2019.

Mr. Harmon stated that KRS and TRS had failed to comply with the basic requirement to post all contracts, with both systems failing to post more than 80 percent of contracts on their websites. SB 2 required the posting of all contracts, and applied equally to contracts signed before its passage in 2017. During the audit, his office also discovered that both systems had contracts that referred to side letters that contain additional provisions of the contractual agreement, but none of those side letters were posted on the system’s websites as required.

With regards to contracts posted online, KRS had abdicated its responsibility under the Open Records

Act by delegating the redactions of confidential and proprietary information to external investment managers. He referred to KRS 61.645(20), which states that “the systems shall separate the excepted material by removal, segregation, or redaction, and make the nonexcepted material available for examination.” KRS had not required any justification or documentation to support the requested redactions, nor had the system made any redactions themselves. The system has argued that their process is correct, based on an Opinion of the Attorney General issued in 2016, but he noted that SB 2, which amended the law, was passed in 2017.

In response to a question from Senator Higdon regarding whether the Auditor had been provided access to fully unredacted versions of the contracts as required by SB 2, Mr. Harmon confirmed that his office had been given unredacted versions of the contracts that were requested.

Mr. Harmon provided a couple of examples of redacted information that is not proprietary, but has been redacted from contracts posted on the KRS website.

In response to a question from Senator Higdon regarding the items redacted, Mr. Harmon stated, in his opinion, some of the items redacted was proprietary, but that there were several items, like those shown in his presentation, which should not have been redacted.

In response to a question from Representative Miller regarding contracts signed after the passage of SB 2, Mr. Harmon stated his office were provided some contracts signed after SB 2, but not all the contracts had been posted online, and those online were still redacted by the investment managers instead of KRS as required.

Mr. Harmon noted another finding not directly related to SB 2 compliance: the failure of KRS staff to meet annually with investment managers as required by their investment policy. He noted that given staff shortages, the systems had waived the requirement in some cases. Mr. Harmon also called attention to the number of investment managers used by KRS, which totaled 110 as of June 2018, compared to only 41 investment managers for TRS and one for JFRS. SB 2 did not limit the number of managers, but having so many may impact KRS’s ability to properly manage its investments and contracts.

With regards to TRS, Mr. Harmon noted the system has a process in place to redact confidential and proprietary contract information but that some redactions have been made without a request from the investment manager over concern the information would compromise the system’s ability to competitively invest.

In response to a question from Senator Higdon regarding the requirements for KRS and TRS, Mr. Harmon confirmed the statutory requirements for both systems are the same, although neither system is in compliance. In response to a follow up question regarding compliance with just contracts signed post-SB 2, Mr. Harmon stated there was no exception and thus his office had considered all contracts.

Mr. Harmon continued with his findings, and stated that TRS was not reporting carried interest as required by SB 2, while KRS was reporting carried

interest accurately and reflecting it as a line item on financial statements. TRS argues that carried interest information is proprietary and exempted from disclosure.

In response to a question from Senator Higdon regarding a description of carried interest, Mr. Harmon explained that carried interest is the amount of a private equity or hedge fund’s profits that the general partner or investment manager receives as compensation. In response to a follow up question regarding if other states were reporting carried interest, Mr. Harmon stated that many states are reporting carried interest in a manner that is consistent with SB 2 requirements.

In response to a question from Representative Miller regarding whether or not the plans had common investment managers, Mr. Harmon stated his office would have to report back.

In response to a question from Senator Higdon regarding if the carried interest information was provided to during the Audit, Mr. Harmon stated that his office was given access to the carried interest information. In response to a follow up with regards to whether disclosure would put the system at a competitive disadvantage, Mr. Harmon responded that he did not believe releasing carried interest information would result in unfair competitive advantage.

Mr. Harmon provided a summary of findings for each of the systems. With regards to KRS, he pointed out a few additional findings, which included KRS staff’s inability to recalculate one investment manager’s fee, delinquent employer balances, and benefit payments to deceased individuals during the most recent fiscal year.

In response to a question from Senator Higdon regarding fee caps utilized by TRS, Mr. Harmon explained that TRS contracts included language that would allow TRS to postpone or withhold the payment of fees if a limit or cap was reached during the fiscal year. He noted that KRS did not include this kind of fee monitoring in its contracts.

Mr. Harmon continued his summary of audit findings and pointed out one finding with regards to JFRS, which was a small amount of benefit payments made subsequent to death of a retiree. JFRS had chosen not to seek recovery of the overpayment.

In closing, Mr. Harmon noted that the full audit report included recommendations for each finding to improve internal controls and oversight, as well as overall transparency and accountability. Additionally, he recommended that the PPOB work with stakeholders to develop an enforcement mechanism for full compliance with transparency requirements.

In response to questions from Mr. Chilton regarding the noncodified language included in the bill, Mr. Harmon responded that SB 2 did include noncodified provisions primarily related to procurement that specifically applied to contracts executed or renewed after July 1, 2017.

In response to a question from Representative Miller about the audit’s recommendation regarding contract disclosure, Mr. Harmon stated that the audit recommended that, as to the posting requirement, the



General Assembly should prohibit the systems from entering into any future contracts with managers that would not fully comply with SB 2. In response to a follow up question, Mr. Harmon stated that neither KRS nor TRS were in complete compliance even with contracts completed since passage of SB 2.

In response to a question from Senator Higdon regarding if all contracts had gone before contract review, Mr. Harmon stated that his office did not review that matter. In response to a follow up question regarding the term of the contracts, Mr. Harmon stated that most contracts would have renewal provisions and, once a contract is renewed, compliance should be carried out.

Senator Higdon asked former Senator Joe Bowen, as the sponsor of SB 2, to provide testimony regarding his intent for the legislation. Mr. Bowen stated that the intent of SB 2 was to give legislators and the public the opportunity to look inside the systems, see what was transpiring, and how money was being invested. He stated that the systems were gravely challenged with their level of funding, but it was hard for a legislator to make any recommendations or promulgate any type of corrective action without the opportunity to look inside to see what was going on.

#### **Response to Auditor's Report – KRS & TRS**

David Eager, KRS, in his opening remarks thanked the committee for the opportunity to testify and stated that he had some real concerns about the audit. KRS staff had worked extremely hard to become more transparent and build confidence with the General Assembly. He referenced materials KRS makes available online, which includes a list of every investment manager, assets under management, as well as fees paid. All board meetings are live-streamed to the public.

Mr. Eager identified three primary findings that KRS wanted to address: (1) the posting of all investment manager contracts, (2) the redaction process, and (3) adherence to the CFA Code of Conduct. First, with regards to the posting of contracts, he stated there are two time periods, before and after SB 2 that must be considered. He referenced KRS 446.080, which states that statutes are not retroactive unless otherwise specified. He stated that all 13 contracts signed since the passage of SB 2 have posted online, while 41 contracts that were signed pre-SB 2 are also online even though KRS believes they are under no obligation to do so. Mr. Eager stated that all contracts not posted were in place prior to June 17, 2017, and are primarily private equity and alternative investments that account for only 12 percent of the plans' total assets. Mr. Eager identified existing confidentiality clauses as the primary reason these contracts were not posted, but also noted that liquidating these illiquid investments was a very costly alternative when all of them will mature over time.

In response to a question from Senator Higdon regarding if contracts were made available to the Government Contract Review Committee, Mr. Eager confirmed that all contracts not posted are made available unredacted to the committee.

In response to a question from Senator Higdon in regards to the length of the investment period, Mr. Robben stated that the vast majority of

unposted contracts are private equity investments, which typically last from 9 to 15 years. In response to a follow up question regarding length of contracts, Mr. Robben stated that there could be one or two contracts that are in real return that may not have a stated termination date, while Mr. Eager added that traditional public equity and fixed income manager agreements typically have an exit clause with a 30 to 90 day notice.

Secondly, Mr. Eager discussed the audit findings related to contract redactions and stated that KRS should not be in primary control of that process. He referenced KRS 61.878(1) and indicated that KRS should not be put in the untenable legal position determining what is confidential or proprietary and what is not on behalf of a manager. He emphasized the legal concern of having KRS staff control the process. Again, he noted the Auditor and Government Contract Review Committee had access to all the systems' contracts.

Senator Higdon commented that several issues were resolved for TRS and KRS with the passage of HB 489 during the 2019 Regular Session. However, as to the other issues that systems are expressing concern about, the PPOB has not heard from the systems until the auditor's report was issued. If there are matters that require legislative intervention, the systems need to bring these concerns to the attention of the PPOB.

In response to a question from Representative Miller regarding the different approaches to redacting by TRS and KRS, Mr. Robben responded that he agreed with the Auditor that items were likely redacted that did not necessarily need to be, but his lack of legal expertise limited his ability to make such decisions. In addition, KRS as a whole, does not have legal staff with a level of expertise to discuss and challenge redaction items with each of their managers. Lastly, he noted the access available to legislators, the Auditor, and other decision makers and expressed that managers are not as concerned with the public having access, but rather their competitors.

In response to a follow up question from Representative Miller regarding the TRS redaction process, Mr. Barnes stated that with regards to the publicly-traded investment managers, TRS staff is handling the redaction process. As it relates to private equity contracts and general partnerships, TRS is working with those managers, but the final redacted version is handled by staff.

Senator Higdon reiterated that an unredacted version of every contract was available for review by the Government Contract Review Committee and the Auditor. In response to a question from Senator Higdon regarding other access, Mr. Barnes stated that the Executive Branch and Legislative Branch also has the opportunity to seek unredacted versions, subject to a nondisclosure agreement.

In response to a question from Senator Higdon regarding if the system had lost investment opportunities due to the required transparency laws, Mr. Eager stated that KRS has had two investment managers decide to no longer do business with KRS, while Mr. Robben noted that a handful of managers have declined opportunities after reviewing the plan's gating process and requirements.

Mr. Eager continued to discuss KRS's redaction

process and referred to an opinion from the Attorney General from 2016, which stated "Since investment services are the essence of [an investment manager's] business, conducted in a competitive field, there is no reason to doubt that such information is generally recognized as confidential or proprietary. Nonetheless, we do not find justification for KRS to withhold the partnership agreements in their entirety." Mr. Eager commented that KRS agreed with that opinion.

Lastly, Mr. Eager discussed issues KRS had with adhering to the CFA Code of Conduct, which was included in the original SB 2. He noted that most of KRS's managers do not belong to the CFA Institute and, therefore, refused to abide by its code of conduct and code of ethics. In addition, the CFA Institute did not have punitive powers and does not conduct on-site audits. Mr. Eager highlighted HB 489, which removed the language and allows KRS to operate in compliance with current law.

Senator Higdon commented that HB 489 was a model piece of legislation, chiefly with regards to how the legislative process is supposed to work with the systems and legislators collaborating to find solutions to issues. He stated there needs to be additional discussions before the next session so some of the audit findings can be discussed and solutions can be addressed.

In response to questions from Mr. Jefferson with regards to posting carried interest, Mr. Robben stated that KRS started posting carried interest on their website because they felt like it was the right thing to do.

Mr. Eager concluded his presentation by stating that several of the audit recommendations were in process or staff was developing procedures to implement. Mr. Robben also addressed the audit finding related to KRS monitoring investment managers. He clarified that the current investment policy requires annual onsite visits, which is not possible with a staff of four and 110 managers, 15 of which are located overseas. He stated that staff does monitor and meet with managers, generally quarterly, via telephone or conference, and that the board was in the process of making changes to the investment policy to conform to industry practices.

In response to a question from Senator Higdon, Mr. Eager stated that KRS is in the process of sending out demand letters to the delinquent agencies.

Mr. Barnes opened his presentation by stating that while TRS respectfully disagreed with the audit findings, TRS did appreciate their work and commended staff. Mr. Barnes noted two primary findings that he planned to address, which included transparency of investment contracts and reporting of carried interest.

First, Mr. Barnes discussed the audit finding related to greater transparency of investment contracts and stated that TRS did believe in transparency and operates in such a manner. A list of every investment manager could be found in the systems financial report, along with the amount of each investment and quarterly performance reports. Every dollar that is paid out of the TRS trust funds in the form of fees are reported in their financial statements.

Mr. Barnes then referenced legislation passed during the 2008 session that increased reporting



requirements and noted that statutory language was added to protect TRS from having to disclose anything deemed proprietary, which is the same exception exemption provided by the Kentucky Open Records Act under which every other state agency operates. These protections are still in place and do not require TRS to disclose anything that would compromise their ability to invest.

Mr. Barnes pointed out that the majority of contracts that are not posted online are related to general partnership contracts. He agreed that, technically speaking, the Auditor's report that 81 percent of the system's contracts were missing from the website was correct, but stated those contracts only represented 11 percent of assets under management. If TRS were to post all contracts, they would expose \$20 billion of assets to litigation risk.

In response to a question from Senator Higdon regarding who had access to unredacted contracts, Mr. Barnes stated that all contracts are available unredacted for review by the Government Contract Review Committee, the Auditor, and other Executive Branch offices.

Mr. Barnes continued and referenced contracts that were online, but redacted, and the auditor's finding that staff was redacting language above and beyond what the underlying manager requested. The finding was accurate, and staff had redacted any information that was deemed proprietary or compromised their ability to invest, which includes the method by which TRS calculates fees.

Additionally, Mr. Barnes discussed the audit finding related to the system not disclosing contact information for fund of fund managers as required by SB 2. TRS does disclose the fund of fund managers, but stated that the managers did not want competitors to know the underlying funds or investment strategy, so, staff did not report that information. He referenced the statutory protection language again as staff's reasoning for not reporting.

Next, Mr. Barnes began to address the audit reports finding with regards to TRS not reporting carried interest. Mr. Barnes provided a short description of what carried interest was and provided a scenario that served as an example. TRS does not consider carried interest a fee, because TRS, never had a right to the percentage of profit assigned to the general partner. Again, he invoked statutory protection language as the reason for not reporting.

Senator Higdon commented that the intent of SB 2 was to have each of the systems all reporting on a similar basis and that he would like to see the systems work together, along with legislators, so that the Auditor's next report shows full compliance.

In response to a question from Senator Higdon regarding if TRS had lost investment operations, Mr. Barnes stated that TRS had four investment managers that decided to decline opportunities due to SB 2, however with the passage of HB 489, TRS was able to reconnect with two of those managers.

In response to a question from Senator Higdon regarding some fee cap language included in TRS contracts, Mr. Barnes stated that fees are limited to an amount based on a percentage, for example, of assets under management. He stated that if TRS receives bills that may perhaps exceed the agreed upon limit,

they can withhold payments until they are sure they can come in line with what the actual fees agree to and not get over billed for a particular investment.

In response to a follow up question regarding if TRS and KRS had common investments and reporting of fees, Mr. Barnes stated that he believes they may have one common investment. He stated that TRS does not report this investment as the manager has informed them it is proprietary.

Senator Higdon noted much of the public perception regarding plan underfunding had been directed at the General Assembly and lack of funding. He referenced a study provided by actuary Flick Forna that reported underfunding had accounted for about 20 percent and asked Mr. Barnes to comment. Mr. Barnes stated that the report had been conducted some time ago and he could not remember the timeframe nor the other factors. Mr. Eager stated that KRS staff had performed a similar calculation and stated that if KRS had received the full ARC for all periods and invested that money, the KERS would be about 32 percent funded.

Mr. Jefferson commented that in the investment community today, carried interest is considered a fee. In response to a question from Mr. Jefferson regarding carried interest, Mr. Barnes confirmed TRS is not reporting their carried interest in their Comprehensive Annual Financial Report. In response to a follow up question regarding whether or not the law explicitly states carried interest should be reported, Mr. Barnes referenced the notwithstanding language in subsection 5 of KRS 161.250, which states TRS does not have to disclose information that is proprietary or, if disclosed, would compromise their ability to invest. In response to a follow up question regarding if TRS reconciles the carried interest calculations, Mr. Barnes stated that a reconciliation process is performed quarterly.

Representative Miller expressed a desire for staff to work on providing a report on these issues so that the PPOB can consider them for their annual list of recommendations to the General Assembly approved each December. For example, what changes need to be made regarding carried interest so all the state's plans can report and treat these fees exactly the same way. He asked staff to look at other states and plans, such as CalPERS, Wisconsin, South Dakota, and Tennessee and see how they are treating and handling carried interest.

In response to a question from Senator Higdon, Mr. Barnes stated that before reporting, TRS looks at state laws, administrative regulations, and strategies for implementing investment policy, which is approved by the board. TRS also looks at SB 2 for transparency requirements, and written policy.

#### **Kentucky Public Employees' Deferred Compensation Authority Update on Auto Enrollment**

Chris Biddle, Executive Director, began his presentation by stating that the Kentucky Deferred Compensation (KDC) Authority is the official supplemental retirement program servicing employees of the Commonwealth, public education, and local programs and is authorized by KRS 18A.230-18A.350. He noted that KDC is self-funded, receives no general fund revenue, and costs nothing

for employers. KDC operates like a non-profit and is funded by participant fees, which are waived during a participant's first year and are capped at a maximum of \$237 per year, which is generally reached when an account reaches \$125,000. KDC is administered under the direction of a seven member Board of Trustees and an Executive Director that meets quarterly.

KDC has been in existence since 1975, when it began offering a 457(b) plan and introduced a 401(k) and IRA plan in 1986. He reviewed the maximum amounts a participant could defer for each of the plans along with the tax treatment. Currently, approximately 75,000 members are participating, the assets under management total just over \$3 billion, and the average account balance is \$39,900. He noted that Nationwide Retirement Solutions provides recordkeeping, marketing, and communications services for KDC, and they are supported by a KDC administrative staff of 16.

Mr. Biddle discussed the various investment options provided and noted that participants elect their own investments from a list approved by the Board. Currently, KDC offers over 20 investment options and participants can invest by self-selection, target retirement date funds, or managed account services. He provided a chart of the investment options across each of the three structures.

Mr. Biddle discussed recent initiatives of KDC and referenced an effort to coordinate with the Kentucky Personnel Cabinet in 2016 to provide benefits to employees as one total benefits package. He noted that working in concert with other personnel agencies to utilize shared information, message coordination, and unity of purpose had increased awareness and participation.

Next, Mr. Biddle explained the auto-enroll program. In 2019, legislation was passed to automatically enroll all new state employees hired after July 1, 2019, into the KDC 401(k) plan. The based deferral is \$15 per pay or \$30 per month and the funds for the first 90 days are held in a fixed contract fund, while assets of any future contributions are invested into the Vanguard Target Retirement Fund most appropriate to a participant's age after the initial 90 day period. Mr. Biddle outlined the rights provided to new employees, which included contributing more than the initial \$30 per month, designating beneficiaries, and the option to terminate contributions at any time. Mr. Biddle noted all new enrollees had 90 days to remain in the plan or opt out.

The auto-enrollment options include claiming a retirement savings contribution credit, a choice of investment options the KDC plan offers, being able to change their investment options any time, and choosing a ProAccount, which is a managed account service.

Mr. Biddle stated that their average enrollment goal per month is around 500. In September 2019 there were 431 participants auto enrolled. With over 1,000 auto enrollments since July 2019, there have been only six participants that have filled out the form to opt out.

In response to questions from Senator Higdon, Mr. Biddle stated in regards to their returns, within the 90 day period, the fixed contract was about 2.32 percent. In regards to year-to-date average earnings,

Mr. Biddle stated in general the assets continue to trend upward.

In response to a question from Mr. Jefferson, Mr. Biddle stated that the construction of the investment process that KDC provides for their participants starts with the Board of Trustees and an investment subcommittee that meets quarterly along with outside consulting. Mr. Biddle stated that there is also an annual due diligence that KDC executes with their record keeper along with the fixed contract fund.

In response to a question from Senator Higdon, Mr. Biddle stated that KDC services are also available to the school districts and county employees, but with less participation.

With no further business, the meeting was adjourned.

## **CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE**

### **Minutes**

October 15, 2019

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

The Capital Projects and Bond Oversight Committee meeting was held on Tuesday, October 15, 2019, at 1:00 PM, in Room 169 of the Capitol Annex. Representative Walker Thomas, Chair, called the meeting to order, and the secretary called the roll.

Present were:

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

Guests: Dr. Joseph D'Ambrosio, Director of Health Innovation and Sustainability, University of Louisville Trager Institute/Republic Bank Foundation Optimal Aging Clinic; Bobbi Carlton, Lease Administration Manager, University of Louisville; Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Scott Aubrey, Director, Department for Facilities and Support Services, Division of Real Properties; Donna McNeil, Executive Director, Kentucky Infrastructure Authority; Lisa Beran, Interim Executive Director, Kentucky Housing Corporation; Tracy Thurston, Managing Director, Multifamily Programs, Kentucky Housing Corporation; and Ryan Barrow, Executive Director, Office of Financial Management.

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

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

#### **Approval of Minutes (September 17, 2019)**

Representative Sheldon moved to approve the minutes of the September 17, 2019 meeting. Representative Sorolis seconded the motion, and the committee approved the minutes by voice vote.

#### **Information Items**

Ms. Halloran referenced six information items. The University of Louisville reported a consolidation of project agency bond authorizations for two residence halls under the Belknap Campus New Residence Halls project umbrella.

Pursuant to KRS 26A.168(1), KRS 45.793, and KRS 45.818, the Administrative Office of the Courts;

the Finance and Administration Cabinet, with the Commonwealth Office of Technology reporting independently; and postsecondary institutions managing their own capital construction under KRS 164A.580 transmitted quarterly capital projects implementation status reports.

Pursuant to KRS 45.760(9), the Administrative Office of the Courts; the Office of State Budget Director; and postsecondary institutions managing their own capital construction under KRS 164A.580 transmitted annual reports detailing the financial status of open capital projects as of June 30, 2019. Those reports are available on the committee's webpage.

Pursuant to KRS 45.810(6), the Office of Financial Management submitted the annual report of debt principal outstanding as of June 30, 2019 on behalf of state entities, including postsecondary institutions, authorized to issue debt.

Pursuant to KRS 45.812(1), the Monroe County and Robertson County school districts reported upcoming bond issues to finance new projects for which no tax increases were necessary.

Pursuant to KRS 56.863(11), the Kentucky Asset/Liability Commission transmitted, through the Office of Financial Management, its semi-annual report.

#### **Lease Report from the University of Louisville**

Dr. D'Ambrosio submitted a new lease for the University of Louisville on behalf of the Trager Institute/Republic Bank Foundation Optimal Aging Clinic. The Trager Institute is a healthcare research and workforce training institute with a primary care and specialized geriatric medicine clinic. The institute operates in rural communities of the state and utilizes two large Health Resources and Services Administration to train a geriatric workforce, about 1,200 to 1,500 students per year. The institute has 40 students embedded within the practice training to provide coordinated care.

Representative Sorolis moved to approve the new lease, seconded by Representative Sheldon, and approved by unanimous roll call vote.

#### **Project Report from the Finance and Administration Cabinet**

Senator McDaniel moved to roll the three new projects into one roll call vote, seconded by Representative Sheldon, and approved by voice vote.

Ms. Tomes submitted three new projects. The first was the federally funded \$1,527,681 Department of Military Affairs (DMA), Wendell H. Ford Regional Training Center (WHFRTC) Bridge project in Greenville, the construction of a new bridge over Kentucky Highway 181 connecting WHFRTC property on both sides of the highway in Greenville. The new bridge will replace the narrow, one-lane existing bridge that cannot accommodate the daily military traffic.

The second was the federally funded \$1,010,365 DMA Unheated Storage and Paint Booth Combined Support Maintenance Shop project in Richmond, the construction of a 4,000 square foot building to relieve the operational deficiencies for equipment storage in the Richmond field maintenance shop and installation of an efficient paint booth in the bay additional area. Currently, the field maintenance shop does not have

an on-site storage facility.

The third project is the \$1,226,830 Kentucky Transportation Cabinet, Bullitt County Welcome Center project, funded with 80 percent federal funds and 20 percent from the road fund, that includes underground plumbing, window, and flooring replacement; front lobby vending area and restroom renovations; and landscaping.

Representative Thomas said that he was glad that the new bridge would be constructed at a higher height than the original one.

Senator Girdler moved to approve the three new projects, seconded by Representative Sheldon, and approved by unanimous roll call vote.

Ms. Tomes next reported two pool allocations. The first was for the \$1.779 million Finance and Administration Cabinet, Department for Facilities and Support Services (DFSS) Central Lab Boiler Replacement project, replacement of the boilers at Central Lab plant building in Frankfort. The allocation is from the bond-funded portion of DFSS's 2018-2020 maintenance pool.

The second was for the \$1,792,753 DMA Leitchfield Readiness Center Assembly Hall Addition. The \$135,500 design portion has a 75 percent federal/25 percent state split and the \$1,657,253 construction portion has a 50 percent federal/50 percent state split. The allocation is from the federal and bond-funded (state) portion of DMA's 2018-2020 Armory Modernization Pool.

#### **Lease Report from the Finance and Administrative Cabinet**

Representative Sheldon moved to roll the three lease renewals into one roll call vote, seconded by Senator Girdler, and approved by voice vote.

Mr. Aubrey submitted three lease renewals under the same terms and conditions. The first was for the Unified Prosecutorial System in Fayette County; 12,072 and 600 square feet of office and storage space at \$9.24 and \$2.50 per square foot costing \$113,045 annually, through June 30, 2021.

The second was for the Department of Juvenile Justice in Franklin County; 19,536 square feet of office space at \$9.41 per square foot costing \$183,834 annually, through June 30, 2021.

The third is for the Department of Workforce Investment in Franklin County; 14,645 square feet of office space at \$7.80 per square foot costing \$114,231 annually, through June 30, 2025.

In response to Representative Thomas, Mr. Aubrey said that many lessors are renewing for one year, possibly due to a one versus five or six year amortization for any lessee requested improvement costs.

In response to Senator McDaniel, Mr. Aubrey said that many leases in Franklin County were originated 20 to 30 years ago and are renewed at lower rental rates, the reason for the \$7.16 per square foot county average for commonwealth leased space in Franklin County. Franklin County leases originated within the last four to five years are around \$10 to \$11 per square foot. The 300 Building's, on Sower Boulevard, rental rate is higher than the \$10 to \$11 range, as it was a built-to-suit project. Moving state agencies from the Buffalo Trace complex, some of which ended up in the 300 Building, increased the



state's overall annual leasing costs. Mr. Aubrey said that he would provide the state's projected further overall annual leasing cost increases over the next biennium. Mr. Aubrey expected rising costs due to state agencies' occupancy of the Mayo-Underwood Building, another built-to-suit project.

Senator McDaniel moved to approve the three lease renewals, seconded by Representative Sheldon, and approved by unanimous roll call vote.

#### **Report from the Office of Financial Management**

##### **Kentucky Infrastructure Authority**

Ms. McNeil spoke about KIA's initiatives. She referenced her demonstration of KIA's Water Resource Information System (WRIS) dashboards, accessed through the WRIS portal on KIA's website, during the committee's April 2019 meeting. Three dashboards display Kentucky's water and wastewater infrastructure state and federal funding requests over the next 20 years totaling \$4.94 billion for 2,746 projects, \$2.26 billion for 1,603 drinking water projects and \$2.68 billion for 1,143 wastewater projects. For 954 of those projects, funding requests total \$2.5 billion over the next two years. Two dashboards, one of which is optimized for phone or tablet use, filter by region. Users can filter down as far as the 15 Area Development Districts (ADD), the community, or even the project. The third dashboard allows users to filter by Senate or House Legislative District. The WRIS is recognized nationally as a transparent water and wastewater planning database, with dynamic, real time information. Consistent with KRS 224A.300, ADD staff compile and update planning information through a contract with KIA and prepare projects for review and approval by the Water Management Planning Councils as established under KRS 151.601.

In July, the Environmental Systems Research Institute (ESRI) presented KIA staff with a Significant Achievement in GIS (SAG) award at its annual user conference in San Diego.

KIA included a \$25 million request for the next three biennial budgets in its six-year capital plan to recapitalize the Infrastructure Revolving Fund (Fund B) program to help meet the funding requests, targeting communities with water loss, failing infrastructure, or unsustainability.

In November, KIA staff will be presenting the WRIS and internal loan processes at the Council of Infrastructure Financing Authorities State Revolving Fund Workshop. Ms. McNeil conducted a webinar with the same information for Tennessee's SRF director and staff. Tennessee is in the planning stages of designing a database, with Florida and Georgia also expressing interest, similar to the WRIS. During a conference call, U.S. Environmental Protection Agency Region 4 enforcement staff referenced the WRIS as it has information on whether a utility is under enforcement action and if the utility either has a project underway to address the enforcement action or declined a KIA loan invitation, often due to lack of funds, for a project.

Three years ago KIA started giving H2O Awards for completed drinking and clean water projects. This year's drinking water and clean water recipients were the City of Fleming-Neon, Letcher County, for the Fleming-Neon-Water Treatment Plant Upgrade and

the Regional Water Resource Agency in Owensboro, Daviess County, for the Max Rhoads Wastewater Treatment Plant UV Project.

KIA plans to complete conversion of its loan tracking from spreadsheets to an electronic database by the end of December, ensuring execution of assistance agreements after committee approval.

For the current funding cycle, KIA will have 25 loan requests totaling \$55.7 million, with \$4.3 million in principal forgiveness, from the Drinking Water State Revolving Fund (DWSRF) program and 32 loan requests totaling \$73 million, with \$6 million in principal forgiveness, from the Clean Water State Revolving Fund (CWSRF) program. KIA plans submittal of the drinking and clean water loans to the committee by June 2020.

The 2021 Call for Projects is open for the DWSRF and CWSRF programs from October 14 through December 16. KIA anticipates funding of \$30 million for DWSRF and \$75 million for CWSRF projects.

Several governmental agencies have asked about gas transmission project funding. However, Fund B program funds are limited. KIA plans to present a \$596,000 loan application to its Board in November for a gas transmission project, co-funded with a \$1.5 million U.S. Economic Development Administration (EDA) grant, in an Eastern Kentucky industrial park. Also, in support of a \$5 million KIA loan request, KIA received a preliminary engineering report for a \$7.7 million Northern Kentucky natural gas expansion project. Co-funding is anticipated from EDA and local funds. If KIA commits to funding this project, then there will be no available Fund B program funds through next year. With aging gas infrastructure, KIA anticipates more Fund B program gas transmission project loan requests.

Representative Thomas thanked Ms. McNeil for her hard work and congratulated her on the SAG award, commenting that she was a pioneer and that imitation was the best form of flattery.

Ms. McNeil said that the WRIS project has been continuing for over twenty years and that KIA, constantly looking to improve its processes, wishes to make it better with more transparency for future generations.

Senator McDaniel moved to roll the CWSRF (Fund A) loans and the DWSRF (Fund F) loan into one roll call vote, seconded by Representative Sheldon, and approved by voice vote.

Ms. McNeil submitted three KIA loan requests. The City of Burkesville, Cumberland County, requested a \$2,831,370 Fund A loan, which includes the \$251,000 previously approved planning and design loan, for the construction portion of its Wastewater Treatment Plant Improvements project. This funding package also includes \$1,000,000 each in principal forgiveness and a Community Development Block Grant. The project will upgrade several treatment plant components to meet current regulatory requirements and includes equipment, electrical, and process improvements. For 4,000 gallons, effective October 19, 2018, the sewer rate is \$32.62 and, effective October 19, 2018, the inside and outside city water rates are \$31.41 and \$45.83. The term is 30 years at a 0.5 percent interest rate.

The City of Nicholasville, Jessamine County,

requested a \$910,000 Fund A planning and design loan for the Nicholasville Wastewater Treatment Plan Expansion project. The loan will finance a facility plan to increase the wastewater treatment plant's design capacity. The average daily flow for the past year has exceeded the plant's design capacity, with peak flow over five times the design capacity. For 4,000 gallons, effective September 1, 2019 the inside and outside city sewer rates are \$25.75 and \$37.29 and, effective August 1, 2019, the inside and outside city water rates are \$22.97 and \$33.37. The term is five years at a 2.5 percent interest rate.

The City of Lebanon, Marion County, requested a \$1,855,457 Fund F loan increase, for a total loan amount of \$4,497,137, for the Lebanon Water Works System Improvements project. The city realized the need for the increase during the design phase of the project and the additional items are to further improve water quality and energy efficiency. Construction includes replacing about 22,000 linear feet of two, four, and six inch cast iron mains with six inch polyvinyl chloride pipe in the western section of the city and various upgrades and modifications to the water treatment plant. The loan amount reflects the final bid for this project. For 4,000 gallons, effective July 8, 2019, inside and outside city water rates are \$26.19 and \$28.82. The term is 30 years at a 0.5 percent interest rate.

Senator McDaniel thanked KIA, being a vital organization of the commonwealth as there are few policies that do not involve finance, for its ongoing work. He appreciated KIA's generation of policy ideas and its transparency. The committee sees the final loan analysis versus KIA's operational work and interaction with the local community during the loan submittal process.

Senator McDaniel moved to approve the Fund A loans and the Fund F loan, seconded by Senator Girdler, and approved by unanimous roll call vote.

##### **Kentucky Housing Corporation**

Ms. Beran gave an overview of the Kentucky Housing Corporation, the state's housing finance agency created in 1972 with enabling legislation. KHC is a quasi-governmental, de jure municipal corporation administratively attached to the Finance and Administration Cabinet. Its board is comprised of five ex-officio state government officials and ten private members appointed by the Governor. KHC is self-supporting, primarily through selling mortgages in the secondary market. KHC does receive a portion of county clerks' recording fees for the Affordable Housing Trust Fund, which it administers throughout the state on a competitive basis.

Ms. Beran highlighted KHC's business areas. KHC acts as a mortgage company, albeit servicing rather than originating mortgages targeting first-time buyers through its lending partners. KHC has Specialized Housing Programs, executed through its Housing Contract Administration, for homeless shelters and other specific non-profit housing needs. That department manages most of the statewide, competitive programs financed by the federal government. KHC administers Department of Housing and Urban Development funding, except for Community Development Block Grants, working with non-profits and other partners statewide. KHC



operates Section 8 and project-based rental assistance as well as rental housing production programs in counties that do not have their own housing authority, including those with a housing authority in the main city, currently 118.

Ms. Beran referenced the fiscal year 2019 impact to families and individuals on the last page on the handout and Ms. Thurston gave an overview of the multifamily rental housing programs. KHC's largest resource for the preservation of existing or development of new multifamily affordable housing is the nine percent low income housing tax credit (LIHTC). The LIHTC program is oversubscribed with KHC receiving two to three times more applications than the annual state LIHTC allocation, based upon a per capita amount, available to developers. Therefore KHC has redirected its bond volume under the annual private activity bond volume cap from tax-exempt debt for single family loan originations towards tax-exempt conduit multifamily housing debt. KHC will issue tax-exempt conduit debt on behalf of multifamily housing developers who will then receive a four percent credit, which does not count against the state's annual LIHTC allocation, under certain thresholds. Multifamily tax-exempt conduit debt is best for projects of at least one hundred units, some of which will have up to 500 units. In rural areas, developers will often combine small projects to make the debt issuance financially feasible, such as one of the debt issues submitted today for eight projects. Over the last two years, KHC was able to double the multifamily housing production amount with tax-exempt debt transactions.

Representative Thomas mentioned a mortgage broker who had done 110 KHC down payment assistance transactions, which was helping the local community. Representative Sheldon mentioned that he utilized KHC forty years ago as a first time homebuyer and also expressed appreciation for KHC's work.

Ms. Beran said that KHC will celebrate its 50<sup>th</sup> anniversary in 2022 and that she would provide contact information for KHC's housing constituent referrals designee.

#### **Office of Financial Management New KHC Conduit Debt Issues**

Senator McDaniel moved to roll the two new KHC conduit debt issues into one roll call vote, seconded by Representative Sorolis, and approved by voice vote. Before submitting the two new KHC conduit debt issues with October 31 projected sale dates, Mr. Barrow said that if KHC were to resume loan originations, then OFM would assist in the selection of the financing team as well as other aspects of the non-conduit debt issuance for financing the loan originations. KHC's can use a portion, obtained via application process, of the state's private activity bond allocation, capped at \$105 per citizen, for both conduit and non-conduit debt. Neither the Commonwealth nor KHC is responsible for repayment of the debt service for KHC conduit bond issues.

For this month, KHC's first conduit debt submittal was the KHC Tax-Exempt Conduit Multifamily Housing Revenue Bonds (Abel Court and Dudley Court), Series 2019 to finance 48 units in Bowling Green and 96 units in Paducah. The net

proceeds and the total project cost will be \$15 million and over \$26 million.

The second was the KHC Tax-Exempt Conduit Multifamily Housing Revenue Bonds (Volunteer Management and Development Portfolio II), Series 2019. The portfolio is eight properties in six counties. The net proceeds and the total project cost will be \$12.8 million and over \$34 million.

Senator Girdler moved to approve the two new conduit debt issues, seconded by Representative Sorolis, and approved by unanimous roll call vote.

#### **Previous Debt Issues**

Mr. Barrow reported two previous debt issues. The first was the KHC Tax-Exempt Conduit Multifamily Housing Revenue Bonds (McDeane Apartments), Series 2019 to finance 198 units in Louisville. The issue sold September 11 with net proceeds of about \$18 million for a total project cost of \$33.5 million.

The second was the Eastern Kentucky University General Receipts Refunding Bonds, 2019 Series A that sold August 27. The current refunding generated \$588,000, or 10.3 percent, in net present value savings. The double digit percentage savings are due to low supply and historically low rates and refundings may generate about three percent net present value savings when rates return to normal.

#### **School District Bond Issues with School Facilities Construction Commission Debt Service Participation**

Senator McDaniel moved to roll the six school district bond issues into one roll call vote, seconded by Representative Sheldon, and approved by voice vote.

Mr. Barrow submitted four school district bond issues with School Facilities Construction Commission (SFCC) debt service participation for new projects in the Kenton County, Knott County, Science Hill Independent (Pulaski County), and Union County school districts with a total anticipated issuance amount of \$22.36 million; 26 percent SFCC funds and 74 percent local funds. No tax increases were necessary to finance the projects. Mr. Barrow also submitted two current refunding bond issues for the Leslie County and Paintsville Independent (Johnson County) school districts with an anticipated issuance amount of \$2.6 million; 35.3 percent SFCC funds and 64.7 percent local funds.

Senator McDaniel commented on Kenton County's local effort for its security improvements, \$15.9 million local funds and \$1.6 million SFCC funds, with respect to funding Senate Bill 1 which passed earlier this year.

Senator Girdler moved to approve the school bond issues, seconded by Representative Sorolis, and approved by unanimous roll call vote.

Representative Thomas announced the remaining 2019 meeting dates: Thursday, November 14, 2019, Senator Girdler, chair; and Tuesday, December 17, 2019, Representative Thomas, chair.

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

## **PUBLIC WATER AND WASTEWATER SYSTEM INFRASTRUCTURE TASK FORCE**

### **Minutes of the 4th Meeting of the 2019 Interim**

October 23, 2019

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

The 4th meeting of the Public Water and Wastewater System Infrastructure Task Force was held on Wednesday, October 23, 2019, at 1:00 PM, in Room 131 of the Capitol Annex. Senator Phillip Wheeler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Phillip Wheeler, Co-Chair; Representative Jim Gooch Jr., Co-Chair; Senator Robin L. Webb; Representatives Derek Lewis and Ashley Tackett Laferty; Michael Burruss, David Farrar, Mike Gardner, Peter Goodmann, John Holiday, Gary Larimore, Donna McNeil, and Brian Traugott.

Guests: Greg Heitzman, PE, MBA, BlueWater Kentucky, Mike Gardner, Water/Wastewater Systems Manager, Bowling Green Municipal Utilities, Annette Dupont-Ewing, Executive Director, Kentucky Municipal Utilities Association, Michael J. Schmitt, Chairman, Kentucky Public Service Commission, and Gary Larimore, Executive Director, Kentucky Rural Water Association.

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

The September 18, 2019, minutes were approved by voice vote, upon motion made by Representative Gooch and seconded by Representative Tackett Laferty.

#### **Kentucky Water Infrastructure Challenges and Solutions**

Mr. Greg Heitzman, PE, MBA, BlueWater Kentucky, stated that he is expressing his own opinion. Kentucky is ranked "mediocre" for drinking water and wastewater infrastructure. There are 435 public water systems, 213 water treatment plants, 1,842 water storage tanks, 58,783 miles of water mains, and an estimated 25,000 lead pipe service lines. However, the approximately 300 small water systems account for most of the present challenges. Roughly, 60 percent of Kentucky's population has access to wastewater treatment, but the rest are private wastewater systems or illegal straight pipes. Most Kentuckians have affordability issues when water and wastewater rates rise.

The top challenges for water and wastewater systems are: compliance with regulations, aging infrastructure, infrastructure funding, consumption and rates, water loss, retiring workforce, and lack of business planning and best practices. Recommendations for improving Kentucky's water systems include: continuing the Kentucky Drinking Water and Clean Water Advisory Councils; enhancing water planning; leveraging federal funds with state funding; establishing an annual \$50 million Kentucky Water Infrastructure Fund; developing Kentucky uniform water/wastewater performance criteria and rating system; creating financial incentives; adopting full cost pricing of water using industry standards;

adopting industry standards for water audits and loss control programs; establishing Centers for Excellence in Water; conducting state-wide studies on water loss; addressing lead service; examining system interconnections and affordability for low/ fixed income households; revise administrative regulations; and requiring systems to prepare a 10 year capital improvement plan for asset management and infrastructure renewal.

In response to Senator Wheeler, Mr. Heitzman stated he has been working with Martin County for three years. There are limited resources to help with infrastructure. Drinking water is in compliance with regulations, but out of compliance for disinfection by-products. Affordability is a huge issue. Even with \$8.5 million in grants, there is still much to be done, and water projects will take several years to complete. Current water board members are resolved to make a positive difference.

#### **Kentucky Municipal Utilities Association (KMUA)**

Mike Gardner, Water/Wastewater Systems Manager, Bowling Green Municipal Utilities agrees that affordability is a very important issue. Even though Kentucky has been successful in providing good drinking water and extending water across the state, \$14.5 billion is needed over the next 20 years to fix infrastructure. KMUA recommends establishing a Utility Taskforce to support sustainability of Kentucky's water and wastewater infrastructure. There should be annual audits, best management practices, and rate making practices for all systems. A Board of Public Utility experts should be created to conduct formal reviews of distressed systems, and a Revitalization Fund should be established as part of an allocation of \$25 million per year for four years from the General Fund. Also, a sustainability program should be established that can be funded by new operating permit fees for water/wastewater systems.

In response to Mr. Traugott, Mr. Gardner said it is important to maintain local control.

In response to Ms. McNeil, Mr. Gardner stated the overlap between agencies should be streamlined so they can work more efficiently. The Area Development Districts (ADDs) have a role, but not all ADDs function equally. All utilities should review inventories and manage the operation and maintenance of their infrastructure.

Ms. McNeil said that KIA has loan dollars for planning initiatives, capital improvement plans, and asset management plans. KIA also offers grant assistance for completing applications.

In response to Mr. Farrar, Mr. Gardner said that privatization was not listed as a recommendation.

In response to Representative Tackett Lafferty, Mr. Gardner said that grant training is hard to mandate. Most council members represent rural districts and have limited time to devote, but on-line training may be a possibility.

Ms. Dupont-Ewing said that if a work group is established, it would take at least one year to put all the information together and develop a plan to help systems with best management practices.

Mr. Burress stated that ADDs provide assistance for loan and grant programs by working with KIA and

other agencies. In addition, there are several experts who sit on the Utilization Management Planning Councils that provide assistance to communities. All ADDs have a certified grant administrator who offers writing assistance.

#### **Kentucky Public Service Commission**

Mr. Michael Schmitt, Chairman, Kentucky Public Service Commission (PSC), explained that the mission of the PSC is to foster the provision of safe and reliable service at a reasonable price to the customers of jurisdictional utilities, while providing for the financial stability of those utilities. The PSC also supports their operational competence by overseeing regulated utilities.

There were a number of water districts experiencing excessive water loss, but the problem had not been seriously addressed. A loss of 15 percent or more cannot be recovered in rates or be applied to replace infrastructure. The PSC began redirecting money through surcharges to be used for infrastructure replacement. However, many systems in eastern Kentucky will still have insufficient revenue to solve the infrastructure problem. Much of the unaccounted water loss is because the meters are not operating properly, theft, or old pipelines that leak.

The PSC opened an investigation into 11 water utilities with consistent water loss of over 35 percent. The PSC already had an open investigation involving Martin County whose water loss rose to 71 percent. Investigations revealed that local politicians refused to consider unpopular rate increases, and there are no training or best management practices in place.

Water loss can result in the loss of large sums of money. The study showed water loss for Big Sandy Water District and Rattlesnake Ridge Water District were \$519,569 and \$904,677 respectively. For the most part, the list of water districts with high total risk factors are located in eastern Kentucky. The highest water utility customer rates are North Hopkins at \$65.52, Rattlesnake Ridge at \$62.52, and Breathitt County at \$58.91.

In response to Representative Tackett Lafferty, Mr. Schmitt said that Southern Water District came to the PSC asking for a rate increase, but Southern had no records on which to base the rate. Upon investigation, the PSC found 750 water meters that read zero. Other meters were not being read at all, and there were at least 40 households who got water but were not customers. Southern is doing a good job trying to get their system back into compliance, and water rates should go back down in about a year.

Mr. Schmitt said that the characteristics common among struggling water utilities include: inadequate or inconsistent oversight and management, poor financial and accounting practices, and detrimental extraneous influences/local pressure. Potential solutions include: new or enhanced statutory or regulatory requirements; augmented regulatory oversight; improved oversight and management of water utilities; and enhanced collaboration and communication between the PSC, and the Division of Water, and other funding agencies.

Senator Wheeler expressed concerns with the tone of one of the PSC commission meetings with water board officials.

In response, Mr. Schmitt stated that it was

debatable if Martin's County's water quality was improving or that the district had made great improvements. New water commissioners are doing the best under a bad situation. During seven months of 2019, the district lost \$292,000, and expenses were \$40,000 more a month than revenues. Martin County's water loss was 67 percent in May 2019, and Martin County needs a manager who is capable of doing the job.

In response to Senator Wheeler, Mr. Schmitt said that Martin County had been permitted funds to hire a manager, but the position remains open and they have not performed requested audits. Their wastewater system has never had an audit.

In response to Senator Wheeler, Mr. Schmitt said that the Martin County Water District had a debt of over \$1 million under previous water commission boards.

In response to Representative Tackett Lafferty, Mr. Schmitt said that a surcharge would pay for the new meters installed for the Southern Water District. Once the new meters are paid for, the surcharge would go away.

#### **Kentucky Rural Water Association**

Mr. Gary Larimore, Executive Director, Kentucky Rural Water Association (KRWA), said that their recommendations are: extend the work of the Task Force; establish a uniform evaluation process to identify public water and wastewater utilities that lack technical, managerial and financial expertise; identify the needs of marginal utilities; provide resources for implementation of action plans; require annual reports; explore a hybrid regulatory oversight process that is a mix between Tennessee and Kentucky; encourage training for all board/commissioner/ decision makers including county and city appointing officials; develop a loan fund; and enhance the water resource information system (WRIS).

Mr. Larimore said one problem with requiring annual reports for all utilities is the fact that there is no regulatory accountability and follow-up. Other recommendations included implementing regular rate reviews, rate indexing non-revenue water cost indexing, and exploring emergency intervention methods.

Representative Gooch said it would be hard to find money for all the projects in Kentucky. It is important for all the stakeholders and the Energy and Environment Cabinet to establish a workgroup to continue collaboration on issues and recommendations instead of continuing with the Public Water and Wastewater System Infrastructure Task Force.

Mr. Bruce Scott, Deputy Secretary, Energy and Environment Cabinet (EEC) stated the cabinet would welcome a workgroup setting with the intent of bringing needed legislation. The workgroup will not be able to solve everything in one year; it will take several years to develop plans.

Secretary Snavely, EEC, stated that the information from the task force had set the basic framework. For the future, the workgroup will need to look at funding, maintenance of the systems, and accountability.

Senator Webb stated that a cabinet-led workgroup should have already been meeting. This



Public Water and Wastewater Systems Infrastructure Task Force was created to identify problems in a public setting, not in a back room, and should be continued as long as needed.

Mr. Scott said that all workgroup meetings are open public meetings and are advertised.

Representative Gooch said that the Public Water and Wastewater System Infrastructure Task Force was only authorized to meet through November.

Meeting adjourned.

## **PUBLIC ASSISTANCE REFORM TASK FORCE**

### **Minutes of the 4th Meeting of the 2019 Interim**

October 30, 2019

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

The 4th meeting of the Public Assistance Reform Task Force was held on Wednesday, October 30, 2019, at 11:00 AM, in Room 131 of the Capitol Annex. Representative David Meade, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stan Humphries, Co-Chair; Representative David Meade, Co-Chair; Senators Whitney Westerfield; Representatives Nima Kulkarni and Russell Webber; Elizabeth Caywood, and Bill Wagner.

Guests: Cathy Dykstra, Chief Possibility Officer, President & CEO, Family Scholar House; Kristina Bryant, Graduate & Intern, Family Scholar House; Douglas Beard, Director, Jessica Hinkle, Policy Development Branch, Division of Family Support, Laura Begin, Legislative Staff Assistant, Department for Community Based Services; Barbara Ramlow, University of Kentucky Center for Drug and Alcohol Research; Amanda Hall, ACLU of Kentucky; Amanda DuFour, The Well of Lexington.

LRC Staff: Chris Joffrion, Hillary McGoodwin, and Sean Meloney.

#### **Approval of Minutes**

A motion to approve the minutes of the October 7, 2019 meeting was made by Representative Webber, seconded by Senator Westerfield, and approved by a voice vote.

#### **Family Scholar House: A Comprehensive Approach Toward Independence**

Cathy Dykstra, Chief Possibility Officer, President and CEO of Family Scholar House stated that the mission of Family Scholar House is to end the cycle of poverty and transform communities through education, affordable housing, career development, and supportive services. Participants in the Family Scholar House program must be single-parents, enrolled in a full-time post-secondary education programs or full-time work apprenticeship program. The Family Scholar House has 5 campuses in Louisville, with 247 single-parents and 365 children in residence and 3,500 active non-residential participants. In Kentucky, 42 percent of single parent households are in poverty and 49.5 percent of Kentucky adults who do not have a post-secondary education live in poverty, contrasted by 4.5 percent of adults with a bachelor's degree live in poverty.

Ms. Dykstra stated that the Family Scholar House provides academic coaching, apprenticeship

and career development, counseling and family advocacy, mentoring, financial education, youth literary initiatives, cooking classes, therapy for children, and parenting classes. To remain eligible for the program, participants must maintain at least a 2.5 grade point average in their full-time post-secondary education program and be working towards full-time job placement upon graduation. The services offered give participants the tools needed to transition off public assistance by being able to support themselves and their children with livable wage employment, financial literacy, and the courage to ask for help to get them to their goal. The Family Scholar House had 71 graduates in 2019, 502 degrees have been earned by graduates since they opened in 1995, 99 percent of mothers exit to stable housing, 81 percent to stable employment, 65 percent to continued education, and 98 percent complete the program without a repeat pregnancy. The average matriculation rate for participants is three years to obtain an associate's degree and six years to obtain a bachelor's degree. Entrance to the program is merit based and that participants must earn their way into the program by showing dedication to obtaining a degree and movement towards self-sufficiency.

In 2019, the Family Scholar House was awarded the American Planning Association (APA) Housing and Urban Development's (HUD) Secretary Award for Opportunity and Empowerment, in addition, the Scholar House became a HUD designated EnVision Center. EnVision centers are a federal demonstration program to reform government services to aid Americans in becoming self-sufficient. The long-term goals of the program are to increase their reach throughout the state with more growth in Family Scholar House affiliate programming. Kentucky has a unique opportunity to bring awareness to the program, to single-parents living in poverty, and to provide a model for solution.

Kristina Bryant, a graduate of the Family Scholar House and an intern with the program, stated that the Family Scholar House has been a life changing home for her. She obtained a Bachelor's in Social Work while in the program and has returned to the Family Scholar House as an intern and mentor while she works towards her Master's in Social Work from the University of Louisville. Ms. Bryant stated that being around women who wanted to be in the program, who worked hard, and who were in school to become doctors, lawyers, and nurses gave her the drive to better her life for her and her daughter. Ms. Bryant's daughter is thriving in school and has benefited from the numerous programs that the Family Scholar House has for children.

In response to questions from Senator Humphries, Ms. Dykstra stated that there are 791 families and 1000 children on the Family Scholar House waiting list in Louisville. There have been 4000 families including 5000 children identified as potential participants but are not on the waiting list for the Louisville campuses. In Northern Kentucky, the Family Scholar House has partnered with different entities to provide support for their 45 apartment housing program that is not a full-scale Family Scholar House but is meeting a housing

need for single parents who are enrolled in full-time post-secondary degree programs. One way to gauge where there is a need is to partner with Kentucky Community and Technical Colleges (KCTCS) to offer pre-program support to potential future participants when they are registering for degree programs. Ms. Dykstra stated that the Family Scholar House would like to begin partnering with KCTCS to make this a possibility for the future.

In response to questions and comments from Bill Wagner, Ms. Dykstra stated that there is a need throughout the state for similar programming but expansion of the full-scale Louisville Family Scholar House model depends the availability on low-income housing tax credits, low-income housing, low-cost land, and funding.

In response to questions and comments from Representative Webber, Ms. Dykstra stated that apprenticeship programs have been a great means to take a non-traditional student and get them prepared for a skilled trade so they can fulfill their main goal at Family Scholar House which is to be gainfully employed and self-sufficient. Several of the apprenticeship programs Family Scholar House graduates have participated in were with the International Brotherhood of Electrical Workers (IBEW) and other trade unions, Toyota, Ford, welding, and most recently, drone operation apprenticeships. The participant would have to be apprenticing full-time to meet the requirement of full-time post-secondary degree attainment status. Ms. Dykstra stated that 12 percent of their participants are enrolled in apprenticeship programs and the majority (60 percent) of those participants are in healthcare related degree programs.

In response to questions and comments from Representative Kulkarni, Ms. Dykstra stated that site selection factors in proximity to basic necessities like grocery stores, schools, mass-transit as well as the price of the land. The minimum size of land needed for a Family Scholar House campus is three acres with the maximum size being six acres.

In response to questions from Bill Wagner, Ms. Dykstra stated that Family Scholar House encourages their participants to take advantage of public assistance programs that are available to them as a stop-gap as they work toward their goal of transitioning off assistance. The average length of time a participant is on public assistance while in the program is 3.5 years. Ms. Dykstra stated that participants are required to save a minimum of \$10 a month in their "future fund" and participate in financial literacy tutoring while in the program.

In response to questions and comments from Representative Jenkins, Ms. Dykstra stated that the program is dependent on donations for basic living supplies like diapers, toilet paper, paper towels, light bulbs and participants use their Supplemental Nutrition Assistance Program (SNAP) funds for food. The Scholar House is reliant on a strong community partnership to ensure that the basic needs of the participants are met. Ms. Dykstra stated that one such community engagement program that benefits the participants immensely is the "adopt a family for Christmas" program where a participant makes a "Santa" list and the adopter of that family fulfills the



list for the participant's family.

### **Substance Use Screening of Public Assistance Beneficiaries**

Laura Begin, Staff Assistant, Department of Community Based Services, Division of Family Support, spoke on the Personal Responsibility & Work Opportunity Reconciliation Act of 1996. The Act allows states to deny assistance and benefits for certain drug related convictions, and that an individual convicted of a drug felony shall not be eligible for TANF or food benefits, unless the state adopts exceptions. KRS 205.2005 states that any public assistance recipient under Title IV of the Federal Social Security Act. Any federal food stamp program recipient who has been convicted of a drug felony after August 22, 1996 may remain eligible for the program benefits if the recipient has been assessed as chemically dependent and is participating in or has successfully completed a chemical dependency treatment program or is pregnant, and the recipient is otherwise eligible. As of September 2019, a total of 227,557 individuals received SNAP benefits and/or K-TAP, of which 8,357 (3.7 percent) individuals have a felony drug conviction.

Ms. Begin stated that considerations must be made when discussing drug screening public assistance recipients because children will be impacted and this requirement could be another barrier for individuals to seek treatment for themselves and seek basic needs for their children. Concerns the Division of Family Support has with screening of public assistance recipients are that identifying need is not the same as treating it. The process would be a major expense for minimal results.

Douglas Beard, Director, Division of Family Support, Department of Community Based Services stated that looking to other states that have implemented drug screening of public assistance recipients illustrated that the cost outweighs the benefit. Arkansas had 19,228 total TANF recipients. Five of the recipients were tested based on the qualifying criteria of suspicion and/or prior drug conviction, two tested positive, yet the cost the state incurred was \$32,506.65. Oklahoma had 13,361 total TANF recipients. 3,915 of the recipients were drug tested, 77 tested positive yet the cost for the state was \$50,294.48. Mr. Beard stated that in 1999, Michigan became the first state to implement suspicion less drug testing for welfare recipients. In 2003, the U.S. Sixth Circuit Court of Appeals upheld a federal district court ruling that found Michigan's law violated the Fourth Amendment and was unconstitutional. Mr. Beard stated that in 2011, Florida passed a law requiring suspicion less drug testing of all TANF applicants and random drug testing of current beneficiaries. In 2014, the U.S. Eleventh Circuit Court of Appeals held that Florida's law violated the Fourth Amendment. Mr. Beard stated that before the court imposed an injunction in 2011, Florida implemented its rule for four months and during that period, Florida found 2.6 percent of 4,000 applicants tested positive for controlled substance use. After the Court of Appeals ruling, Florida settled with the recipients who were tested prior to the injunction and the settlement cost the state nearly \$1 million.

Mr. Beard stated that Kentucky has several

programs to address substance abuse and treatment: the National Governors Association Pilot Program which develops and implements strategies to expand access to opioid use disorder treatment for justice-involved populations through drug courts and residential programs; Sobriety Treatment and Recovery Team (START) program that integrates addiction services, family preservation, community partnerships, and best practices in child welfare and substance abuse treatment; The Kentucky Strengthening Ties and Empowering Parents (KSTEP) program provides services for families with children under age 10 at risk of entering foster care in which a parent has a substance use disorder and the Targeted Assessment Program (TAP) which uses Kentucky Opioid Response Effort (KORE) grant money through Department of Behavioral Health (DBHDID).

In response to questions and comments from Senator Westerfield, Mr. Beard stated that in the TANF screening, self-disclosure is the number one way in which the state finds out if there has been a previous drug related conviction, and pending cases are not considered, because there has not been a conviction. Mr. Beard stated that through the Commonwealth Office of Technology (COT), the state uses a company called Aperis which runs state-wide incarceration logs against the state's Medicaid rolls to find matches and to determine ineligibility due to incarceration. COT then contacts the Department for Medicaid Services and that person's benefits are suspended. Mr. Beard stated that funding for substance use treatment for this population, often comes from Medicaid, and through the KORE program's Targeted Assessment Program grant administered by the University of Kentucky. Deputy Commissioner Caywood added that TANF funds cannot be used for medical treatment.

In response to questions and comments from Bill Wagner, Mr. Beard stated that the Division of Family Support does not support the addition of a drug screening component to public assistance and feels that there is not data to support the outcome or justify the cost of implementation. Mr. Beard stated that the creation of more barriers is not the role of the Division of Family Support. Mr. Wagner stated that he does not support the addition of a drug screening requirement.

In response to questions from Representative Jenkins, Mr. Beard stated that there is not a state-issued list of qualified chemical dependency treatment facilities but that the Department for Behavioral Health will report back with their approval criteria for treatment facilities in the state.

### **Public Comments**

Amanda Hall with the ACLU of Kentucky stated that as a convicted felon and person in recovery she cannot support drug-screening requirements for those on public assistance. Ms. Hall stated that it was hard enough having to piece her life back together after prison and that having access to public assistance helped her rebuild her life far sooner. She feels those with drug problems need more help and not more barriers.

### **Adjournment**

With there being no further business, the meeting was adjourned at 12:45pm.

## **EDUCATION ASSESSMENT AND ACCOUNTABILITY REVIEW SUBCOMMITTEE**

**Minutes  
of the 2019 Interim  
October 17, 2019**

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

The meeting of the Education Assessment and Accountability Review Subcommittee was held on Thursday, October 17, 2019, at 1:00 PM, in Room 129 of the Capitol Annex. Senator Max Wise, Co-Chair, called the meeting to order, and the secretary called the roll.

Present were:

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

LRC Staff: Joshua Collins, Yvette Perry, and Christal White.

### **Approval of Minutes**

On a motion by Representative Riley and a second by Representative Reed, the minutes of the September 17, 2019 meeting were approved.

### **Teacher Shortages and Supports for New Teachers**

Staff from the Office of Education Accountability, Dr. Bart Ligouri, Research Division Manager, and Allison Stevens, Research Analyst, presented the committee report adopted for the 2019 OEA Research Agenda.

Ms. Stevens provided an overview of teacher shortages and teacher turnover in Kentucky, including Career and Technical Education (CTE). The report examines teacher turnover rates by region, district, school demographics, certification type, and the association between teacher turnover and student outcomes. Data used in the compilation of the report was provided by the Kentucky Department of Education (KDE), the Kentucky Center for Statistics, the Council for Post-Secondary Education (CPE), and an OEA Principals Survey regarding teacher shortages, turnover, and supports for new teachers.

Teachers with emergency certificates and alternative certificates represent 3.9 percent of Kentucky teachers and may underestimate overall teacher shortages. Emergency certificates are issued when a district proves difficulty in hiring a qualified candidate. Teachers with alternative certificate can be hired based on valuable work experience and continued pursuit of a professional teaching certification without the requirement of proving an unavailable, qualified candidate. Teachers with alternative and emergency certificates help determine critical shortage areas but are not included in the number of out-of-field teachers or unfilled positions in Kentucky. Ms. Stevens suggested KDE may want to consider publishing methodology and associated data used to determine critical shortage areas and a method to differentiate long-term vacant positions within the Kentucky Educator Placement System.

Prevalent teacher shortages exist in physics, chemistry, transportation, engineering, math, world

languages, and family and consumer sciences. Based on 2019 data, Kentucky identified nine subject areas and a local workforce area expected to have critical teacher shortages in 2020. More than 90 percent of states reported facing shortages in math, exceptional children, and science. More than half of the states reported potential shortages in language arts, world languages, English as a second language, and career and technical education. Less common areas of teacher shortages were identified as social studies, health and physical education, and early childhood.

Ms. Stevens said OEA's calculation of teachers with alternative certificates, emergency certificates, and other indicators of teacher shortages were based on an original analysis of certificates, teacher preparation data, and a survey. Since 2010, emergency certificates increased less than 1 percent while alternative certificates increased 7.9 percent. Current data for the same period indicates Kentucky has 1,600 fewer certified teachers, 74 more alternative or emergency certificate teachers, and an additional 1800 students, which slightly increases student-teacher ratio.

From the survey, principals said teacher shortages result in eliminating classes, increasing class sizes, renewing non-effective teachers, or hiring lower quality teachers in lieu of having unfilled positions. During the past ten years, the increase in teacher turnover suggests a lower number of teacher preparation program completers and current teachers becoming eligible for retirement could create future shortages. Teacher turnover is lower in larger geographic areas due to larger population districts having more schools in which to transfer.

Ms. Stevens said schools affected by high teacher turnover have difficulty in carrying out organizational goals; building relationships with students, parents and community; and providing required training for new teachers. Survey results also implied negative effects on student achievement, disciplinary issues, and school culture may be affected by new and inexperienced teachers; however, some principals view a positive culture shift as a potential benefit to turnover.

The report indicated major barriers for recruiting and retaining teachers include insufficient salary and benefits compared to private industry; lack of qualified candidates in a particular subject; and lack of qualified candidates in general. Principals reported a plan for prioritizing recruitment and retention of teachers and the development of strategies for supporting new teachers. Frequently mentioned supports for new teachers include requiring mentor support, encouraging beginning teachers to participate in community or peer networking, and providing dedicated meeting times for beginning teachers and mentors. Less common strategies mentioned were the mentor selection process and additional mentor stipend. Few schools offer a reduced teaching load for beginning teachers or mentors.

In response to a question from Senator Wise, Ms. Stevens said a lack of funding for teacher internship programs was not mentioned but superintendents and principals are trying to replicate those programs as best they can.

Responding to a question from Senator Wilson, Ms. Stevens said answers regarding barriers for

geographical locations varied depending on the person. Dr. Ligouri said some survey responses indicated rural communities could integrate teachers within the community better and offer a better fit into the school culture.

In response to a question from Representative Bojanowski, Ms. Stevens said the survey did not include why fewer students are entering the career education field. She suggested the General Assembly review insufficient salary and benefit information during the upcoming 2020 Regular Session.

Responding to a question from Senator Wise about programs in physics and chemistry, Ms. Stevens said access to general college data was not available.

Representative Riley said students are impacted negatively when rural area principals face teacher retention dilemmas. He said surrounding states are experiencing teacher shortages as well.

On a motion by Senator Kerr and a second by Representative Reed, OEA's report, Teacher Shortages and Supports for New Teachers, was accepted.

### 2018 Assessment Results Overview

Dr. Wayne Lewis, KDE Commissioner, and Rhonda Sims, KDE Associate Commissioner, presented the previous year's results on school and student performance.

Dr. Lewis said with the passage of the federal Every Student Succeeds Act (ESSA) and 2017 Senate Bill 1, the Accountability Performance Standard Setting Committee along with hundreds of stakeholders across the Commonwealth developed and implemented the accountability system's performance level description of what each star level means. Dr. Lewis and Ms. Sims said the performance level descriptions and recommendations are a new level of transparency in Kentucky.

Ms. Sims said accountability indicators contain five components that align with federal requirements including reading and mathematics proficiency; proficiency in social studies, science, and writing; students' growth/progress over an academic year; transition readiness; and graduation rates. Commissioner Lewis said a common myth about Kentucky's accountability system is that schools with higher ratings receive additional state or federal funding. Only CSI schools in the bottom 5 percent are eligible for school improvement dollars to improve performance.

Commissioner Lewis said schools with 3-star ratings show the school's overall performance is on pace with the majority of other schools in the state. Schools with 4- or 5-star ratings indicate a school has exhibited an exceptional level of performance. Because of different components at each educational level, maps are separated by elementary, middle, and high schools. Specific county or district ratings may be accessed at <https://apps.legislature.ky.gov/CommitteeDocuments/117>.

Dr. Lewis said student growth, a feature of Kentucky's Accountability System, is not required by federal law. The amount of progress students have made within a given year accounts for 35 percent of the schools overall weight. Superintendents and school districts disagreed with the manner in which growth was calculated due to the complexity

and inability to calculate student growth without school and district data. Dr. Lewis convened a group of superintendents, data assessment coordinators, teachers, administrators, and other stakeholders in an effort to revise growth calculation. It was determined that growth should be based on the level of improvement or progress. Special recognition was given to the top 20 schools who exhibited at least 10 points in student growth.

Performance level descriptor labels are defined as the level of understanding of Kentucky Academic Standards at specific grade levels. The terms are 1) novice - a minimal understanding; 2) apprentice - a basic understanding; 3) proficient - a broad understanding; and 4) distinguished - a comprehensive understanding. Every student receives a scale score and rating for each subject area. Ms. Sims provided stark illustrations of Kentucky's achievement gaps and how performance works with assessment. Schools receive credit for students in each group according to the scale. Schools do not earn any points until growth is achieved in the novice area. Schools receive one-half point for apprentice students, one point for proficient students, and 1.25 points for distinguished students. As student scores improve, points are earned in the system.

Novice level data identifies students with the largest achievement gaps and the greatest need for instructional support. In all school groups, KDE's report indicates African Americans, Hispanics, English learners, and economically disadvantaged students experience larger achievement gaps in all subject areas. Asian students have the lowest achievement gap in the same subject areas. KDE's presentation illustrates percentages for each ethnic group. Subsequent pages provide student performance level percentages by year and subject matter and is separately reported for elementary, middle, and high schools. In the curriculum area, challenges continue for students with disabilities to move them out of the novice category.

The transition readiness indicator allows flexibility for students to demonstrate academic or career readiness and includes an exam on attainment of English language proficiency for English learners including speaking, listening, reading, and writing in English. The indicators include earning a high school diploma and meeting expectations for either academic or career readiness and can include CTE courses, ACT, KYOTE test, college placement exam scores, dual credit courses, certifications, and others. Commissioner Lewis said transition readiness accounts for 35 percent of a high school's rating and provides opportunities for high schools to move into the 3- and 4- star range even though proficiency scores may not be at KDE standards. Ms. Sims said the exceptional work experience program provides another means for schools to raise scores.

Graduation rate is a federal requirement. Kentucky uses both a 4-year and 5-year calculation that are equally weighted in getting an adjusted cohort graduation indicator. Kentucky has an overall graduation rate in the low 90th percentile, but all graduates have earned the required credits although they may not have demonstrated a transition component. The 5-year rate recognizes the



persistence of students and educators in completing requirements for a Kentucky high school diploma. Kentucky's graduation indicator averages the 4- and 5- year rates.

In addition to the 5-star system, KDE has a federal requirement to create an improvement plan based on accountability results. The federal rule requires identifying the bottom 5 percent of Title 1 schools relating to performance; however, Kentucky law requires both Title 1 and Non-Title 1 schools. Schools designated as comprehensive support improvement (CSI) schools must be audited by a turnaround team selected by the local board of education. The audits must include specific goals as found on slide 23 of KDE's presentation. While Jefferson County had a significant increase in CSI schools this year, Fayette County had a significant decrease. Dr. Lewis said KDE staff held regional orientation training sessions with superintendents and principals. Following the audit results, schools have an opportunity to designate whether KDE or the district will lead the turnaround. After partnering with districts, Dr. Lewis reported many schools designated last year as CSI are no longer classified in that category.

In 2019, SB 175 language was changed to be consistent with the USDE language of "targeted support and improvement" (TSI) and "additional targeted support and improvement" (ATSI), previously identified as "TSI-Tier II". ATSI schools are defined as those with one or more groups of very low-level performing students. In 2018, schools with improvement indicators allowed them to exit the TSI-Tier II/ATSI status. New schools were not identified for ATSI in 2019, allowing Kentucky time to develop a new definition of TSI that met USDE standards. This year, KDE identified only 11 of over 400 previously designated ATSI schools as requiring additional support needs.

To raise the bar and close the gap, educators are urged to: 1) become intimately familiar with Kentucky's new academic standards for reading, math, science, and social studies; 2) teach to the standards at grade level including standards-aligned, high quality curriculum and lesson plans that will lead to significant improvement in student learning and assessment scores; and 3) expose standards at grade school level to ensure mastery on state assessments at middle and high school levels.

In response to a question by Senator Wise, Dr. Lewis said elementary, middle, and high schools experience a disproportionate number of underperforming male students, regardless of economic disadvantage and race. According to Ms. Sims, a student may be identified in multiple categories, if applicable. Relating to federal reporting requirements, Kentucky is required to submit cross-tab data including gender and ethnicity. Overall females outperform males, especially among the African American group.

Responding to a question by Representative Bojanowski, Dr. Lewis said it is possible to eliminate students in the novice range since no bell curve is imposed on the K-Prep assessment. Ms. Sims said scores are set during the administration of the first round of testing and cut scores are set and remain in place unless there is a significant change in tests or

standards. Categorization is based and grounded on students' work.

In response to a question from Senator Kerr, Ms. Sims said students earning a diploma are positive in the graduation rate but may lack other benchmarks for transition readiness. Dr. Lewis said transition readiness in the accountability system has no bearing on students but factor in to school ratings. Dr. Lewis said it is encouraging to see different regions with different levels of poverty experiencing extraordinary high rates of transition readiness. In response to a follow-up question, Dr. Lewis said achievement gaps, regardless of adversity, show every school district has economically and non-economically disadvantaged students but said gaps are being closed across the state. He said many kids face significant social and emotional challenges and there are differences across school districts as to how to reach those students. Leadership and staff have high expectations for student learning regardless of family background. Dr. Lewis said changes in adult behavior in similar populations with the same challenges have seen a difference in academic behavior in some schools while others have experienced no change. KDE's challenge is to be more consistent and systematic, giving kids the best opportunity for growth.

In response to a question by Representative Huff, Dr. Lewis said high-performance schools with a large number of proficient and distinguished students have concerns regarding the growth component and lack of reward for sustaining the ratings within the scoring mechanism. Growth helps balance the playing field between middle class and affluent students who have an advantage over low-income and disadvantaged students. Ms. Sims said KDE has organized a group of people to analyze the test results and study the intended and unintended consequences of SB 175, both positive and negative. She said many individuals have expressed concern about growth credit for students maintaining proficient or distinguished levels. Dr. Lewis said the growth value table was recommended by the stakeholder's group and was not imposed by KDE.

#### **Election of Co-Chair**

On a motion by Senator Wilson and a second by Senator Kerr, Senator Wise was nominated as Co-Chair of the committee. Senator Wilson made a motion that nominations cease and by acclamation and without objection, Senator Wise was elected.

#### **Other Business**

The next meeting of the Education Assessment and Accountability Review Subcommittee will be held November 12<sup>th</sup> at 10 a.m.

#### **Adjournment**

There being no further business before the committee, the meeting adjourned at 2:30 p.m.

## **AREA DEVELOPMENT DISTRICT WORKING GROUP**

### **Minutes of the 5th Meeting of the 2019 Interim**

October 30, 2019

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

The 5th meeting of the Area Development District Working Group was held on Wednesday, October 30, 2019, at 10:00 AM, in Room 154 of the

Capitol Annex. Representative Suzanne Miles, Chair, called the meeting to order, and the secretary called the roll.

Present were:

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

**Guests:** Lisa Cooper, Executive Director, Northern Kentucky Area Development District (ADD); Amy Kennedy, Executive Director, Buffalo Trace ADD; Buddy Hoskinson, Director, Quality Assurance and Accountability, Department for Aging and Independent Living; Josh Benton, Deputy Secretary, Education and Workforce Development Cabinet; Bridget Papalia, General Counsel, Education and Workforce Development Cabinet; Andy Hightower, Senior Policy Advisor, Education and Workforce Development Cabinet; Amy Barnes, Executive Director, Office of State and Federal Grants, Department for Local Government; and Laura Redmon, Budget Manager, Department for Local Government.

**LRC Staff:** Mark Mitchell, Jennifer Hays, Cynthia Brown, Katy Jenkins, and Chase O'Dell

#### **Approval of minutes**

A motion was made, and seconded, to approve the minutes of the September 25 meeting. The minutes were approved by voice vote.

#### **Improving Financial Reports to LRC**

Lisa Cooper, Executive Director, Northern Kentucky ADD; and Amy Kennedy, Executive Director, Buffalo Trace ADD, discussed improving financial reports submitted by ADDs to LRC.

Amy Kennedy testified that most of the ADDs have audits currently being performed. Going forward, all of the ADDs will be reporting in the governmental format for audits. The ADDs would like to see additional language provided for clarity of guidelines with the House Bill 189 format. Lisa Cooper stated that the ADDs are supposed to have an online portal running by July 1, 2020.

In response to a question from Representative DuPlessis, Lisa Cooper testified that the Joint Funding Administration (JFA) funding is back to what it was over the last 40 years.

#### **Cabinet for Health and Family Services Relationships with ADDs**

Buddy Hoskinson, Director, Quality Assurance and Accountability, Department for Aging and Independent Living, discussed the relationship between the ADDs and the Cabinet for Health and Family Services (CHFS).

Buddy Hoskinson testified that the Older Americans Act brings the majority of the funding for the Department for Aging and Independent Living. The department provides monitoring oversight and technical assistance. The responsibility of Area Development Districts (ADDs) to the department is to fulfill contracts.

In response to a question from Representative Westrom, Mr. Hoskinson stated that the Department for Aging and Independent Living provides training to the ADDs as required by the contracts between the entities. He continued to say that an area plan



would not be the same in different parts of the state. In response to another question from Representative Westrom, Mr. Hoskinson said that the department tracks the number of people on waiting lists for meals. In response to another question, Mr. Hoskinson said that the department has a nutritionist on staff to work with the ADDs to meet nutrition guidelines. In response to further questioning, Mr. Hoskinson stated that while some ADDs have contracted with themselves, they typically subcontract out services.

#### **Education and Workforce Development Cabinet Relationships with ADDs**

Josh Benton, Deputy Secretary, Education and Workforce Development Cabinet; Bridget Papalia, General Counsel, Education and Workforce Development Cabinet; and Andy Hightower, Senior Policy Advisor, Education and Workforce Development Cabinet, discussed the relationship between ADDs and the Education and Workforce Development Cabinet.

Josh Benton testified that the Education and Workforce Development Cabinet does not have a natural direct relationship with the ADDs. The relationship is a result of the structure of workforce as defined by federal law.

Mr. Benton testified that the Workforce Innovation and Opportunity Act (WIOA) drives the structure of workforce at the state and local level. There are 10 local workforce boards in Kentucky. Each board establishes strategies and local oversight of the delivery of federal funds. The Education and Workforce Development Cabinet will have a relationship with an ADD if a local workforce board procures the ADD to serve as a fiscal agent or a service provider.

In response to a question from Representative Miles, Mr. Benton reviewed a map displaying the local workforce development areas where an ADD is designated as a fiscal agent or service provider.

Mr. Benton stated that the Education and Workforce Development Cabinet provides oversight, technical assistance, and monitoring functions to make sure that funds are being procured as the law allows. If the cabinet finds a concern during a monitoring visit, it would proceed with corrective action. When it comes to the delivery of services, federal law dictates common measures that local workforce areas have to focus on. Much of the cabinet's relationship with the ADDs is determined by the decisions that take place at the local workforce board level.

In response to a question from Representative Westrom, Mr. Benton testified that when someone applies for unemployment, the Education and Workforce Development Cabinet provides them with communication and instruction on how to connect with their local career center. In response to another question, Mr. Benton said that WIOA provides instruction for the workforce structure. In partnership with the Cabinet for Health and Family Services (CHFS) and local boards, the Education and Workforce Development Cabinet has received grant funds from the Department of Labor to serve the sober living. In response to further questions, Mr. Benton testified that the cabinet is connecting its staff within career centers to the service providers who are providing treatment. The cabinet is working with

mayors.

In response to Senator Smith, Mr. Benton stated that WIOA, the Workforce Innovation and Opportunity Act, is a federal workforce law. Mr. Benton continued to say that the law sets the framework for the delivery of the public workforce system.

In response to a question from Representative Westrom, Mr. Benton stated that a website provides contact information for all of the career centers around the state. Use [kcc.ky.gov](http://kcc.ky.gov), then click on [Office Locations](#) in the upper right corner to search for a location near you.

In response to a question from Representative Miles, Mr. Benton testified that there is currently not an instance where an ADD serves as both the fiscal agent and service provider for the same workforce area.

#### **Department for Local Government Relationship with ADDs**

Amy Barnes, Executive Director, Office of State and Federal Grants, Department for Local Government; and Laura Redmon, Budget Manager, Department for Local Government discussed the relationship between ADDs and the Department for Local Government.

Amy Barnes testified that the Department for Local Government (DLG) administers the Joint Funding Administration (JFA) program. The program delivers both state and federal funds to the ADDs through a contractual agreement. Included in the agreement are federal funds from the Economic Development Administration and from Housing and Urban Development (HUD) as a part of DLG's Community Development Block Grant (CDBG) program. The state funds are used to match the federal programs, as well as to match the Appalachian Regional Commission (ARC) funds for some of the ADDs. There is also additional state funding provided.

Ms. Barnes stated that DLG requires two types of reports from the ADDs; a financial report and an activity report. DLG is a repository rather than a regulatory agency for cost allocation plans.

In response to a question from Representative DuPlessis, Ms. Barnes stated that there was confusion about the language in the 2018 budget regarding the match in the JFA formula. She continued to say that the department made matches to federal funds first, then applied the JFA formula to what was remaining. For fiscal year 2020, the formula will be applied on the front end. ADDs have agreed to how the math was done. In response to another question from Representative DuPlessis, Ms. Barnes stated that there was no discussion about reparations to fix some of the lack of funding that happened in some districts.

Senator Smith stated that the coal severance distribution formula has changed many times since he has been in the legislature. He thanked Ms. Barnes for her work in that area.

Laura Redmon testified that there are fluctuations in how money is dispersed because of the different programs that make up the JFA. Economic development funds are dispersed evenly between the 15 ADDs. CDBG has a different allocation process. Ms. Barnes stated that DLG applies for funds to the Economic Development Administration (EDA) on

behalf of the ADDs.

In response to a question from Representative Miles, Ms. Redmon said that DLG wants to ensure that the department and subrecipients are in compliance.

In response to a question from Representative Westrom, Ms. Barnes stated that DLG administers the Kentucky Small Cities CDBG. The department receives a technical assistance fee tied to the program. DLG must use a portion of the fee to promote the CDBG program to eligible applicants across the commonwealth. In response to another question from Representative Westrom, Ms. Barnes provided examples of projects that are funded by CDBG funds. Ms. Barnes continued to say that most dollars are spent in the public facilities and infrastructure category.

Representative Duplessis stated that he understood that the JFA formula had not changed for 40 years. Ms. Barnes stated that there was a JFA formula that existed. During an administration change, the formula was lost. The ADDs then collectively decided how JFA funds would be distributed. Some directors were not pleased with how the division had been going. The old formula was eventually found, which is essentially the formula that was put into the 2018 budget language, with a few tweaks for modernization. In response to another question from Representative DuPlessis, Ms. Barnes stated that any time a formula is addressed that distributes money, there are going to be winners and losers. In response to further questioning from Representative DuPlessis, Ms. Barnes agreed that several of the ADD directors were able to get the formula changed without a collective agreement from all of the other ADD directors. Representative DuPlessis stated that when winners and losers are made, there should be more collective discussion.

With no further business before the working group, the meeting was adjourned.

## **ALZHEIMER'S AND DEMENTIA WORKFORCE ASSESSMENT TASK FORCE**

### **Minutes of the 5th Meeting of the 2019 Interim**

October 24, 2019

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

The 5th meeting of the Alzheimer's and Dementia Workforce Assessment Task Force was held on Thursday, October 24, 2019, at 10:00 AM, in Room 131 of the Capitol Annex. Senator Robby Mills, Chair, called the meeting to order, and the secretary called the roll.

Present were:

**Members:** Senator Robby Mills, Co-Chair; Representative Deanna Frazier, Co-Chair; Senators Stephen Meredith and Reginald Thomas; Representatives Danny Bentley and Lisa Willner; Bill Cooper, Steven Davis, Buddy Hoskinson, Mackenzie Longoria, Mary Romelfanger, Philip Travis, and Denise Wells.

**Guests:** Mark Bowman, Executive Director, Office of Kentucky Veteran Centers, Kentucky Department of Veterans Affairs; and Chad Helton, Executive Director, Post-Acute Care Facilities

Services, Bluegrass Care Navigators.

LRC Staff: Dana L. Simmons, Lead Staff and Becky Lancaster.

#### **Approval of Minutes**

A motion to approve the minutes of the October 3, 2019 meeting was made by Senator Meredith, seconded by Representative Bentley, and approved by voice vote.

#### **Recommendations to Improve Career Mobility and Retention Among Healthcare Workers**

Mark Bowman, Executive Director, Office of Kentucky Veterans Centers, Kentucky Department of Veterans Affairs (KDVA), stated that the KDVA recognizes the challenges that providers have working with patients that are diagnosed with Alzheimer's and dementia. There are four state veterans' homes in Kentucky. Each of the homes has a secure unit dedicated to patients that are diagnosed with Alzheimer's and dementia. The KDVA has a high percentage of veterans diagnosed with dementia along with post-traumatic stress disorder (PTSD). The KDVA uses the standard training methods such as the Hand in Hand training series. Hand in Hand is a core component that is used for the orientation and ongoing training of staff. The KDVA has adopted dementia care programs that are specific to veterans. The Health Resources Services Administration has released 11 new learning modules as an addition to the agency's Alzheimer's disease and related dementia training curriculum. The goal of these modules is to train the primary care workforce about dementia caregiving, but also helps the providers address caregiver needs.

Mr. Bowman stated that the KDVA faces similar challenges as other providers with the lack of workforce. The KDVA works to train and maintain employees. The KDVA is making a commitment of time and programming for nursing assistants on staff. The KDVA believes that the Apprenticeship Program will provide the best opportunities to be successful. The Apprenticeship Program is in high schools but the KDVA would like to expand the program to existing staff. The Apprenticeship Program helps to create a career ladder. The registered Apprenticeship Program is coordinated by the Kentucky Education and Workforce Development Cabinet. There are several levels in the certified nursing assistant apprenticeship program. The third level is a certified nursing assistant that specializes in dementia care. The total approximate amount of hours to complete the third level certified nursing assistant program is 825 to 1,125 hours. The non-flexibility in the state merit system is a challenge for the KDVA. Flexibility is a must with the healthcare workforce. The KDVA believes that it is good to empower and train workers if the workers provide three to four years of quality service to the KDVA.

In response to questions and comments from Senator Meredith, Mr. Bowman stated that the KDVA workforce turnover rate is approximately 60 to 70 percent. One of the KDVA's facilities has 70 employee vacancies that are ready to be filled. The KDVA has a reduced census because of the workforce vacancies. The KDVA is at a 55 to 60 percent patient capacity rate in most of the facilities because there are so many open positions. The KDVA is taking actions

in the upcoming regular session to help address the workforce vacancies. The KDVA wants to begin the Apprenticeship Program and expand it to recruit employees and to be used by others. The KDVA does not want to limit the program to only high school students.

In response to questions and comments from Mr. Hoskinson, Mr. Bowman stated that the KDVA did a study and found that the actual cost of a nurse turnover is \$25,567.

In response to questions and comments from Representative Willner, Mr. Bowman stated that many providers, including the KDVA, have relationships with high schools and Kentucky Community and Technical College System (KCTCS). KCTCS is a big partner and supporter for the KDVA. The KDVA hopes that the Apprenticeship Program will have a positive impact on the workforce. He stated that the Apprenticeship Program needs more community partners that are willing and committed to devote time and training to the program participants.

In response to questions and comments from Ms. Romelfanger, Mr. Bowman stated that the KDVA has approximately 13 female veteran residents. The KDVA will see an increase in female veteran residents as the population rises. The KDVA has a women's veteran coordinator who is involved at the state level. The KDVA has not had many instances of workplace violence. The KDVA does have some veterans diagnosed with PTSD and/or dementia that may exhibit behaviors that include verbal or physical violence. Some The KDVA locations have an in-house physician, nurse practitioners, or a mental health nurse practitioner dedicated to focus on veterans diagnosed with PTSD.

In response to questions and comments from Ms. Longoria, Mr. Bowman stated that The KDVA can provide the Dementia Care for America's Heroes training program to the Alzheimer's Association and others for training. The KDVA is on the path for dementia specific training but does not have any historical data on outcomes at this time.

Philip Travis, Administrator, Wellington Parc, stated that in 1991, the owners of Wellington Parc started two licensed Alzheimer's nursing home facilities. In 1997, Wellington Parc began to accept Medicare and Medicaid funding. Wellington Parc also accepts private pay and veteran clients. He stated that all staff members must have documented training in the care and handling of Alzheimer's patients. Six hours of continuing education related to Alzheimer's disease are required each quarter. Wellington Parc uses various training programs by Teepa Snow. The Wellington Parc workforce for the 80 bed facility consists of 94 employees that includes 13 direct care nurses, 41 nursing assistants, and 28 support staff employees.

Mr. Travis stated that staffing challenges include employee turnover and the associated costs, facilities that are competing for the same workers, and the competitive wage needed verses the reimbursement rates given to employers. He stated that trying to find new and different ways to retain staff is difficult. Wellington Parc completes Kentucky Applicant Registry and Employment Screening (KARES) background checks on potential employees. KARES is

a thorough, fingerprint-based background executed by the Federal Bureau of Investigation (FBI). He stated that some retention strategies for employees are flexible scheduling, wage reviews, benefits, employee recognition, and a tuition assistance program. The Wellington Parc Association has partnered with the program Fostering Success. The Fostering Success program works with foster youth to provide job opportunities for them. He stated that Wellington Parc had approximately a 37 percent nurse aid turnover rate last year. The national average for nurse aid turnover can average over 100 percent.

In response to questions and comments from Representative Bentley, Mr. Travis stated that six hours is required quarterly by the Alzheimer's nursing home regulation. Since Wellington Parc participates in Medicare and Medicaid, the Centers for Medicare and Medicaid Services (CMS) requires 12 hours of continuing education. He stated that Wellington Parc has not had to deal with progressive supranuclear palsy (PSP) but it may be considered a related disorder to Alzheimer's disease. Wellington Parc is seeing more patients with different types of dementia.

In response to questions and comments from Senator Meredith, Mr. Travis stated that he tries to complete exit interviews prior to the employee leaving. He stated that the higher turnover rates were found with employees that have worked less than one year. There is a very low turnover rate with employees that have worked at least five years. He stated that the individuals coming into the workforce are more likely to leave and go to competing facility for a small raise in pay. He has seen changes with the new generation of employees and has addressed company policies and procedures accordingly. He has also seen changes in the healthcare industry as a provider. There has been a shift for newer residents to request private rooms.

In response to questions and comments from Ms. Longoria, Mr. Travis stated that the overall culture of a facility and the feeling of self-worth in the job have a larger impact on how long the employee stays with the facility. He stated that the patients at Wellington Parc are at various stages of Alzheimer's disease. Some of the activities provided are geared towards higher functioning residents but there are also one-on-one activities for residents that cannot participate in those activities. Wellington Parc has brought in music therapy and library programs from the community for the residents. Wellington Parc holds a monthly support group for the community.

Chad Helton, Executive Director, Post-Acute Care Facilities Service, Bluegrass Care Navigators, stated that Bluegrass Care Navigators serves individuals living with Alzheimer's and other forms of dementia. Bluegrass Care Navigators has a long history of expanding services and programs to meet the needs of the community. In 2018, Bluegrass Care Navigators served 1,438 individuals living with the diagnosis of Alzheimer's or some type of dementia. Bluegrass Care Navigators is committed to working with community partners to improve the quality of care provided to all patients and caregivers. Bluegrass Care Navigators recently received a \$1 million grant from the Administration for Community Living and the Administration on Aging to address gaps in services for those living with Alzheimer's and age-



related dementia and their caregivers.

Mr. Helton stated that Bluegrass Care Navigators hires and trains the employees with a purpose. He stated that training needs to be scenario based, interactive, and tailored to each community. Bluegrass Care Navigators use Teepa Snow and the Virtual Dementia Training programs. He stated that every day with every shift there is an opportunity for employees to learn from an experience. He stated that many recommendations to retain employees are to pay the staff more, provide better training, require certifications, improve the work environment however, many Kentucky facilities are barely making payroll or maintaining the buildings due to low reimbursements. Bluegrass Care Navigators use Teepa Snow scenario-based training programs. The Virtual Dementia Tour is a hands-on program that allows employees to briefly experience what the patients they are caring for every day go through every day. He suggested to subsidize trainings and to provide incentive for the training.

Mr. Helton stated that Kentucky should make care more attainable. Kentucky should allow all people, no matter their level of income, to have the appropriate care setting at the appropriate time. He stated that Kentuckians are living in skilled nursing facilities when not appropriate because Medicaid will not pay for assisted living. People are staying at home in dangerous conditions because they cannot afford the high costs of assisted living communities. The memory care patients are not the same as the other patients that are served in the community. He stated that Kentucky needs regulations that would encourage more providers to provide memory care without the fear of punitive regulations when dealing with patients with behaviors.

In response to questions and comments from Representative Frazier, Mr. Helton stated that many caregivers and staff start to work in the long-term care industry because of personal experiences with loved ones in long-term care.

In response to questions and comments from Senator Meredith, Mr. Davis stated that Kentucky has an Alzheimer's regulation that implies that one can provide appropriate care at an assisted living facility but also has the "statement of danger" rule that applies and may restrict who can be admitted to the facility. He stated there is no reimbursement for care provided at personal care homes. He confirmed that Kentucky needs to reform the assisted living and personal care home regulations to create a better continuum of care that would allow individuals to age in place. The state should also be able provide a certain level of nursing care without the patient having to truly meet the nursing home level of care. He stated that as a regulatory agency, the Office of Inspector General (OIG), agrees with the provider community on a reform of the levels of care. The OIG also deals with workforce issues and has to compete for nursing and clinical staff. He stated that the OIG would like to build a classification system that would allow the OIG to attract nursing staff directly from colleges and universities. He would like to see a tuition repayment program implemented. As a regulatory agency there is a large set of regulatory rules, at one time there were 54 levels of care to be maintained.

In response to questions and comments from Ms. Longoria, Mr. Helton stated that Bluegrass Care Navigators is putting together the steps to take and the community partners to share the \$1 million grant from the Administration for Community Living and Administration on Aging.

#### **Adjournment**

There being no further business, the meeting was adjourned at 11:39 AM.

## **PUBLIC PENSION OVERSIGHT BOARD**

### **Minutes of the 8th Meeting Of the 2019 Interim**

October 28, 2019

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

The 8th meeting of the Public Pension Oversight Board was held on Monday, October 28, 2019, at 1:00 PM, in Room 154 of the Capitol Annex. Representative Jim DuPlessis, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Representative Jim DuPlessis, Co-Chair; Senators Christian McDaniel, Dennis Parrett, and Wil Schroder; Representatives Joe Graviss, Jerry T. Miller, Phillip Pratt, Russell Webber, and Buddy Wheatley; J. Michael Brown, John Chilton, Timothy Fyffe, Mike Harmon, and James M. "Mac" Jefferson.

Guests: Bo Cracraft, Legislative Research Commission; Beau Barnes, Deputy Executive Secretary of Operations and General Counsel, Teachers' Retirement System; and Richard Robben, Executive Director, Office of Investments, Kentucky Retirement Systems.

LRC Staff: Brad Gross, Bo Cracraft, Jennifer Black Hans, and Angela Rhodes.

#### **Approval of Minutes**

Senator Higdon moved that the minutes of the September 23, 2019 meeting be approved. Representative Webber seconded the motion, and the minutes were approved without objection.

#### **Semi-Annual Investment Review**

Bo Cracraft, Legislative Research Commission, provided a semi-annual investment review. He began by providing a summary of total assets managed across the Kentucky Retirement Systems (KRS), Teachers' Retirement System (TRS), and Judicial Form Retirement System (JFRS). Collectively, total pension and insurance assets exceeded \$40 billion as of June 30, 2019, which was an increase of \$1.3 billion since the same timeframe last year.

Next, Mr. Cracraft discussed performance across various investment markets and provided index returns for several major asset classes. The fiscal year did see positive returns in many markets, but returns were not quite as strong as experienced during the prior two fiscal years.

In response to a question from Representative Miller, Mr. Cracraft stated the return information provided represented index returns.

In response to a question from Mr. Chilton regarding how the return values are determined for less public markets like real estate or private equity,

Mr. Cracraft stated there were index providers in both asset classes that aggregated data of underlying managers and were considered industry leaders. He did note that private equity is a tough asset class to benchmark and that many public plans utilize a public equity index approach to measure performance.

In response to questions from Representative DuPlessis and Representative Graviss, Mr. Cracraft noted the return information he was discussing was related to markets as a whole and not specific to any of the Kentucky plans. He stated the purpose of providing the index return information was to give members a sense of what asset classes worked and did not work over the 12 month period.

Mr. Cracraft moved on to a discussion of plan specific performance for KRS, TRS, and JFRS. First, he began with a slide that displayed annual fiscal year performance over the past 23 years. Each of the plans have generally moved together, with each having periods of outperformance, and pointed out how trailing period returns were going to be impacted by 2019 results. Secondly, he reviewed a slide that provided trailing 1-, 3-, 5-, 10-, and 20-year performance for each plan relative to their assumed rate of return and policy benchmark, as well as three peer groups. He noted the trailing 20-year returns had declined slightly from the prior year, while the 10-year returns had improved.

Mr. Cracraft discussed asset allocation and explained how a plan allocates assets has historically driven 90 percent of its returns. He discussed several of the asset classes and noted that multiple strategies and opportunities exist within each class. One slide showed current allocation percentages for each state plan along with a LRC-calculated peer group at the end of the fiscal year. Differences could be seen between several of the plans, but little had changed from the previous year.

In response to a question from Representative DuPlessis regarding the allocation of the County Employee Retirement System (CERS) plans, Mr. Cracraft referenced the plans' assumed rate of return target as compared to KERS and TRS. He noted that CERS did have less equity than TRS, but was also seeking a lower target of 6.25 percent (versus 7.5 percent). He added KRS staff would seek to set an asset allocation that took the least amount of risk, but still met its target.

In response to a question from Representative Miller regarding the real return asset class, Mr. Cracraft stated the asset class was hard to measure with index returns. He noted that several asset types might be included in this allocation, such as timber, inflation-linked assets, or risk parity.

In response to questions from Representative Graviss regarding the amount of alternative or higher risk investments of KERS, Mr. Cracraft stated that, when measured by volatility of returns, most alternative strategies are lower risk than public equities, which can experience swings from month to month. Given that volatility, many plans have allocated to alternatives, especially plans that have less tolerance for asset loss. In addition, more specific to the KERS nonhazardous plan, he noted no new private equity investment had been made since 2011, but given the plans declining asset base, the allocation



to private equity appeared to be a bit higher compared to peers.

In response to a question from Representative DuPlessis regarding the equity exposures of the Kentucky plans relative to the LRC peer group, Mr. Cracraft noted that each plan's targeted asset allocation is set by their board and is driven by periodic asset liability modeling studies that are conducted. In the case of the TRS and JFRS boards, the asset allocation adopted by the board does have an above average allocation to equity when compared to the peer group, while KRS tends to be below that average.

Mr. Cracraft finished up the discussion on asset allocation with a peer comparison of the equity, fixed income, alternatives, and cash allocations of the plans. He noted that relative weights were pretty similar to the prior year. He referenced KRS' declining exposure to absolute return had lowered the plans' exposure to alternatives below the average.

Next, Mr. Cracraft provided a review of investment fees for the three retirement systems. He noted management fees on the pension side were provided by asset class, while the insurance information was consolidated. With regards to other fees and incentives, such as carried interest, he noted KRS does provide this information and reports it as a separate line item. TRS had been notified by its managers that carried interest information is proprietary and cannot be publicly reported, and JFRS does not utilize alternatives, so, carried interest is not applicable.

In response to questions from Senator McDaniel regarding TRS not reporting carried interest, Mr. Cracraft stated that the carried interest reporting was required in SB 2, but TRS does not view carried interest as a fee and believes it is exempt from having to disclose the information under KRS 161.250. In response to a follow-up question regarding how KRS interpreted carried interest, Mr. Cracraft stated that he did not know how KRS viewed carried interest, but that they were disclosing the information.

In response to a question from Mr. Harmon, Mr. Cracraft agreed that the total fees reported in his presentation for TRS did not include any carried interest.

In response to a question from Senator Higdon regarding other states disclosing carried interest, Mr. Cracraft referenced a slide in his presentation as well as some attachments that had been provided to the members. Research shows that reporting carried interest is not the norm, but more and more plans are starting to report carried interest either through their annual reports or in the form of board reports. In response to a follow-up question regarding common partnerships across states that had disclosed carried interest, Mr. Cracraft stated there were common general partners with plans who were disclosing carried interest.

In response to a question from Mr. Jefferson regarding common managers between KRS and TRS and differences in disclosure, Mr. Cracraft stated there was not a lot of overlap between the plans and, even when employing the same manager or general partners, it often was not in the same exact strategy. In the instances of overlap at the manager level, KRS

was reporting carried interest, while TRS was not. In response to a question as to whether plans worked together to negotiate fees, Mr. Cracraft noted no formal procedure was in place, but staff did have informal conversations, like they would with other state plans, when considering similar managers or strategies.

In response to a question from Representative Graviss with regards to what "other" fees represented, Mr. Cracraft stated that "other" fees represent additional expenses to the partnership, such as accounting fees for annual tax filings or legal fees required to close financial transactions to purchase or buy out underlying portfolio companies. These fees are generally related to alternative strategies or strategies that are structured as partnerships. In response to a follow-up question regarding whether incentive fees are generally tied to certain asset classes, Mr. Cracraft stated incentive fees are very normal for alternative asset classes, but less likely in the public asset classes.

Representative Graviss expressed some concern with the lack of disclosure of carried interest and asked members of any potential action or rulings with regards to disclosure. Senator Higdon indicated that recommendations would be adopted and made by the PPOB in December for legislators to work on developing an agreement in regards to the conflicting legislation between KRS 161.250 and SB 2 in the upcoming 2020 Regular Session.

Senator Schroder commented that the General Assembly could avoid having to develop a legislative fix to the issue of carried interest disclosure, if TRS would negotiate with their investment managers and express to them the importance of disclosure. He stated that TRS should impress upon its managers that disclosure is important to TRS' members and the citizens of the Commonwealth and should require disclosure of carried interest going forward.

Representative DuPlessis agreed with Senator Schroder and called Beau Barnes, TRS, to the testimony table to respond. Mr. Barnes stated that, in regards to disclosing carried interest, TRS had investment staff reach out to its general partners, and the response was the information is considered proprietary and the partners do not want their competitors knowing how much is made on investments. Mr. Barnes stated the statute allows the systems to exempt data from being disclosed publicly and on the website, including carried interest, if this information is either confidential or proprietary and/or if it compromises TRS' opportunity to invest. Mr. Barnes stated that TRS does not want to put something on their website that could potentially be a litigation risk.

In response to questions from Representative DuPlessis regarding whether or not fees would be higher if carried interest were not paid, Mr. Barnes stated the nature of the enterprise is to split profit and, if that was not the case, he was unsure if the partnerships would exist.

Representative DuPlessis commented that he was uncomfortable with investments that do not disclose all the funds that are being paid in the form of fees and/or profits. He stated that it is unacceptable for the board not to see this information.

In response to a question from Representative

Graviss regarding if the carried interest could be made available to the board, Mr. Barnes stated that Senate Bill 2 in 2017 specifically provided that TRS could share confidential information with certain entities with a signed nondisclosure agreement.

Mr. Harmon stated that his office did have access to the confidential information. However, the problem is that the statute states that carried interest is supposed to be disclosed publicly.

Representative DuPlessis called Rich Robben, KRS, to the testimony table. In response to a question from Representative DuPlessis, Mr. Robben stated that KRS has not seen any push back from managers in the private equity space or other managers in regards to their fee reporting.

Representative Miller commented that he believed TRS could report carried interest at an asset class level in aggregate across all managers without compromising the underlying manager data and urged Mr. Barnes to encourage the TRS board to include asset class information in their upcoming Comprehensive Annual Financial Report.

Senator Schroder commented that TRS is a customer to those managers who are threatening litigation that could ruin future contracts of doing business. He believes that TRS can negotiate for business with full transparency.

Mr. Cracraft finished the discussion with regards to investment fees with a review of the recent trend in expenses. He reviewed total fees in terms of dollars and basis points for KRS, TRS, and JFRS for fiscal years 2015 through 2019.

Next, Mr. Cracraft transitioned to a discussion of net cash flow, which was a research topic requested of staff. Historically, plan health had focused on actuarial valuations and funding levels, but more recently, both at the local level and beyond, the topic of cash flow has gained awareness. A reason for the increased attention to cash flow was the fact that many plans are currently dealing with negative cash flow, or a situation where net contributions received no longer cover total dollars being paid out of the plan in the form of benefits and expenses. He stated that negative cash flow is not just specific to Kentucky, citing recent research conducted by the National Association of State Retirement Administrators (NASRA) that reported a median cash flow across the industry of negative 2.8 percent. Mr. Cracraft stated that NASRA and many actuaries review and measure cash flow as a percent of plan assets and suggested this measurement might be a more useful means of considering a plan's cash flow, rather than just in terms of dollars. He noted that as a plan's negative cash flow grew, it should lead to a change in investment strategy and expected returns, which would lead to revised assumptions and contribution rates. While there was no specific standard as to what level of negative cash flow becomes unmanageable, Mr. Cracraft stated research had indicated a range of 3-5 percent negative. He reviewed an example, using the TRS plan experience, and also provided current cash flow characteristics for each of the plans as of June 30, 2019.

To close, Mr. Cracraft discussed several other statutory items required during his review, which

included a review of current policies, benchmarks, and securities litigation activities.

In response to questions from Mr. Chilton regarding cash flow, Mr. Cracraft stated that over time, as long as there are positive markets and a continuance of growth above an assumed rate of return, a plan like TRS can manage negative cash flow and grow assets. However, as that negative cash flow grows, more reliance is being placed on asset growth above and beyond the assumed rate of return, and the risk of a market correction or extended period of muted returns becomes more problematic. In response to a follow-up question, Mr. Cracraft suggested plans need the majority of negative cash flow to be offset by the income being generated.

In response to a question from Representative Graviss regarding adding more information on a plan's cash flow to the chart, Representative DuPlessis stated that he believed it would help to give a total cash flow with investment income to show if it was positive or negative. Representative Graviss also asked LRC staff to look at the maturity rate of retirees under current plan cash flows.

With no further business, the meeting was adjourned.

## **PUBLIC PENSION OVERSIGHT BOARD**

### **Kentucky Retirement Systems Administrative Subcommittee**

#### **Minutes of the 2nd Meeting of the 2019 Interim**

October 28, 2019

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

The 2nd meeting of the Kentucky Retirement Systems Administrative Subcommittee of the Public Pension Oversight Board was held on Monday, October 28, 2019, at 10:00 AM, in Room 171 of the Capitol Annex. Representative Russell Webber, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Wil Schroder, Co-Chair; Representative Russell Webber, Co-Chair; Senators Jimmy Higdon and Dennis Parrett; Representative Phillip Pratt; John Chilton, and James M. "Mac" Jefferson.

Guests: Jean-Pierre Aubry, Director of State and Local Research, Center for Retirement Research at Boston College.

LRC Staff: Jennifer Black Hans, Bo Cracraft, and Angela Rhodes.

##### **Approval of Minutes**

Senator Parrett moved that the minutes of the December 17, 2018 and March 25, 2019 meetings be approved. Representative Pratt seconded the motion, and the minutes were approved without objection.

Representative Webber welcomed Representative Pratt and Representative DuPlessis as new members to the committee.

##### **Study of Composition of Public Pension Boards and Impact on Returns**

Jean-Pierre Aubry, Director of State and Local Research, Center for Retirement Research at Boston College (CRR) opened his discussion by providing

background on CRR, which is a nonprofit academic center founded in 1995. Initially funded through a Social Security Administration grant, the research center primarily focuses on private sector retirement issues. In 2007, the CRR began researching state and local pension plans through a grant from the Center for State and Local Government Excellence, which is a nonprofit research arm of ICMA-RC, which administers supplemental DC plans for state and local governments.

Mr. Aubry moved into his presentation, which was the result of research conducted on the relationship between board structure and composition relative to plan investment returns. Mr. Aubry pointed out that a board is tasked with oversight of administrative and investment activities of a plan, which includes certifying contribution rates, determining actuarial assumptions, setting asset allocations, hiring and firing key employees, and setting the administrative budget. However, boards can often be constrained in fulfilling its duty, such as the practice of investment "legal lists," limited governmental salaries, and an inability to change plan benefits or contribution rates paid by employees or employers. Despite those constraints, Mr. Aubry stated prior research had shown that a board's characteristics do relate to plan outcomes, and he referenced prior research that studied performance relative to the size of a board, boards with members who have financial expertise, and boards that included retired members.

With regards to the study conducted by the CRR, Mr. Aubry stated a more holistic approach was taken, rather than analyzing a single topic, such as size or member expertise. Instead, the CRR identified four key features that they believed played a role in board effectiveness, which included the structure, composition, size, and turnover of boards. Using these key features, the CRR analyzed each of these factors across the CRR's Public Plans Database (PPD), which includes roughly 200 state and local defined benefit plans, including the Kentucky Retirement Systems (KRS). Mr. Aubry noted the database covers 95 percent of public pension members and assets in the U.S., was updated quarterly with data from recently released Comprehensive Annual Financial Report or actuarial valuations, and included data from 2001 to 2018.

As to board structure, Mr. Aubry stated the vast majority, or 74 percent, of PPD plans utilized a single fiduciary board, including KRS. The remaining quarter of plans generally utilized a separate fiduciary board for investment purposes, while just under 10 percent of plans operated under an individual, sole fiduciary.

Next, Mr. Aubry reviewed the average board composition of plans in the PPD. On average just over half of a board's members were plan participants, while the other half were a mix of ex-officio and general public members. The KRS board had slightly fewer plan participants and a greater number of general public members as compared to the average large plans. Secondly, on average just under half of a board's members were appointed to those positions, while approximately a third were elected. He compared the general results to the KRS board, which had a very similar breakdown of elected trustees, but noted that

Kentucky stood out in terms of appointed members with just over 60 percent.

Lastly, Mr. Aubry discussed the average board size and tenure of a board member as aggregated in the PPD. The average size board in 2017 was 10 members, but ranged from five to 19 members. The KRS board, with 19 members, ranked as one of the larger boards. The average tenure of a board member equaled six years, while the KRS board's average tenure was three years. It takes time for board members to gain knowledge and understanding of a plan, so high turnover could lead to disruption or lack of credibility with plan members and/or the legislature.

Mr. Aubry outlined the board effectiveness scoring utilized in the study. Each plan received one point for being within the suggested range of five board features, including structure, size, stakeholder representation, financial expertise, and tenure, for a highest point total available of five. The most common total score across the sample was three, with 75 plans including Kentucky earning that score. Next, the analysis compared each plan's total board effectiveness score to its 10-year trailing investment return in 2017. He pointed out that returns ranged from 3.9 percent to 6.1 percent, with all plans performing below their assumed rates of return. Kentucky's 10-year return fell into the second to last quartile at 4.9 percent, which also was below their assumed return of 5.75 percent. When the two factors were compared, Mr. Aubry stated the analysis found that plans with higher board effectiveness scores correlated with better 10-year investment performance, suggesting that an effective board can positively impact long term investment performance.

In conclusion, Mr. Aubry noted that boards are responsible for oversight of both the administrative and investment activities of plans and exhibit significant diversity across key features related to their effectiveness, which include structure, size, composition, and turnover. Research conducted by the CRR found a positive relationship between best practices in these areas and a plan's 10-year investment return, with results supporting the belief that best practices recommended by governance experts across the industry do relate to tangible plan outcomes.

In response to a question from Representative Webber regarding legal lists, Mr. Aubry stated that legal lists were very common in the 1970s and legally limited a plan to certain investment options, for example limiting or restricting plans from investing in equities. They are not as common today, but were extremely prohibitive up through the 1980s.

In response to questions from Mr. Chilton, Mr. Aubry stated that the scoring presented for Kentucky in his presentation was based on the KRS board only. In response to a follow up question, Mr. Aubry stated that the CRR does have information related to the Teachers' Retirement System (TRS) in their PPD, but it was not included in this report. In response to another follow up question, Mr. Aubry stated that the CRR was not attempting to set best practices, but rather study current board structures from a holistic standpoint and analyze if certain features tended to lead to better performance.

In response to questions from Mr. Jefferson



regarding if there was any correlation between investment returns and plans with separate investment and fiduciary boards, Mr. Aubry stated that is a topic the CRR is still investigating. He noted that research conducted before the financial crisis showed some outperformance by plans that had separate investment councils, but since the crisis the data is a bit less clear. In response to a follow up question regarding why CRR assigned a point of board effectiveness to plans with a single fiduciary board, Mr. Aubry responded the decision was largely based off of best practices and research work conducted by the International Center for Pension Management and Keith Ambachtsheer, which points to a single fiduciary board having greater effectiveness.

In response to questions from Senator Schroder regarding board member financial expertise, Mr. Aubry stated that the CRR does track and maintain a breakdown for plans, including Kentucky, however, he noted this variable was very subjective and based largely on internal reviews of bios and resumes of individual board members. Given this subjectivity, CRR is very cautious of how the data is used and does not include it in the PPD available online. In response to a follow up question regarding average tenure and board size of KRS compared to the CRR research, Mr. Aubry stated that he looks at the potential upside that can be gained by being outside the norm or average. As in the case of board size, the research conducted by CRR would suggest that not much is gained by having more members.

In response to an additional follow up question regarding if complexity of a plan was considered when looking at board size, Mr. Aubry stated their specific research focused mostly on board and investment performance. However, he noted boards also have to manage other administrative and benefit-related tasks that could require expertise outside of investments. Senator Schroder commented that he believes that research on stakeholders other than financial experts would be an asset.

In response to a question from Representative Webber regarding other technical expertise, outside of investments, that a plan could benefit from, Mr. Aubry suggested having members with actuarial experience and individuals who have worked in benefit administration as best practices.

Mr. Chilton stated that he would like to see information that relates to TRS.

With no further business, the meeting was adjourned.

## CAPITAL PLANNING ADVISORY BOARD

### Minutes of the 4th Meeting of the 2019 Calendar

October 22, 2019

#### Call to Order and Roll Call

The 4th meeting of the Capital Planning Advisory Board was held on Tuesday, October 22, 2019, at 1:00 PM, in Room 171 of the Capitol Annex. Representative John Blanton, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stan Humphries, Co-

Chair; Representative John Blanton, Co-Chair; Representative Derek Lewis; Charles Byers, John Chilton, Carole Henderson, John Hodgson, Dr. Patsy Jackson, William Landrum, Mark Overstreet, and Katie Shepherd.

Guests: Benjamin F. Adams, III, Commissioner, Al Duncan, Branch Manager, Kentucky Veterans Cemeteries, Charles Heater, Director, Kentucky Veterans Cemetery Central, Radcliff, Frank Kees, Director, Kentucky Veterans Cemetery Northeast, Grayson, Richard Stanley, Director, Kentucky Veterans Cemetery West, Hopkinsville, Cathy Taylor, Director, Kentucky Veterans Cemetery North, Williamstown, and Vaughda Wooten, Director, Kentucky Veterans Cemetery Southeast, Hyden, Kentucky Department of Veterans Affairs; and Shaun McKiernan, Director of Budget and Finance, and Sherron Jackson, Senior Fellow, Council on Postsecondary Education (CPE).

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

#### Approval of Minutes

A motion to approve the minutes of the September 9, 2019 meeting was made by Representative Lewis, seconded by Mr. Landrum, and approved by voice vote.

#### Information Items

Representative Blanton briefly discussed the information items, including the appointment of Dr. Patsy Jackson as a new board member, and the naming of the new state office building in Frankfort as the Mayo-Underwood Building. He noted that the Kentucky Veterans Cemetery North (KVCN) received the highest facility assessment score of any state veterans cemetery in the country after a two-day review process by the National Cemetery Association. KVCN scored an overall compliance percentage of 96%. Representatives of the Kentucky Department of Veterans Affairs were then invited to the table to further discuss the facility assessment.

#### Council on Postsecondary Education (CPE) Asset Preservation Pool Allocations

Shaun McKiernan addressed the members in regard to concerns that were raised at the September 9 meeting regarding the equitable distribution of asset preservation pool funds to the postsecondary institutions. CPE previously reported its intention to request \$400 million in state bond funds in its 2020-2022 budget request to establish an asset preservation pool. The \$400 million, combined with anticipated institutional matching funds of \$200 million, would allow for a \$600 million pool to address high priority asset preservation projects identified by the institutions. No funds will be requested for equipment or IT. The proposed project pool allocations were reported as follows: University of Kentucky-\$2,242,371,700 (36.8%); University of Louisville-\$1,032,082,300 (17%); Eastern Kentucky University-\$438,941,900 (7.2%); Kentucky Community and Technical College System-\$758,556,600 (12.5%); Kentucky State University-\$113,775,500 (1.9%); Morehead State University-\$321,567,500 (5.3%); Murray State University-\$347,559,000 (5.7%); Northern Kentucky University-\$294,015,900 (4.8%); and Western Kentucky University-\$537,725,000 (8.8%).

Mr. McKiernan said the CPE Finance Committee met October 15 and developed a new asset pool

distribution method. The new method will ensure 10 percent of the total pool funding will be used as a base, with 1 percent going to each of the universities, and two percent going to the Kentucky Community and Technical College System. The CPE Finance Committee and the postsecondary institutions endorsed the change to the allocation method.

#### 2020-2026 Statewide Capital Improvements Plan

Representative Blanton said the one item of business was approval of the 2020-2026 *Statewide Capital Improvements Plan*. The capital plan consists in part of three sets of state-funded project recommendations in the categories of construction to protect investment in plant, new construction, and information technology. These projects were selected individually by members and submitted to the board's staff in late August. The project recommendations included:

##### Construction (maintenance/renovation)

Capital Renewal and Deferred Maintenance Pool-KCTCS

Capitol Campus Upgrade-Finance and Administration Cabinet

Construct Morale Welfare and Recreation Facility-Department of Military Affairs

Design the Renovation of CHR Building-Finance and Administration Cabinet

East Kentucky Correctional Complex Roof Replacements-Department of Corrections

Facilities Renewal and Modernization-University of Kentucky

Install Solar Panels at Armories Statewide-Department of Military Affairs

Modernization Pool Kentucky National Guard-Department of Military Affairs

State Schools HVAC Pool-Department of Education

State Schools Roof Repair and Replacement Pool-Department of Education

State Schools Safety and Security Pool-Department of Education

Western State Hospital Electrical/Telecom Upgrade Phase 3-Cabinet for Health and Family Services

##### Construction (new)

Construct Armed Forces Readiness Center Somerset-Department of Military Affairs

Construct Bowling Green Veterans Center-Department of Veterans Affairs

Construct Butler County Court Facility-Court of Justice

Construct Science and Engineering Building-Morehead State University

Construct Two Medium Sized Box Hangars-Transportation Cabinet

Crittenden County Court Facility Renovation and Addition-Court of Justice

Expand Campground-Kentucky Horse Park Facilities Renewal and Modernization-Murray State University

HVAC Replacement and Repairs Kentucky State Police Facilities-Kentucky State Police

Improve Whalen Building and Bay Facility-University of Kentucky

Install Emergency Generators Luther Luckett



and Green River Correctional Complexes–  
 Department of Corrections  
 Install Yard Fence Luther Luckett Correctional  
 Complex–Department of Corrections  
 Kentucky Exposition Center Replace Gate  
 Entrances–State Fair Board  
 New Posts Construction Harlan and Richmond–  
 Kentucky State Police  
 Roof Repairs/Replacement Kentucky State  
 Police Facilities–Kentucky State Police  
 State-Owned Dam Repair Pool–Department for  
 Environmental Protection  
 State Superfund Sites Remediation–Department  
 for Environmental Protection  
 Statewide Microwave Network (KEWS) Shelter  
 Upgrade–Commonwealth Office of Technology  
Information Technology  
 ATSC 3.0 Conversion Phase 2–Kentucky  
 Educational Television (KET)  
 Cable Infrastructure Improvements–  
 Department of Parks  
 Case Management System–Education and  
 Workforce Development Cabinet  
 Child Support System (KASES III)–Cabinet for  
 Health and Family Services  
 College to Career Pathways Portal–Council on  
 Postsecondary Education  
 DAIL System Modernization–Cabinet for  
 Health and Family Services  
 Digitization Project–Kentucky Heritage Council  
 Emergency Radio System Replacement–  
 Kentucky State Police  
 Enhance and Upgrade Cyber Security System–  
 Northern Kentucky University  
 Enterprise Content Management–  
 Commonwealth Office of Technology  
 Health Immunization Information System–  
 Department of Public Health  
 KASPER System–Cabinet for Health and Family  
 Services  
 Online Permitting and Submittal (eForms)–  
 Energy and Environment Cabinet  
 TWIST Modernization–Cabinet for Health and  
 Family Services  
 Upgrade Kentucky Regional Optical Network  
 Infrastructure–CPE

The capital plan also included three updated  
 policy recommendations:

**Budget Reserve Trust Fund:** The board  
 recommended that the Governor and the General  
 Assembly place a high priority on maintaining  
 Budget Reserve Trust Fund balances and consider  
 linkage of deposits directly to revenues and statutory  
 withdrawal provisions;

**Council on Postsecondary Education – Focus on  
 Asset Preservation – Postsecondary Capital Projects:**  
 The board endorsed the Council on Postsecondary  
 Education's multi-biennia strategy for financing the  
 capital needs of the postsecondary institutions. The  
 board also recommended that the Governor and the  
 General Assembly endorse the Council's proposed  
 asset preservation investment framework and provide  
 funding in the 2020-22 and subsequent state budgets.

**State Agency Maintenance Pools:** The board  
 recommended that, in each biennium, sufficient  
 funding be appropriated for agency miscellaneous

maintenance pools to address maintenance projects  
 that would protect the state's significant investment in  
 its physical plant.

In response to a question from Mr. Chilton,  
 Ms. Bowen stated members initially selected 16 high  
 priority projects in the category of construction to  
 protect investment in plant. Five of the 16 projects  
 selected were administered by the Finance and  
 Administration Cabinet. Those project include the  
 Capitol Building Window Restoration Project Phase  
 1, \$2,100,000; Capitol First Floor Public Corridor  
 Renovation, \$2,154,000; Capitol Great Hall Ceiling  
 Repair, \$1,400,000; Capitol Terrace and Tunnel  
 Repairs, \$3,500,000; and Upgrade Capitol Mechanical  
 and Electrical System Phase 2, \$5,500,000. The  
 Finance Cabinet later amended its capital plan,  
 deleting the five individual projects selected by  
 members and rolling them into a larger project  
 known as the Capitol Campus Upgrade project, \$43  
 million. The project listing was amended to reflect the  
 potential inclusion (based upon a vote by the board)  
 of the Capitol Campus Upgrade project.

In response to a question from Ms. Shepherd  
 about the significant increase in the cost of the project,  
 Ms. Bowen said the Capitol Campus Upgrade project  
 includes a total of 13 projects spanning the six-year  
 planning period, and not just the five projects selected  
 by members. Mr. Landrum said it is the goal of the  
 Finance and Administration Cabinet to complete the  
 Capitol Campus Upgrade project, which includes the  
 Capitol, the Capitol Annex, the Capitol parking  
 garage, and the Governor's Mansion. The project  
 includes improvements to each floor of the Capitol,  
 starting in the basement, and includes repairs to  
 or replacement of windows, ceilings, swing space,  
 architectural finishes and fixtures, and upgrades  
 to plumbing, electrical, mechanical, and HVAC  
 systems. An architectural and engineering study was  
 conducted by K Norman Berry Associates Architects  
 to ensure the needed capital improvements were  
 included in the new project. The cabinet hopes to be  
 able to complete these renovations during downtime  
 as not to interrupt the legislative sessions.

There was a motion made by Representative  
 Lewis, seconded by Mr. Hodgson, and adopted by roll  
 call vote to approve the revisions to the state-funded  
 project recommendations, and include the Capitol  
 Campus Upgrade project as a member selected  
 project recommendation.

In response to a question Mr. Chilton,  
 Representative Blanton replied that the project  
 recommendations were listed in alphabetical order,  
 not priority order. He explained that the project  
 recommendations to be included in the capital plan  
 are the projects that received the most votes from the  
 members.

Mr. Hodgson recommended that the staff  
 consider changing the voting method to reflect a  
 project priority order and consider the dollar amount  
 of each project recommended. Representative  
 Blanton said the recommendation will be taken into  
 consideration, and thanked Mr. Hodgson.

There was a motion made by Mr. Landrum,  
 seconded by Mr. Hodgson, and adopted by roll  
 call vote to approve the draft *2020-2026 Statewide  
 Capital Improvements Plan*, including the policy

recommendations and the state-funded project  
 recommendations. The motion also included the  
 authorization for staff to make the necessary editing  
 changes in finalizing the plan for publication.

#### **Adjournment**

There being no further business, the meeting  
 was adjourned at 1:31 PM.

## **GOVERNMENT CONTRACT REVIEW COMMITTEE**

### **Committee Minutes**

November 13, 2019

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

The Government Contract Review Committee  
 met on Wednesday, November 13, 2019, at 10:00 AM,  
 in Room 131 of the Capitol Annex. Representative  
 Stan Lee, Chair, called the meeting to order, and the  
 secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair;  
 Representative Stan Lee, Co-Chair; Senators Paul  
 Hornback, and Phillip Wheeler; Representatives  
 Charles Booker, Chris Fugate, and Mark Hart.

Guests: Eric Clark, Tom Stratton, Dana Fohl,  
 Tim Field, Kathy Rupinen, Cassandra Weiss, Jane  
 Fitzpatrick, Barry Swanson, and Scotty Day.

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

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

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

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

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

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

A motion was made by Senator Wheeler to  
 consider as reviewed the Film Tax Incentive List,  
 with exception of those items selected for further  
 review by members of the committee. Representative  
 Hart seconded the motion, which passed without  
 objection.

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

**DEPARTMENT FOR COMMUNITY BASED SERVICES**

Microstaff It Holdings, Inc., 2000000562.

**DEPARTMENT OF CRIMINAL JUSTICE TRAINING**

Barbara Lindsay Lepage, 2000000527.

**DEPARTMENT OF HIGHWAYS**

American Engineers, Inc., 2000000705; HMB Engineers, Inc., 2000000715; Michael Baker International, Inc., 2000000723; Corradino Group, 2000000724; Strand Associates, Inc., 2000000850; WSP USA, Inc., 2000000852; HMB Engineers, Inc., 2000000881.

**DEPARTMENT OF JUVENILE JUSTICE**

Brenda K. Wilburn, 2000000303; Brenda Wilburn, 2000000311.

**EASTERN KENTUCKY UNIVERSITY**

Employee Network, Inc., 20-282; Mary Clements, 20-285; Element Design, 20-287.

**FACILITIES & SUPPORT SERVICES**

Omni Architects, 1900003710; Strand Associates, Inc., 2000000293; Architectural Investments, 2000000358; GRW Engineers, Inc., 2000000646; EOP Architects PSC, 2000000693.

**KENTUCKY EMPLOYERS MUTUAL INSURANCE**

Occupational Managed Care Alliance, Inc., 20-OMC-001; Watchpoint, LLC, 20-WCH-001.

**KENTUCKY LOTTERY CORPORATION**

The Buntin Group, Inc., 20-16-044-2A.

**KENTUCKY RETIREMENT SYSTEMS**

Sammie Pigg, 2000000655.

**KENTUCKY STATE POLICE**

Jeffery Mark Burden Sr., 2000000757; Janet L. Barnett, 2000000824; Bramlett Joe Burton, 2000000826; Michael A. Woodrum, 2000000827; Virgil Rucker, 2000000896; Mark Treadway, 2000000897; Christopher Crockett, 2000000898.

**KENTUCKY STATE UNIVERSITY**

Megal Lincavage d/b/a Sutherland Associates, 20-28.

**KY COMMUNITY TECHNICAL COLLEGE SYSTEM**

Economic Modeling, LLC, 779; Commonwealth Economics, 781.

**NORTHERN KENTUCKY UNIVERSITY**

Intrinzic, Inc., 2020-107; Ruffalo Noel Levitz (RNL), 2020-108.

**UNIVERSITY OF KENTUCKY**

Koch Modular Process Systems, K20-133; Worley Group, Inc., K20-134; Marshall Medical Management, LLC, K20-135; Smith Management Group, K20-136; Trifecta Media, LLC, K20-137;

Trimeric Corporation, K20-138.

**UNIVERSITY OF LOUISVILLE**

Denise Fitzpatrick, 20-033; R. William Funk and Associates, 20-042.

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

**DEPARTMENT FOR INCOME SUPPORT**

Allen Thomas Griffin II, 1900003618.

**DEPARTMENT OF HIGHWAYS**

Florence & Hutcheson, 1300002157; URS Corporation, 1300002471; URS Corporation, 1500002149; QK4, 1500002608; Stantec Consulting Services, Inc., 1500002760; Garver, LLC, 1600000593; Hanson Professional Services, Inc., 1600000599; URS Corporation, 1600000641; QK4, Inc., 1800000418; HDR Engineering, Inc., 1800000419; Garver, LLC, 1800000736; Aecom Technical Services, Inc., 1800000898; Aecom Technical Services, Inc., 1800001971; QK4, Inc., 1900002166; Gresham Smith, C-99005237.

**FACILITIES & SUPPORT SERVICES**

Omni Architects, 0700003255; URS Corporation, 1500001991; Ross Tarrant Architects, Inc., 1600001849; Ross Tarrant Architects, Inc., 1800000590; CMTA, Inc., 1900002342; EOP Architects, PSC, 1900002963.

**KENTUCKY EMPLOYERS MUTUAL INSURANCE**

Dinsmore & Shohl, LLP, 20-DAS-001; GENEX Services, LLC, 20-GEN-001.

**KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY**

Morgan Stanley Domestic Holdings, 1900002606; Morgan Stanley Domestic Holdings, 1900002607.

**MURRAY STATE UNIVERSITY**

Dean Dorton Allen Ford, PLLC, 019-19.

**TRANSPORTATION - OFFICE OF THE SECRETARY**

PFM Financial Advisors, LLC, 1800001568; Thomas Ray Garner, 1800001757.

**UNIVERSITY OF KENTUCKY**

Staggs & Fisher Consulting Engineers, A191140.

**UNIVERSITY OF LOUISVILLE**

Multi, 19-007; Snell & Wilmer, LLP, 19-033.

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

**BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES**

Isaiah House, 2000000662; Kings Daughters Medical Center, 2000000666; Shepherds House,

Inc., 2000000701; University of Kentucky Research Foundation, 2000000707; Department of Corrections, 2000000751.

**CHFS - DEPARTMENT FOR AGING AND INDEPENDENT LIVING**

Elderserve, Inc., 2000000497.

**COUNCIL ON POSTSECONDARY EDUCATION**

Collaborative for Teaching, 2000000717.

**DEPARTMENT FOR COMMUNITY BASED SERVICES**

University of Louisville Research Foundation, 2000000747.

**DEPARTMENT FOR ENVIRONMENTAL PROTECTION**

City of Bowling Green, 2000000457.

**DEPARTMENT FOR LOCAL GOVERNMENT**

City of Manchester, 2000000580; Floyd County Fiscal Court, 2000000589; Pendleton County Fiscal Court, 2000000590; Owsley County, 2000000601; Harlan County Fiscal Court, 2000000604; City of Hazard, 2000000621; Harlan County Fiscal Court, 2000000627; Harlan County Fiscal Court, 2000000629; City of Franklin, 2000000642.

**DEPARTMENT FOR NATURAL RESOURCES**

Multi, 2000000089.

**DEPARTMENT OF CORRECTIONS**

Lexington Fayette Urban County Government, 1900003102; University of Kentucky Research Foundation, 1900004954.

**DEPARTMENT OF EDUCATION**

Johns Hopkins University, 1900004678; Simpson County Board of Education, 2000000488; Green County Board of Education, 2000000565; Nelson County Board of Education, 2000000668; Advance Education, Inc. / Cognia, Inc., 2000000750.

**DEPARTMENT OF MILITARY AFFAIRS**

Multi, 2000000426.

**KENTUCKY FISH AND WILDLIFE RESOURCES**

University of Kentucky, 2000000494.

**KENTUCKY STATE POLICE**

Bluegrass Community and Technical College, 2000000598.

**OFFICE OF ENERGY POLICY**

University of Kentucky Research Foundation, 2000000846.

**TRANSPORTATION - OFFICE OF THE SECRETARY**

University of Kentucky Research Foundation, 2000000435; University of Kentucky Research Foundation, 2000000436; University of Kentucky Research Foundation, 2000000437; University of Kentucky Research Foundation, 2000000440; University of Kentucky Research Foundation, 2000000582.

**THE FOLLOWING MEMORANDA  
OF AGREEMENT AMENDMENTS WERE  
REVIEWED WITHOUT OBJECTION:**

**BEHAVIORAL HEALTH, DEVELOPMENTAL  
& INTELLECTUAL DISABILITIES**

Louisville Jefferson County Metro Government, 1800002028; Transitions, Inc. d/b/a Women's Residential, 1900001954; Federation of Appalachian Housing Enterprises, Inc., 1900003586; Volunteers of America Mid-States, Inc., 1900003854; Norton Healthcare, 2000000209.

**CHFS - DEPARTMENT FOR AGING AND  
INDEPENDENT LIVING**  
Multi, 1900000822.

**DEPARTMENT FOR COMMUNITY BASED  
SERVICES**  
Gods Pantry Food Bank, Inc., 1900001167.

**DEPARTMENT FOR LOCAL GOVERNMENT**  
Webster County Fiscal Court, 2000000157.

**DEPARTMENT FOR MEDICAID SERVICES**  
University of Louisville Research Foundation, 1900002946.

**DEPARTMENT FOR PUBLIC HEALTH**  
Kings Daughters Medical Center, 1900000462; Grace Community Health Center, Inc., 1900000865; Shawnee Christian Healthcare Center, Inc., 1900000909; University of Kentucky Research Foundation, 1900003049; Multi, 1900004005.

**DEPARTMENT OF AGRICULTURE**  
Multi, 1900003210; Multi, 1900003211.

**DEPARTMENT OF EDUCATION**  
Jefferson County Board of Education, 1900004120; Office of Employer and Apprenticeship Services, 1900004524.

**OFFICE OF HEALTH DATA AND ANALYTICS**  
Multi, 1900003614.

**THE FOLLOWING FILM TAX INCENTIVES  
WERE REVIEWED WITHOUT OBJECTION:**

**TOURISM - OFFICE OF THE SECRETARY**  
Stargazer Corporation, 2000000975.

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

**DEPARTMENT FOR COMMUNITY BASED  
SERVICES**

Midwest Church of Christ, Inc., 2000000172. Erick Clark and Tom Stratton discussed the contract with the committee. A motion was made by Senator Hornback to consider the contract as reviewed. Representative Hart seconded the motion, which passed with Senator Meredith voting no and Representative Booker voting to pass.

**EASTERN KENTUCKY UNIVERSITY**

Wyatt, Tarrant & Combs, LLP, 20-286. Dana Fohl discussed the contract with the committee. A motion was made by Senator Meredith to consider the contract as reviewed. Representative Hart seconded the motion, which passed.

**KENTUCKY EMPLOYERS MUTUAL  
INSURANCE**

The Cicotte Law Firm, PLLC, 20-CLF-001; Stoll Keenon Ogden, PLLC, 20-SKO-001; Wyatt Tarrant Combs, PLLC, 20-WTC-001. Tim Field discussed the contracts with the committee. A motion was made by Senator Wheeler to consider the contracts as reviewed. Representative Fugate seconded the motion, which passed.

**KENTUCKY RETIREMENT SYSTEMS**

Reinhart Boerner Vandeuren PSC, 1900004767; Stoll Keenon Ogden, PLLC, 1900004771; Frost Brown Todd, LLC, 1900004782. Cassandra Weiss and Kathy Rupinen discussed the contracts with the committee. A motion was made by Senator Hornback to disapprove the contracts. Representative Hart seconded the motion, which passed with Representative Booker voting no.

**MOREHEAD STATE UNIVERSITY**

MML&K Government Solutions, 20-017. Jane Fitzpatrick discussed the contract with the committee. A motion was made by Senator Wheeler to consider the contract as reviewed. Representative Hart seconded the motion, which passed with Senator Hornback voting no.

**THE FOLLOWING PERSONAL SERVICE  
CONTRACT FOR \$10K AND UNDER WERE  
SELECTED FOR FURTHER REVIEW:**

**UNIVERSITY OF KENTUCKY**  
eLink Design, 20-010. Barry Swanson and Scotty Day discussed the contract with the committee. A motion was made by Senator Hornback to consider the contract as reviewed. Representative Booker seconded the motion, which passed with Senator Wheeler voting no.

**EXEMPTION REQUEST:**

**KENTUCKY DEPARTMENT OF  
AGRICULTURE:**

The Kentucky Department of Agriculture requested an exemption from Committee Policy Statement 99-4, which prohibits contracts and agreements from extending beyond biennium for two agreements (PON02-035-2000000734 and PON2-035-200000735) for the purpose of encouraging young farmers and agriculture in Kentucky. A motion was made by Senator Meredith to grant the request to December 31, 2020. Representative Hart seconded the motion, which passed without objection.

There being no further business, the meeting adjourned at 12:02 PM.



# 2020 Prefiled Bills

**BR3** - Representative Rob Wiederstein  
(11/7/2019)

AN ACT relating to government data by providing for the adoption of an open data standard to allow for centralization of government data sets at a uniquely identified uniform Web site resource locator address.

Create new sections of KRS Chapter 42 to define "agency strategic data architecture plan," "application programming interface," "data," "data portal," "data set," "machine-readable," "metadata," "open operating standard," "public data set," "state agency," "technical data standard," and "voluntary consensus standards body"; create an open operating standard for the Commonwealth of Kentucky; require public data sets available on the Internet to be accessible through a single, Web-based data portal with external search capabilities maintained by the Commonwealth Office of Technology; establish requirements for operation of the data portal; establish standards for prioritizing of data sets; to create the data working group and establish its duties and functions; require the Auditor of Public Accounts to examine and verify compliance with the provisions of the Act; establish the Kentucky Data Governance and Management Advisory Board; amend KRS 12.050 to include agency data officers; amend KRS 42.732 to provide that the Kentucky Information Technology Advisory Council shall advise the data working group on inclusion of data sets to be included in the open data portal; amend KRS 42.726 require the Commonwealth Office of Technology to develop, implement, and manage the sharing of data and data set development by all state agencies; establish a short title.

(Prefiled by the sponsor(s).)

**BR4** - Representative Rob Wiederstein  
(9/25/2019)

AN ACT relating to legislative accountability by providing for the expanded use of cost estimates, a regulatory impact assessment of pending legislation, and the limitation of bill introductions during a regular session.

Create new sections of KRS Chapter 6 to define "fiscal note," "machine-readable," and "regulatory burden"; establish requirements for fiscal notes; allow the waiver of the fiscal note requirements; establish responsibilities of the Legislative Research Commission in regard to fiscal notes; allow for the validity of any measure duly passed by the legislature even if fiscal note or bill limit requirements are not met; create a new section of KRS Chapter 6 to establish bill filing limitations for regular sessions and allow exemptions; amend various KRS statutes for technical corrections and conforming changes.

(Prefiled by the sponsor(s).)

**BR6** - Representative Diane St. Onge  
(4/18/2019)

AN ACT relating to cruelty to equines.  
Create a new section of KRS Chapter 525 to prohibit cruelty to equines, including situations involving abuse or neglect; make cruelty to equines a Class D felony and provide for the termination of ownership; list exceptions; establish a short title of "Klaire's Law."

(Prefiled by the sponsor(s).)

**BR7** - Representative Danny Bentley  
(6/4/2019)

AN ACT relating to voluntary non-opioid directives.

Create a new section of KRS Chapter 218A to define terms and to establish a voluntary non-opioid directive form to inform practitioners that an opioid drug shall not be prescribed, ordered, or administered to a patient who has filed the form with the Cabinet for Health and Family Services; amend KRS 218A.172 to require a practitioner to determine if a patient has filed a voluntary non-opioid directive and to provide the patient with a copy of the form prior to prescribing an opioid drug; amend KRS 218A.202 to establish that the electronic monitoring system established in this section shall permit the cabinet to report and document receipt of a voluntary non-opioid directive and to permit a practitioner to determine if a patient has filed a voluntary non-opioid directive.

(Prefiled by the sponsor(s).)

**BR8** - Representative Danny Bentley  
(10/24/2019)

AN ACT relating to controlled substances.

Create a new section of KRS Chapter 218A to require a practitioner to offer a prescription for naloxone hydrochloride or another drug approved by the Food and Drug Administration for the complete or partial reversal of opioid depression when prescribing an opioid drug and to provide education on overdose prevention and on use of an opioid depression reversal drug; amend KRS 218A.172 to delete reference to Schedule III controlled substances containing hydrocodone and to add issues that a practitioner is required to discuss with a patient prior to prescribing or dispensing a controlled substance to a patient; amend KRS 205.529, 218A.205, and 304.17A-165 to delete reference to Schedule III controlled substances containing hydrocodone.

(Prefiled by the sponsor(s).)

**BR9** - Representative Danny Bentley  
(10/24/2019)

AN ACT relating to prescription drugs.  
Amend KRS 304.17A-164 to define "financial assistance" and "generic alternative;" and to require an insurer to apply financial assistance received by an insured toward any cost sharing owed by the insured with certain exceptions; EFFECTIVE January 1, 2021.

(Prefiled by the sponsor(s).)

**BR23** - Representative Charles Booker  
(5/3/2019)

AN ACT proposing an amendment to Section 145 of the Constitution of Kentucky relating to persons entitled to vote.

Propose to amend Section 145 of the Constitution of Kentucky to restore voting rights to persons convicted of felonies upon completion of their sentence; submit to the voters for ratification or rejection.

(Prefiled by the sponsor(s).)

**BR27** - Representative Attica Scott  
(5/10/2019)

AN ACT relating to historical instruction.  
Create a new section of KRS Chapter 158 to require African history instruction in certain middle and high school world history and civilization courses; require Native American history instruction in certain middle and high school United States history courses; require the Kentucky Board of Education to promulgate administrative regulations establishing academic standards for the required historical instructions; require local school boards to adopt curricula for required instruction; require the Department of Education to collaborate with the Kentucky African American Heritage and the Kentucky Native American Heritage Commission to develop recommended curricula and instruction guidelines for the required historical instruction, elective high school course offerings in African history and Native American history, and relevant professional development materials.

(Prefiled by the sponsor(s).)

**BR31** - Representative Derek Lewis  
(7/2/2019)

AN ACT relating to teachers and making an appropriation therefor.

Create a new section of KRS Chapter 164 to define terms; establish a student loan forgiveness program for STEM teachers employed at a public school district within a federally designated promise zone; authorize the Kentucky Higher Education Assistance Authority to promulgate ad-

ministrative regulations to administer the program; create the STEM teacher promise zone scholarship fund; APPROPRIATION.

(Prefiled by the sponsor(s).)

**BR32** - Representative Jerry Miller  
(8/21/2019)

AN ACT relating to the taxation of tobacco products.

Amend KRS 138.130 to define terms; amend KRS 138.140 to impose an excise tax on vapor products; amend KRS 138.143 to impose a floor stock tax; EFFECTIVE 11:59 p.m. on June 31, 2020.

(Prefiled by the sponsor(s).)

**BR36** - Representative John Sims Jr  
(7/12/2019)

AN ACT relating to an increase in tax rates.

Amend KRS 139.200 to provide for a sales and use tax rate of eight percent (8%) on or after January 1, 2021; amend KRS 139.230 and 139.310 to conform; amend KRS 139.471 to provide a six percent (6%) sales tax rate on property purchased for use in the performance of a lump sum, fixed fee contract, sales made under a fixed fee contract, or sales made under a fixed price contract, if the contracts were executed on or before July 10, 2019; amend 138.460 to provide for a motor vehicle usage tax rate of eight percent (8%) on vehicles purchased on or after January 1, 2021; amend KRS 138.463 to provide for an eight percent (8%) U-Drive-It tax rate for rental and leasehold contracts entered into after January 1, 2021; amend KRS 139.260 and 139.470 to conform.

(Prefiled by the sponsor(s).)

**BR37** - Representative Randy Bridges, Representative Brandon Reed  
(10/1/2019)

AN ACT relating to crimes against sports officials.

Amend KRS 518.090 to make assault of a sports official a Class D felony; create a new section of KRS Chapter 518 to establish the offense of intimidation of a sports official as a Class A misdemeanor; state that the restrictions of KRS 6.945(1) do not apply.

(Prefiled by the sponsor(s).)

**BR45** - Representative Jason Nemes  
(6/19/2019)

AN ACT relating to fire districts.

Amend KRS 75.040 to deem that emergency ambulance service provided by a fire protection district, volunteer fire department district, or subdistrict, is the primary emergency ambulance service within the district or subdistrict in the boundaries of the county containing the largest population within the district boundaries; add a method for boards of trustees to declare that the district or subdistrict is not the primary provider of emergency

ambulance service within the district; declare status for secondary providers of emergency ambulance service; require that the additional tax moneys allowed for being a primary provider are no longer allowable; and require local governments providing secondary emergency ambulance service within the district or subdistrict within the boundaries of the county containing the largest population within the district boundaries to credit the amount of taxes paid by taxpayers of the district or subdistrict for emergency ambulance service to the taxes owed to the local government by the taxpayer.

(Prefiled by the sponsor(s).)

**BR47** - Representative Les Yates  
(9/12/2019)

AN ACT relating to vacancies in elective office.

Amend KRS 83A.165, 118.115, 118.165, 118.365, 118.375, and 118A.100 to extend by ten calendar days the deadline for filing nomination papers to fill an unexpired term if the vacancy occurs five calendar days or less before the prescribed deadline; amend KRS 118.225 to conform; amend KRS 132.380 to require an examination whenever there is a vacancy in the office of property valuation administrator and to direct that the certificates of any examination shall remain valid for four years.

(Prefiled by the sponsor(s).)

**BR48** - Representative Rob Wiederstein  
(11/4/2019)

AN ACT relating to physician employment contracts.

Create a new section of KRS 311.530 to 311.620 to make non-compete provisions in physician and osteopath employment contracts void and unenforceable, except in limited circumstances when the contract is for the sale of a practice or for employment as a faculty member at a medical school.

(Prefiled by the sponsor(s).)

**BR49** - Representative Rob Wiederstein  
(10/31/2019)

AN ACT relating to elimination of the certificate of need and declaring an emergency.

Amend KRS 13B.020 to delete reference to certificate of need hearings; amend KRS 194A.010 to delete reference to the certificate of need and the state health plan; amend KRS 194A.030 to delete reference to the certificate of need; amend KRS 211.192 to correct a statutory citation; amend KRS 205.634 to delete requirement for certificate of need; amend KRS 216.361 to delete requirement for certificate of need; amend KRS 216.380 to delete requirement for certificate of need and reference to the state health plan; amend KRS 216.560 to correct a statutory citation; amend KRS 216.885 to delete requirement for certificate of need; amend KRS 216B.015 to delete and correct defini-

itions relating to certificate of need; amend KRS 216B.020 to delete exemptions to the certificate of need; amend KRS 216B.042 to delete reference to the certificate of need; amend KRS 216B.0445 to delete the requirement for a certificate of need; amend KRS 216B.065 to delete the requirement for a certificate of need; amend KRS 216B.066 to delete the requirement for a certificate of need; amend KRS 216B.115 to delete reference to the certificate of need; amend KRS 216B.131 to delete reference to the certificate of need; amend KRS 216B.185 to correct a statutory citation; amend KRS 216B.250 to change Human Resources to Health and Family Services; amend KRS 216B.300 to correct a statutory citation; amend KRS 216B.332 to delete exemption from certificate of need; amend KRS 216B.455 to delete the requirement for a certificate of need; amend KRS 216B.457 to delete the requirement for a certificate of need; amend KRS 216B.990 to delete penalty for not obtaining a certificate of need; amend KRS 218A.175 to correct a statutory reference; amend KRS 304.17-312, 304.17-313, 304.17-317, 304.18-035, 304.18-037, 304.32-156, 304.32-280, 304.38-210, and 311.760 to replace the Kentucky Health Facilities and Health Services Certificate of Need and Licensure Board with the Cabinet for Health and Family Services; amend KRS 304.17A-147 to correct a statutory reference; amend KRS 304.17A-1473 to correct a statutory reference; amend KRS 304.38-020 to delete reference to the certificate of need; amend KRS 304.38-040 to delete required evidence of a certificate of need; amend KRS 304.38-090 and KRS 304.38-130 to replace the Kentucky Certificate of Need and Licensure Board with the Cabinet for Health and Family Services; amend KRS 311.377 to delete references to the certificate of need; amend KRS 314.027 to delete reference to the certificate of need; amend KRS 347.040 to delete reference to the state health plan; repeal KRS 211.9523, 216B.010, 216B.035, 216B.040, 216B.061, 216B.0615, 216B.062, 216B.085, 216B.086, 216B.090, 216B.095, 216B.125, 216B.130, 216B.180, and 216B.182; EMERGENCY.

(Prefiled by the sponsor(s).)

**BR50** - Representative Rob Wiederstein  
(10/31/2019)

AN ACT relating to health care to provide for an all-payer claims database and making an appropriation therefor.

Create a new section of Subtitle 17A of KRS Chapter 304 to require the commissioner of the Department of Insurance to establish an advisory committee to make recommendations regarding the creation of a Kentucky all-payer claims database; establish the Kentucky all-payer claims database fund; APPROPRIATION.

(Prefiled by the sponsor(s).)

**BR61** - Representative Attica Scott, Representative Mary Lou Marzian, Representative Charles Booker, Representative Joe Graviss, Representative Kathy Hinkle, Representative Nima Kulkarni  
(7/9/2019)



AN ACT relating to public charter schools. Amend KRS 156.095 and KRS 158.4416 to remove references to public charter schools; repeal KRS 160.1590, 160.1591, 160.1592, 160.1593, 160.1594, 160.1595, 160.1596, 160.1597, 160.1598, 160.1599, and 161.141.

(Prefiled by the sponsor(s).)

**BR66** - Representative Rob Wiederstein  
(10/30/2019)

AN ACT relating to community healthcare foundations by providing for the approval and oversight of not-for-profit hospital, health maintenance organization, and healthcare insurer conversions, and declaring an emergency.

Create new sections of KRS Chapter 367 to provide definitions concerning nonprofit healthcare conversion transactions; provide notification requirements; require the Attorney General to notify a nonprofit healthcare entity regarding the status of a decision; require that the Attorney General to hold public meetings related to the proposed nonprofit healthcare conversion transaction; specify what the Attorney General must consider in determining whether to approve or disapprove a proposed nonprofit healthcare conversion transaction including a requirement that the Attorney General consult with and receive expert advice; require the Attorney General to also determine the impact of the proposed nonprofit healthcare conversion transaction on the affected community; allow the Attorney General to request additional information necessary to complete a review of the proposed nonprofit healthcare conversion transaction; authorize the Attorney General to contract with additional counsel in order to assist in the review of the proposed nonprofit healthcare conversion transaction; specify that the Attorney General is entitled to reimbursement from the nonprofit healthcare entity for certain costs related to review of the proposed transaction; prescribe parameters for public review of documents related to the proposed healthcare conversion transaction; prescribe penalties for a violation of this Act by a nonprofit healthcare entity; specify the applicability of this Act to current law; specify the parameters of this Act; provide that this Act may be cited as the Kentucky Nonprofit Healthcare Conversion Act; amend KRS 386B.4-130 to conform; EMERGENCY.

(Prefiled by the sponsor(s).)

**BR72** - Representative Melinda Prunty  
(9/10/2019)

AN ACT relating to the recognition and registration of professional employer organizations.

Create new sections of KRS Chapter 336 to declare that professional employer organizations provide a valuable service to commerce and should be properly recognized and regulated; define "client," "co-employer," "co-employment relationship," "covered employee," "professional employer organization group," "person," "professional employer agreement," "professional employer organiza-

tion," "professional employer services," "registrant," and "temporary help service"; indicate that covered employees shall be deemed employees of the client for purposes of determining tax credits or economic incentives; require a person providing professional employer services to be registered and to set forth the registration requirements; require professional employer organizations to pay a registration fee; require a professional employer organization to either maintain positive working capital or provide a bond, letter of credit, or security; set forth the rights and responsibilities of parties to a co-employment agreement; set forth the health insurance obligations of professional employer organizations; set forth the workers' compensation requirements of professional employer organizations and the client; set forth the unemployment insurance obligations of the professional employer organization and the client; prohibit a person from knowingly providing professional employer services without becoming registered and set forth actions that may be taken by the Labor Cabinet against any person in violation; amend KRS 336.990 to provide a civil penalty; amend the definition of "premium" in KRS 342.0011 to include co-employment relationships with a professional employer organization; amend KRS 342.990 to delete references to KRS 342.615; repeal KRS 342.615; state that the provisions of this Act are severable.

(Prefiled by the sponsor(s).)

**BR76** - Representative Rob Wiederstein  
(10/1/2019)

AN ACT relating to evidence-based budget allocations by providing for the formation of the Office for Program Evaluation and Quality Assurance within the Office of State Budget Director; the establishment of an evidence-based program inventory, the regular evaluation of state programs, the elimination of ineffective state programs, and the creation of an evaluation officer position within state agencies.

Amend KRS 11.068 to abolish the Governor's Office for Policy Research and to create the Governor's Office for Program Evaluation and Quality Assurance within the Office of State Budget Director; create new sections in KRS Chapter 11 to define terms, require an inventory of evidence-based programs, create the evidence building workgroup, require reporting by the program agencies, and lapse state funding for any program if the program agency does not comply with the reporting requirements; amend KRS 48.110 and 48.180 to conform.

(Prefiled by the sponsor(s).)

**BR78** - Representative Rob Wiederstein  
(10/28/2019)

AN ACT proposing an amendment to Section 32 of the Constitution of Kentucky relating to terms of members of the General Assembly.

Propose to amend Section 32 of the Constitution of Kentucky to prevent Senators from serving more than three consecutive terms of office, not including partial terms of two years

or less, and to prevent members of the House of Representatives from serving more than six consecutive terms of office, not including partial terms of two years or less, beginning with those elected in November 2022; allow legislators to resume service in the house from which they were term-limited after two or more years have elapsed; provide ballot language; submit to voters for ratification or rejection.

(Prefiled by the sponsor(s).)

**BR79** - Representative Attica Scott  
(5/23/2019)

AN ACT relating to the investigation of a shooting or deadly incident by a law enforcement officer.

Create new sections of KRS Chapter 15A to provide definitions and establish an Officer Shooting Review Board to investigate any shooting of an individual by a law enforcement officer or officers or any deadly incident involving law enforcement; set requirements for board members; provide duties of the board; specify requirements related to investigatory work performed by the Kentucky State Police Critical Incident Response Team on behalf of the board; establish investigatory procedures and protocols; provide requirements for submission of the board's report to the Commonwealth's attorney of the jurisdiction in which the shooting or deadly incident took place or to the Attorney General; provide requirements for independent investigation of any shooting of an individual by a law enforcement officer or officers or any deadly incident involving law enforcement.

(Prefiled by the sponsor(s).)

**BR80** - Representative Dennis Keene  
(5/8/2019)

AN ACT relating to the expansion of gaming and making an appropriation therefor.

Create a new section of KRS Chapter 154A to state the findings of the General Assembly; amend KRS 154A.010 to define, "authorizing location," "casino," "county," "county legislative body," "department," "full casino gaming," "gaming licensee," "gross gaming revenue," "handle," "licensee," "limited casino gaming," and "principal"; amend KRS 154A.030 to expand the Lottery Corporation board membership and duties; amend KRS 154A.040 to include casino licensees; amend 154A.063 to remove prohibition against casino gaming; create new sections of KRS Chapter 154A to require a local option election in any precinct wanting to host a casino; describe the duties of the county clerk and sheriff in a casino gaming local option election; state requirements for local option elections held on a day other than a regular election day; require the corporation to advertise an invitation to bid for casinos; require the corporation to evaluate all proposals for full casinos; establish initial licensing fees for full casinos at \$50 million with an initial licensing period of ten years and annual renewal thereafter at \$6 million per year; permit limited casino gaming at horse racing tracks licensed under KRS Chapter 230; establish requirements for



limited casinos; establish requirements for any track holding a limited casino license; establish requirements for principals of any corporation granted a casino license; create license application requirements for casino, manufacturer's, or supplier's licenses; prohibit anyone not licensed from selling, leasing, or otherwise furnishing gaming supplies; prohibit anyone under the age of 21 from participating in casino gaming; require the Lottery Corporation to determine occupations related to casino gaming that require licensure and establish criteria for occupational licensing; permit the corporation to initiate disciplinary action against applicants and license holders; establish an appeal process; create new sections of KRS Chapter 138 to establish wagering and admissions taxes to be remitted by gaming licensees and full and limited casinos; create new sections of KRS Chapter 154A to establish the casino gaming revenue distribution trust fund and limit that money to the benefit of the state retirement systems for the first ten years; establish the regional tourism and infrastructure development fund and provide criteria for projects seeking money from the fund; waive 15 U.S.C. secs. 1172, 1173, and 1174 for devices authorized by this Act; require the corporation to promulgate administrative regulations to define and limit games and devices permitted for gaming in casinos; provide guidelines for exclusion or ejection of certain persons; define "cheat" and provide penalties for those who cheat at casino games; amend KRS 243.500 to exempt limited or full casino gaming; amend KRS 525.090 to exempt persons engaged in casino gaming; amend KRS 528.010 to exempt gambling activity and devices licensed under KRS Chapter 154A; amend KRS 528.020 to conform; amend KRS 528.070 to exempt activity licensed under KRS Chapter 154A; amend KRS 528.080 to exempt those with the appropriate license required under KRS Chapter 154A; amend KRS 528.100 to exempt limited or full casino gaming licensed under KRS Chapter 154A; APPROPRIATION; EFFECTIVE DATE DELAYED.

(Prefiled by the sponsor(s).)

**BR82** - Representative Rob Rothenburger, Representative Mark Hart  
(6/10/2019)

AN ACT relating to tuition benefits and making an appropriation therefor.

Amend KRS 164.2841, relating to college tuition benefits for spouses and children of specified emergency response personnel and public employees who have died in the course of their duties to specify that the beneficiary is eligible for up to a maximum of 128 credit hours of undergraduate instruction; amend KRS 164.2842, relating to college tuition benefits for spouses and children of specified emergency response personnel and public employees who have been totally and permanently disabled in the course of their duties to specify that the beneficiary is eligible for up to a maximum of 128 credit hours of undergraduate instruction.

(Prefiled by the sponsor(s).)

**BR83** - Representative Rob Rothenburger, Representative Mark Hart  
(5/9/2019)

AN ACT relating to ground ambulance service providers and making an appropriation therefor.

Create new sections of KRS Chapter 205 to define terms; establish the Medicaid ground ambulance service provider assessment; require ground ambulance service providers to pay a Medicaid ambulance service provider assessment quarterly; authorize the Cabinet for Health and Family Services to promulgate administrative regulations necessary to implement the Medicaid ground ambulance service provider assessment; create the ambulance service assessment revenue fund; APPROPRIATION.

(Prefiled by the sponsor(s).)

**BR85** - Representative C. Ed Massey  
(6/18/2019)

AN ACT relating to the Honor and Remember flag.

Create a new section of KRS Chapter 2 to designate the Honor and Remember flag as the state's emblem of the service and sacrifice of the brave men and women of the United States Armed Forces who have given their lives in the line of duty; specify locations, dates, and circumstances under which the flag may be displayed.

(Prefiled by the sponsor(s).)

**BR86** - Representative C. Ed Massey  
(11/13/2019)

AN ACT relating to hearing officers.

Amend KRS 311.591 to require the executive director of the Kentucky Board of Medical Licensure to request a hearing officer for administrative hearings relating to discipline of physicians or doctors of osteopathic medicine; require the hearing officer to be randomly selected by the Attorney General or his or her designee from a pool of qualified hearing officers; require the hearing officer to have at least five years of experience in the practice of law; require the hearing officer to be familiar with the law relating to licensure, qualifications, and credentials of physicians or doctors of osteopathic medicine and other qualifications as determined by the board; allow the Attorney General or his or her designee to contract with private attorneys if there are no qualified hearing officers in the pool who meet the qualifications of this section; require the hearing officer to issue recommendations to the board; require the board to consider hearing officer recommendations and issue a final order relating to the discipline of a physician or doctor of osteopathic medicine; eliminate all references to the hearing panel; prohibit a hearing officer from revoking any licenses or placing any licensees on probation; amend KRS 161.790 to ensure that hearing officers in teacher tribunals are randomly selected; amend KRS 311.550, KRS 311.565, KRS 311.572 & KRS 311.594 to conform.

(Prefiled by the sponsor(s).)

**BR87** - Representative C. Ed Massey  
(11/12/2019)

AN ACT relating to school construction.

Amend KRS 162.065 to require the Kentucky Board of Education to include "construction management-at-risk" as a project delivery method option for school construction projects.

(Prefiled by the sponsor(s).)

**BR94** - Senator John Schickel  
(6/4/2019)

AN ACT relating to criminal damage to rental property.

Create a new section of KRS Chapter 512 to specify that a tenant who, having no right to do so or any reasonable ground to believe that he or she has such right, intentionally or wantonly defaces, destroys, or damages residential rental property is to be charged with violating KRS 512.020, 512.030, or 512.040 as appropriate.

(Prefiled by the sponsor(s).)

**BR95** - Representative Thomas Huff  
(9/9/2019)

AN ACT relating to motor vehicle titles.

Amend KRS 186A.170, to require delivery of a motor vehicle title upon which there is a security interest to the holder of the security interest rather than the owner of the vehicle; amend KRS 186.045 to require the holder of a security interest who has possession of a vehicle title to transmit that title to the owner when the security interest has been paid in full; set forth procedures for cases when the title is not transferred; amend 186A.180 and 186.170 to conform.

(Prefiled by the sponsor(s).)

**BR97** - Representative Susan Westrom  
(11/18/2019)

AN ACT relating to interpersonal protective orders.

Amend KRS 456.030 to provide that a mental health professional or clergy person who provides pastoral care and who is a victim of stalking or assault by a patient may petition for an interpersonal protective order; and amend KRS 456.010 to include definitions to clarify.

(Prefiled by the sponsor(s).)

**BR102** - Representative R. Travis Brenda  
(9/12/2019)

AN ACT relating to the taxation of certain services.

Amend KRS 139.200 to exclude mowing, fence cleaning, and other pasture maintenance services performed on agricultural or horticultural land for a farmer or retired farmer from landscaping services; EFFECTIVE August 1, 2020.

(Prefiled by the sponsor(s).)

**BR105** - Representative Danny Bentley  
(6/4/2019)

AN ACT relating to prescription insulin.

Amend KRS 304-17A.148 to cap the cost sharing requirements for prescription insulin at \$100 per 30 day supply; EFFECTIVE January 1, 2021.

(Prefiled by the sponsor(s).)

**BR107** - Representative Attica Scott  
(7/11/2019)

AN ACT relating to an exemption of feminine hygiene products from sales and use taxation.

Amend KRS 139.010 to define feminine hygiene products; amend KRS 139.480 to exempt from sales and use tax the sale or purchase of feminine hygiene products; apply to sales or purchases made after August 1, 2020, but before August 1, 2024; require Department of Revenue to report to the Interim Joint Committee on Appropriations and Revenue the amount of exemptions claimed.

(Prefiled by the sponsor(s).)

**BR109** - Representative Regina Huff  
(9/25/2019)

Direct the Transportation Cabinet to designate mile-point 22 on Interstate 75, in Whitley County as the "Veterans Suicide Memorial Mile"; erect the appropriate signage denoting this designation.

(Prefiled by the sponsor(s).)

**BR113** - Representative Jason Nemes  
(6/6/2019)

AN ACT relating to call centers.

Create a new section of KRS Chapter 337 to require an employer intending to relocate a call center from Kentucky to a foreign country to notify the secretary of the Labor Cabinet at least 120 days prior to such relocation; require the secretary to compile a list of employers that have relocated a call center to a foreign country; amend KRS 337.990 to create a civil penalty of not more than \$1,000 for each violation; provide short title.

(Prefiled by the sponsor(s).)

**BR117** - Senator C.B. Embry Jr.  
(8/20/2019)

AN ACT relating to the taxation of pension income.

Amend KRS 141.019 to increase the pension income exclusion from \$31,110 to \$41,110.

(Prefiled by the sponsor(s).)

**BR118** - Senator C.B. Embry Jr.  
(9/5/2019)

AN ACT relating to solid waste.

Amend KRS 224.40-310 to modify the definition of "waste disposal facility" to

specify that all residual landfills are included in the process of local determination and remove the exception for private facilities that dispose of waste on their own private property; amend KRS 224.40-315 to remove the exception for private facilities that dispose of their own waste on their own property from the requirements to obtain approval from local governing body when a municipal solid waste disposal facility seeks to expand or construct a facility.

(Prefiled by the sponsor(s).)

**BR119** - Senator C.B. Embry Jr.  
(8/20/2019)

AN ACT relating to road safety.

Amend KRS 512.070 to include, as criminal littering, permitting unsafe amounts of leaves or mowed grass to remain on a highway.

(Prefiled by the sponsor(s).)

**BR120** - Representative Steve Riley, Representative Jason Nemes, Representative Rob Wiederstein, Representative Lisa Willner  
(7/9/2019)

AN ACT relating to corporal punishment in schools.

Create a new section of KRS 158.440 to 158.449 to define "corporal punishment"; prohibit a person employed by a school district from using corporal physical discipline; amend KRS 158.444 to remove corporal punishment as a form of discipline in a school; amend KRS 503.110 to remove the exception that permitted the use of physical force by a teacher against a minor.

(Prefiled by the sponsor(s).)

**BR121** - Representative Steve Riley  
(7/19/2019)

AN ACT relating to long-term care administrators.

Amend KRS 216A.070 to extend temporary permits from a period not to exceed 6 months to 9 months.

(Prefiled by the sponsor(s).)

**BR124** - Representative Regina Huff  
(9/25/2019)

AN ACT relating to bus safety.

Amend KRS 186.560 to allow the Transportation Cabinet to revoke the license of any operator of a motor vehicle for a period of 90 days, upon receiving record of his or her conviction of illegally passing a school or church bus as outlined in KRS 189.370; amend KRS 189.370 to conform.

(Prefiled by the sponsor(s).)

**BR125** - Representative Michael Lee Meredith, Representative Patti Minter, Representative Tim Moore, Representative Jason Petrie, Representative Phillip Pratt, Representative Melinda Prunty, Representative Brandon Reed, Representative Steve Riley, Representative Bart Rowland, Representative Steve Sheldon, Representative Wilson Stone, Represen-

tative Walker Wood Thomas, Representative Ken Upchurch  
(7/9/2019)

AN ACT relating to the Bowling Green Veterans Center, making an appropriation therefor, and declaring an emergency.

Appropriate to the Department of Veterans' Affairs \$2,500,000 from the General Fund in fiscal year 2019-2020 for design and preconstruction costs for the Bowling Green Veterans Center; stipulate that appropriations in this Act shall be paid from the General Fund Surplus Account or the Budget Reserve Trust Fund Account; APPROPRIATION; EMERGENCY.

(Prefiled by the sponsor(s).)

**BR126** - Representative Josie Raymond  
(7/22/2019)

AN ACT relating to bullying.

Amend KRS 158.148 to include incidents that occur at non-school-sponsored events or through the use of technology in the definition of bullying; require a school district's code of acceptable behavior to include notification procedures for parents in situations of alleged bullying; require the school district's code of acceptable behavior to include procedures for restoring a student's sense of safety.

(Prefiled by the sponsor(s).)

**BR127** - Representative Kevin Bratcher  
(7/9/2019)

AN ACT proposing an amendment to Section 170 of the Constitution of Kentucky relating to exemptions from taxation.

Propose to amend Section 170 of the Constitution of Kentucky to exempt certain veterans' organizations from property taxation; provide ballot question with proposed amendment; submit to voters for ratification or rejection.

(Prefiled by the sponsor(s).)

**BR132** - Senator Reginald Thomas  
(8/20/2019)

AN ACT relating to wages.

Amend KRS 337.010 to increase the applicable threshold of employees of retail stores and service industries from \$95,000 to \$500,000 average annual gross volume of sales for the employer; amend KRS 337.275 to raise the state minimum wage to \$8.20 per hour on July 1, 2020, \$9.15 per hour on July 1, 2021, \$10.10 per hour on July 1, 2022, \$11 per hour on July 1, 2023, \$12.05 per hour on July 1, 2024, \$13.10 per hour on July 1, 2025, \$13.95 per hour on July 1, 2026, and \$15 per hour on July 1, 2027, and to raise the state minimum wage for tipped employees to \$2.13 per hour on the effective date of the Act, \$3.05 per hour on July 1, 2021, \$3.95 per hour on July 1, 2022, and \$4.90 per hour on July 1, 2023; include anti-preemption language permitting local governments to establish minimum wage ordinances in excess of the state

minimum wage.

(Prefiled by the sponsor(s).)

**BR133** - Representative Regina Huff  
(6/12/2019)

AN ACT relating to road safety.

Amend KRS 512.070 to include, as criminal littering, permitting unsafe amounts of mowed grass to remain on a highway.

(Prefiled by the sponsor(s).)

**BR135** - Representative Cherlynn Stevenson  
(11/18/2019)

AN ACT relating to cruelty to animals.

Amend KRS 525.130 to require forfeiture of animals subjected to cruelty, and make technical changes.

(Prefiled by the sponsor(s).)

**BR136** - Representative Robert Goforth, Representative Joe Graviss, Representative Jason Nemes, Representative Steve Sheldon, Representative Jim Stewart III  
(8/1/2019)

AN ACT relating to school bus safety and making an appropriation therefor.

Create a new section of KRS Chapter 160 to define "owner," "recorded images," "school bus stop arm camera," and "third party designee"; create a new section of KRS Chapter 160 to require each local school district to install and maintain school bus stop arm cameras on daily route school buses by August 1, 2023; allow districts to contract for purchase and maintenance of cameras; allow districts to contract for the processing of an alleged violation of KRS 189.370(1); require school districts to establish procedures or contract with a third-party designee prior to utilizing school bus stop arm cameras; provide an emergency exception to the stop arm requirement; permit school districts with a population density equal to or less than 100% of the state average to apply for special permission to suspend the stop arm requirement for up to five years; establish requirements for school districts granted special permission to suspend the stop arm requirement; require the Kentucky Board of Education to promulgate administrative regulations; create a new section of KRS Chapter 160 to establish annual on-site compliance inspections for school districts and penalties for noncompliance; create a new section of KRS Chapter 174 to define "owner," "school bus stop arm camera", and "third-party designee"; require the Transportation Cabinet or third-party designee to review images for violations of KRS 189.370(1) recorded by school bus stop arm cameras after July 1, 2021, and issue civil citations for violations; establish civil penalties for a violation of KRS 189.370 recorded by a school bus stop arm camera after July 1, 2021; require the Transportation Cabinet to adopt a uniform civil citation form and establish the form's minimum contents; establish notification requirements; require a recipient of a uniform civil citation to pay civil penalty or submit

proof of a criminal citation or appeal the uniform civil citation to the Transportation Cabinet within 30 days; grant the Transportation Cabinet appellate powers and authority; establish potential defenses the Transportation Cabinet may consider for uniform civil citations; allow for suspension of registration for failure to pay a fine, require third-party designee to notify the Transportation Cabinet of the need to release a suspension within 1 business day of payment; appropriate 80 percent of funds collected by the Transportation Cabinet for a uniform civil citation to the school district; allow a third-party designee to keep up to 80 percent of funds but no more than \$160 per civil penalty collected by a third party designee; appropriate 10 percent of all funds collected from a uniform civil citation to the Kentucky Department of Education; appropriate 10 percent of all funds collected from a uniform civil citation to the Transportation Cabinet; appropriate any remaining funds collected by a third party designee to the local school district; provide that a uniform civil citation shall not result in points against a driving record; require the Transportation Cabinet to promulgate administrative regulations necessary to effectuate the purpose of administering stop arm camera use, enforcement, and calibration; amend KRS 189.990 to appropriate 80 percent of funds collected from criminal fines levied by law enforcement for violation of KRS 189.370 to the local school district, 10 percent to the Kentucky Department of Education, and 10 percent to local law enforcement.

(Prefiled by the sponsor(s).)

**BR139** - Representative Kim King  
(6/14/2019)

AN ACT relating to assistance dogs.

Amend KRS 258.500 to prohibit the misrepresentation of assistance dogs; allow peace officers to investigate; amend KRS 258.991 to conform and to remove outdated references.

(Prefiled by the sponsor(s).)

**BR143** - Representative Lynn Bechler  
(9/9/2019)

AN ACT relating to child abuse and declaring an emergency.

Amend KRS 500.050 to remove the five-year statute of limitations for misdemeanor sex offenses against minors and allow prosecution to be commenced at any time; amend KRS 413.249 to remove the ten-year statute of limitations for civil actions arising from childhood sexual assault or abuse and allow a suit to be commenced at any time; amend KRS 620.030, relating to the requirement to report child abuse, to limit the clergy-penitent exemption and make any person who intentionally fails to report guilty of a Class D felony; amend KRS 620.050, relating to the reporting of child abuse, to limit the clergy-penitent exemption; provide for severability; EMERGENCY.

(Prefiled by the sponsor(s).)

**BR151** - Representative Rob Rothenburger  
(11/18/2019)

AN ACT relating to emergency medical service fees and declaring an emergency.

Create a new section of KRS Chapter 67 to allow a fiscal court to levy a fee on certain units for the provision of emergency medical services; define units subject to fee; require fee to be placed on tax bill; allow collection by sheriff in the same manner as for property taxes; allow sheriff to receive up to 4.25% fee for collection; define "residential," "commercial," "charitable," and "educational" units; allow levy on occupied or unoccupied units or both, occupation determined at time of initial levy and July 1 thereafter; require fee increases to be imposed by ordinance; require fees collected to be placed in separate fund, used only for provision of emergency medical services; specify that fees are not to be in lieu of any taxes or fees established for the provision of emergency medical services; EMERGENCY.

(Prefiled by the sponsor(s).)

**BR160** - Representative Kevin Bratcher, Representative Joe Graviss  
(7/11/2019)

AN ACT relating to state symbols.

Create a new section of KRS Chapter 2 to name and designate as the official pets of Kentucky domestic cats and dogs that reside in or have been adopted from Kentucky animal shelters or rescue organizations.

(Prefiled by the sponsor(s).)

**BR166** - Representative James Tipton, Representative Steve Sheldon  
(8/1/2019)

AN ACT relating to operating a motor vehicle.

Amend KRS 189.292 to provide that no person shall use a personal communication device while operating a motor vehicle; set forth exceptions; provide that persons under the age of 18 shall not use a personal communication device while driving, except for emergencies; amend KRS 189.990 to set forth penalties for the violation of KRS 189.292; amend KRS 186.452 and 186.454 to conform; repeal KRS 189.294.

(Prefiled by the sponsor(s).)

**BR173** - Representative Cherlynn Stevenson  
(11/18/2019)

AN ACT relating to the safety of canines and felines.

Create a new section of KRS Chapter 411 to provide civil immunity for damaging a vehicle if a person enters the vehicle with the reasonable, good-faith belief that a dog or cat is in immediate danger of death if not removed.

(Prefiled by the sponsor(s).)



**BR174** - Representative Cherlynn Stevenson  
(11/18/2019)

AN ACT relating to the reporting of animal abuse.

Amend KRS 321.185 to specify that a veterinarian shall not be subject to discipline when acting in good faith to report, provide information about, or testify on a suspected animal abuse violation prohibited by KRS 525.125, 525.130, 525.135, or 525.137.

(Prefiled by the sponsor(s).)

**BR176** - Senator Danny Carroll  
(7/22/2019)

AN ACT relating to road safety.

Amend KRS 512.070 to include, as criminal littering, permitting unsafe amounts of mowed grass to remain on a highway.

(Prefiled by the sponsor(s).)

**BR178** - Representative Attica Scott  
(9/11/2019)

AN ACT relating to taxation.

Amend KRS 139.010 to define "diapers"; amend KRS 139.480 to exempt from sales and use tax the sale or purchase of diapers, breast pumps, and certain baby products; provide that the exemptions apply to sales or purchases made after August 1, 2020, but before August 1, 2024; require the Department of Revenue to report to the Interim Joint Committee on Appropriations and Revenue the amount of exemptions claimed.

(Prefiled by the sponsor(s).)

**BR179** - Representative Jerry Miller  
(9/9/2019)

AN ACT relating to the promotion of living donor human organ and bone marrow donation.

Create a new section of KRS Chapter 18A to allow full-time employees of the Commonwealth of Kentucky a paid leave of absence of 240 hours for donating a human organ and 40 hours for donating bone marrow and to set requirements for the paid leave of absence; amend KRS 141.010 to define "human organ" and "qualified organ donation expenses"; amend KRS 18A.025 and 18A.110 to conform; amend KRS 141.019 to allow a tax deduction in an amount equal to the qualified organ donation expenses incurred by a taxpayer up to \$10,000 and require reporting by the Department of Revenue; amend KRS 131.190 to allow the Kentucky Department of Revenue to report organ donation tax deduction data to the Legislative Research Commission.

(Prefiled by the sponsor(s).)

**BR180** - Representative Patti Minter  
(7/3/2019)

AN ACT relating to mandatory benefits for health benefit plans.

Amend KRS 304.17A-200 to ex-

tend health-status eligibility rules to individual and employer-organized association markets; authorize insurance commissioner to designate additional health status-related factors; prohibit adjustment of premium or contribution amounts for group health benefit plans on the basis of genetic information; amend KRS 304.17A-220 to remove requirements relating to preexisting condition exclusions; repeal and reenact KRS 304.17A-230 to define "preexisting condition exclusion"; prohibit health benefit plans in any market from imposing any preexisting condition exclusion; amend KRS 304.17A-155, 304.17A-250, 304.17A-430, 304.17A-706, 304.17B-001, 304.17B-019, and 304.18-114 to conform; provide that provisions of Act apply to all health benefit plans issued or renewed on or after January 1, 2021; EFFECTIVE January 1, 2021.

(Prefiled by the sponsor(s).)

**BR181** - Representative Brandon Reed, Representative Bart Rowland, Representative Danny Bentley, Representative John Blanton, Representative Randy Bridges, Representative John Bam Carney, Representative Larry Elkins, Representative Daniel Elliott, Representative Chris Freeland, Representative Robert Goforth, Representative Mark Hart, Representative Regina Huff, Representative Thomas Huff, Representative Stan Lee, Representative Derek Lewis, Representative C. Ed Massey, Representative Bobby McCool, Representative Michael Lee Meredith, Representative Phillip Pratt, Representative Steve Riley, Representative Dean Schamore, Representative Steve Sheldon, Representative John Sims Jr, Representative Tommy Turner, Representative Ken Upchurch, Representative Russell Webber  
(7/1/2019)

AN ACT relating to time.

Create a new section of KRS Chapter 2 to adopt year-round daylight saving time in the state of Kentucky if authorized by the United States Congress; EFFECTIVE upon the first Sunday of November following passage of enabling legislation by Congress.

(Prefiled by the sponsor(s).)

**BR182** - Senator Danny Carroll  
(8/20/2019)

AN ACT relating to assisted-living communities.

Create a new section of KRS 194A.700 to 194A.729 to prohibit certification or certification renewal of an assisted-living community if it is owned, managed, or operated by any person convicted of certain crimes or listed on an abuse list; exempt owner of an assisted-living facility certified as of July 1, 2020; amend KRS 194A.700 to amend definitions; amend KRS 194A.707 to make changes to the appeals and renewal processes; amend KRS 194A.717 to prohibit on-site staff person from being shared with another level of care; amend KRS 194A.723 to permit the cabinet to initiate injunctive relief in Circuit Court.

(Prefiled by the sponsor(s).)

**BR184** - Senator Jimmy Higdon, Senator Ernie Harris, Senator Robert Stivers II  
(11/5/2019)

AN ACT relating to transportation and making an appropriation therefor.

Create new sections of KRS Chapter 174 to establish the Kentucky Transportations Board; set forth membership, appointment, qualifications, and duties; outline board duties in relation to nomination and employment of the Transportation Cabinet secretary; require the board to establish a statewide prioritization process for the use of funds apportioned pursuant to 23 U.S.C. sec. 104, with some exceptions; identify 5 factors that form the basis for the objective scoring: congestion mitigation, economic development, accessibility, safety, and asset management; allow the board to weight factors differently in each highway district; require the board to develop the biennial highway construction plan and six-year road plan; require advanced publication of recommended projects for the biennial highway construction plan and six-year road plan scored under the objective system, along with data regarding the scoring process; require advanced publication of bridge and pavement maintenance projects recommended for inclusion in the biennial highway construction plan and six-year road plan; amend KRS 176.430 to require the board to develop the biennial highway construction plan and six-year road plan; require the Department of Highways to notify the General Assembly, through the LRC, of any projects in the biennial highway construction plan which the department will not undertake in the year prescribed in the plan; amend KRS 48.110 to require the board to approve the biennial highway construction plan and six-year road plan before the Governor can submit the plan to the General Assembly; amend KRS 176.050 to require the Department of Highways to issue an annual list of bridge and pavement improvement needs, prioritized by safety and state of disrepair, from which the board will select projects for inclusion in the biennial highway construction plan and six-year road plan; amend KRS 45.247 to require that at the end of each fiscal year, any moneys in the highway construction contingency account in excess of 10% of the amount appropriated to that fund for that fiscal year will lapse to the state construction account; amend KRS 174.020 to attach the Kentucky Transportation Board to the Transportation Cabinet Office of the Secretary for administrative purposes; set forth staggered terms for initial appointments to the board.  
(Prefiled by the sponsor(s).)

**BR187** - Representative Charles Booker  
(7/22/2019)

AN ACT relating to carrying concealed weapons.

Repeal KRS 237.109, which provides authorization to carry concealed deadly weapons without a license; amend KRS 527.020 and 237.115 to conform.

(Prefiled by the sponsor(s).)

**BR203** - Representative Mark Hart  
(8/20/2019)

AN ACT relating to arts education.

Create a new section of KRS Chapter 158 to require schools to offer all students instruction in the visual and performing arts, submit an annual report to the Department of Education, and implement school policies regarding visual and performing arts instruction; require the Department of Education to develop visual and performing arts program standards, guidelines on model programs, and strategies and initiatives for meeting the requirements of the section; require the Department of Education to provide resources, assessment tools, and a reporting checklist to schools; require the Department of Education to report to the Interim Joint Committee on Education by December 1, 2021, on the status of schools meeting the requirements of this section; amend KRS 158.6453 to require the school profile report to be included in the school report card and require the visual and performing arts program data to be included in the school profile report; amend KRS 160.345 and 158.153 to conform; cite the Act as the Arts Education Equity Act.  
(Prefiled by the sponsor(s).)

**BR204** - Representative Jim Gooch Jr.  
(8/29/2019)

AN ACT relating to key infrastructure asset.

Amend KRS 511.100 to change the definition of "key infrastructure assets" to specify that natural gas or petroleum pipelines are the type of pipelines covered in the definition and include other types of infrastructure assets; amend KRS 512.020 to include tampering with, impeding, or inhibiting operations of a key infrastructure asset in the offense of criminal mischief in the first degree; create a new section of KRS 411 that a civil action may be maintained against a person that compensates or remunerates a person to violate KRS 512.020 and the compensated person is convicted of criminal mischief in the first degree.  
(Prefiled by the sponsor(s).)

**BR205** - Senator C.B. Embry Jr.  
(8/20/2019)

AN ACT relating to veterinarians.

Creates a new section of KRS Chapter 321 to require that a veterinarian report abuse and to allow immunity for a good faith report; amends KRS 321.185 to allow veterinarians to release information in order to report abuse.  
(Prefiled by the sponsor(s).)

**BR206** - Senator C.B. Embry Jr.  
(8/20/2019)

AN ACT relating to solid waste.

Amend KRS 68.178 to delete incidental or residual waste facilities from the exclusion in the description of waste management facilities; allow fiscal courts to license solid waste

landfills and residual landfills and assess increased fees for accepting wastes outside of the waste planning area; amend KRS 224.40-315 to delete the exclusions from the definition of "municipal solid waste disposal facility."

(Prefiled by the sponsor(s).)

**BR212** - Representative Regina Huff  
(10/2/2019)

AN ACT relating to operating a motor vehicle.

Amend KRS 189.292 to provide that no person shall use a personal communication device or stand-alone electronic device while operating a motor vehicle; set forth exceptions; provide that persons under the age of 18 shall not use a personal communications device while driving, except for emergencies; amend KRS 189.990 to set forth penalties for the violation of KRS 189.292; amend KRS 186.452, 186.454, and 189.2327 to conform; repeal KRS 189.294.

(Prefiled by the sponsor(s).)

**BR215** - Representative Regina Huff  
(8/5/2019)

AN ACT relating to the taxation of pension income, making an appropriation therefor, and declaring an emergency.

Amend KRS 141.019 to increase the pension income exclusion from \$31,110 to \$41,110; apply retroactively for taxable years beginning on or after January 1, 2018; require the Department of Revenue to automatically issue refunds; APPROPRIATION; EMERGENCY.

(Prefiled by the sponsor(s).)

**BR221** - Senator Phillip Wheeler  
(10/7/2019)

AN ACT relating to prescription insulin.

Amend KRS 304.17A-148 to cap the cost-sharing requirements for prescription insulin at \$100 per 30-day supply; create a new section of KRS Chapter 315 to require pharmaceutical manufacturers and wholesale distributors to rebate individuals for a portion of their out-of-pocket expenses paid for prescription insulin; EFFECTIVE January 1, 2021.

(Prefiled by the sponsor(s).)

**BR224** - Representative James Tipton  
(11/12/2019)

AN ACT relating to dually employed retirement system members.

Amend KRS 61.545 to provide that if a member is working in a regular full-time hazardous duty position that participates in the Kentucky Employees Retirement System or the County Employees Retirement System and is simultaneously employed in a nonhazardous position that is not considered regular full-time, the member shall participate solely as a hazardous duty member and shall not participate under the nonhazardous position

unless he or she makes an election within 30 days of taking employment in the nonhazardous position; amend KRS 61.680 to conform; specify that provisions shall only apply to prospective nonhazardous employment occurring on or after the effective date of the Act.

(Prefiled by the sponsor(s).)

**BR231** - Representative Attica Scott  
(7/26/2019)

AN ACT relating to discriminatory practices against a person.

Amend KRS 344.010 to provide definitions of "protective hairstyle" and "race" that include traits historically associated with race.

(Prefiled by the sponsor(s).)

**BR233** - Representative Attica Scott  
(8/20/2019)

AN ACT relating to cosmetic services.

Amend KRS 317A.155 to permit a cosmetologist, esthetician, or nail technician to operate outside of a licensed establishment for persons with physical mobility limitations, as attested by a physician in writing, or for persons residing in a long-term care nursing facility or assisted living facility.

(Prefiled by the sponsor(s).)

**BR236** - Senator Julian Carroll  
(8/20/2019)

AN ACT relating to sports wagering and making an appropriation therefor.

Establish KRS Chapter 239 and create new sections to define "amateur athletics," "collegiate sports contest," "commission," "principal," "professional sports contest," "sports wager," and "sports wagering"; create the Kentucky Gaming Commission; establish membership to be appointed by the Governor with the advice and consent of the Senate; establish the commission's responsibilities and authority; require the Governor to appoint an executive director and establish the executive director's responsibilities; require the commission to promulgate administrative regulations relating to sports wagering conducted by the Kentucky Lottery Corporation, racing associations licensed under KRS Chapter 230, and other locations; establish licensing fees; prohibit persons from wagering on an event in which they are a participant; establish the sports wagering distribution trust fund and the uses of the fund; establish penalties for tampering with the outcome of a sporting event and wagering on a sporting event by a participant; create a new section of KRS Chapter 138 to impose an excise tax on sports wagering at 25 percent of net sports wagering receipts; amend KRS 138.1817 to permit the Department of Revenue to work with the commission to restrict licensure in the event that sports wagering taxes are not paid; amend KRS 154A.010 to revise the definition of "amateur sports contest," and to define "collegiate sports contest," "professional sports contest," "sports wager," and "sports wagering"; amend KRS

154A.030 to conform and to prohibit the director or family member from being a part owner of a professional team or a board member of a college or university that engages in collegiate sports upon which sports wagers may be placed; amend KRS 154A.050 to include sports wagering; amend KRS 154A.060 to include sports wagering and to include contracts for the purchase of goods and services necessary for sports wagering; require monthly and annual reports to be submitted to the Kentucky Gaming Commission; amend KRS 154A.063 to permit sports wagering on collegiate and professional sports contests; amend KRS 154A.065 to prohibit accepting sports wagers on the outcomes of contests involving horses; amend KRS 154A.070 to include sports wagering and require contracts to be in accord with administrative regulations of the Lottery Corporation and the Kentucky Gaming Commission; amend KRS 154A.090 to stipulate that sports wagering retailers aggrieved by a decision of the board may appeal to the Kentucky Gaming Commission; amend KRS 154A.110 to include sports wagering; stipulate that unclaimed sports wagering prize money be added to the sports wagering distribution trust fund; to prohibit sports wagers from being accepted from members or coaches of professional or collegiate team; amend 154A.120 to include sports wagering; amend KRS 154A.130 to specify net sports wagering receipts collected by lottery to be used for expenses and moneys in excess of expenses shall be dedicated to the sports wagering distribution trust fund; amend KRS 154A.400 to include sports wagering and stipulate the criteria for selecting sports wagering retailers shall be developed in consultation with the Kentucky Gaming Commission; amend KRS 154A.420 to include sports wagering and permit the Lottery Corporation to require a retailer to establish separate sports wagering electronic funds transfer accounts; amend KRS 154A.430, 154A.440, 154A.600, and 154A.650 to include sports wagering; amend KRS 230.225 to permit the Kentucky Horse Racing Commission to oversee sports wagering at licensed racing associations; amend KRS 230.370 to require administrative regulations relating to sports wagering to be developed in consultation with the Kentucky Gaming Commission; amend KRS 243.500 to exempt the conduct of sports wagering licensed or permitted under KRS Chapter 239; amend KRS 12.020 to administratively attach the Kentucky Gaming Commission to the Public Protection Cabinet.

(Prefiled by the sponsor(s).)

**BR237** - Representative Kathy Hinkle, Representative Rocky Adkins, Representative Charles Booker, Representative Jeffery Donohue, Representative Derrick Graham, Representative Joe Graviss, Representative Chris Harris, Representative Joni Jenkins, Representative Nima Kulkarni, Representative Maria Sorolis, Representative Cherlynn Stevenson, Representative Buddy Wheatley, Representative Rob Wiederstein (8/21/2019)

AN ACT relating to wages.  
Amend KRS 337.010 to increase

the applicable threshold of employees of retail stores and service industries from \$95,000 to \$500,000 average annual gross volume of sales for the employer; amend KRS 337.275 to raise the state minimum wage to \$8.20 per hour on July 1, 2020, \$9.15 per hour on July 1, 2021, \$10.10 per hour on July 1, 2022, \$11 per hour on July 1, 2023, \$12.05 per hour on July 1, 2024, \$13.10 per hour on July 1, 2025, \$13.95 per hour on July 1, 2026, and \$15 per hour on July 1, 2027, and to raise the state minimum wage for tipped employees to \$2.13 per hour on the effective date of the Act, \$3.05 per hour on July 1, 2021, \$3.95 per hour on July 1, 2022, and \$4.90 per hour on July 1, 2023; include anti-preemption language permitting local governments to establish minimum wage ordinances in excess of the state minimum wage.

(Prefiled by the sponsor(s).)

**BR240** - Representative Lynn Bechler, Representative Brandon Reed, Representative Danny Bentley, Representative Myron Dossett, Representative Joseph Fischer, Representative Chris Fugate, Representative Robert Goforth, Representative David Hale, Representative Richard Heath, Representative Thomas Huff, Representative Kim King, Representative Bobby McCool, Representative Steve Sheldon, Representative Walker Wood Thomas, Representative Tommy Turner, Representative Ken Upchurch, Representative Les Yates (9/10/2019)

AN ACT relating to compliance with state and federal law.

Amend KRS 65.133 to require local law enforcement agencies and Kentucky State Police to enforce immigration laws; create a new section of KRS Chapter 65 to define terms, including "sanctuary" and "sanctuary policy"; prohibit local governments from adopting sanctuary policies; establish hearing procedures for determination of sanctuary status; provide for the withholding of state funding from sanctuaries; create new sections of KRS Chapter 164 to prohibit postsecondary educational institutions from enrolling employing or contracting with illegal aliens; require postsecondary educational institutions to keep records of immigration status; provide for the withholding of state funding from postsecondary educational institutions that enroll, employ, or contract with illegal aliens; limit who may be considered a Kentucky resident for in-state tuition purposes; EFFECTIVE in part January 1, 2021.

(Prefiled by the sponsor(s).)

**BR241** - Representative Joseph Fischer (10/4/2019)

AN ACT proposing an amendment to the Constitution of Kentucky relating to abortion.

Propose to create a new section of the Constitution of Kentucky to state that Kentucky's Constitution does not secure or protect a right to abortion or funding of abortion.

(Prefiled by the sponsor(s).)

**BR247** - Representative Matthew Koch (8/16/2019)

AN ACT relating to property taxes for veteran service organizations.

Create a new section in KRS Chapter 132 to exempt veteran service organizations from ad valorem taxation if over fifty percent of the organization's annual net income is expended on behalf of veterans and other charitable causes; amend KRS 132.010 to define veteran service organization; apply to property assessed on or after January 1, 2021.

(Prefiled by the sponsor(s).)

**BR251** - Representative Walker Wood Thomas (11/12/2019)

AN ACT relating to an exemption of income taxation for military pensions.

Amend KRS 141.019 to exclude United States military retirees' pension income from income taxation for taxable years beginning on or after January 1, 2020, and before January 1, 2024; require reporting by the Department of Revenue; amend KRS 131.190 to conform.

(Prefiled by the sponsor(s).)

**BR252** - Representative Walker Wood Thomas (9/17/2019)

AN ACT relating to the Kentucky Community and Technical College System, making an appropriation therefor, and declaring an emergency.

Create a new section of KRS Chapter 164 to establish the Kentucky Community and Technical College endowment match fund; transfer \$3 million annually to the fund from general fund; authorize promulgation of administrative regulations.

(Prefiled by the sponsor(s).)

**BR257** - Senator Danny Carroll (8/20/2019)

AN ACT relating to employees of quasi-governmental agencies.

Create a new section of KRS Chapter 18A to allow state hiring preference for employees of quasi-governmental agencies ceasing participation in the Kentucky Retirement Systems; require an employing state agency offer an interview to all finalist entitled to preference unless five or more of the finalists are entitled to preference; require that if more than five finalists are entitled to preference, the employing state agency shall offer an interview to no fewer than five.

(Prefiled by the sponsor(s).)

**BR258** - Representative Derek Lewis (9/10/2019)

AN ACT relating to hunting coyotes.

Amend KRS 150.360 to require the administrative regulations promulgated by the Department of Fish and Wildlife Resources relating



to the hunting of coyotes at night to: require hunters to carry a hunting license, unless license-exempt, allow the use of electronic or mouth calls and decoys, specify which weapons may be used, prohibit hunting of coyotes at night on wildlife management areas or during any deer gun or muzzle loading season, prohibit hunting coyotes at any time from a road or motor vehicle; prohibit hunting coyotes at night using white light, and place no bag limit on coyotes; and amend KRS 150.395 to allow the hunting of coyotes at night using only non-white light.

(Prefiled by the sponsor(s).)

**BR263** - Representative Bobby McCool  
(8/21/2019)

AN ACT relating to wage theft.

Create a new section of Chapter 514 to create the offense of theft of wages and establish penalties; define employer and employee; amend KRS 336.080 to indicate the secretary may enter places of employment without unreasonable delay to inspect a place of employment; amend KRS 337.020 to allow the commissioner to charge and collect past due wages; amend KRS 337.070 to require certain employers to include rate of pay, the number of hours worked, and the total amount of gross pay earned on wage statements provided to employees; amend KRS 337.320 to require employers to keep record for three years of the name, address, and occupation of each employee, the rate of pay and amount paid to each employee, a list of personnel policies provided to the employees, and a copy of the wage statement provided to each employee; create a new section of Chapter 337 to require employers to provide to an employee a written notice at the time of hire that sets forth the rate and method of pay, the employee's employment status, accruals of time, deductions that may be made from pay, and the name and address of the employer, and require the employer to keep a copy of the notice signed by the employee; amend KRS 337.990 to include a civil penalty for failure to provide the written notice to employee and maintain a copy of the signed notice.

(Prefiled by the sponsor(s).)

**BR270** - Senator Johnny Ray Turner  
(8/15/2019)

AN ACT relating to mining permits and making an appropriation therefor.

Create a new section of KRS Chapter 350 to require the Energy and Environment Cabinet to notify the Department of Workplace Standards of any applicant or permittee that may be subject to the performance bonding requirements of KRS 337.200; create a new section of KRS Chapter 337 to require the commissioner of the Department of Workplace Standards to notify the Energy and Environment Cabinet of any employer engaged in the severance, preparation, or transportation of minerals that is not compliant with the performance bonding requirements of KRS 337.200; amend KRS 350.085 to prohibit the approval of mining permit applications for applicants that are not compliant with the

requirements of KRS 337.200; amend KRS 350.130 to make compliance with the requirements of KRS 337.200 a condition of a mining permit issued under KRS Chapter 350 or the administrative regulations promulgated thereunder; amend KRS 337.200 to remove references to liquidated damages and attorneys' fees as provided by law; amend KRS 337.994 to require that all penalties collected for violations of KRS 337.200 be paid to employees injured by the employer's failure to post the performance bond; APPROPRIATION.

(Prefiled by the sponsor(s).)

**BR273** - Representative Tom Burch  
(11/18/2019)

AN ACT relating to voter registration.

Amend KRS 116.045 to permit a process of voter preregistration for persons at the minimum age of 16 years; require the State Board of Elections to promulgate administrative regulations to provide for preregistration and subsequent registration confirmation; amend KRS 116.046 to direct schools and the county clerk to inform students and school personnel, not less than once each school year, about the availability of preregistration and registration forms; direct the State Board of Education to implement programs of public education, not less than once during each school year, regarding elections, voting procedures, and election fraud, which shall include sophomores; direct school districts to submit an annual report to the Legislative Research Commission regarding student voter preregistration and registration; amend KRS 116.055 for technical corrections to conform; amend KRS 116.0455 to provide that each application for a motor vehicle driver's license shall be a simultaneous application for voter preregistration and registration unless declined by the applicant.

(Prefiled by the sponsor(s).)

**BR275** - Senator Stephen Meredith  
(8/20/2019)

AN ACT relating to Medicaid payments.

Amend KRS 304.17A-527 to require Medicaid managed care organizations to provide all payment schedules utilized to reimburse health care providers with whom they have maintained a contractual relationship for the previous three months to the Medicaid Oversight and Advisory Committee on a quarterly basis for the committee's review; create a new section of KRS Chapter 205 to require that services provided in rural counties be reimbursed at least at the median amount paid to an urban health care provider within the nearest metropolitan statistical area; establish a penalty that goes to the underpaid provider. .

(Prefiled by the sponsor(s).)

**BR278** - Senator Stephen Meredith  
(8/20/2019)

AN ACT relating to Medicaid managed care contracts.

Create a new section of KRS

Chapter 205 to limit the number of managed care organization (MCO) contracts to operate the Medicaid program to three.

(Prefiled by the sponsor(s).)

**BR285** - Representative Jim DuPlessis  
(9/6/2019)

Urge Congress to require car manufacturers to install safety features to help prevent children from being left in hot cars.

(Prefiled by the sponsor(s).)

**BR288** - Representative Regina Huff  
(9/25/2019)

AN ACT relating to veterinarians.

Create a new section of KRS Chapter 321 to require that a veterinarian report suspected animal abuse to an animal control officer; amend KRS 321.185 to allow veterinarians to report suspected animal abuse.

(Prefiled by the sponsor(s).)

**BR290** - Representative David Osborne  
(11/15/2019)

AN ACT establishing the Direct Health Care Services and Research Facilities Operations Loan, making an appropriation therefor, and declaring an emergency.

Appropriate to the Cabinet for Economic Development General Fund moneys in the amount of \$50,000,000 in fiscal year 2019-2020 for the establishment and implementation of the Direct Health Care Services and Research Facilities Operations Loan; set out parameters for the Direct Health Care Services and Research Facilities Operations Loan; direct the University of Louisville to provide an annual report detailing the status of any loan agreement granted under the Direct Health Care Services and Research Facilities Operations Loan for as long as the loan is in effect; stipulate that authorized appropriations shall be paid from the General Fund Surplus Account or the Budget Reserve Trust Fund Account; APPROPRIATION; EMERGENCY.

(Prefiled by the sponsor(s).)

**BR291** - Representative C. Ed Massey  
(11/15/2019)

AN ACT relating to First Responder Recognition Day.

Create a new section of KRS Chapter 2 to designate the first Saturday of October of each year as "First Responder Recognition Day"; require the Governor to proclaim the date each year and require state flags to be lowered on state public buildings from sun-up to sun-down on that day.

(Prefiled by the sponsor(s).)

**BR297** - Senator John Schickel  
(8/20/2019)

Proclaim September 2020 as Prostate Cancer Awareness Month in Kentucky.  
(Prefiled by the sponsor(s).)

**BR300** - Representative Rob Wiederstein  
(10/14/2019)

AN ACT relating to adopting the most cost-effective alternative in administrative regulations having a major economic impact on the Kentucky economy.

Create new sections of KRS Chapter 13A to establish requirements and procedures for an administrative regulation that constitutes a major economic action; create the Regulatory Economic Analysis Advisory Group to consult on these regulations; set the group's membership, powers, and duties; require a promulgating agency to provide listed documents to the group and the public at least 60 days before filing the regulation; direct an agency to conduct and publish a detailed analysis of any major economic action regulation, including a cost-benefit analysis; establish filing requirements for these regulations; require an agency to publicly provide a framework for assessing the regulation; designate a short title of the "Kentucky Administrative Regulation Accountability Act of 2020"; amend KRS 13A.010 to define a major economic action; amend KRS 13A.030 to add a defective major economic action to the list of reasons a subcommittee may find a regulation deficient; amend KRS 13A.3104 to establish certification letter procedures for a major economic action regulation; stagger the initial terms of the appointed members of the advisory group.  
(Prefiled by the sponsor(s).)

**BR315** - Senator Stephen Meredith  
(8/20/2019)

AN ACT relating to copayments by medical assistance recipients.

Amend KRS 205.6312 to prohibit the cabinet or a managed care organization contracted to provide services from instituting copayments, cost sharing, or similar charges to be paid by any medical assistance recipients, their spouses, or parents, for any assistance provided pursuant KRS Chapter 205, federal law, or any federal Medicaid waiver; amend KRS 205.6485 to prohibit copayments to be charged in the Kentucky Children's Health Insurance Program.  
(Prefiled by the sponsor(s).)

**BR323** - Representative Nima Kulkarni  
(10/30/2019)

AN ACT relating to prevailing wage.  
Create a prevailing wage law for all public works projects; amend KRS 12.020, 99.480, 227.487, 336.015, 337.010, and 337.990 to conform.  
(Prefiled by the sponsor(s).)

**BR334** - Representative Josie Raymond  
(8/23/2019)

AN ACT relating to full-day kindergarten.  
Amend KRS 158.060 to remove language that allows for half-day kindergarten programs; amend KRS 157.320, 157.360, and 158.030 to conform.  
(Prefiled by the sponsor(s).)

**BR339** - Representative George Brown Jr  
(8/27/2019)

AN ACT relating to the rural hospital tax credit.

Create a new section of KRS Chapter 141 to establish the rural hospital organization donation tax credit; amend KRS 141.0205 to order the new tax credit; amend KRS 131.190 to allow reporting by the Department of Revenue.  
(Prefiled by the sponsor(s).)

**BR341** - Representative George Brown Jr  
(9/4/2019)

AN ACT relating to firearms.  
Create a new section of KRS Chapter 527 to make it a crime to unlawfully store a firearm; establish elements of the crime for recklessly allowing access to an unsecured firearm by a minor; establish the crime as a Class B misdemeanor unless a physical injury or death results, in which case it is a Class A misdemeanor.  
(Prefiled by the sponsor(s).)

**BR342** - Representative George Brown Jr  
(9/4/2019)

AN ACT relating to firearms and declaring an emergency.

Create new sections of KRS Chapter 237 to specify definitions for "assault weapons," "large-capacity ammunition-feeding devices," and "ammunition sellers"; require background checks for private firearms sales; require reporting to law enforcement of firearm and ammunition thefts and losses; require the safe storage of firearms; amend KRS 395.250 to require an estate's inventory to list each firearm; amend KRS 403.735 to require judges, when issuing an order of protection, to consider whether a person against whom the order is entered should be prohibited from possessing an firearm; amend KRS 504.030 to require judges in criminal cases where a person is found not guilty by reason of insanity to demand the surrender of the defendant's firearms; amend KRS 237.104 to conform; amend KRS 506.080 to specify that the offense of facilitation includes assistance in providing firearms; amend KRS 508.020 to include physical injury to a minor by virtue of the intentional discharge of a firearm within the offense of assault in the second degree; create a new section of KRS Chapter 527 to create the offense of criminal purchase or disposal of a weapon; amend KRS 527.040 to require that the sentence for a felon in possession of a firearm be served subsequent to any other felony sentence;

amend KRS 527.070 to include postsecondary education facilities within the existing ban on firearms in schools; amend KRS 532.030 to require the judge pronouncing a defendant guilty but mentally ill to demand the surrender of the person's firearms; create a new section of KRS Chapter 237 to require the State Police to promulgate administrative regulations relating to the licensing of persons to possess handguns and assault weapons, the registration of handguns and assault weapons, and the logging of firearms and ammunition sales effective January 1, 2021; amend KRS 532.025 to conform; amend KRS 237.115 to conform; repeal KRS 65.870; EMERGENCY; some provisions EFFECTIVE January 1, 2021.

(Prefiled by the sponsor(s).)

**BR343** - Representative George Brown Jr  
(8/27/2019)

AN ACT relating to criminal histories of job applicants.

Create a new section of KRS Chapter 344 to prohibit employers from considering or requiring disclosure of prior criminal history as part of the initial job application; title the Act "Ban the Box - The Criminal Record Employment Discrimination Act."  
(Prefiled by the sponsor(s).)

**BR355** - Representative Jeffery Donohue  
(9/9/2019)

AN ACT relating to tax credits for airport noise mitigation.

Create a new section of KRS Chapter 141 to establish a refundable income tax credit for the costs of mitigating noise from a commercial airport for taxable years beginning on or after January 1, 2020, but before January 1, 2024; amend KRS 131.190 to conform; amend KRS 141.0205 to order the credit.  
(Prefiled by the sponsor(s).)

**BR356** - Representative Jeffery Donohue  
(9/9/2019)

AN ACT relating to the sale or transfer of historic places.

Amend KRS 171.382 to require the Finance and Administration Cabinet to give notice to the Kentucky Heritage Council 90 days prior to the transfer or sale of a property nominated by the Kentucky Historic Preservation Review Board to be listed on the National Register of Historic Places; require the Kentucky Heritage Council to consult with the Finance and Administration Cabinet regarding the property's historic, cultural, and archeological resources; require the Kentucky Heritage Council to make a written recommendation to the Finance and Administration Cabinet on whether the property should have a preservation easement; if a preservation easement is recommended, no sale or transfer of the property shall take place until the easement is listed on the deed; amend KRS 82.660 to update council name.

(Prefiled by the sponsor(s).)

**BR357** - Representative Jeffery Donohue  
(9/9/2019)

AN ACT relating to education.

Amend KRS 158.785, relating to the management of local school districts, to include criteria to review when completing a management audit; require the chief state school officer to provide a local district with written deficiencies found through the management audit and corrective actions and a time frame for completion in order to exit assistance; specify that a district can only be a "state managed district" after at least two years of unsuccessful assistance, criminal malfeasance, or insolvency; restrict the chief state school officer's authority during state management to only those specific items found through the management audit; amend KRS 156.029 to require the Kentucky Board of Education to include two at-large members who are current or retired elementary or secondary teachers; amend KRS 156.040 to clarify that a state board member cannot hold any elective federal, state, county, or city office.

(Prefiled by the sponsor(s).)

**BR366** - Representative Jason Nemes  
(11/1/2019)

AN ACT relating to medicinal marijuana and making an appropriation therefor.

Create various new sections of KRS Chapter 218A to define terms; to exempt the medicinal marijuana program from existing provisions in Kentucky law to the contrary; to require the Department for Alcoholic Beverage and Cannabis Control to implement and regulate the medicinal marijuana program in Kentucky; to establish the Division of Medicinal Marijuana within the Department of Alcoholic Beverage and Cannabis Control; to establish restrictions on the possession of medicinal marijuana by qualifying patients, visiting patients, and designated caregivers; to establish certain protections for cardholders; to establish professional protections for practitioners; to provide for the authorizing of practitioners by state licensing boards to issue written certifications for the use medicinal marijuana; to establish professional protections for attorneys; to prohibit the possession and use of medicinal marijuana on a school bus, on the grounds of any preschool or primary or secondary school, in a correctional facility, any property of the federal government, or while operating a motor vehicle; to prohibit smoking of medicinal marijuana; to permit an employer to restrict the possession and use of medicinal marijuana by an employee; to require the department to implement and operate a registry identification card program; to establish requirements for registry identification cards; to establish registry identification card fees; to require the department to operate a provisional licensure receipt system; to establish the application requirements for a registry identification card; to establish when the department may deny an application for a registry identification card; to establish

certain responsibilities for cardholders; to establish when a registry identification card may be revoked; to establish various cannabis business licensure categories; to establish tiering of cannabis business licenses; to require certain information be included in an application for a cannabis business license; to establish when the department may deny an application for a cannabis business license; to prohibit a practitioner from being a board member or principal officer of a cannabis business; to prohibit cross-ownership of certain classes of cannabis businesses; to establish rules for local sales, including establishing the process by which a local legislative body may prohibit the operation of cannabis businesses within its territory and the process for local ordinances and ballot initiatives; to establish technical requirements for cannabis businesses; to establish limits on the THC content of medicinal marijuana that can be produced or sold in the state; to establish requirements for cannabis cultivators, including cultivation square footage limits; to establish requirements for cannabis dispensaries; to establish requirements for safety compliance facilities; to establish requirements for cannabis processors; to establish procedures for the department to inspect cannabis businesses; to establish procedures for the suspension or revocation of a cannabis business license; to exempt certain records and information from the disclosure under the Kentucky Open Records Act; to require the department to develop, maintain, and operate electronic systems for monitoring the medicinal marijuana program; to require the department to promulgate administrative regulations necessary to implement the medicinal marijuana program; to establish that nothing in the bill requires government programs or private insurers to reimburse for the cost of use; to establish the medicinal marijuana trust fund; to establish the local medicinal marijuana trust fund; and to establish procedures for the distribution of local cannabis trust fund moneys; create a new section of KRS Chapter 138 to establish an excise tax of 12% for cultivators and processors for selling to dispensaries; to require that 80% of the revenue from the excise taxes be deposited into the medicinal marijuana trust fund; to require that 20% of the revenue from the excise taxes be deposited into the local medicinal marijuana trust fund; amend KRS 342.815 to establish that the Employer's Mutual Insurance Authority shall not be required to provide coverage to an employer if doing so would subject the authority to a violation of state or federal law; amend KRS 139.470 to exempt the sale of medical marijuana from the state sales tax; amend KRS 218A.010, 218A.1421, 218A.1422, 218A.1423, and 218A.500 to conform; amend KRS 12.020 to change the name of the Department of Alcoholic Beverage Control to the Department of Alcoholic Beverage and Cannabis Control and to create the Division of Medicinal Marijuana; and amend KRS 12.252, 15.300, 15.380, 15.398, 15A.340, 15.420, 61.592, 62.160, 131.1815, 211.285, 241.010, 241.015, 241.030, 243.025, 243.0307, 243.038, 243.090, 243.360, 438.310, 438.311, 438.313, 438.315, 438.317, 438.320, 438.325, 438.330, 438.337, and 438.340 to conform; EFFECTIVE January 1, 2021; APPROPRIATION.

(Prefiled by the sponsor(s).)

**BR367** - Representative C. Ed Massey  
(11/13/2019)

AN ACT relating to an exemption from income taxation for military pensions.

Amend KRS 141.019 to exclude United States military retirees' pension income from income taxation for taxable years beginning on or after January 1, 2020, and before January 1, 2024; require reporting by the Department of Revenue; amend KRS 131.190 to conform.

(Prefiled by the sponsor(s).)

**BR371** - Representative Rob Wiederstein  
(10/21/2019)

Direct the Finance and Administration Cabinet to create the Evidence-Based Policymaking Task Force to study how state agencies collect and share data; APPROPRIATION.

(Prefiled by the sponsor(s).)

**BR377** - Representative Walker Wood Thomas,  
Representative Lisa Willner  
(11/18/2019)

AN ACT relating to the psychology interjurisdictional compact.

Create a new section of KRS Chapter 319 to enact and enter into the Psychology Interjurisdictional Compact with all other jurisdictions that legally join the compact; declare the purpose of the compact; define terms; allow a psychologist to hold one or more compact state licenses at a time; recognize the right of a psychologist licensed in the compact to practice telepsychology in other compact states the psychologist is not licensed; establish conditions under which a psychologist licensed to practice in compact state can practice telepsychology; establish the conditions under which a psychologist licensed to practice in a compact state may be granted a Temporary Authorization to Practice; authorize a home state to take adverse action against a psychologist's licensed issued by the Home State; allow a receiving state to take adverse action on a psychologist's Authority to Practice Interjurisdictional Telepsychology within that receiving state; authorize a compact state's ability to issue subpoenas for hearings and investigation as well as cease and desist and injunctive relief orders to revoke a psychologist's authority to practice interjurisdictional telepsychology and temporary authorization to practice; establish the Psychology Interjurisdictional Compact Commission; require the commission to provide for and maintain a Coordinated Licensure Information System (Coordinated Database) and reporting system containing licensure and disciplinary action information on psychologists participating in the compact; provide immunity for members, officers, executive director, employees, and representatives of the commission who act in accordance with the provisions of the compact; authorize the commission to establish rulemaking procedures; authorize the executive, judicial, and legislative branches of state government to enforce



the provisions of the compact; affirm that rules promulgated will have standing as statutory law; require provisions of the compact to become effective on the date the compact is enacted into law.  
(Prefiled by the sponsor(s).)

**BR391** - Representative C. Ed Massey  
(11/13/2019)

AN ACT relating to high school students pursuing military careers.

Create a new section of KRS Chapter 158 requiring schools to offer the Armed Services Vocational Aptitude Battery (ASVAB) test annually to students in grades 10 through 12, offer counseling based on the ASVAB test results, and allow up to four excused absences to meet with a recruiter of the Armed Forces of the United States or Kentucky National Guard; amend KRS 159.035 to allow excused absences for students who meet with a military recruiter, receive ASVAB counseling, or pursue enlistment.

(Prefiled by the sponsor(s).)

**BR403** - Representative Brandon Reed  
(9/18/2019)

AN ACT relating to farmer suicide prevention and awareness.

Create a new section of KRS Chapter 2 to designate the Wednesday of National Farm Safety Week, which is the third week of September, as "Farmer Suicide Prevention Day".

(Prefiled by the sponsor(s).)

**BR407** - Representative Attica Scott  
(9/13/2019)

AN ACT relating to providing free feminine hygiene products for women public postsecondary students.

Create a new section of KRS Chapter 164 to require each public postsecondary education institution to provide free feminine hygiene products to women students; require the governing boards of each public postsecondary education institution to adopt policies for the distribution of free feminine hygiene products; define feminine hygiene products.

(Prefiled by the sponsor(s).)

**BR409** - Representative Joe Graviss  
(10/24/2019)

AN ACT relating to state employee compensation.

Amend KRS 18A.355 to provide for an annual increment for state employees with the annual increment being the average of the consumer price index for the two calendar years prior to the biennium.

(Prefiled by the sponsor(s).)

**BR412** - Senator Dennis Parrett  
(9/19/2019)

AN ACT relating to veteran-owned non-profit businesses.

Amend KRS 14A.1-070 to add a nonprofit business which is at least 51 percent unconditionally controlled by a veteran to the definition of "veteran-owned business"; amend KRS 14A.2-060 and KRS 14A.2-165 to conform.

(Prefiled by the sponsor(s).)

**BR423** - Senator Stephen Meredith  
(10/1/2019)

AN ACT relating to the disposition of human remains.

Amend KRS 367.93117 to allow a court-appointed guardian or conservator to determine the disposition of remains after death if other alternatives have been exhausted; permit cremation under specified circumstances.

(Prefiled by the sponsor(s).)

**BR431** - Representative Maria Sorolis  
(10/31/2019)

AN ACT relating to voting.

Create a new section of KRS Chapter 117 to allow in-person early voting between 9 a.m. and 4 p.m. on the three Saturdays preceding any primary, regular election, or special election; amend KRS 117.087, 117.165, 117.235, 117.995, and 118.035 to conform.

(Prefiled by the sponsor(s).)

**BR432** - Representative Maria Sorolis  
(10/31/2019)

AN ACT relating to elections.

Create a new section of KRS Chapter 117 to provide for the establishment of designated voting locations by the county board of elections in counties with a population of 90,000 or more.

(Prefiled by the sponsor(s).)

**BR435** - Senator Denise Harper Angel  
(10/23/2019)

AN ACT relating to student health and safety.

Create a new section of KRS Chapter 158 to require any student identification badge issued to a public middle or high school student to contain the contact information for national crisis hotlines specializing in domestic violence, sexual assault, and suicide; apply the requirement to public charter schools; require the Cabinet for Health and Family Services to publish recommendations for at least one national crisis hotline in each specialized area; create a new section of KRS Chapter 164 to require any student identification badge issued by a public or private postsecondary institution or other institution that offers a postsecondary degree, certificate, or license to contain the contact

information for national crisis hotlines specializing in domestic assault, sexual assault, and suicide.  
(Prefiled by the sponsor(s).)

**BR436** - Representative John Sims Jr  
(11/18/2019)

AN ACT relating to employment-related drug screens.

Create a new section of KRS Chapter 344 to prohibit employment discrimination based on a positive drug screen for cannabidiol or tetrahydrocannabinol.

(Prefiled by the sponsor(s).)

**BR450** - Representative Attica Scott, Representative Charles Booker  
(9/25/2019)

AN ACT relating to gang violence.

Amend KRS 506.120 to remove language related to "criminal gang syndicate;" repeal KRS 506.135 relating to definitions, KRS 506.140 relating to criminal gang recruitment, KRS 506.150 relating to criminal gang activity or recruitment, 506.160, relating to minimum service of sentence for defendant acting as a member of a criminal gang, KRS 506.170 relating to enhancement of penalty for conviction for criminal gang-related felonies, KRS 506.180 relating to cause of action by victim of criminal gang incident, and KRS 506.190 relating to criminal gang-related property subject to forfeiture; amend KRS 532.080 to conform.

(Prefiled by the sponsor(s).)

**BR456** - Representative Susan Westrom  
(11/18/2019)

AN ACT relating to wages for employment.

Create a new section of KRS Chapter 337 to make it a discriminatory employment action if an employer asks questions about previous salary or wages, relies on previous salary when setting a new salary, or refuses to hire if an applicant does not provide previous salary, except to allow a request for information voluntarily provided in response to an offer of employment; allow previous salary to be considered when required by law, when discovered while looking at other nonsalary information, and for public employee positions; require notice to be posted for employees; amend KRS 337.990 to assess a civil penalty for a violation.  
(Prefiled by the sponsor(s).)

**BR463** - Representative Buddy Wheatley  
(11/18/2019)

AN ACT relating to changing beneficiaries after retirement in state-administered retirement systems.

Amend KRS 61.542 to allow a retiree who experiences a qualifying event, including marriage, remarriage, the birth or adoption of a child, or the death of a designated beneficiary, to elect to change his or her beneficiary and optional payment plan provided the election is made within

120 days of the qualifying event on a form prescribed by the Kentucky Retirement Systems and provide that in the case of a divorce, annulment, or dissolution of marriage, the retiree's estate shall become the beneficiary; amend KRS 61.590, 61.615, and 61.630 to conform; amend KRS 161.630 to expand the qualifying events for which a retiree may elect to change his or her beneficiary and optional payment plan to include a birth or adoption of a child in addition to marriage, remarriage, and the death of a beneficiary, require that the election be made within 120 days of the qualifying event on a form prescribed by the Teachers' Retirement System, and make technical corrections; amend KRS 161.480 to conform.

(Prefiled by the sponsor(s).)

**BR468** - Representative Jerry Miller  
(10/21/2019)

AN ACT relating to vapor products.

Amend KRS 438.305 to define "vapor product enhanced cartridge"; create a new section of KRS 438.305 to 438.340 to require a retailer or manufacturer of a vapor product enhanced cartridge to register and pay a \$700 annual fee; prohibit sales of vapor product enhanced cartridge other than through in-person purchase; prohibit sales to anyone under 18, require age verification through an electronic third-party source.

(Prefiled by the sponsor(s).)

**BR482** - Representative Regina Huff  
(10/4/2019)

Declare May 2020 to be  
Ehlers-Danlos Syndrome Awareness Month.

(Prefiled by the sponsor(s).)

**BR485** - Representative C. Ed Massey  
(11/15/2019)

AN ACT relating to causes of actions for building code violations.

Amend KRS 198B.130 to allow a court award under KRS Chapter 198B or the Uniform Building Code to include attorney's fees if a certificate of occupancy has not been issued.

(Prefiled by the sponsor(s).)

**BR486** - Representative Attica Scott  
(10/23/2019)

Urge the Kentucky Department of Education to create a task force to consider ways to improve diversity in STEAM education.

(Prefiled by the sponsor(s).)

**BR492** - Senator Julie Adams  
(11/8/2019)

AN ACT relating to trapping furbearers.

Amend KRS 150.400 to prohibit the use of commercially manufactured, spring-loaded traps for the purposes of taking furbearers.

(Prefiled by the sponsor(s).)

**BR494** - Senator Danny Carroll  
(11/18/2019)

AN ACT relating to the Workers' Compensation Funding Commission.

Amend KRS 12.020, 336.020, and 342.1243 to remove the Division of Workers' Compensation Funds; amend KRS 342.120 and 342.265 to replace the Division of Workers' Compensation Funds with the Kentucky Workers' Compensation Funding Commission; amend KRS 342.1223 to allow the commission to administer the fund; amend KRS 342.232 to replace the director of the Division of Workers' Compensation Funds and to make reports annual; amend KRS 342.760 to move the uninsured employers' fund to the Kentucky Workers' Compensation Funding Commission; replace the secretary of the Labor Cabinet with the board of directors of the commission; remove the Labor Cabinet from this section; amend KRS 342.765 to replace the secretary with board of directors; replace the reference to the Interim Joint Committee on Labor and Industry with the Interim Joint Committee on Economic Development and Workforce Investment; amend KRS 393.082 to replace the Labor Cabinet with the Kentucky Workers' Compensation Funding Commission; amend KRS 342.0015 to conform.

(Prefiled by the sponsor(s).)

**BR499** - Representative Angie Hatton  
(11/19/2019)

AN ACT relating to executive branch ethics.

Create a new section of KRS Chapter 11A to require statewide elected officials to file a statement of use of state resources with the Executive Branch Ethics Commission when state resources are used for nonpublic purposes and the value of that use of state resources exceeds \$250; require that the statement of use of state resources be filed within 30 days of an event where state resources were used for nonpublic purposes; require that within ten days of submission of a statement of use of state resources, the Executive Branch Ethics Commission shall determine whether the submission complies with legal requirements; require statement of use of state resources to be filed on a form prescribed by the Executive Branch Ethics Commission; require statements of use of state resources to include the name, title, and business address of the statewide elected official using state resources for nonpublic purposes and a detailed description of the events under which the use of state resources for nonpublic purposes took place; amend KRS 11A.010 to define "nonpublic purpose" and "state resources"; amend KRS 11A.990 to require the withholding of the salary of any statewide elected official who does not comply with legal requirements related to the filing of a statement of use of state resources.

(Prefiled by the sponsor(s).)

**BR801** - Representative Derrick Graham  
(11/19/2019)

AN ACT relating to campaign finance.

Amend KRS 118.125 to require a candidate for constitutional statewide office who files a notification and declaration for elective office, including slates of candidates for Governor and Lieutenant Governor, to submit a copy of his or her previous five years of federal income tax returns with the Registry of Election Finance; provide for written consent for public disclosure of the federal income tax returns; require that the federal income tax returns shall be made available on the registry's Web site when appropriate redaction of personal information occurs and not later than seven days after submission to the registry; require fines to be levied against a constitutional candidate or slate of candidates if the filing of federal tax returns does not timely occur; require the registry to retain the submitted tax returns for a time certain; and permit the registry to promulgate administrative regulations under KRS Chapter 13A to implement and enforce; amend KRS 118.367 to require an independent, political organization, or group candidate for constitutional statewide office who files a statement-of-candidacy form for elective office, including slates of candidates for Governor and Lieutenant Governor, to submit a copy of his or her previous five years of federal income tax returns with the registry; provide for written consent for public disclosure of the federal income tax returns; require that the federal income tax returns shall be made available on the registry's Web site when appropriate redaction of personal information occurs and not later than seven days after submission to the registry; require fines to be levied against a constitutional candidate or slate of candidates if the filing of federal tax returns does not timely occur; require the registry to retain the submitted tax returns for a time certain; and permit the registry to promulgate administrative regulations under KRS Chapter 13A to implement and enforce.

(Prefiled by the sponsor(s).)

**BR803** - Representative Joni Jenkins  
(11/19/2019)

AN ACT relating to campaign finance.

Amend KRS 121.150 to require that all personal loans made by candidates for all constitutional state officers, including the Governor and Lieutenant Governor, to their campaigns be repaid by their campaign committees within one year if the candidates are elected beginning with the regular election in November 2019; amend KRS 121.180 to provide for filing a report verifying repayment of personal loans to candidates for all constitutional state officers, including Governor and Lieutenant Governor, by December 31 in the year following their election; amend KRS 23A.070 to conform.

(Prefiled by the sponsor(s).)

**BR808** - Representative Thomas Huff, Representative Kevin Bratcher, Representative Jason Nemes, Representative Russell Webber  
(10/10/2019)

Direct the Energy and Environment Cabinet and the Louisville Metro Air Pollution Control District to determine the environmental benefits, related costs, and potential alternatives to the federal reformulated gasoline requirements currently imposed in Jefferson County and partial areas in Bullitt and Oldham Counties.  
(Prefiled by the sponsor(s).)

**BR817** - Representative Regina Huff, Representative Deanna Frazier  
(11/5/2019)

AN ACT relating to high school graduation requirements.

Create a new section of KRS Chapter 158 to require completion of the Free Application for Federal Student Aid form as a high school graduation requirement; provide waiver options for meeting the requirement; require local boards of education to develop policies and procedures to assist students in completing the requirement.  
(Prefiled by the sponsor(s).)

**BR819** - Representative Rob Wiederstein  
(10/29/2019)

AN ACT relating to patient safety by requiring Kentucky hospitals to annually survey employees regarding patient safety culture and practices with the results to be publicly reported on a Web site maintained by the Cabinet for Health and Family Services.

Create a new section of KRS 216.2920 to 216.2929 to require all hospitals to annually survey employees on patient safety culture; require the Cabinet for Health and Family Services to design, collect, analyze, and publish survey data; list requirements for the survey design; list requirements for the survey content; require the survey design to be completed by October 30, 2020, and the survey results to be made available by June 30 each year beginning with June 30, 2021, on the cabinet's Web site and reported to the Interim Joint Committee on Health, Welfare, and Family Services; permit the cabinet to promulgate administrative regulations to implement the survey requirements.  
(Prefiled by the sponsor(s).)

**BR827** - Representative Derek Lewis  
(11/12/2019)

AN ACT establishing a tax credit for employers that make payments on refinanced loans issued by the Kentucky Higher Education Student Loan Corporation to employees.

Create a new section of KRS Chapter 141 to allow an income tax credit for certain employers that make payments on refinanced loans issued by the Kentucky Higher Education Student Loan Corporation to certain employees; amend KRS

141.0205 to order the new tax credit; amend KRS 131.190 to require reporting by the Department of Revenue to the Legislative Research Commission.  
(Prefiled by the sponsor(s).)

**BR832** - Representative James Tipton  
(11/12/2019)

AN ACT relating to the Kentucky tuition grant program.

Amend KRS 164.785 to delete the requirement that postsecondary institutions participating in the Kentucky Tuition Grant be accredited by the Southern Association of Colleges and Schools or be reviewed and approved by the Council on Postsecondary Education based on the same criteria; amend KRS 164.740 to update the definition of regional accrediting association.  
(Prefiled by the sponsor(s).)

**BR835** - Representative Nima Kulkarni  
(10/30/2019)

AN ACT relating to firearms possession.  
Amend KRS 527.010 to define "domestic abuse offense," "domestic violence protective order," and "physical force"; create a new section of KRS Chapter 527 to create the crimes of possession of a firearm by a convicted domestic abuser and possession of a firearm by the subject of a domestic violence protective order; create a new section of KRS Chapter 527 to require the surrender of firearms by people subject to protective orders or convicted of specified crimes; amend KRS 403.740 and 456.060 to require courts to inform the subject of a domestic violence order or an interpersonal protective order of the firearm possession prohibition.  
(Prefiled by the sponsor(s).)

**BR844** - Representative Bobby McCool  
(11/1/2019)

AN ACT relating to birth certificates for stillborn children.

Amend KRS 213.096 to permit either parent to file an application for a certificate of birth resulting in stillbirth for any fetal death reported; require the state registrar to issue a certificate of birth resulting in stillbirth upon completion of an application; require the certificate of birth resulting in stillbirth to clearly indicate that it is not proof of a live birth and that it does not replace the requirement to file a report of fetal death; require that the certificate of birth resulting in stillbirth not be a proof of a live birth for tax purposes.  
(Prefiled by the sponsor(s).)

**BR853** - Representative Maria Sorolis  
(10/31/2019)

AN ACT relating to elections.  
Amend KRS 116.025 to provide that a voter shall be a resident of the state and precinct on or before the day of an election; amend KRS 116.045 to provide that a person who has not registered to vote prior to the time that the registra-

tion books are closed, and who possesses all other qualifications for voter registration, may register at the person's precinct of residence on the day of the election, shall not be permitted to change party affiliation, and shall be permitted to vote in that election; provide for confirmation of identity and affidavit; amend KRS 116.0452 to provide for time of receipt of precinct voter registration; provide that county clerk shall provide the State Board of Elections with a report of the number of voters registering to vote at the precincts on election day; amend KRS 117.225 to provide that if the person is not listed on the precinct roster, that the person be given the opportunity to register and vote at the precinct on the day of an election; amend KRS 117.365 to provide that applications for voter registration at the precinct shall be presented to the grand jury and retained by the county clerk.  
(Prefiled by the sponsor(s).)

**BR854** - Representative Maria Sorolis  
(10/31/2019)

AN ACT relating to voter registration.  
Amend KRS 116.0455 to provide that each application for a motor vehicle driver's license shall be a simultaneous application for voter registration unless declined by the applicant; amend KRS 116.048 to provide that each application filed through a designated voter registration agency shall be a simultaneous application for voter registration unless declined by the applicant.  
(Prefiled by the sponsor(s).)

**BR859** - Senator Gerald Neal  
(11/6/2019)

AN ACT proposing an amendment to Section 145 of the Constitution of Kentucky relating to persons entitled to vote.

Propose to amend Section 145 of the Constitution of Kentucky to allow persons convicted of a felony, other than felonies designated by the General Assembly, the right to vote; submit to the voters for ratification or rejection.  
(Prefiled by the sponsor(s).)

**BR898** - Representative Steve Riley  
(11/18/2019)

AN ACT relating to the Asset Resolution Corporation.

Amend KRS 164A.055 to redefine "board"; establish the Asset Resolution Corporation as an independent de jure municipal corporation and political subdivision; authorize the retention and compensation of employees; empower the corporation to serve and support schools or students concerning student finances, postsecondary education, and workforce development.  
(Prefiled by the sponsor(s).)



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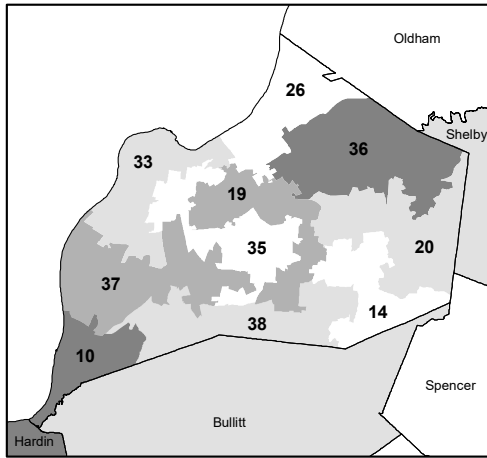
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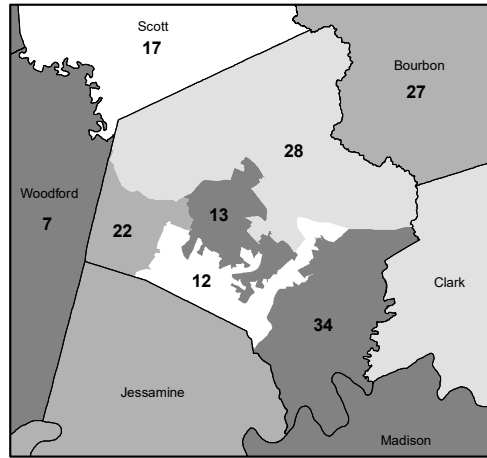
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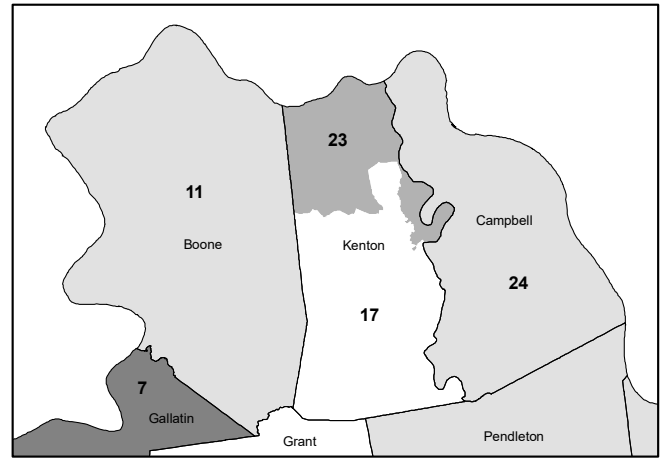




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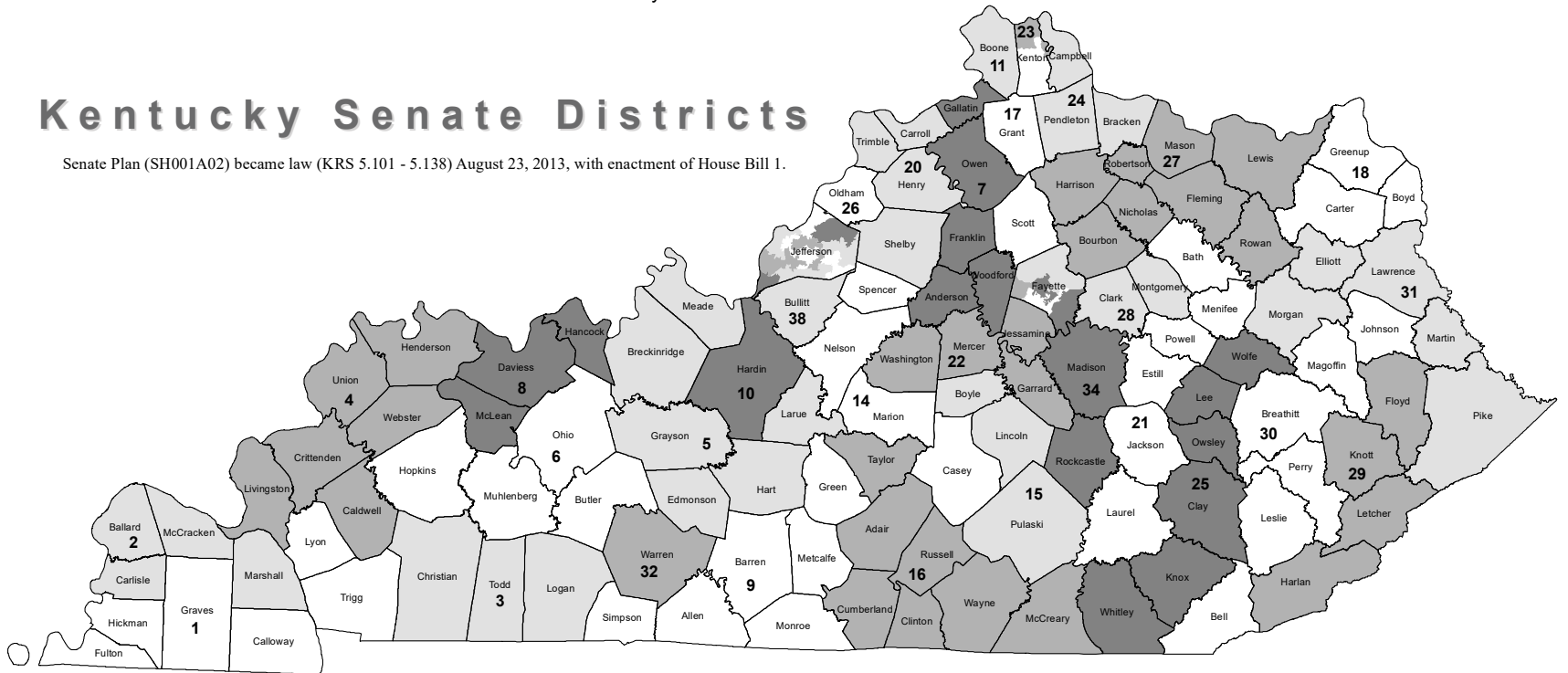
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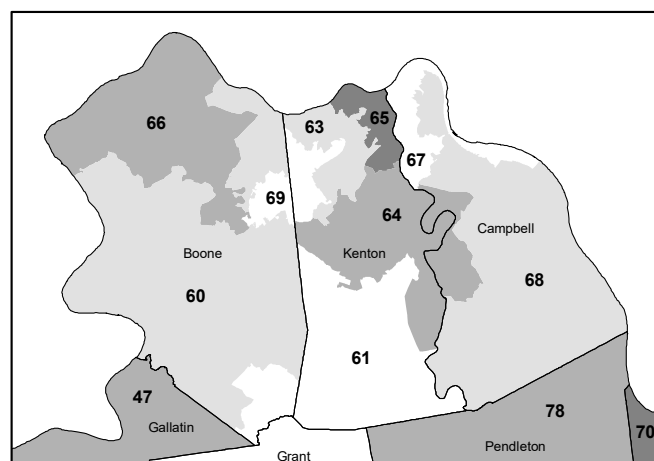
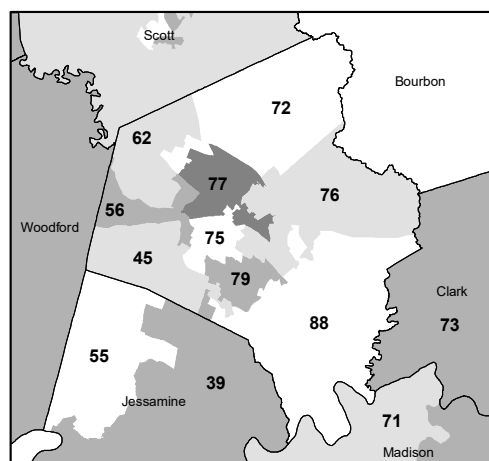
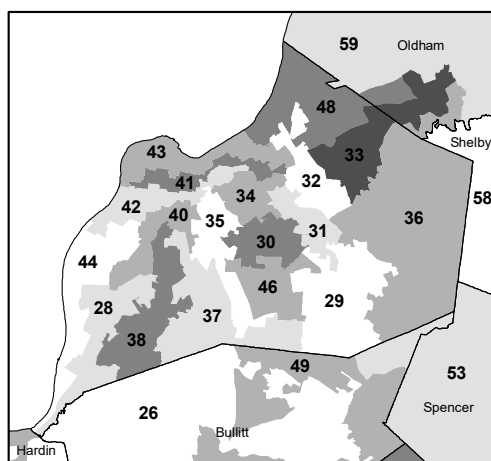
Northern KY Detail

# Kentucky Senate Districts

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

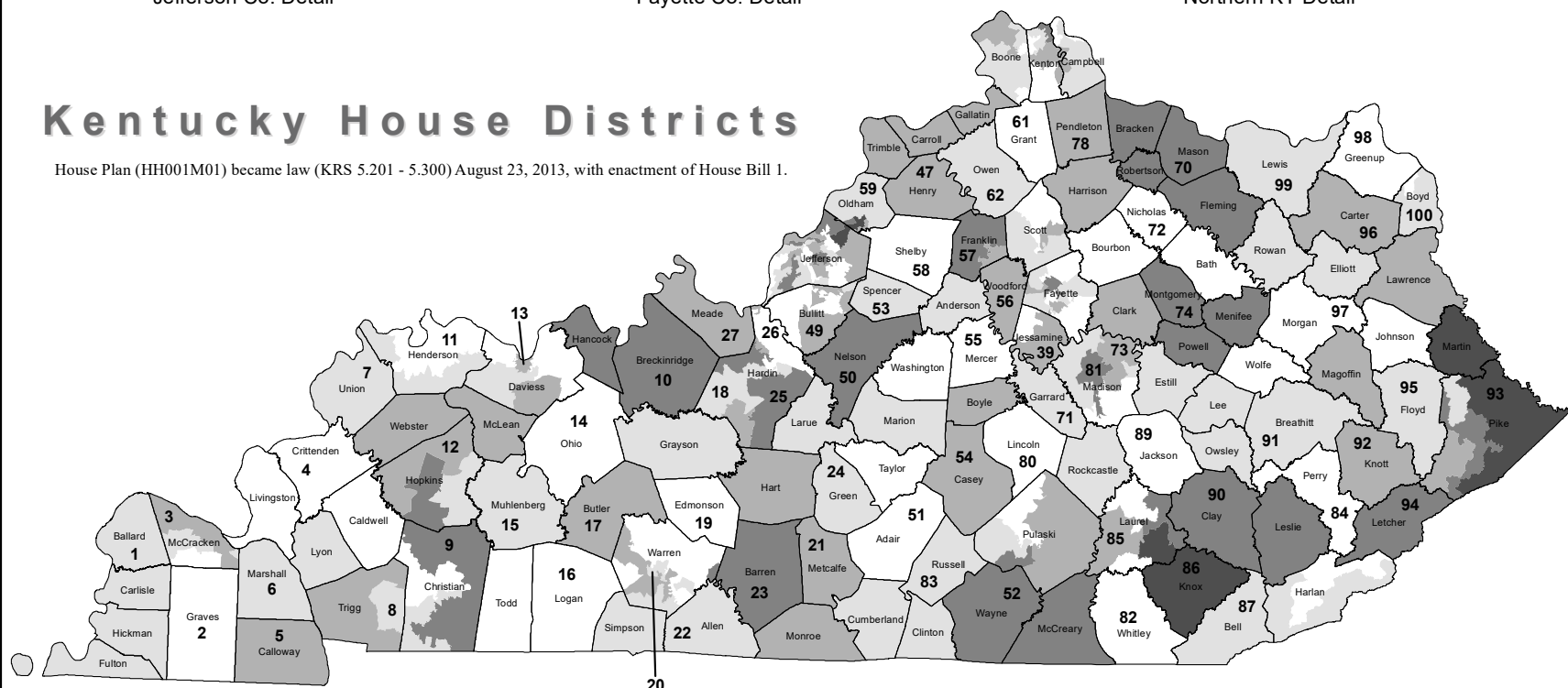


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# Kentucky House Districts

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



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2019 Interim

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