

# LEGISLATIVE

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RECORD

## Ky. courts again call for judicial redistricting

by Rebecca Hanchett  
*LRC Public Information*

FRANKFORT—Electronic filing of civil and criminal cases and other technology has helped to modernize Kentucky's court system. Now some say it is the state court jurisdictions themselves—not redistricted statewide since Grover Cleveland was president—that need attention.

Kentucky Chief Justice John Minton told the Interim Joint Committee on Judiciary on Oct. 20 that specific jurisdictions need “urgent” attention in 2018 even if statewide judicial redistricting of Kentucky's court circuits and districts is delayed. Those jurisdictions, he said, are Lincoln, Pulaski and Rockcastle counties, Boone and Gallatin counties, Kenton County, Floyd County, Knott and Magoffin counties, Bourbon, Scott and Woodford counties, and Daviess County.

“I do recognize that legislators have many pressing issues on their plates and judicial redistricting may not be a priority,” said Minton. “But there are critical areas across the state where judges are so overburdened that citizens are not getting equal access to justice.”

Judicial redistricting was considered by the 2017 General Assembly. Senate Bill 9, sponsored by Sen. John Schickel, R-Union, and Sen. Tom Buford, R-Nicholasville, cleared the Senate but did not pass the House. Schickel thanked Minton for his renewed call to action on judicial redistricting.

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## Locals boards are key players in opioid fight

by Rebecca Hanchett  
*LRC Public Information*

FRANKFORT—A portion of Kentucky's tobacco settlement dollars are being used to fight the state's opioid epidemic where addiction is most visible: at the local level.

Kentucky Office of Drug Control Policy (ODCP) Executive Director Van Ingram told the Tobacco Settlement Agreement Fund Oversight Committee at its Oct. 4 meeting that the Kentucky Agency for Substance Abuse Policy's (KY-ASAP) 79 local boards leverage their funds—including tobacco settlement funds—to “do some really good work” in the 118 counties they cover.

“The opioid epidemic that has got a stranglehold on this nation and this state has hit very hard in many of our Kentucky communities. This funding has allowed them to be organized and to have grassroots efforts...that really help them at the local level,” said Ingram.

KY-ASAP Program Manager Amy Andrews told the committee that the local boards were awarded over \$2.5 million in 2017 for their programs, which include drug court staff training, drug testing in schools, smoking cessation, DUI check points and more. Most of that was annual funding that went toward education and prevention, she said. Other funds were provided per 2015 Senate Bill 192 to communities for what Andrews called “harm reduction” initiatives including syringe exchange programs, drug treatment, and purchases of Narcan, a medication that can reverse the effects of an opiate overdose.

“We continue to be amazed at the local response to the ever-changing substance abuse



Senate Minority Whip Dennis Parrett, D-Elizabethtown, comments on Kentucky's court programs at the October Interim Joint Committee on Judiciary meeting.

climate because, as you all know, once we seem to have one issue tackled, another one emerges,” said Andrews. “But our local KY-ASAP boards’ desire to affect positive and long-lasting change—it never wavers.”

Another focus of KY-ASAP is safe prescription drug disposal. Andrews said the state works with the local boards to identify permanent prescription drug disposal locations, which she said have grown from around 11 to 198 in the past six years.

“We have at least one box in nearly all 120 counties where our citizens can go when they have unused prescription drugs that they can dispose of in a safe manner,” she said.

Rep. Kim King, R-Harrodsburg, mentioned

Continued on page 4

# Marijuana's impact on public safety examined by legislative panel

by Jim Hannah  
*LRC Public Information*



Above: Rep. Jeffery Donohue, D-Fairdale, asks questions about recreational marijuana use during the October meeting of the Interim Joint Committee on Veterans, Military Affairs and Public Protection. Below: Rep. Myron Dossett, R-Pembroke, asks questions of those testifying on the recreational marijuana issue at the meeting.



FRANKFORT – As Kentucky lawmakers explore ways to pay for public employee pensions, a coalition of law enforcement groups say legalizing marijuana for recreational use isn't the answer.

"I'm not willing to risk my grandchildren's health to save my pension," Kentucky State Police Commissioner Richard W. Sanders said on Oct. 12 while testifying before the Interim Joint Committee on Veterans, Military Affairs and Public Protection. "I don't think that is the right way to go with this thing."

Sanders is a 40-year law enforcement veteran with 21 years vested in the state's hazardous duty pension.

Kentucky Office of Drug Control Policy Executive Director Van Ingram testified that marijuana is harmful to society.

"Sixty years ago big tobacco downplayed the risk of tobacco," Ingram said. "We can see where that brought us: Huge settlements and big changes to that industry. Thirty years ago big pharma told us there was no risk of addiction to opioids. We can see where that brought us: The largest drug epidemic in the nation's history."

He added that 10 to 15 percent of people who use marijuana develop addiction issues.

"We are getting led down another path so some folks with a lot better suits than I have can make a lot of money," Ingram said. "We certainly got enough addiction issues in this state without bringing more to the table."

Rep. Tom Burch, D-Louisville, however, said Prohibition gave rise to crime ... and criminalizing marijuana has done the same thing."

National Marijuana Initiative (MMI) Director Ed Shemelya testified that marijuana is legal for recreational use in eight states. He said at least one form of marijuana is legal for medical use in more than 21 states. He said Colorado is on track to sell \$1 billion worth of marijuana this year and generate roughly \$200 million in tax revenue.

"That's a lot of money," Shemelya said. "There is no disputing that."

But he argued that the bulk of the revenue was being spent on regulating the industry and on harm reduction.

MMI is an arm of the High Intensity Drug

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Kentucky Office of Drug Control Policy Executive Director Van Ingram testified that marijuana is harmful to society.

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Trafficking Area (HIDTA) program administered by the Office of National Drug Control Policy.

Shemelya said the potency levels of marijuana have reached "astronomical levels" since Colorado legalized it. He said the science of what those high potency rates are doing to adolescent brains isn't in.

A Rocky Mountain HIDTA report found, however, that Colorado youth now rank No. 1 in the nation for past month marijuana use, up from fourth place in 2011-'12 and 14th place in 2005-'06, according to the report.

Smart Approaches to Marijuana (SAM) Director for State and Local Affairs Tony Coder testified that recreational marijuana is becoming a workforce development issue.

"Marijuana users in the workplace have more absenteeism, workplace injuries, more discipline problems," he said.

SAM is a group founded by former U.S. Rep. Patrick Kennedy and former President George W. Bush speechwriter Kevin Sabet, and its primary focus is on educating the public about the harms of marijuana legalization, according to its website.

Coder said adult past-month marijuana use increased 71 percent in the three-year average since Colorado legalized recreational marijuana compared to the three-year average prior to legalization. He added that the latest 2014-'15 results show Colorado adults ranked No. 1 in the nation for past month marijuana use, up from the seventh spot in 2011-'12.

Rep. Rob Rothenburger, R-Shelbyville, asked how legalized marijuana affected Colorado's economic growth. The panelists testified that they only had anecdotal evidence that employers were having a hard time finding workers who could pass drug screenings.



# Craft brewers say tax collection method too taxing

by Jim Hannah  
*LRC Public Information*

FRANKFORT – The guild of craft brewers say the way Kentucky collects wholesale taxes from them is a bureaucratic inconvenience that's actually costing the state 1 percent of the total revenue generated from the tax.

"We are not here to ask for any tax reduction of any kind," Kentucky Guild of Brewers President Adam Watson said while testifying before the Oct. 13 meeting of the Interim Joint Committee on Licensing, Occupations and Administrative Regulations. "We are here to ask for a removal of a tax nuance that makes paying business taxes more difficult and deprives the Commonwealth of revenue. After this simple request, you will wonder how we ever started doing things the way they are done now."

Watson and guild Vice President Daniel "D.H." Harrison said the association's legislative agenda for the upcoming session include seeking a change in the law that would allow craft brewers to start sending their wholesale tax payments directly to the Kentucky Department of Revenue (DOR). Craft brewers currently pay their wholesale taxes to their distributor who keeps 1 percent before forwarding the rest of the money to DOR.

He said the procedure was particularly confusing to the newest and smallest craft brewers in Kentucky who do not send any beer through distribution but still have to sign a contract with a distributor just so they can pay their taxes.

"As it stands the Commonwealth is effectively giving up 1 percent of its beer wholesale tax revenue to pay distributors to act as tax collectors," Watson said. "We are already sending our other taxes directly to DOR. By sending wholesale taxes directly, it would simplify the burden of administrative paperwork and increase the state's revenue stream."

He said it makes no sense that craft brewers have to send their proprietary business information to another sector of the three-tier system alcohol distribution system made up of importers or producers, distributors and retailers.

"The Commonwealth would receive 100 percent of the amount of (wholesale) taxes imposed on craft brewers simply by allowing us to pay the tax directly to the state as we do with our excise tax and all of our other taxes," Watson said. "This is a situation where there is no need for a middleman."

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**Craft brewers currently pay their wholesale taxes to their distributor who keeps one percent before forwarding the rest of the money to the Department of Revenue.**

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Sen. Dan "Malano" Seum, R-Fairdale, thanked the guild for shining a light on the tax collection method.

"As a person who was in the restaurant/bar business, isn't it wonderful when the government just gets the hell out of the way," he said.

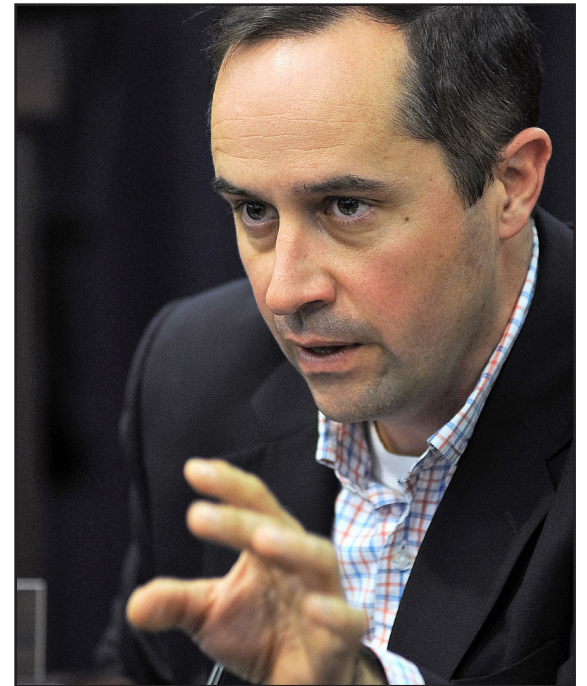
Rep. C. Wesley Moran, R-Richmond, characterized the collection method as "the most unfair situation I have ever witnessed."

Sen. Julian M. Carroll, D-Frankfort, said he agreed that government shouldn't be impeding on the entrepreneurs that make up the guild.

"I think we need to get out of your way and let you do your job," he said. "Certainly, your request sound very reasonable to me."

The second item on the guild's legislative agenda is to remove a regulation that prevents craft brewers from selling more than 288 ounces of beer to one person in the same day. Watson said in the taproom of the craft brewery he co-founded a handful of 16-ounce cans has to be removed from each case sold as to not conflict with the 288-ounce limit.

"This is creating an unnecessary barrier to commerce as we cannot meet our customer's commonsense needs," he said.



Above: Sen. Christian McDaniel, R-Taylor Mill, questions craft brewers at the October Interim Joint Committee on Licensing, Occupations and Administrative Regulations. Below: House Minority Caucus Chair Dennis Keene, D-Wilder, left, talks to Sen. Denise Harper Angel, D-Louisville, at the meeting.





## Drugs, from page 1

that Kentucky is one of three states that has recently received a \$10 million federal grant to tackle drug issues. She asked Ingram, Andrews and ODCP Branch Manager Heather Wain-scott if that money is benefiting their agency's work. Ingram said that is a SAMHSA (Substance Abuse and Mental Health Services Administration) grant that was awarded to the state Division of Behavioral Health for enhanced treatment.

It will help with "moving people from overdose right into treatment. We have a lot of things coming up that are very exciting," said Ingram.

Sen. Whitney Westerfield, R-Hopkinsville, who has been a key player on several criminal justice bills, complimented Ingram and his agency for its increased advertising presence.

Ingram said that outreach is geared toward reducing the stigma of addiction, which he said may save lives.

"People don't come to treatment a lot of times

because they're embarrassed and ashamed, and that shouldn't happen," he said. "For the folks who already have this disease, treatment and Narcan are all we have to offer. We've got to do a better job."

Committee Co-Chair Rep. Myron Dossett, R-Pembroke, said he served on his local KY-ASAP board many years ago. He was appreciative of KY-ASAP's work.

"We wish you did not have to be in existence, but thank goodness that we do have you," Dossett said. "Thank you so much for what you do."

KY-ASAP has been in place for 17 years. It was created in 2000 "to develop a strategic plan to reduce the prevalence of alcohol, tobacco and other drug use among youth and adult populations in Kentucky and coordinate efforts among state and local agencies in the area of substance abuse prevention," according to the ODCP website.



Sen. Whitney Westerfield, R-Hopkinsville, comments on substance abuse program testimony during the Oct. 4 meeting of the Tobacco Settlement Agreement Fund Oversight Committee.

## Courts, from page 1

"... I don't think you can overstate the importance of this issue in a co-equal branch of government," said Schickel. Judges in some jurisdictions have a much smaller workload than others, which creates imbalances, he said. "It creates a horrible problem with equal access to law for all our citizens."

Rep. Jason Nemes, R-Louisville, who serves with Schickel on the Interim Joint Committee on Judiciary, has also worked with Minton on statewide judicial redistricting. He commended Kentucky's unified court system for the handling of a statewide caseload that now reaches nearly 900,000 cases annually—a huge number compared to some other jurisdictions, he said.

"The whole book of business in the federal government for an entire year isn't one week of the book of business in Jefferson County," said Nemes. "So our state courts do a great deal of work, and they're to be commended."

While Minton said Kentucky's court system is open to suggestions when working on judicial redistricting legislation, he reemphasized that the jurisdictions he mentioned need urgent help. Family courts in some areas are working at more than twice the workload capacity of other courts, he told the committee.

"Citizens are having to wait incredible

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**Kentucky's unified court system handles a statewide caseload that now reaches nearly 900,000 cases a year.**

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amounts of time in order to get their family law cases adjudicated. This is an area of urgent need, and I hope we'll be able to ... come up with a way to address at least these jurisdictions in this session, would be my request," he said.

Schickel was receptive to Minton's comments, signaling his intent to work with the courts on the issue in 2018.

"If we can just move this ball forward," he said. "What we can't do is go through another session where we don't do anything."



Rep. Chad McCoy, R-Bardstown, asks a question during testimony from the Kentucky Court of Justice at the Oct. 20 meeting of the Interim Joint Committee on Judiciary.

# 2018 REGULAR SESSION CALENDAR

## JANUARY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2 CONVENE	3	4	5 *HR 49 Posting required for prefiled House Bills	6
7	8	(1)	(2)	(3)	(4)	13
14	15 Martin Luther King, Jr. Day HOLIDAY	(6)	(7)	(8)	(9)	20
21	22	(10)	(11)	(12)	(13)	27
28	29	(14)	(15)	(16)	(17)	(18)
		(19)	(20)	(21)		

\*House Rule 49 states in part: "In the case of prefiled House bills receiving the affirmative votes of a majority of the House members of the interim joint committee to which they were assigned, posting by the chair or the committee shall occur during the first four days of the session, and those bills may be considered by the appropriate committee during the first fifteen legislative days of the session. No posting request shall be required for those prefiled bills."

## FEBRUARY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7	(22)	(23)	10
11	12	(24)	(25)	(26)	(27)	(28)
18	19 Presidents' Day HOLIDAY	(30)	(31)	(32)	(33)	17 Last Day for Bill Requests
25	26 Last Day for New House Bills	(34)	(35)	(36)	(37)	24
	(38)	(39)	(40)			

## MARCH

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7	8 (41)	9 (42)	10
11	12 (43)	13 (44)	14 (45)	15 (46)	16 (47)	17
18	19 (48)	20 (49)	21 (50)	22 (51)	23 (52)	24
25	26 (53)	27 Concurrence Only (54)	28 Concurrence Only (55)	29 (56)	30 VETO	31 VETO
		(57)	(58)			

## APRIL

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

( ) Denotes Legislative Day

# 2017



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# 2017 Kentucky General Assembly

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### INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENERGY

**Minutes of the 4th Meeting  
of the 2017 Interim**  
September 7, 2017

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

The 4th meeting of the Interim Joint Committee on Natural Resources and Energy was held on Thursday, September 7, 2017, at 11:00 AM, at Kentucky American Water (KAW) in Lexington. Senator Jared Carpenter, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jared Carpenter, Co-Chair; Representative Jim Gooch Jr., Co-Chair; Senators C.B. Embry Jr., Ernie Harris, Ray S. Jones II, John Schickel, Brandon Smith, Johnny Ray Turner, and Whitney Westerfield; Representatives John Blanton, Larry Brown, Matt Castlen, Tim Couch, Jeffery Donohue, Kelly Flood, Chris Fugate, Suzanne Miles, Jim Stewart III, and Jill York.

Guests: Jimmy Keeton, Director, Government Affairs, KAW; Brad Kinckiner, Manager, Health and Safety Programs, KAW; Nick Rowe, President, KAW and Senior Vice President, American Water Southeast Division; Ashli Watts, Vice President, Public Affairs, Kentucky Chamber of Commerce (the Chamber); David Shehee, Superintendent, Water Quality and Environmental Compliance, KAW; and Brent O'Neill, Director, Engineering, KAW.

LRC Staff: D. Todd Littlefield, Stefan Kasacavage, Janine Coy-Geeslin, and Rachel Hartley.

The July 6, 2017, and August 3, 2017, minutes were approved by unanimous voice vote.

#### **Welcome to Kentucky American Water**

Jimmy Keeton welcomed staff and legislators to KAW. Brad Kinckiner advised all guests of health and safety procedures.

Nick Rowe reported to the Committee that KAW manages more than 370 individual water systems in the country with 48,000 miles of distribution and collection mains. KAW was established in 1882 as Lexington Hydraulic and Manufacturing Company. The company was acquired by Community Water Service Company in 1927. The company name was changed to Kentucky American Water in 1973. There are approximately 130 employees that serve half a million people.

**A Citizen's Guide to Kentucky**

### **Infrastructure**

Ashli Watts provided a report on the water infrastructure in Kentucky. She explained how infrastructure plays a critical role in the daily affairs of businesses and economic development in the Commonwealth. Kentucky is located within 600 miles of 65 percent of the nation's population. In 2016, a Gallup poll found that 75 percent of Americans favor spending more money to improve infrastructure.

In 2005, a Kentucky legislative report found that there are fewer drinking water systems in Kentucky than in most states, and the number of systems continues to decrease. The Kentucky Infrastructure Authority (KIA) provides low-cost loans to assist communities in developing water systems.

The Kentucky Division of Water's 2016 annual report indicated that drinking water quality is good in Kentucky. The report shows a low number of health based violations related to contaminants, and most violations are administrative in nature. The national average for health violations based on population served was 6.8 percent in 2014 and 8.1 percent in 2015. In Kentucky, health violations based on population served was 15.3 percent in 2014 and 10.6 percent in 2015. Ms. Watts explained that there is movement in the right direction with a 5 percent drop in violations.

The KIA's Water Management Plan surveyed water districts for planned projects and identified 2,089 drinking water projects at a total cost of \$1,909,356,450. The American Society of Civil Engineers (ASCE) estimated Kentucky has \$6.2 billion in drinking water infrastructure needs. The average age of water plants and water tanks is 37 years and 26 years, respectively.

The Division of Water has identified 277 Kentucky communities not under federal consent decrees, but have varying degrees of aging infrastructure that can cause overflows at wastewater management treatment plants. The KIA's Wastewater Management Plan identified 1,484 needed wastewater projects in Kentucky with a total cost of more than \$2 billion. ASCE estimated that Kentucky has \$6.24 billion in wastewater infrastructure needs over the next 20 years.

Ms. Watts said the Chamber considers the Public-Private Partnerships (P3) legislation passed in 2016 to be part of the solution to address Kentucky's infrastructure needs. The Chamber supports state and local governments embracing



the P3 legislation and aggressively soliciting private partners to assist in the financing, construction and operation of infrastructure projects.

### **Water Quality and Environmental Compliance**

David Shehee said quality of water sources is important to KAW and its customers because, if fewer contaminants are put into the sources, then there are fewer contaminants to remove through water treatment. There are 2.1 million people who die annually in the United States from water related illnesses. Ninety-five percent of Kentuckians have access to public water systems. KAW is regulated by the United States Environmental Protection Agency, Kentucky Division of Water, Kentucky Public Service Commission, and by local ordinances.

Mr. Shehee said older water treatment plants were designed to reduce turbidity. The infrastructure needs to be updated to keep up with new regulations on disinfection by-products, organisms, and emerging contaminants.

In response to Senator Westerfield, Mr. Shehee said KAW is constantly working with American Water Association Research Foundation to discover what research exists on emerging contaminants and what problems might develop in the future. It is important to keep contaminants out of the water. However, if contaminants reach the water it must be treated. Also, upgrades to infrastructure may be needed. Once the contaminants are filtered out of the water, the accumulated contaminants are mostly landfilled. KAW reuses all of its solid contaminants on site.

### **Infrastructure Challenges**

Brent O'Neill reported that most water infrastructure in the United States is at the end of its useful life. The pipes installed were intended to last 65-95 years. Some pipes are more than a century old. There are 1.2 million miles of distribution pipes within the United States. Kentucky has 62,200 miles of main distribution pipes.

In 1980, 10 percent of all pipes were in poor shape. In 2010, this percentage increased to 45 percent of all pipes. The reason for the increase of pipes in poor shape is due to the type of material of pipes. The increased age and type of material creates a greater risk of failure. There are currently 650 breaks per day in the United States with \$2.6 billion in lost water.

In 2017, the Infrastructure Report Card by the American Society for Civil Engineers issued a grade of "D" for the drinking water infrastructure across the United States. Over \$650 billion is needed in investments in water infrastructure over the next 20 years.

In 2013, the Infrastructure Report Card by the American Society for Civil Engineers

issued a grade of "C+" for the drinking water infrastructure across. Mr. O'Neill said that the P3 legislation can assist local communities access funding to overcome water infrastructure challenges in Kentucky.

In response to Senator Smith, Mr. O'Neill said that Lexington's primary water source is the Kentucky River, and some water is taken from several reservoirs in Lexington. Each station pumps on average 45 million gallons per day from the Kentucky River, with as much as 70 million gallons per day pumped in the summer.

In response to Senator Carpenter, Mr. O'Neill said a major concern in the water industry is small water systems are starting to age, and they do not have funds to improve infrastructure. KIA has funds available to help smaller communities. However, another concern is whether these funding sources can keep pace with infrastructure needs. Mr. O'Neill reiterated that the P3 legislation can be another funding tool to potentially help these communities.

The next meeting of the Interim Joint Committee on Natural Resources and Energy will be on October 5, 2017. Documents distributed during the meeting are available in the LRC Library.

There being no further business, the meeting was adjourned.

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

### **Minutes of the 3rd Meeting of the 2017 Interim**

August 24, 2017

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

The 3rd meeting of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, August 24, 2017, at 10:00 AM, in South Wing C, Room 101 of the Kentucky Fair and Exposition Center. Representative Steven Rudy, Chair, called the meeting to order, and the secretary called the roll.

Present were:

**Members:** Senator Christian McDaniel, Co-Chair; Representative Steven Rudy, Co-Chair; Senators Ralph Alvarado, Danny Carroll, Rick Girdler, Stan Humphries, Morgan McGarvey, Gerald A. Neal, Dennis Parrett, Brandon Smith, Robin L. Webb, and Stephen West; Representatives Rocky Adkins, Tim Couch, Myron Dossett, Ken Fleming, Kelly Flood, Jeff Greer, David Hale, Regina Huff, Donna Mayfield, Suzanne Miles, Rick G. Nelson, Jason Nemes, Phillip Pratt, Sal Santoro, Arnold Simpson, Jim Stewart III, James Tipton, Jim Wayne, Russell Webber, Susan Westrom, and Jill York.

**Guests:** Jason Rittenberry, CFE, President and CEO, Kentucky Fair Board; David Brunori,

Research Professor, Trachtenberg School of Public Policy and Public Administration, George Washington University and Partner, Quarles & Brady, LLP.

**LRC Staff:** Jennifer Hays, Cynthia Brown, Amit Shanker, Hannah Walker, Charlotte Quarles, and Jennifer Beeler.

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

Representative Nelson made a motion, seconded by Senator Alvarado, to approve the minutes of the July 27, 2017 meeting. The motion carried by voice vote.

#### **Welcome Presentation from the Kentucky State Fair Board**

Jason Rittenberry, CFE, President and CEO, Kentucky State Fair Board, gave an overview of updates and requests from the Kentucky State Fair Board.

He explained that Kentucky Venues is Kentucky State Fair Board's public brand to promote all of the venues and events. Kentucky Venues is located at the Kentucky Exposition Center and Kentucky International Convention Center. Several of the large events at the Kentucky Exposition Center are the National Farm Machinery Show, All-In Hoopfest Basketball Tournament, Kentucky State Fair, World's Championship Horse Show, and the North American International Livestock Exposition.

Mr. Rittenberry explained that the Kentucky Exposition Center (KEC) is the sixth-largest convention center in the United States, based on square footage. The Kentucky International Convention Center is undergoing a \$207 million renovation, which is on time and on budget. The convention center is due to reopen July 2018 with the ability to attract 25 percent more convention, meeting, and tradeshow business. There are 50 events on scheduled from 2018 to 2022.

Mr. Rittenberry stated that annually the Kentucky Exposition Center hosts approximately 300 events and has approximately 2.3 million visitors. The generated tax revenue is \$36.4 million.

He stated that, after the University of Louisville moved its programs to the YUM! Center in 2010, the Kentucky State Fair Board (KSFB) revenues dropped by approximately \$20 million annually. The loss of revenue has prevented KSFB from maintaining the upkeep of the facilities properly. Almost a decade of deferred maintenance has resulted in immediate needs at the KEC to maintain operations. KSFB has not had a maintenance pool funded since 2010.

Mr. Rittenberry explained that KSFB had four priorities for capital funding: the maintenance pool of \$6 million which will cover safety for guests, aesthetics of facilities, mechanical failures, and functionality of space, signage,

and wayfinding; the entrance gates and parking booths of \$3.5 million; Freedom Hall phase 1 renovation of \$5 million; South Wing interior renovation of \$7 million.

Mr. Rittenberry stated that without making some material and noticeable improvements to KEC, there is risk of losing longstanding conventions and trade shows that have been in Kentucky for 25 years. Several top events have expressed search in other cities for their events because of the state of the KEC.

#### **Perspectives on Tax Reform**

David Brunori discussed multiple perspectives on tax reform issues. The first thing anyone contemplating tax policy should know is that businesses do not pay taxes but that people pay taxes. In a mobile, global economy, it is usually consumers and labor that bear the burden.

He gave an explanation that exempting all business purchases from sales tax could aid in tax relief. When a business pays sales tax, it makes the initial purchase of everything more expensive; this then becomes part of the business's cost of goods sold and increases the price of what is being sold.

Mr. Brunori said the second most important policy reform decision the Commonwealth can make is to repeal the taxes on business personal property. The Commonwealth taxes machinery, inventory, furniture, computers, supplies, and aircraft. Taxes on personal property discourage investment in all the things that are taxed.

Mr. Brunori presented other options that could help the Commonwealth with its consideration of tax reform.

With no further business, the meeting was adjourned.

## **INTERIM JOINT COMMITTEE ON AGRICULTURE**

### **Minutes of the 4th Meeting of the 2017 Interim**

September 13, 2017

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

The 4th meeting of the Interim Joint Committee on Agriculture was held on Wednesday, September 13, 2017, at 10:00 AM, in Room 149 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 C.B. Embry Jr., Dennis Parrett, Dorsey Ridley, Damon Thayer, Stephen West, and Whitney Westerfield; Representatives Myron Dossett, Derrick Graham, David Hale, Mark Hart, Angie Hatton, James Kay, Kim King, Suzanne Miles, Jason Petrie, Phillip Pratt, Rick Rand, Brandon Reed, Rob Rothenburger, Steven

Rudy, Walker Thomas, James Tipton, Tommy Turner, and Susan Westrom.

Guests: Dr. Nancy Cox, Dean, College of Agriculture, Food and Environment, University of Kentucky, Scott Smith, Chair, and Lilian Brislen, Executive Director, The Food Connection, University of Kentucky, Tom Brown, Food Service Director, Kentucky Department of Parks, Jessica Rush, Administrator, Branch Manager, Department of Parks, Steve Kelly, Executive Director of Expositions, Kentucky Venues, Matthew Moss, Levy Concessions and Catering, Dave Maples, Kentucky Cattlemen's Association, and David Neville, Farmer and Marketer, Shelbyville, Kentucky, Dr. Orlando Chambers, Director, Anne Jack and George Wagner, Kentucky Tobacco Research and Development.

LRC Staff: Tanya Monsanto, Kelly Ludwig, Stefan Kasacavage and Susan Spoonamore, Committee Assistant.

The July 12, 2017 minutes were approved by voice vote, without objection, upon motion made by Senator Parrett and seconded by Senator Westerfield.

The August 29, 2017 minutes were approved by voice vote, without objection, upon motion made by Senator Westerfield and seconded by Representative Rudy.

#### **Discussion on the Use of Local Food in State Entities**

Dr. Nancy Cox, Dean, College of Agriculture, Food and Environment, University of Kentucky, Scott Smith, Chair and Dr. Lilian Brislen, Executive Director, The Food Connection at the University of Kentucky discussed the use of local foods at the University of Kentucky. Dean Cox explained that it was the responsibility of the University of Kentucky to work with partners to develop new technologies and systems to help increase farm income. She said that UK developed a unique partnership with Aramark to run the dining contract using local foods in the dining areas.

Scott Smith discussed the Kentucky-impact food purchases at the University of Kentucky. The contract with Aramark was signed in 2014 and contained stringent requirements in regard to sourcing food. The initial purchasing commitment included \$2 million worth of food that was Kentucky Proud or local. In 2017, the revised contract committed \$1.65 million to Kentucky food and farm business impact purchases with \$0.65 million required to have some foods containing Kentucky farm sourced ingredients. The contract also included financial penalties for failure to meet the requirements. The initial contract created and funded The Food Connection. The mission is to support the development of farm to institution supply chains at UK and elsewhere; leverage the resources of

the UK Dining contract to advance the land grant mission of the University and to review and assess qualifying Kentucky impact purchasing. Mr. Smith stated that the challenges of "local" sourcing for institutional food service providers, particularly to a global food service provider like Aramark, is the inconsistencies of a provider's business model for local foods.

Dr. Brislen stated that commitment, collaboration and consistent metrics have been key factors in making the farm to campus or local food on campus campaign successful. Revisions for the term of 2016 through 2017 are as follows: excludes food/beverage that is only bottled, repackaged or distributed in Kentucky; converge with Kentucky Proud Buy Local; redefines "local" as Kentucky farm or food business impact and a specific requirement for sourcing products from Kentucky farms.

Dr. Brislen stated that there are opportunities and innovations in local food sourcing for institutions. Through the efforts of working with the Kentucky Beef Taskforce and in response to the farm impact requirement, the dining partners are working with Kentucky Meat Packaging to develop new farm impact products. The Food Connection has been working with the Cultivate Kentucky Partnership in order to work one-on-one with the growers through an extension agent. The University of Kentucky Hospital, which operates under a separate management contract, has introduced Kentucky sourced chicken, beef and produce in its dining operations.

In response to Chairman Hornback, Dr. Brislen stated that under the new dining metrics, Coca-Cola is not being counted as local foods anymore.

In response to Chairman Hornback, Mr. Smith said they are working to overcome the consistency of supply, but there will be some barriers with local seasonal production for vegetables. Dr. Brislen stated that progress is being made with growers by understanding the need for produce all year.

In response to Representative Tipton, Mr. Smith explained that the contract with Aramark is for 15 years starting in 2014. It is hard to define the price of meals because of the restructured meal plans, but the contract specifies how the prices are determined. There are options for students that range from less expensive meal plans to more expensive. Producers have found that they can make a profit by selling to Piazza Produce who sells to large scale institutions.

Dr. Brislen stated that Kentucky has great wholesale growers and farm business people that can enter the market. The issue is working out the logistics, the business relationships and finding ways to integrate local food into what was formerly a national system.

In response to Representative Hatton, Mr.



Smith said the program is growing and is starting to look outward from the campus. The mission of the Food Connection is to reach out to all areas of the state including Appalachia, but he said that the Food Connection does not yet have a formal relationship with Appalachia Proud. Dean Cox also commented that UK does work extensively with the Chop Shop.

In response to Senator Hornback, Mr. Smith said that apples are a viable product that needs to be cultivated.

Mr. Tom Brown, Food Service Director, Kentucky Department of Parks, explained that Kentucky parks started supporting Kentucky Proud in 2005 and purchased over \$600,000 in Kentucky Proud products last year. There was a drop in 2016 purchases because of fire damage to the Jenny Wiley and Greenbo Lake parks, which closed. Also, the coffee contract was changed from John Conti to Gordon Food Service. Some significant obstacles to using Kentucky Proud products was price, getting the product delivered to the parks and the process of having to call various producers to place an order. Another issue can be payment. He said that the producer has to be in the system and wait a period of time to get payment. Otherwise, they have to be able to accept a credit card to receive payment immediately. Mr. Brown said that the department is working with Clems Food to provide a Kentucky beef product that is 100 percent.

Mr. Brown said that some notable successes has been moving chicken and fish breeding to Blend Pac Foods in Bloomfield, Kentucky. Adding Kentucky products for distribution through their grocer and meat providers allows the items to be ordered and delivered. As of January 2017, all fresh 8-piece chicken comes from Pilgrim's Pride in Mayfield. The parks host several events featuring local products and all Frankfort cafeterias offer an all Kentucky Hemp Dawg.

Mr. Steve Kelly, Executive Director of Expositions, Kentucky Venues, Matthew Moss, Hospitality, Levy Concessions and Catering, and Dave Maples, Kentucky Cattlemen's Association. Mr. Kelly said that Kentucky Venues has a good working relationship with the commodity groups. The pork producers use at least 85 percent of local products. Mr. Moss said that the hospitality business is a fluctuating business depending on the number of people and plates being prepared. About 60 percent of Levy Concessions and Catering is concessions. Levy Concessions purchases 16 percent of local products. Even though that might not sound like much, he said that at least 30 percent of the business at the Kentucky Expo is beverage business which leaves 70 percent of the business to purchase local products. Kentucky Venues

has entered into a partnership with Gordon Food Service (GFS) making it possible to track and trace the movement of the products. The Kentucky Exposition Center and the Kentucky International Convention Center (KICC) are in the process of developing Kentucky Proud local menus. Mr. Moss said that Levy's target for 2020 is to be purchasing 30 percent of products locally.

Dave Maples, Kentucky Cattlemen's Association (KCA), stated that KCA runs a concession stand at the Kentucky State Fair. He said that Kentucky does not have the infrastructure it needs to transport local foods. When running a concession stand, the Health Department has an effect on how the food is served. KCA sold 11,000 hamburgers that had a Kentucky connection. KCA is working hard to find a way to track beef as it is shipped and processed.

Mr. Kelly said that Kentucky Venues supports local foods by working with producers to provide exhibit space.

Mr. David Neville, Farmer and Marketer, discussed barriers for institutional purchasing. Trade incentives hamper the market. He also pointed out that seasonality, quantity/quality, logistics, consumer demand and price points of local produce can be managed. Mr. Neville also discussed Kentucky farm impact, remedies for trade incentives, and enforcement of SB 84 and HB 166. The outcome of using local products is that the money stays in Kentucky and people are healthier. With hard work, Kentucky could become a national leader in local foods economy.

### **Overview of the Kentucky Tobacco Research and Development Center**

Dr. Orlando Chambers, Director, Kentucky Tobacco Research and Development Center (KTRDC) explained that the mission of KTRDC is to preserve and strengthen tobacco agriculture in Kentucky; facilitate the progress of commercial endeavors in crop agriculture which has potential to provide new market opportunities for tobacco growers; and apply, when appropriate, previously authorized research initially conducted with tobacco to other plants which might be grown commercially in Kentucky. KTRDC is funded by the state cigarette tax. The Tobacco Smoking Prevention and Tobacco Control Act was enacted in 2009. At the time, the priorities were preventing youth from using tobacco, smoking cessation, provide accurate information about tobacco ingredients and the consequences of tobacco use. The research surrounding tobacco ingredients and the consequences of using tobacco helped to build the science base for research. The Food and Drug Administration announced setting new standards for NNN (N-nitrosornicotine) in the smokeless tobacco industry by lowering nicotine levels in

combustible cigarettes to non-addictive levels through achievable product standards.

Dr. Chambers stated that KTRDC utilizes technology to sustain tobacco production in Kentucky by developing varieties and production practices to meet FDA standards. The KTRDC has a world-class academic-based tobacco analytical research center for tobacco and smoke analysis, which includes fescue and THC and other compounds for industrial hemp.

Dr. Chambers introduced Anne Jack, KTRDC, who is the coordinator of a program that is looking at the proposed FDA standards for reducing NNN, smokeless tobacco products and nicotine. By screening tobacco seeds, it is possible to lower NNN levels in tobacco products. KTRDC recently filed a patent on a new strategy for regulating nicotine and also a patent for lowering NNN production in tobacco plants.

Dr. Chambers stated that Dr. Wagner is an expert on gum chemistry which could potentially produce next generation tobacco products. Samples of reference materials are sent around the world to be analyzed and the data is returned to KTRDC.

Dr. Chambers said that KTRDC employs 30 full-time and part-time scientists and staff. It is a unique entity recognized worldwide for its integrated expertise in tobacco breeding, analytics, genetics, biotechnology, and field testing.

In response to Senator Parrett, Dr. Chambers and Ms. Jack said fescue samples from only Kentucky were tested for endophyte and toxicity.

In response to Senator West, Ms. Jack said that seed screening does not affect the nicotine levels. For dark-fired tobacco and moist snuff, it is almost impossible to meet the FDA recommendation. For other tobacco, it might be possible to meet the reduced levels. The FDA proposed standards are merely a proposal. If the proposed standards are approved then there will be no quick way to meet those standards. Dark-fired tobacco focuses on the firing process and moist snuff products focus on the manufacturing process.

In response to Chairman Hornback, Ms. Jack said it was unlikely to find other alternatives for reducing the NNN in dark-cured tobacco.

In response to Representative King, Dr. Chambers said that KTRDC continues to work on new pharmaceutical applications using tobacco and other plants.

Dr. George Wagner stated that using the Artemisia plant to generate a malaria vaccine is very exciting since it looks like tobacco may be used to make the vaccine.

In response to Senator Westerfield, Dr. Chambers said the comment period is closed. Ms. Jack said that President Trump's

administration has not taken a stance on the proposed regulations.

Co-Chairman Health stated that Congressman Comer had filed an amendment pertaining to the FDA's proposed NNN tobacco rule on HR 3354. The amendment would prohibit funds from being used to finalize, implement, administer or enforce the FDA's proposed rule.

In response to Representative Tipton, Dr. Chambers said that he had no medical expertise regarding cannabis. Ms. Jack stated that any medical research facility should be able to answer questions about pharmaceutical use of cannabis.

There being no further business, the meeting was adjourned.

## **INTERIM JOINT COMMITTEE ON EDUCATION**

### **Minutes of the 4th Meeting of the 2017 Interim**

September 18, 2017

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

The 4th meeting of the Interim Joint Committee on Education was held on Monday, September 18, 2017, at 1:00 PM, at Valley High School's Conrad Bachmann Auditorium, Louisville, Kentucky. Senator Mike Wilson, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Mike Wilson, Co-Chair; Senators Julie Raque Adams, Jimmy Higdon, Alice Forgy Kerr, Gerald A. Neal, Reginald Thomas, and Stephen West; Representatives Danny Bentley, Mark Hart, Regina Huff, Mary Lou Marzian, Reginald Meeks, Phil Moffett, Tim Moore, Kimberly Poore Moser, Rick G. Nelson, Melinda Gibbons Prunty, Steve Riley, James Tipton, and Russell Webber.

Legislative Guests: Senator Dan Seum; Representatives McKenzie Cantrell, Jerry Miller, and Jason Nemes.

Guests: David Wickersham and Joe Burks, LRC; Eric Kennedy, KSBA; Greg Coker, KASS; Jimmy Adams and Lauren Graves, ESPB; Cassie Blasay, Christina Weeter, Tracy Herman, Rich Gimmel, Kevin Brown, and Chase Bannister, KDE; Erin Klarer, KHEAA; Rob Matthew, Gay Adelman, Karin Bennett, Cordelia Hardin, Marco Munor, Carmen Coleman, Chris Nolan, James Higdon, Abby Piper, Sean Cutter, Amy Dennis, Chris Kolb, Dequan Dorsey, Diane Porter, Steph Horne, Amanda Averette, Lana Carroll, and Zina Knight; and Chris Otts, JCPS staff, board members, and parents; Emily Evans and Hayden Ristevski WDRB; Nancy Dematra, community leader; Chris Harner, AROS Louisville; Joel Adams, KPLSA; Pinky Jackson, Jack Be Nimble and Manual PSTA; Judith Bradley, Jack Be Nimble; Jerald Adlens,

AFSCME; Iris Wilbur, Greater Louisville Chamber of Commerce; Emily Maher and Forrest Cleam, WLKY; Nicolai Jilek, FOP; Don Weber, Spectrum News; Shay McAlister and Blake Randall, WHAS; Beverly Moore, LWV-KY; Gary Cox, AIKCU; Mardi Montgomery and Wayne Lewis, EWDC; Sherman Brown, MSS; Kate Wood, CA; Brent McKim, JCTA; Frances Cotton, League of Women Voters; Tracy Peyton, CES; Barbara Boyd, KY Alliance Against Racist and Political Repression; Barbara Dempsey, Sharon Moorman, and Elizabeth Kraner.

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

Senator Wilson recognized the Valley High School ROTC Color Guard's presentation of colors and led the Pledge of Allegiance. Members of the Valley High Men's Ensemble performed My Old Kentucky Home.

Senator Wilson introduced the new Education Committee Analyst, Lauren Busch. He also announced the co-chair, Representative Carney, who was not in attendance because he was attending an early childhood conference in Colorado.

#### **Approval of the minutes of the August 28, 2017, meeting**

On a motion by Representative Gibbons-Prunty and a second by Representative Bentley, the minutes of the August 28, 2017, minutes were approved.

#### **Welcome and Valley High School Overview**

Rob Stephenson, Valley High School Principal, welcomed everyone to Conrad Bachmann Auditorium, funded by Mr. Bachmann who was a 1951 graduate of Valley High School and is currently associated with the annual Louisville Film Fest. Mr. Stephenson introduced his father-in-law, Majority Caucus Chairman, Senator Dan Seum. Mr. Stephenson recognized a group of students at Valley High who served as tour guides of the high school as well as the ROTC.

Valley High opened in 1936 and celebrated its 80<sup>th</sup> anniversary last year. The new additions, renovation projects, and redesign at Valley High positioned the school to prepare students for the future in areas such as Advanced Placement, allied health, business education, environment, medical arts and sciences, nursing, and liberal studies. State-of-the-art technology is available throughout the school.

Mr. Stephenson said Valley High has exited priority school status thanks to the teachers, staff, alumni, and students. He introduced Dr. Glenn Baete, Assistant Superintendent of Area 1.

Mr. Stephenson said the Freshman Academy assists incoming ninth graders with the transition to high school. Sophomore students have an opportunity to job shadow, junior students

can participate in work programs relating to their career pathway, and senior students have the opportunity to complete college courses at Jefferson County Technical College (JCTC), or shadow an intern in their career pathway.

Valley High allows students to explore opportunities in the Health and Science Academy with pathways such as administrative support, medical billing and coding, allied health, sports medicine, EKG technician, pre-nursing, veterinary assistant, and phlebotomy. The Industrial Greatness Academy includes administrative support for the business office, electrical technician, HVAC, and mechanical technician. Business partnerships in the community enhance the student experiences in the real world.

To meet the college- and career-readiness demands of the future, Mr. Stephenson said Valley High offers the Advanced Program and Advanced Placement courses in the fields of medicine, health, environment, and liberal studies.

Valley High has an award-winning and first Navy Junior Reserve Officers Training Corps (NJROTC) Program in Kentucky. Mr. Stephenson said ROTC is a global pathway allowing students to participate while benefitting from enrollment in other academies.

Outside the classroom, students have the opportunity to participate in numerous clubs, organizations, and teams that help develop teamwork and leadership skills.

Chairman Wilson thanked Mr. Stevenson for providing the meeting venue and Jefferson County Public Schools (JCPS) for hosting the meeting and providing lunch. Chairman Wilson introduced Rich Gimmel with the Kentucky Board of Education (KBE).

#### **Presentation: Jefferson County Public Schools Student Assignment Plan**

Chairman Wilson introduced Dr. Marty Pollio, Acting Superintendent of JCPS and former principal of Doss High School. He commended Dr. Pollio for turning a failing school into one with great success through the transformation of the culture and the introduction of academies.

Dr. Pollio said he is proud to represent JCPS as the Acting Superintendent after teaching in the school system for 21 years and said Louisville will eventually have 11 academy model high schools in the district and provide every student the opportunity to be active in an academy and a pathway for college- and career-readiness. Career pathways will include highly skilled positions, have high employability, pay high wages, and will prepare students for either college or a career. Dr. Pollio believes JCPS will eventually become a national model with great opportunities for students.

Dr. Pollio was principal for eight years at



Jeffersontown High School and then moved to high priority Doss High School. The school climate and culture vastly improved with the introduction of the academy model and saw students become passionate about career and in-demand area job opportunities. Academies ensure success for at-risk students from challenging backgrounds and expressed his commitment for improvement and forward movement in JCPS.

Dr. Pollio introduced Dr. Dena Dossett, JCPS Chief of Research and Planning, who is currently charged with student assignment plan revisions.

Dr. Pollio said work is ongoing to develop a strategy for the JCPS student assignment plan to address challenges ensuring every child in JCPS has access and opportunity to a top-notch education. Although the plan has been revised every five to ten years since the early seventies, the last significant adjustment was in 2007. Dr. Pollio said it is necessary to address some of the concerns with the plan and ask for legislative feedback throughout the process.

JCPS is the 28<sup>th</sup> largest school district in the United States with 100,981 students comprising 81 percent of the market share and serving one-seventh of all students in the state. Dr. Pollio said the success of Kentucky schools will depend greatly on the JCPS performance, which encompasses 172 school sites. The student demographics are 45 percent White, 37 percent African American, and 18 percent other.

Dr. Pollio gave examples of the diversity challenges facing the JCPS community on a daily basis. JCPS has 5.9 percent of students who participate in the English as a Second Language (ESL) programs and 120 difference languages are spoken within their schools. JCPS has 121,338 students from ages 3-21 who receive Exceptional Child Education Services. JCPS has 6,128 homeless students; 62.3 percent of students receive free or reduced price lunches (FRPL); 249 students move in and out of schools in the county each day; 65,000 students ride JCPS buses daily; and more than 104,000 meals, including breakfast and lunch, are served daily.

Reviewing the previous five years, Dr. Pollio said FRPL students remained stable at 62.3 percent; the non-white or minority student population increased 4.4 percent to 55 percent; Limited English proficiency (LEP) rose 25 percent; and the ESL population increased by 50 percent.

In 2015, the Jefferson County Board of Education (JCBE) developed and approved a new strategic plan known as Vision 2020 Excellence with Equity, a vision that all JCPS students graduate prepared, empowered, and inspired to reach their full potential and contribute as thoughtful, responsible citizens in

our diverse and shared world. The JCPS mission is to challenge and engage each learner to grow through effective teaching and meaningful experiences within caring and supportive environments. The Board is supportive of the concept of deeper learning where students participate in authentic learning opportunities, authentic learning experiences relevant to the world, and students are college and career ready.

JCPS's three essential priority areas for growth are to improve the culture and climate, increase student learning and achievement, and build organizational coherence.

Dr. Pollio said it is not possible to achieve successful schools without a positive culture and climate. Based on the KDE survey results from parents, teachers, classified staff, and students, the top priority was culture and climate. Culture relates to the attitudes and beliefs of adults in the school and how it translates to learning for the students while climate is what occurs every school day. He said students deserve to have a positive, healthy, academic learning climate every 175 days of the school year.

The second area of focus is increasing student learning and achievement, which encompasses the type of activities that students are doing. Dr. Pollio said while improving achievement scores and increasing college- and career-readiness and standardized test scores are important, the ability to be successful in life and authentic learning experiences play a significant role.

Dr. Pollio said with 16,000 employees in numerous central office facilities and 172 distinct learning sites with 104,000 students, the importance of building organizational coherence is crucial. Building organizational coherence means schools will have their own culture but share the same focus areas and belief systems. He said significant strides have been made, and JCPS will continue to do that throughout the course of the year.

Dr. Pollio referred to the historical content of the student assignment plan, beginning in 1973 when desegregation lawsuits were filed. In 1975, city and county schools were merged into a single county-wide district, and the Court ordered the JCBE to implement a desegregation plan. In 1985, the Board was considered unitary and could modify a court-ordered plan without the courts approval. In 1991, JCPS adopted the plan of managed choice, a major component of the student assignment plan giving parents and families choices for school selection. From 1998-2000, a lawsuit filed on behalf of African American parents claimed the 50 percent limit on black enrollment at Central High School, a historically Black school before desegregation, violated the U.S. Constitution. The U.S. Supreme Court said a compelling governmental interest in maintaining diversity in public schools exists

but race may not be used in the assignment of an individual student. JCBE adopted modifications to the student assignment plan to exclude racial enrollment guidelines at special and magnet schools. The plan was last adjusted in 2007, and Dr. Pollio said JCPS will work intently over the coming months to ensure all information is collected from the entire local community before making an adjustment to the plan.

In 2007, the Board approved a set of guiding principles to develop the student assignment plan to meet the guidelines provided by the Supreme Court. Since that time, JCPS has used a graphic plan to achieve diversity in the plan without race being a factor, with focus on family income, geographic areas, and educational attainment of census blocks. Elementary students have choices from a cluster of five to eight schools. Middle and high school students are assigned to the school serving their home address but also have an opportunity to apply to a multitude of schools. All students can apply for a variety of magnet choices.

Dr. Pollio said the three most critical areas of the student assignment plan are choice, diversity, and equity. Other guidelines include predictability, quality, and stability.

Dr. Pollio said a success of the assignment plan is families having options to fit the needs of their children, where 90 percent of kindergartners receive the first choice in their cluster. Challenges include balancing choice, diversity, and travel time. Other challenges include insuring all families have access to pertinent information to be able to make an educated choice in a timely manner. Balancing overcrowded and low enrollment schools can also be difficult.

Regarding diversity successes, a 2011 survey concluded 80 percent of high school students were in favor of keeping or strengthening desegregation efforts and more than 90 percent of parents believe that diverse schools have important educational benefits. He said most schools meet diversity guidelines and allow for more diversity than the neighborhood school plan. Challenges include elementary schools that do not fall within the guidelines, changes in demographic shift and cluster configurations, and allowing for racially and economically identifiable schools.

According to a 2017 Comprehensive School Survey, Dr. Pollio said 49 percent of families with kindergarten students do not choose their home school as their first choice, and the average ride for elementary students is 25 minutes. He said 45 percent of incoming 6<sup>th</sup> graders and 48 percent of incoming 9<sup>th</sup> graders choose a magnet schools and 90.8 percent of parents are satisfied with their children's school.

Strategies for measures supporting schools include improving communication and

participation through targeted outreach efforts, launching a predictability tool so families know the likelihood of receiving their school choice, eliminating barriers, improving equitable access by electronic records transfers, and providing differentiated supports for schools outside diversity guidelines or priority schools that are underperforming.

Strategies addressing challenges include increasing facility needs, recognizing population shifts leading to over- or under-used buildings, racially and economically identifiable schools and neighborhoods, lack of community consensus, family engagement, and a balance of diversity, choice, and efficiency.

Dr. Pollio said the newest high school in the JCPS system is Ballard High and was built in 1968, nearing 50 years old. Most of the high schools are well over 50 years and need significant facility improvement, including roofs and HVAC. JCPS has significant work to do on their facilities plans, which could range from building new schools to find ways to address infrastructure. The balance between diversity, choice, and efficiency is a difficult challenge for JCPS, and Dr. Pollio vowed to work with the community and the committee to ensure balance.

JCPS plans to review its current student assignment plan within the next 12 to 18 months to determine its effectiveness and the challenges to be addressed. Discussions will include changing demographics of the community, population shifts, and researching other large districts for improvement ideas. JCPS plans to gather input from students, families, and community stakeholders and will develop a timeline for recommendations.

Dr. Pollio said working together is important because modernizing facilities could impact student assignment plans. JCPS will address any legislative concerns but also wants local families and communities to be a major part of their student assignment development. There are issues with student assignment and hopes for the chance to address that locally.

Dr. Pollio said JCPS has recently launched a community involvement program to add parent and community members to district committees, to identify other community partners and input, to develop a carefully coordinated plan for listening to the community, and to provide regular reviews of progress to the KBE and the legislature. Community involvement is vital to ensure the needs are addressed.

Dr. Pollio said improving the culture and climate will create opportunities for students to learn in diverse settings with students from different backgrounds; increase student achievement by providing equitable opportunities to access varied programmatic options for all students regardless of where

they live; build organizational coherence by maximizing efficient use of school facilities, transportation, and other capital and operational resources; and empower families to engage in a school choice system that is understandable, transparent, and easy to use to find the best fit for their child, including schools close to home, magnet schools, or particular programs.

In response to a question from Senator Wilson, Dr. Pollio said JCPS has asked the community members for feedback and a link is provided on the JCPS website that allows parents or community members to apply for the student assignment plan committee. Once the committee is established, community forums will be held and on-line submission access will be provided. Dr. Pollio said JCBE meetings are open to the public and time is provided for speakers at every meeting.

Senator Seum expressed concern about failing high schools in Jefferson County. Only 61 percent of white students and 31 percent of black students are proficient in math and reading in grade school. He expressed concern over neighborhood schools that do not have Parent-Teacher Associations (PTAs). High school students are only as proficient as grade schools and middle schools teach them.

Regarding busing, Senator Seum reported Jefferson County has 961 school buses that travel over 19 million miles per year. With billions of dollars spent on forced busing since the 1970s on maintenance, gas, and drivers, Senator Seum suggested the money may be better spent in the classroom or on bonus programs for teachers. He expressed concern over the lack of PTAs in neighborhood schools and believes we are failing our children.

Representative Moore, a recruiting representative for the Air Force Academy and Air Force ROTC, also serves as chairman of the Veterans and Military Affairs Committee. It is alarming to find that 75 percent of high school graduates do not qualify to serve in the military, and Kentucky has an even higher percentage due to academic deficiencies. He expressed concern with Dr. Pollio's emphasis on choice and diversity without any emphasis on quality, stability, predictability, or academic achievement. Many young people in a diverse school are being prioritized to have a choice but are not achieving full potential, and no focus is being placed on academic achievement. In response to a question from Representative Moore, Dr. Pollio said he agrees that quality should be paramount and should be first for every student in their district. The three goals addressed will lead to a healthy, positive, and academic climate and will produce high quality schools. He said he is not satisfied with the academic outcomes and the achievement gap occurring throughout the

district, and he will continue to work regarding student assignment and obtaining academic achievement. Representative Moore said he does not feel these priorities are adequate for academic excellence so that students can achieve their full potential. He encouraged a rebalance of the priorities to ensure every student gets the quality and predictability of life choices and potential. While Dr. Pollio said he shares the concern of a quality education and students not being prepared, his charge today included a presentation related to the student assignment plan. In response to a question by Senator West regarding whether the plan prioritizes quality or whether it is only achieving diversity and choice, Dr. Pollio said those are two areas JCPS has focused on regarding the plan but not the only two areas.

Senator Raque Adams said she struggled with the neighborhood schools bill since creating a student assignment plan without understanding the facilities component and having inadequate structures for increased population would be a difficult task. Senator Raque Adams said her constituents view choice with excellence and quality. In response to a question by Senator Adams, Dr. Pollio said significant decisions regarding facility issues and infrastructure concerns are an immediate issue and Crosby Middle School has an overcrowding problem partly due to students outside the area choosing it in prior years. JCPS is faced daily with the balance between choice and capacity in schools. Dr. Pollio said it is important to ensure no schools are over capacity and every single student gets a quality education.

In response to a question from Representative Moffett, Dr. Pollio said \$63 million of their annual budget is used to provide transportation to students which includes over 65,000 riders, over 900 buses, fuel, maintenance, and drivers. JCPS has a total budget of \$1.5 billion.

In response to a question by Representative Moffett, Dr. Pollio said the school report cards are available online to parents by accessing the school's website but is unsure if parents are aware that only one in three students who graduate are proficient or above in reading. He explained the 5-star career themes on the JCPS marketing website have nothing to do with rating but simply a career pathway selection initiative. The new accountability system will address the issue. Dr. Pollio acknowledged outcomes and achievement gaps need drastic improvement. Representative Moffett said it is hard to understand that a school with a 32 percent proficiency rate is no longer considered a priority school. Improvements to the rating system will be a more common sense approach than previous years.

Representative Nemes said school choice is important and agreed that high schools can be



better served with proficient students coming from elementary and middle schools, but said families must be involved. He also said the justice system, housing patterns, and family services must be more aggressive, and our society is failing our children. He believes the overcrowding at Crosby was not due to parental choice but because JCBE chose to close Western Middle School to the local community and make it a magnet school only, with Western having 245 open seats last year and Crosby Middle School being overcrowded by more than 400 students. He recognizes the tremendous difficulties facing JCBE and said diversity is important but is not all encompassing.

In response to a question by Representative Nemes, Dr. Pollio said culture and climate are about great instruction, passion from educators, and a focus on student engagement to ensure all children have a sense of belonging. He believes pathways to success lead to a positive culture and climate, and the opportunity for quality programs will lead to success for students with educators having high passion and energy.

In response to comments by Senator Seum, Senator Thomas said as a former PTA president he understands the importance of parental involvement and how critical PTAs are to the success of schools. However, he has observed Fayette County PTAs are strong regardless of whether magnet or neighborhood school, but does not agree an interested parent lets proximity determine their involvement in the PTA.

In response to comments by Senator Raque Adams about facilities management, Senator Thomas expressed concern over the age of JCPS schools, saying Fayette County has six high schools, only one of which is over 50 years old.

In response to a question by Senator Thomas, Dr. Pollio said he is a strong believer that the student assignment plan be adjusted at the local level with input from the community. Regarding the school facilities management plan, he said JCPS must have a comprehensive plan for infrastructure, significant renovations, and building new schools in areas affected by increased growth, which will require significant funds. Senator Thomas said the Fayette County facilities management plan includes parental involvement, and Dr. Pollio said he will encourage JCPS to include parents.

Representative Marzian said today's meeting focused on the student assignment plan and suggested another meeting may be required for outcomes and achievement. In response to her question, Dr. Pollio said kindergarten readiness is an important part of ensuring children are on an equal playing field. Although JCPS has seen an increase in the pre-K camp sponsored by the Jefferson County Education Foundation, the district continues to move forward to increase

attendance.

In response to a question by Senator Higdon, Dr. Pollio said the traditional school nickel taxes have not been implemented in Jefferson County as other counties have done. He confirmed one-seventh of all Kentucky students attend Jefferson County Schools, where 17 of Kentucky's 30 priority schools in the state are located.

In response to a question by Senator Higdon, Dr. Dossett explained that JCPS follows the McKinney Vento homeless definition, which is the same definition as used by KDE but differs from what the Federal government uses regarding HUD. By JCPS standards, homelessness means living in shelters, residing with someone else, or any kind of economic instability that results in unstable housing.

Representative Higdon said visiting schools in their home districts is a necessity for members of the committee. Dr. Pollio said he has been moved by the passion of educators in many of the schools he has visited during the short time he has served as Acting Superintendent, and he and the board members are intent on making sure that priority schools are reduced or eliminated in Jefferson County.

In response to Senator Thomas's comment regarding the age of Jefferson County's high schools, Representative Miller said it is shocking that Fayette County has only one high school over 50 years old and Louisville has not built a new high school in 50 years. He said the Blankenbaker area and eastward has increased 85 percent since 2000 without additional JCPS schools. However, new schools have been added in Oldham, Shelby, Spencer, and Bullitt and much of that is driven by predictability. He has observed people moving to adjoining counties because of the uncertainty of where their child will attend school and recommended JCBE consider building new schools.

Representative Miller said his constituents have expressed concern about the recent decision to kick instructors out of certain classrooms and suggested the board ask for an exception for the remainder of the school year to allow students to finish the year with stability. Dr. Pollio said JCPS has had numerous audits and reports indicating it is not in compliance with state laws, regulations, and board policies. Dr. Pollio emphasized JCPS must be in compliance but said if an exception from KDE or ESPB can be given, JCPS will ask for it just as it asked for an interpretation from EPSB before the action was taken.

Senator Kerr said she is appalled at the older schools in Louisville and it helps her understand why property is more expensive in Lexington than in Louisville. She said a better culture and climate can be helped when pride is taken in new facilities. She said with much of the SEEK money coming from Jefferson County and

going to rural areas, she sees a need for Jefferson County to have better schools. Dr. Pollio said 70 percent of JCPS funding comes from local property assessment so having a school tax tied to property taxes may be something JCPS, the board, and community members must decide. He said improvement does not always have to mean a brand new school but updating current facilities with significant renovations.

In response to a question from Senator/ Neal, Dr. Dossett said JCPS has done a previous study at the relationship between where a student resides and where they attend school as it relates to academic outcomes which showed that when Title 1 students, those eligible for FRPL, attend a non-Title 1 school, a more affluent school, the students tend to perform better than students who are eligible for FRPL and who attend more poverty- concentrated schools. However, she said there are always exceptions to the rule where schools may have a high number of FRPL students and perform well. There is a correlation in research between FRPL and outcomes, but JCPS does not make that a pre-determinant for a student's academic outcome.

Dr. Pollio told the committee that JCPS has initiated the process of adjusting the student assignment plan and invited any of the members to be a part of the planning process. He said he will continue to update the committee moving forward.

#### **Other Business**

Senator Wilson announced the next IJCE will be on Monday, October 9<sup>th</sup>, at the Toyota Plant in Georgetown. A plant tour will be offered at 11:30 and the meeting will begin at 1:30.

#### **Adjournment**

On a motion by Senator West and a second from Senator Kerr, the meeting was adjourned at 3:05 p.m.

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

### **Minutes of the Fourth Meeting of the 2017 Interim**

September 20, 2017

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

The fourth meeting of the Interim Joint Committee on Health and Welfare and Family Services was held on Wednesday, September 20, 2017, at 10:00 a.m., in Room 149 of the Capitol Annex. Representative Addia Wuchner, Co-Chair, called the meeting to order at 10:03 a.m., and the secretary called the roll.

Present were:

Members: Senator Julie Raque Adams, Co-Chair; Representative Addia Wuchner, Co-Chair; Senators Ralph Alvarado, Tom Buford, Danny Carroll, Julian M. Carroll, Denise

Harper Angel, Alice Forgy Kerr, and Stephen Meredith; Representatives Danny Bentley, Robert Benvenuti III, George Brown Jr, Larry Brown, Jim Gooch Jr., Joni L. Jenkins, Mary Lou Marzian, Chad McCoy, Russ A. Meyer, Kimberly Poore Moser, Melinda Gibbons Prunty, Steve Riley, and Russell Webber.

Guests: Van Ingram, Executive Director, Kentucky Office of Drug Control Policy; Gil Liu, MD, Medical Director, Department for Medicaid Services, Cabinet for Health and Family Services; Dave Adkisson, President and CEO, Kentucky Chamber of Commerce; Allen J. Brenzel, MD, MBA, Medical Director, Department for Behavioral Health, Developmental and Intellectual Disabilities, Cabinet for Health and Family Services, and Associate Professor of Psychiatry and Pediatrics, University of Kentucky; Bonnie Hedrick, Ph.D., Program Manager/Liaison, Northern Kentucky Office of Drug Control Policy and St. Elizabeth Healthcare; Jennifer Hancock, President and CEO, Volunteers of America Mid-States, Freedom House; Danielle Mathieu, RN, Clinical Liaison, Baby Steps Program, St. Elizabeth Healthcare; Henrietta Bada, MD, Director, Division of Maternal and Child Health, Department for Public Health, Cabinet for Health and Family Services, and Professor, University of Kentucky; Mark Jorrich, MD, President, Kentucky Chapter of the American Society of Addiction Medicine; Molly Rutherford, MD, MPH, Bluegrass Family Wellness, Founder, Vice President, Kentucky Academy of Family Physicians, Past President, Kentucky Society of Addiction Medicine; Linny Cloyd, Deputy, Quick Response Team Coordinator, Boone County Sheriff's Office; Scott Breeze, M.Ed., NRP, Fire Chief, Independence Fire District, Kenton County; Christina Weinell, ACTS Volunteer, Alexandria Police Department; Jason Merrick, MSW, CADC, Director of Addiction Services, Kenton County Detention Center; David Hayden, Vice President of Clinical Operations, SelfRefind; William Carter II, CEO, The Infinity Center and Lana Davenport, MD, Psychiatrist, Addictionologist, Medical Director, The Infinity Center; Steve Cummings, Pharm.D., Our Lady of Peace; Chris Harlow, Pharm.D., St. Matthew's Pharmacy; Mike Cox, M.Ed., NCC, LPCC, President, Isaiah House, Inc.; Tim Robinson, Founder & CEO, Addiction Recovery Care; Nancy Hale, President and CEO, Operation UNITE; Steve Hart, Kentucky Board of Pharmacy; Ronald Hatfield, Cellarian Health; Keith Mason; Kay Combs and Johnnie Lovins, Kentucky Office of Rural health; Todd Case, Recovery Works; Gary Riddle, Indivior; Brandon Kelley; Donald R. Douglas, MD, Pain Physician; Mary Lewis, Office of Health Policy, Cabinet for Health and Family Services; John J. Wernert, MD, Sagamore Institute; Chris Harlow,

St. Matthews Community Pharmacy; and Kim Hinkel, SOS for Addictions LLC.

LRC Staff: DeeAnn Wenk, Sarah Kidder, Ben Payne, Jonathan Scott, Gina Rigsby, Becky Lancaster, and Heather Scott.

#### **Minutes**

A motion to approve the minutes of the August 16, 2017 meeting was made by Senator Raque Adams, seconded by Senator Alvarado, and approved by voice vote.

#### **Consideration of Referred Administrative Regulations**

The following administrative regulations were referred for consideration: **201 KAR 2:076** – establishes the requirements for compounding non-sterile and sterile preparations; **201 KAR 35:080** – allows credential holders to place their credentials in voluntary inactive or retired for a period of time if they do not intend to actively practice alcohol and drug counseling or alcohol and drug peer support services in the Commonwealth of Kentucky;

**900 KAR 6:090** – establishes the requirements for filing, hearing, and show cause hearings necessary for the orderly administration of the certificate of need program; **900 KAR 6:125** – establishes the requirements for submission of annual survey data to the cabinet for publication of annual reports necessary for the orderly administration of the Certificate of Need Program; **900 KAR 7:030** – establishes the required data elements, forms, and timetables for submission of data by health care providers to the cabinet and fines for noncompliance; **900 KAR 7:040** – establishes the guidelines for distribution and publication of data sets for health care discharge data collected by the cabinet pursuant to 900 KAR 7:030, while maintaining patient confidentiality and further protecting personally identifying information; **902 KAR 55:015** – designates Schedule I, II, III, IV, and V drugs;

**902 KAR 55:040** – excludes certain nonnarcotic substances from scheduling pursuant to KRS 218A.020(4); **902 KAR 55:041** - Repeals 902 KAR 55:020, 902 KAR 55:025, 902 KAR 55:030, and 902 KAR 55:035 because the drug classifications for Schedule I, II, III, IV, and V controlled substances are established in the amendment of 902 KAR 55:015, filed concurrently with the ordinary regulation; and **902 KAR 55:095** – permits the partial filling of prescriptions for Schedule II controlled substances if requested by the patient or prescribing practitioner to patients whose medication needs may be long term but who wish to store limited quantities or in situations where the pharmacy is unable to supply the full quantity prescribed. A motion to accept the referred administrative regulations was made by Senator Raque Adams, seconded by

Representative Bentley, and approved by voice vote.

#### **OPIOIDS IN KENTUCKY: Awareness, Prevention, and Treatment of Heroin and Opioid Use, Misuse, and Abuse**

##### **Overview of the Epidemic and Scope of the Crisis**

Representative Addia Wuchner stated that opioid addiction increases the tolerance and individuals take higher doses to stave off withdrawal. An addiction spiral can happen quickly. Addiction destroys and fractures families and individual lives, communities, and futures. It fills court dockets, jails, hospital emergency rooms, NICUs, and morgues. People with addiction are suffering from a chemically inflicted disease that attacks the brain and tortures the body. The single most important lesson is that no one chooses the life of an addict. There is hope and recovery.

Representative Kimberly Moser stated that everything heard about the opiate use disorder is real to many families and communities. It cuts across all demographics and touches everyone. Addiction does not matter where you live, how intelligent you are, or your income. Addiction is a complex issue and there needs to be a continuum of care.

##### **Status and Overall Impact of the Heroin and Opioid Crisis**

###### **Status of Heroin and Opioid Crisis**

Van Ingram, Executive Director, Kentucky Office of Drug Control Policy, stated that 4 Kentuckians and 140 Americans die daily from a drug overdose that could have been prevented. It took over two and a half decades to get into the problem and, unfortunately, will take longer to recover from the problem. While it looks dire, there is hope. In 2016, 1,404 Kentuckians died of an overdose that was largely driven by the introduction of illicit fentanyl into the illicit drug supply. Just because legislation is enacted, there are still individuals with an opioid disorder and still seeking to prevent the withdrawal and feed the addiction. In the first six months of 2017, fentanyl was present in 53 percent of deaths. Foster care, courts, jails, prisons, hospitals, emergency departments, EMS, and police are all affected by the opioid problem. In 2016, 301 million units of opioids, not counting buprenorphine, were prescribed compared to 371 units in 2011. The whole problem is a result of the overexposure of opioids to the country. Kentucky is working on reducing the overexposure. Prescribers are seeking training to learn about the issue and how they can impact the problem. Protocols for pain management and trauma pain are being promoted across Kentucky. House Bill 333 from the 2017 Regular Session will help with overexposure of opioids often accompanied with a 30- to 40-day prescription for a procedure that



needs only two to three days of pain medication. There are plans to make treatment on demand a closer reality than it is today. The amended Medicaid 1115 waiver will increase and improve the quality of substance abuse treatment.

#### **Healthcare Impact**

Gil Liu, MD, Medical Director, Department for Medicaid Services, Cabinet for Health and Family Services, stated that according to Kentucky's most recent budget, including federal dollars, Medicaid consumes one-third of every dollar and covers 1.4 million beneficiaries of Kentucky's 4.4 million population. Kentucky spends a lower amount on behavioral health compared other peer states. Between 2014 and 2016, Kentucky's expenses on behavioral health have doubled. During the same period of time, expenses on substance abuse disorder treatment have quadrupled. Community mental health centers have always been a safety net. Substance abuse treatments account for 16 percent of payments for behavioral health services. Behavioral health multi-specialty groups are focusing on substance abuse treatments which account for 48 percent of paid claims. In 2016, \$325 million was spent on psychotropic medications, a 76 percent growth since 2013. Kentucky Medicaid providers include mental hospitals, behavioral health service organizations, psychiatric residential treatment facilities, community mental health centers, individual physicians, physicians within a group practice, and behavioral health multi-specialty groups. A major feature of the proposed 1115 Medicaid demonstration project waiver is the compiling of economic stimulus programs, initiatives through community engagement to give job training and great job opportunities to Medicaid beneficiaries, and watching the effects of higher quality health care services along with improving socio-economic status to improve the health of beneficiaries in Kentucky. Kentucky needs to strengthen financial incentives to build and sustain new programs. Kentucky is not waiting on federal agencies to issue clear guidance on quality measures.

Approximately 10,491 Medicaid individuals have been diagnosed with Hepatitis C. The disease is clustered in the southeast portion of Kentucky, and there should be tailored approaches to serve the needs of rural communities that have had long-standing challenges of access to health services, especially specialty care. Hepatitis C is curable, but the treatment is costly. Nationwide, the treatment rate is 10.1 percent compared to Kentucky's rate of 3.2 percent. There are racial disparities in treatment rates. The mission of the Medicaid program is to have excellent service that is sustainable but also equitable. There is a lack of clear documentation of strong treatment plans. A critical component of a

treatment plan is care coordination. There are large numbers of individuals with Hepatitis C that have complicating co-morbidities. There are opportunities to strengthen the approach by engaging more effectively with specialists and primary care providers. Currently, the guidelines for Kentucky's Medicaid authorization of medical treatment for Hepatitis C are more stringent than national care guidelines.

#### **Employment and Economic Impact**

Dave Adkisson, President and CEO, Kentucky Chamber of Commerce, stated that the chamber represents approximately 68,000 employers statewide. The impact of the opioid crisis on Kentucky's health is staggering and the toll on families is devastating. In Kentucky, the opioid crisis has contributed to a low workforce participation rate. If Kentucky was at the national average, there would be approximately 165,000 more workers impacting Kentucky's economy than there are currently. Opioid addiction is a significant factor that affects the workforce. Many people actively looking for work cannot pass a drug screening required for employment, and many who do have jobs are exiting the workforce due to untreated or undertreated addictions. Kentucky needs a healthy workforce to grow its economy. Prevention and treatment with the goal of full recovery must be a top priority in Kentucky. Worker's compensation data show that as the age of an injured worker increases the number of pharmaceutical prescriptions increases and opioids are still widely prescribed. Approximately 40 other states have implemented the use of drug formularies and medical treatment guidelines to reduce costs while safeguarding access to quality care. A 2016 research study by the National Council on Compensation Insurance estimates that if Kentucky adopted such a formulary, drug costs under the worker's compensation program would be reduced by 10 to 20 percent. The business community has become attuned to the fact that this is not just a medical and person issue but an economic issue affecting businesses and employees across the Commonwealth.

In response to a question by Representative Bentley, Dr. Brenzel stated that between 50 percent and 70 percent of people diagnosed with a substance abuse disorder also have a behavioral health disorder. Dr. Liu stated that based on national estimates, over half of the people with addictions have a complicating behavioral health diagnosis outside the drug issue.

In response to comments by Senator Julian Carroll, Mr. Ingram stated that in August, the Office of Drug Control Policy (ODCP) launched a campaign called "Don't Let Them Die" with the Kentucky Broadcasters Association to have messages played on across Kentucky on 250 radio stations, 19 television stations, and social

media. One goal is to reduce stigma. Trying to apply logic to an addict's thinking and action will never work. The public needs to be educated on the risks of opioids and opportunities on how to resist these drugs.

#### **Awareness and Prevention**

#### **Children and Youth and the Impact of Adverse Childhood Experiences (ACEs)**

Allen J. Brenzel, MD, MBA, Medical Director, Department for Behavioral Health, Developmental and Intellectual Disabilities, Cabinet for Health and Family Services, and Associate Professor of Psychiatry and Pediatrics, University of Kentucky, stated that The Adverse Childhood Experiences Study is a research study conducted by the American health maintenance organization Kaiser Permanente and the Centers for Disease Control and Prevention. Participants were recruited to the study between 1995 and 1997 and have been in long-term follow-up for health outcomes. The study is the largest of its kind ever conducted to examine the health and social effects of ACEs through the lifespan. The study included largely middle-class individuals with private health insurance in the western part of the country. Adverse childhood experiences (ACEs) include physical abuse, emotional abuse, sexual abuse, domestic violence against a mother, substance abuse in the home, mental illness in a parent, lost parent due to separation or divorce, and household member in jail. The study showed that the number of ACEs, including the ones related to substance abuse, predict an individual's overall adult health. To make an impact and break the cycle of addiction, ACEs scores have to be used to determine the likelihood of an individual who will become addicted to opioids and other addictions such as alcohol. Kentucky has a significantly higher prevalence of youth with multiple ACEs. The more ACEs, the likelihood of having or marrying into a family with a substance abuse disorder increases dramatically. Not all individuals who develop an opiate disorder had any ACEs, because the problem of addiction is affecting everyone. Prevention and intervention programs need to be targeted toward youth with ACEs because their risk is higher. Improving access to behavioral health and substance use disorder treatment services will break the addiction cycle.

#### **Core-Life**

Bonnie Hedrick, Ph.D., Program Manager/Liaison, Northern Kentucky Office of Drug Control Policy and St. Elizabeth Healthcare, stated that primary prevention will pay off much later in life. St. Elizabeth Healthcare has underwritten a campaign in Northern Kentucky and it will extend into some Kentucky media outlets. Recovery and treatment work and give people hope. Early intervention services

of neurological impairment can help prevent unhealthy behaviors and health problems. From conception to death, humans live within an environment that will either nurture or limit their growth and development. Every \$1 spent on prevention saves \$18 in related medical, justice, social, and other costs. Core-Life is a program of Mental Health America of Northern Kentucky and Southwest Ohio. It is a theory-informed framework for enveloping all the wonderful things schools and youth serving groups are already doing to create a wonderful learning environment for the youth it serves. It was developed for schools, but it has applicability in YMCAs, youth camps, and other settings where youth are gathered for positive youth development. Its focus is on building social and emotional skills through the development of positive character traits. It is available from kindergarten to sixth grades. The program changes the way a school interacts with students and families to address ACEs early in a child's life. Information can be found at CoreLifeNKY.org.

In response to a question by Representative Marzian, Dr. Brenzel stated that Kentucky will spend 20 percent of the federal Cures Act funds on prevention. It includes naloxone and Narcan rescue. The Sources of Strength program taught in schools identifies children who have risk factors and teaches them about health awareness and the child's potential. It also aligns them with positive mentors and relationships. The Medicaid benefit for substance use was added in Kentucky in 2014. Ms. Hedrick stated that strategic planning and alignment is very important.

In response to a question by Representative Moser, Dr. Brenzel stated that Core-Life costs a school \$8,000 compared to other programs that can cost \$80,000. Pilot schools have taken the concept of Core-Life and integrated it across many policies and procedures so it is not just an education program. The results show better behavior in students. When coping skills and resiliency are increased in schools, it contributes to academic growth.

#### **Special Populations Part I: Pregnant/Parenting Women and Infants**

Jennifer Hancock, President and CEO, Volunteers of America Mid-States, Freedom House, stated that data-driven results show that Volunteers of America (VOA) can keep families healthy and do it while saving money for Kentucky. Freedom House provides an evidence-based, healing environment that puts moms on a path to recovery. It delivers individualized clinical care and programming delivered by accredited health professionals. More than 150 health babies have been born at Freedom House. Freedom House provides residential treatment for pregnant women and women with young

children who have a substance use disorder. The comprehensive program is designed to treat women's addictions, to break the cycle of addiction in families, to reunite families broken apart by addiction, and to promote the birth of health, drug-free babies. In 2015, approximately 1,500 babies were born with Neonatal Abstinence Syndrome (NAS). The Center for Disease Control and Prevention (CDC) states that every baby born with NAS will cost approximately \$93,000. When 10 healthy babies are born at the Freedom House, it saves Kentucky nearly \$1 million. Freedom House saves Kentucky by preventing babies from being placed in out-of-home care.

Danielle Mathieu, RN, Nurse Liaison, Baby Steps Program, St. Elizabeth Healthcare, stated that the program provides services to pregnant and parenting mothers that are dealing with a substance use disorder focused on opioids. A community nurse liaison and an RN nurse community health worker work in the program. The program helps moms get into the Women's Residential Assistance Program (WRAP) in Covington. Parenting classes are provided at the Campbell County and Kenton County detention centers where women receive certificates that can be taken to the judge to show they have finished the program. Services provided include Alcoholic Anonymous meetings, parenting education in homes, treatment and housing assistance, medication assisted treatment (MAT) assistance, and reintegration with families and children. Moms can stay in the program up to two years after delivery. The program is focused around hope. From January to September 2017, 368 referrals were made to the program.

Henrietta Bada, MD, Director, Division of Maternal and Child Health, Department for Public Health, Cabinet for Health and Family Services, and Professor of Pediatrics, University of Kentucky, stated that with the current opioid epidemic, it is no surprise that children are also affected. When an infant is born, the supply of opioid from the placenta ceases and an estimated 60 percent to 90 percent of these infants develop a constellation of signs consistent with withdrawal manifestations; this is referred to as Neonatal Abstinence Syndrome (NAS). The maternal use of opioids maybe due to illegal use, or to prescribed medication assisted treatment for opioid dependence or for treatment of chronic pain. Ninety percent of the mothers of infants with NAS mothers have a history of drug (opioid) use; 77 percent of these women test positive during pregnancy or at delivery, and a similar proportion of their babies also test positive in their urine or meconium. Buprenorphine is positive in 30 percent of drug tests, followed by other opioids such as OxyContin or hydrocodone. Other substances noted in drug testing include marijuana and benzodiazepines.

In Kentucky, the mothers of babies with NAS are predominantly white, 54 percent are from rural or semi-rural counties, 48 percent have received no prenatal care or started prenatal care late (after the first trimester), 83 percent are on Medicaid, 80 percent are smokers, and 1 out of 4 of has a diagnosis of Hepatitis C which can be transmitted to the baby. Eighteen percent give birth to low birth weight babies. Thirty-nine percent of mothers are in treatment programs during pregnancy but only about a fourth of the programs do drug testing, 20 percent of programs provide mental health counseling, and 5 percent address parenting. Almost half of these mothers in treatment during pregnancy do not continue treatment after delivery.

In 2015, the incidence of NAS was 24 cases per 1,000 live births, a 25 fold increase since 2001. The incidence of NAS varies from one county to another. In some districts in Eastern Kentucky, the incidence of NAS is three times the state average at 63 cases for every 1,000 live births. A plan of safe care needs to be developed. If infants with NAS survive the first year of life, they are reported to have cognitive and speech impairment, and or behavior problems. Teachers report attention problems, which actually become worse with time. However, these detrimental outcomes can be mitigated by caretaker involvement and other protective factors, which will offset the effects of many risk factors. Social and psychological support in addition to providing resources for tangible needs is necessary for mother and child, or the caretaker and the child, if we are to offset the risks for poor outcomes, especially those resulting from adverse childhood experiences.

The plan should also include promoting attachment, access to well-child care, immunizations, testing for perinatal transmission of Hepatitis C, and provide a seamless continuum of care for the caretaker and the child. The plan of safe care should provide a seamless continuum of care for the caretaker-infant dyad with the main goal of promoting optimal long-term child development outcomes.

In response to comments by Representative Wuchner, Ms. Hancock stated that VOA makes long-term investments in working with families. VOA recognizes that addiction is not a disease that has the ability to be placed into remission or recovery in 28 days. VOA recently opened transitional housing to ensure mom has a safe place to live with her family. She remains connected to the program for up to two years.

Ms. Mathieu stated that Baby Steps is more engaged in trying to get the mom into treatment, and it can be a very lengthy and detailed process. The program helps moms 24 hours a day, seven days a week, because problems from the addiction happen at any time. One of the biggest



struggles is a mom who says she wants help but then changes her mind. The program follows a mom for two years after delivery.

Dr. Bada stated that the common theme is the need to follow a mom two to three years after delivery.

In response to a question by Senator Raque Adams, Ms. Hancock stated that VOA has raised \$3.7 million to purchase and renovate a second facility for 16 additional residential beds as well as intensive inpatient and outpatient programming to integrate care on one campus.

In response to questions by Representative Bentley, Dr. Bada stated that it is difficult to piece out the effect of marijuana on babies with NAS. Studies show that smoking tobacco increases the odds of a baby developing symptoms similar to NAS. Being on other medications adds to the severity of NAS. It is difficult to determine which drugs are causing the baby to respond or not respond to treatment. There are studies that say there is something in some babies' genes that make the baby more susceptible to treatment versus others who are not. Nurturing needs to be provided to help behavioral problem scores to go down.

#### **Harm Reduction: Safe Drug Disposal**

Senator Alice Forgy Kerr stated that 70 percent of all addictions start in a friend's or family member's medicine cabinet. Stopping the addiction before it starts is an integral part in solving the addiction crisis. By removing opioid medication from the medicine cabinet, the next addiction can be stopped. Her goal is to provide education, direction, and solutions for safe medication disposal making homes of Kentuckians safe and opioid free.

John Holaday, PhD, CEO, DisposeRx, stated that DisposeRx's passion is to stop the cycle of addiction and deaths that begin in the medicine cabinet with leftover opioids. One goal was to make a product that is inexpensive, easy, safe, and permanently effective available at a low price to be provided along with a prescription for drugs once dispensed by the pharmacist. Another goal is to provide a combination of education and follow-up. It is hard to change patterns of behavior. There is no controlling organization at the federal level for disposing leftover opioids. The FDA says to flush them or take them back to the pharmacy, the Environmental Protection Agency says not to flush leftover drugs because the pills pollute the land and the water. A simple, safe, and convenient solution put in the vial in which the drug is dispensed is a very good way to tackle the opioid crisis.

Rob Reynolds, Director of Advocacy, Verde Technologies, Inc., stated that Verde is a drug deactivation disposal product. One solution right now is to start to change the paradigm of how the drugs can be managed. The life cycle

of a drug needs to be closed. There needs to be a solution on how to dispose of leftover medications at the same time it is dispensed. If parents start disposing of unused medications in a proper way, children will watch and imitate the parents. There is a 96 percent chance someone will use the medication disposal if it is dispensed with the medications.

Senator Kerr stated that her bill would make sure there is something in the hands of the pharmacists that when medications are dispensed there is also a way to dispose of the product safely. She is working with insurance companies, Medicaid, and others to be proactive about the problem.

In response to questions by Senator Alvarado, Senator Kerr stated that private insurers, the Medicaid program, or patients may have to share in the cost. The bill will say that the medication disposal shall be provided at the time a drug is dispensed. Dr. Holaday stated that the DisposeRx product costs \$1.50 retail with discounts for larger volumes. Mr. Reynolds stated that Verde has different size products, so the price varies. Senator Kerr stated that there are 8 to 10 other companies that have similar products.

Representative Jenkins stated that Attorney General Andy Beshear has started a pilot project and is distributing 50,000 medication disposal pouches in Floyd, Henderson, McCracken, and Perry counties.

#### **An Opioid Misuse Reduction Strategy**

Phillip Chang, MD, Chief Medical Officer, University of Kentucky Healthcare, stated that opioid misuse reduction starts with prevention, treatment, and harm reduction. Approximately 60 percent of drug use starts in someone's drug cabinet, and 40 percent of those users will end up with a drug problem. Expectations and goals of patients need to be changed. Inform patients that pain will be tolerable but not gone all together. Patients need specialized care plans to cope with pain. There is pain management beyond opioids. Patients need to be educated about side effects and harms of opioids. Inpatient naloxone use has been reduced by half. Doctors, nurses, and future providers need to be educated about awareness of the short-term and long-term harm of opioids, and that there are other options for treating pain. There are non-pharmacologic options such as exercise, art, touch, or music therapy, acupuncture, and massage therapy. There needs to be an arm of surveillance, and that is why he is a huge fan and supporter of KASPER. He is not advocating not prescribing any opioids, but there needs to be a better appreciation of the harm that is caused by addiction to the drugs. Doctors who over prescribe opioids needs to be identified and educated about other options. Efforts need to be coordinated with a multi-model approach to bring experts together to try to combat the

problems.

In response to question by Vickie Yates Brown Glisson, Secretary, Cabinet for Health and Family Services, Dr. Chang stated that the language for the Hospital Consumer Assessment of Healthcare Providers and System (HCAHPS), a patient satisfaction survey required by the Centers for Medicare and Medicaid Services (CMS) for all hospitals in the United States for adult inpatients, excluding psychiatric patients, is being changed. The older version asked whether your pain is well controlled, and the newer version asked whether a doctor asked about pain control.

In response to a question by Senator Meredith, Dr. Chang stated that identifying how a physician prescribes is easier said than done. There is no accurate way of knowing exactly who is prescribing and how much. If prescriptions are written on traditional paper pad, it is not catalogued electronically. KASPER allows an individual physician to see what has been prescribed by himself or herself, but there is no way to see how all physicians are prescribing, so there is no comparison. Just because a doctor is prescribing more than another doctor does not mean he or she is a bad doctor because some doctors provide more pain management treatment than others.

In response to Representative Gibbons Prunty, Dr. Chang stated that patients should always have an active role in deciding if they want or need pain medications.

#### **A Physician's Journey from Addiction to Recovery**

Michael Sprintz, MD, Founder and CEO, Sprintz Center for Pain and Recovery, Cellarian Health, stated that he is trained in anesthesia, addiction and pain medicine. He has been in recovery for almost 17 years. His practice specializes in treating patients with chronic pain with or without an addictive disease. During his second year of residency at John Hopkins, he was pulled out and sent to treatment because of his addiction. His use of drugs became more prevalent during medical school. He did not have a drug of choice like most people. Addiction is a neurobiological disorder in the reward center of the brain. An addict does not think logically or rationally. When systems are in place to identify people and help them, wonderful things can happen. John Hopkins had systems in place to identify student doctors who had addiction problems. There is a ritual that goes along with drug use such as shooting up a drug that causes a rush. The mind and body are not separate. Changing a patient's expectations and experiences as it relates to pain is vital. Decrease in the use of opioids will increase dependence in another area such as alcohol use. Monitoring programs create a structure for an

addict. Addiction is a progressive and chronic disease, and there is no simple solution. An abstinence-based model helped him recover. He has founded a company that developed a PDMP enhancement software that works with systems like KASPER that makes it simple and easy for providers to get real-time information about medications a patient is taking so he does not prescribe medications that patient may already be taking. Anxiety and depression worsens pain and pain worsens depression and anxiety. Addicts lie to themselves about their addiction. There is no easy way to tell who has an addiction problem. Pain and addiction are experiences and can be altered in a positive way with things other than opioids. Addiction is not about feeling good, but about not feeling at all. He uses ACEs in his practice to help identify addicts early. The solution is not easy and takes a multidimensional approach. Addicts use more healthcare dollars which hurts the healthcare system.

#### **Pathophysiology of Opioid Use Disorder**

Kelly Conrad, PhD, Medical Science Director, Addiction Psychology, Alkermes, stated that opioid use disorder is the term used for excessive opioid use. Patients are diagnosed based on symptoms over the past, using 11 criteria such as frequency of opioid use, inability to control or limit use, presence of cravings, interference with daily life, development of tolerance and presence of withdrawal symptoms in absence of opioids. The term opioids not only includes analgesic drugs like morphine or drugs of abuse like heroin but also natural opioids that are present in the body. The body generates endogenous opioids which are peptide neurotransmitters in the brain and spinal cord. These include the endorphins, enkephalins, and dynorphins. The endogenous opioid systems are involved in the control of pain, of dopamine reward pathway, and of respiration. Opioid drugs act much like the body's own endogenous opioids, but have a high addiction potential. The term opioid refers to all substances that activate opioid receptors, and which are inhibited by opioid receptor antagonists like naloxone.

Opiate is used to refer to the subset of opioid substances that are structurally very similar to or which are derived from morphine. Opioid analgesic drugs and opioid drugs of abuse all act via one or more types of the opioid receptors in either the pain pathways, reward pathways, or enteric nervous system. The physiological effects of opioids are a result of cellular changes that take place after the opioids bind to the receptors. Opioids have a high addiction potential. One of the primary reasons for this is their effect on the reward pathway. Most drugs of abuse activate the brain's reward pathway. The strength of efficacy of a drug also depends on the type of drug-receptor interaction. For example, a full agonist such as

morphine generally has higher abuse potential than a partial agonist such as buprenorphine. Potency of a drug also determines the abuse liability of a drug. Overlearning of rewards and the cues that predict that reward drive drug addiction and are thought to play a major role in relapse. A reward acts as a teaching signal that promotes future actions that have been experienced as pleasurable and salient. This information leads to a predicted outcome and an action is selected. For example, context and cues such as a syringe or a pill bottle signal the rewards availability and take on an increasing ability to drive drug-seeking behavior.

Three states of the addiction cycle involve different neurological structures or circuits: binge/intoxication, withdrawal/negative mood, and preoccupation/anticipation. Opioid addiction manifests as loss of control over using opioids, despite adverse consequences. Repeated exposure to opioids progressively causes molecular and cellular changes in the neurons. This eventually results in emergency of addiction behaviors. These drug-induced changes promote continued drug use through negative reinforcement. The transition from opioid use to dependence involves a shift from impulsivity to compulsivity. The primary response to binge opioid use is an increase in the levels of dopamine. With repeated use, the primary cellular response to the opioid adapts to neutralize its effect, resulting in a decrease in dopamine levels. This effect may become even more pronounced when the opioid is not available and contributes to the withdrawal response and symptoms.

Prolonged administration of opioids, for analgesia and when abused, leads to tolerance which is characterized by the progressive loss of the opioid's effect. Higher doses are required to achieve the same effect. When the opioid is stopped, physical withdrawal symptoms occur, while the brain adjusts to operate in the absence of opioids. Opioid use disorder is similar to other chronic illnesses in that it has both physiological and behavioral components. Relapse rates for people with substance use disorders are similar to illnesses such as diabetes, hypertension, and asthma. Thus, opioid use disorder should be treated like any other chronic illness. Relapse does not indicate treatment failure. It can be managed by restarting or changing treatments. Up to 90 percent of individuals with opioid use disorder relapse in the first six months of abstinence without treatment. Several factors can be thought to play a role in predicting the risk of relapse in individual patients such as behavioral predictors and biological predictors. Several factors make it challenging for an opioid use disorder patient to remain abstinent. Sudden cessation of opioid use leads to imbalance in neurotransmitters such as dopamine, glutamate,

and noradrenaline.

#### **OPIOIDS IN KENTUCKY: Treatment Options and Recovery Part I**

##### **Medication Assisted Treatment (MAT)**

Mark Jorrich, MD, President, Kentucky Chapter of the American Society of Addiction Medicine, stated that the national overdose deaths are exceeding predictions for 2016 by 22 percent, more than 64,000 deaths. The immediate need is for treatment to be available, accessible, and affordable. For opioid use disorder, research supports that medication assisted treatment works best. MAT must be combined with adequate counseling, support, and attention to continued care. Methadone maintenance is highly regulated but it is also time for a review of those regulations. Treatment using buprenorphine has standards in Kentucky that are solid and must be supported. The Kentucky State Chapter of the American Society of Addiction Medicine is ready to collaborate on treatment efforts with the legislature, Kentucky Medical Association (KMA), Kentucky Nurses Association (KNA), Kentucky Board of Medical Licensure (KBML), hospitals, other providers, insurance companies, and pharmacists. Kentucky Medicaid is beginning to address the issue of coverage and compensation for services.

Molly Rutherford, MD, MPH, Bluegrass Family Wellness, Founder, Kentucky Academy of Family Physicians, Vice President, Kentucky Society of Addiction Medicine, Past President, stated that the stigma of opioid use disorder is the main barrier that causes people to not get treatment. To make a difference, she recommended opioid use disorder be recognized as a chronic disease. The physicians who treat the disease should not be judged. The Kentucky Academy of Family Physicians has been holding informative and educational sessions to encourage primary care physicians to learn more about addiction. The right treatment is different for each individual. She stated that people should not strive for perfection but for life and harm reduction. Opioid use disorder is a chronic disease and individuals will relapse. Buprenorphine monoproduct was introduced in France in the mid-1990s, with a 79 percent decline in overdose deaths in six years. It is illegal to prescribe buprenorphine monoproduct in Kentucky unless the patient is pregnant.

Allen J. Brenzel, MD, MBA, Medical Director, Department for Behavioral Health, Developmental and Intellectual Disabilities, Cabinet for Health and Family Services, Associate Professor of Psychiatry and Pediatrics, University of Kentucky testified that there are multiple medications that make up MAT. The three most commonly used medications are methadone, buprenorphine, and naltrexone. Methadone is a full agonist that prevents withdrawal symptoms



and reduces craving by activating opioid receptors in the brain. Buprenorphine is a partial agonist that activates and blocks opioid receptors in the brain. Naltrexone is a full antagonist that prevents relapse following complete detoxification from opioids. Porbuphine is an implantable version of buprenorphine. MAT with buprenorphine or methadone requires significant support and monitoring of individuals as they enter recovery and develop the skills to maintain recovery lifestyles.

Dr. Brenzel stated that medication assisted withdrawal provides consecutively smaller doses of a medication such as methadone or buprenorphine as well as non-opioid-agonists to provide a smooth transition from illicit opioid use to a medication-free state. Maintenance pharmacotherapy on an opioid-agonist medication, such as methadone or buprenorphine, is defined as treatment with medication for an indefinite period by fixing and maintaining the level of the opioid in an individual in order to avoid the craving and withdrawal symptoms that abstinence from illicit opioids would produce. There should not be a stigma to long term MAT if that is what the individual requires to lead a healthy lifestyle, to work, and care for family. Methadone is prescribed in narcotic and opioid treatment programs.

Buprenorphine is prescribed in primary care office settings. In Kentucky, there are over 750 physicians that have a Drug Enforcement Administration (DEA) certification to prescribe buprenorphine however, only 80 percent have prescribed for five or less people creating an access issue. Kentucky Medicaid is spending significant resources on buprenorphine. Naltrexone is prescribed in clinical settings including pharmacies. Dr. Expanding timely access to quality treatment providers is a critical strategy in addressing the current opioid use crisis and medication should be coupled with psychosocial treatments and support.

In response to questions from Representative Wuchner, Dr. Rutherford stated that she has seen many individuals go through a five day detox then be sent to figure out the next steps for themselves. It would help the individual to better coordinate care so he or she can stay at the inpatient detox center until transfer to an outpatient program. Dr. Jorrisch stated that the lack of coordination of care is due more to the prior authorization process. For inpatient individuals, it is typically a three to five day process for a prior authorization. In regards to outpatient treatment, there is a prior authorization process for the first prescription. A patient with an opioid use disorder has a damaged brain and may need chronic medication.

In response to questions from Senator Raque Adams, Dr. Rutherford stated that there are

problems with the emergency regulation passed in 2014, which made it illegal for physicians who had a Medicaid number to prescribe buprenorphine and bill a patient directly. The regulation drove out several doctors who worked full-time for hospitals but would also work part-time at a facility that prescribed buprenorphine. When the regulation went into effect, doctors could no longer work at the facility part-time because they were violating the law and their prescriptions would not be honored. There are issues with the regulation 201 KAR 9:270, that states that a prescriber cannot use monoproduct in the treatment of addiction unless there is an observed allergy or the patient is pregnant. There is a huge price difference between monoproduct buprenorphine and buprenorphine and naloxone. Prior authorizations are not often approved for 72 hours, which is a long time for a person with an active addiction, the patient could easily relapse.

In response to questions from Senator Alvarado, Dr. Jorrisch stated that employed individuals that are being treated by a physician and taking Suboxone or other kinds of treatment are protected by the American Disabilities Act. A past criminal record is more of a problem in terms of employability.

Dr. Rutherford stated that the buprenorphine depo weekly injection is coming out soon and the porbuphine implant is available. There is a new application that has been approved by the Food and Drug Administration (FDA) to help with cognitive behavior therapy for people with addiction.

In response to questions from Representative Benvenuti, Dr. Rutherford stated that the 100 patient limit, which has gone up to 275 for certain prescribers, cannot be changed by Kentucky because it is a federal regulation. Many physicians do not approach the 100 person limit and more legislation that would limit a physician's abilities to assist patients in treatment is not needed at this time.

## **Special Populations Part II: Justice Population**

### **Jail Substance Use Program**

Jason Merrick, MSW, CADC, Director of Addiction Services, Kenton County Detention Center, stated that the Kenton County Detention Center has a 125 bed, residential treatment program. The program treats from a bio-psycho social model of treatment and addresses substance abuse as a chronic, progressive, potentially fatal disease. The Kenton County Detention Center is a long-term program. Psychologically, the center's treatments include cognitive behavioral therapies and socially, the center recognizes that many of its clients are dual diagnosed with anti-social personality disorder. The Kenton County Detention Center participates in the Kentucky

Department of Correction's Substance Abuse Division. Mr. Merrick stated that he is also a person in long-term recovery. Recovery does happen and treatment works.

### **Angel Initiatives**

Christina Weinle, Action Community Training Support (ACTS) Volunteer, Alexandria Police Department, stated that she became a volunteer for the Angel program with the Alexandria Police Department because she lost a son to addiction. The Angel program copies a program from Massachusetts that sends a social worker to follow up on drug related calls made to the police department. The social worker will talk with the family or those with addiction to ask if they want to seek help. In the past ten months, 39 percent of the people that have been reached out to by the Angel program have responded. Thirty-three percent of individuals in the Angel program are in active treatment. Thirty-three percent of individuals have completed the program and 22 percent are not in treatment but remain in contact with volunteers. None of the people are incarcerated. Volunteers reach out to community members in monthly meetings and by holding monthly trainings. Volunteers follow individuals through their recovery and post-recovery process. The program has volunteers who will assist individuals sign up for Medicaid.

### **Quick Response Teams**

Scott Breeze, M.Ed., NRP, Fire Chief, Independence Fire District (IFD), Kenton County, stated that in 2016 there were 56 overdoses. There have been 65 overdoses covered from January 1, 2017 to September 18, 2017. IFD has hired two part-time paramedics and the Kenton County Police Department has hired a part-time officer. Whenever there is an overdose or opioid related call, the IFD will send out a police officer, a paramedic, and a drug addiction counselor to offer assistance to the individual. There have been 10 fatalities out of the 65 overdoses. In overdose incidents, the IFD is seeing significantly more men than women, generally in the ages of 26 to 35. In 2017, the IFD has made 25 direct patient contacts and 27 contacts with patient family members. Naloxone administration is increasing. In 2016, St. Elizabeth Emergency Departments in Covington, Edgewood, Florence, Ft. Thomas, Grant and Owen, treated 1,584 heroin overdoses.

Linny Cloyd, Deputy, Quick Response Team Coordinator, Boone County Sheriff's Office, stated that years ago, the only course of action to offer assistance was to incarcerate an individual and hope the courts would order or allow treatment. The jail population in Kentucky is at 109 percent. It is necessary to look at other ways to deal with the opioid problem. The Boone County Quick Response Team has been active for three months. The Boone County Quick

Response Team will work with people who have been incarcerated for various offenses to offer help and assistance. The response team also works with people with other addictions. The response team will meet with an individual more than one time to offer assistance and to build trust in the community.

### **Treatment Options and Recovery Part II Outpatient Treatment**

David Hayden, Vice President of Clinical Operations, SelfRefind, stated that SelfRefind is an integrated care approach to addiction treatment. SelfRefind has 15 facilities in Kentucky. The treatment model consists of physician services with the use of buprenorphine products to address the opioid use disorders. SelfRefind requires individual and group counseling. SelfRefind provides case management to reconnect patients to the community. Ninety percent of the patients report improvement in their overall health and 88 percent report improvements in their mental health.

### **Long-Acting Injections**

Steve Cummings, Pharm.D., Our Lady of Peace, stated that the long-acting injection (LAI) clinic is the first retail, pharmacist-operated clinic at a behavioral health care center in the United States. The LAI clinic specializes in dispensing and administration of injectable pharmaceuticals that remain in the patients system from two weeks to three months. The LAI clinic helps to provide to access and compliance to medications necessary for psychosis and addiction. Our Lady of Peace has two detoxification units. Once the patient has agreed to Vivitrol therapy with counseling, the shot can be administered prior to the patient leaving the campus. The hope is that the patient comes to the counseling session sober. The Kentucky Board of Pharmacy allows the pharmacist to inject, not only with vaccinations but with the long-acting injection product lines. The pharmacist can dispense, administer, interpret labs, and bill for services. The LAI clinic at Our Lady of Peace is a financially self-sustainable, reproducible model using only a pharmacist and a medication access coordinator. The medication access coordinator operates to perform the prior authorizations for the provider to help the patient gain accessibility to these products.

Chris Harlow, Pharm.D., CGP, St. Matthews Pharmacy, testified that addiction patients were receiving the first dose of Vivitrol upon discharge from a treatment facility and given a one-time prescription. Patients could not find providers in Louisville willing to administer the extra dose prescribed to them. Dr. Harlow was approached two years ago because he was an independent provider and could provide the new service in his pharmacy. Since that time, Dr. Harlow has partnered with several addiction

providers in Louisville and surrounding areas to expand the long-acting injectable program. His program sees patients post-discharge after detoxification. A patient will see a provider and receive a prescription for Vivitrol or the patient is referred by a physician, where there is an established collaborative care agreement. The pharmacy administers a drug screen, conducts a consultation overview of the medication with the clinical pharmacist, administers a test dose of naltrexone tablet authenticated, and administers the medication to the new patient. A patient must be opiate free at the time of administration.

Dr. Harlow stated that a barrier for pharmacists is that they are not recognized as billable providers under Kentucky Medicaid, a fee must be charged to the patient for services provided. Many patients are not able to pay the fee for the program. He is advocating that Medicaid set up a mechanism to reimburse pharmacists as providers. Pharmacists may only administer medications that they dispense. Several payers are blocking pharmacists from billing this medication due to a requirement as a specialty pharmacy. St. Matthews Pharmacy is an accredited specialty pharmacy by the Accreditation Commission for Health Care (ACHC). However, his pharmacy is being blocked because the pharmacy benefit networks (PBNs) have ownership in the specialty pharmacies.

### **Outpatient Treatment**

William Carter II, CEO, The Infinity Center, introduced Lana Davenport, MD, Psychiatrist, Addictionologist, Medical Director, The Infinity Center, to address the committee. Dr. Davenport stated that she has been treating addiction with medication assisted treatment since 2009. She believes a patient cap of 270 is not needed. Patients, as well as the professionals working in the industry, are stigmatized. The Infinity Center has three patients that are involved in the drug court in Boyd County. The patients have been told by the judges they must be taken off Suboxone in order to get their children back. These patients have done very well in the clinic for years and are now faced with the choice of getting their children back or staying in treatment and staying well.

In response to questions from Representative Bentley, Dr. Harlow stated that there is no definition of a true specialty drug and that every PBN treats Vivitrol differently. He stated that he is not aware of a specialty drug course being taught at the University of Kentucky College of Pharmacy. Mr. Hayden stated that 88 percent of patients at SelfRefind come back for follow-up appointments over a six month period. Mr. Carter stated that urine analysis is only clinical way to determine if a patient is taking medication. The Infinity Center drug screens frequently, at random, and provided to the physician every

time the patient comes into the office. The Infinity House contracts with laboratory services to provide the lowest possible cost to the patient.

Dr. Davenport stated that in rural Eastern Kentucky, some patients drive up to two hours to get treatment because there are no treatment centers closer to the patient. Many patients do not have access to Narcotics Anonymous or Alcoholics Anonymous meetings in their area. Medication assisted treatment could be a better option because abstinence based treatment depends on having those ancillary support services available locally.

In response to questions from Representative Marzian, Dr. Harlow stated that pharmacists can only bill a patient's insurance company for the medication. Pharmacists are not recognized as billable providers and cannot bill the insurance company for a dispensing fee. Pharmacists must get reimbursed directly from the patient, if possible. Rehabilitation clinics sometimes call before a patient is discharged to allow his business to call ahead for a prior authorization. The Infinity Center coordinates patient care with Pathways from detoxification to inpatient treatment to intensive outpatient treatment. Mr. Cummings stated that Our Lady of Peace coordinates care with comprehensive care centers as well.

In response to questions from Representative Jenkins, Mr. Hayden stated that there are many areas that have state facilities however, one barrier for a patient achieving sobriety is maintaining housing. It can be difficult in some areas to find a safe place to stay and help from the legislature would be beneficial.

### **Residential Treatment**

Mike Cox, M.Ed., NCC, LPCC, President, Isaiah House, Inc., stated that a residential treatment center is a live-in health care facility providing therapy for substance abuse, mental illness, or other behavioral problems. There are three residential programs at Isaiah House, Inc. The short-term treatment program is a 28 day, Medicaid program that provides comprehensive medical and psychosocial assessments, detoxification monitoring, individualized treatment plan, individual and group counseling, psychoeducational classes, leisure events, and after-care planning. There is also a 100 day program for UNITE clients that in addition to the short-term program provides parenting classes, financial management classes, GED classes, transportation, and the opportunity to begin college courses while on site. Another program is the long-term program that provides eight months of treatment as well as three months of continuum care. Many clients obtain their GED, acquire college credited hours, job skills training, and ongoing medical evaluation.

Mr. Cox stated that in the long-term treatment



plan clients maintain sober living housing, receive ongoing counseling, drug testing, and accountability. Clients are given the option after 90 days to obtain full-time employment with benefits. Isaiah House, Inc. is funded by Medicaid, commercial insurance, Operation UNITE, self-pay, donations, grants, and fund raisers. Isaiah House's mission statement is to provide the best possible care to those entrusted to us regardless of socio-economic means, working not only with the client individually but with the entire family. The Isaiah House faces challenges with funding, insurance companies, and the 16 bed cap in Medicaid.

Tim Robinson, Founder, CEO, Addiction Recovery Care, stated that in 2010 he started Karen's Place, a recovery center for women, in Louisa, Kentucky. Kentucky is leading the way for solutions to the drug epidemic in the Appalachian states. Addiction Recovery Care takes a holistic approach to care for each individual. Addiction Recovery Care is nationally accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF) Drug and Alcohol Treatment Centers. Addiction Recovery Care has residential, outpatient centers, and a maternity center. Seventy percent of the babies born at the maternity center came back with mother in three days or less.

Mr. Robinson stated that Addiction Recovery Care outpatient programs offer MAT, counseling, case management, and peer support. Every dollar spent on residential drug treatment equals seven dollars in benefits. Benefits are calculated by the decreased costs in medical care, mental health services, criminal activity, and welfare payments, along with the increase in employment earnings. Addiction Recovery Care has a treatment center staff training program that provides a staff internship program, guaranteed jobs, and career paths. Addiction Recovery Care had 16 members graduate the Peer Support Specialist Academy in May of 2017. Addiction Recovery Care has created 200 jobs in eastern Kentucky with an average pay of \$37,500 with benefits.

#### **Comprehensive Approaches**

Nancy Hale, President, CEO, Operation UNITE, stated that Operation UNITE was launched in 2003 as a comprehensive approach to create long-term success in combating substance abuse. UNITE involves law enforcement, treatment, education, and prevention initiatives. Through collaborative partnerships, more than 100,000 youth have participated in UNITE's programs, and 4,200 people have entered treatment using a UNITE voucher. UNITE focus is on treatment and education. UNITE staffs a treatment help line to connect people to resources and have supplied \$14 million in vouchers for long-term residential drug rehabilitation. The UNITE treatment team

responds to approximately 1,200 inquiries a month. Education, with repetitive and consistent messaging, is the key to prevention.

#### **The Progress Made and the Work Ahead Kentucky Opioid Response Effort (KORE) Grant Initiatives**

Allen J. Brenzel, MD, MBA, Medical Director, Department for Behavioral Health, Developmental and Intellectual Disabilities, Cabinet for Health and Family Services, Associate Professor of Psychiatry and Pediatrics, University of Kentucky, stated that the opioid use disorder crisis is complex and multifactorial, there is not one simple answer. Resources include; state substance abuse block grants, state budgeted funds, health care coverage coupled with the Mental Health and Substance Abuse Parity Act, the 1115 Kentucky HEALTH Waiver and the Federal Twenty-First Century CURES Act. Kentucky refers to the Federal Twenty-First Century CURES Act grant as the Kentucky Opioid Response Effort (KORE). KORE prevention will support evidence based, primary prevention programs to be implemented across school age populations. KORE will build on extensive efforts to decrease the inappropriate prescribing of opioids and work on drug disposal efforts.

Dr. Brenzel stated that KORE treatment priorities are to decrease stigma as barrier to treatment and to increase access to high quality, evidence based treatment at all levels. KORE is funding 46 different entities with different state procurement processes and contracts. Treatment programs must allow MAT to receive KORE financial support. The KORE target populations are individuals who have overdosed, are re-entering the community from a correctional setting, pregnant or parenting women, and youth. KORE treatment activities include emergency department peer support contacts, bridge clinics in close proximity to emergency departments, and supported employment for individuals re-entering the community from a correctional setting. KORE will support peer and other recovery support networks and organizations. KORE harm reduction efforts include Narcan distribution and enhancing relationships with syringe access sites to increase likelihood of those individuals getting in to treatment.

#### **Closing Remarks**

Representative Kimberly Moser stated that the input presented is very good news for Kentucky. She is looking forward to the outcomes of the implemented programs discussed. She stated that the coordination of care is through education.

Representative Addia Wuchner stated that the opioid topic is complex and multifaceted. She supports a holistic approach for the opioid problem. The long game includes prevention,

treatment, recovery, and sober living.

#### **Adjournment**

There being no further business, the meeting was adjourned at 3:55 p.m.

## **INTERIM JOINT COMMITTEE ON VETERANS, MILITARY AFFAIRS, AND PUBLIC PROTECTION**

### **Minutes of the 4th Meeting of the 2017 Interim**

September 14, 2017

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

The 4th meeting of the Interim Joint Committee on Veterans, Military Affairs, and Public Protection was held on Thursday, September 14, 2017, at 1:00 PM, in Room 154 of the Capitol Annex. Senator Albert Robinson, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Albert Robinson, Co-Chair; Representative Tim Moore, Co-Chair; Senators Julian M. Carroll, C.B. Embry Jr., Denise Harper Angel, Ernie Harris, Jimmy Higdon, Dennis Parrett, Wil Schroder, Whitney Westerfield, Mike Wilson, and Max Wise; Representatives Tom Burch, Jeffery Donohue, Myron Dossett, Jim DuPlessis, Chris Fugate, Jeff Greer, Chris Harris, Mark Hart, Regina Huff, Dan Johnson, DJ Johnson, Donna Mayfield, Brandon Reed, Rob Rothenburger, and Walker Thomas.

Guests: Representative Marie Rader, Tuyen T. Tran MD, MBA, Lexington VA; Kelli Carter Hogan, Executive Advisor, KDVA; Dr. Brian Houillion, Special Assistant, Public Protection Cabinet; Robert (Bob) King, President, Kentucky Council on Postsecondary Education; and Col. Ret. Mike Jones, KDVA.

LRC Staff: Erica Warren, Jessica Zeh, Jonathan Philpot, and Rhonda Schierer.

#### **Minutes**

Representative Burch moved to adopt the August 13, 2017, meeting minutes. Representative DuPlessis seconded the motion. The minutes were adopted.

#### **Distinguished Veteran**

Col. Mike Jones gave a testimony of his combined 47 years of service in the military and as a state employee. He spoke of his father who was a WWII veteran and how he inspired him as a father and a soldier. Co-Chair Moore presented Col. Jones with a Distinguished Veteran's Coin for his outstanding service in the military and to the Commonwealth.

#### **Pledge of Allegiance**

Co-Chair Moore led the committee in the Pledge of Allegiance.

#### **Incorporating Telehealth in Veterans' Medical Care**

Representative Marie Rader shared

information about an event that was held at the Jackson County public library to introduce a new public service called Veterans Telehealth. Several local agencies, representatives from the Veterans' Administration, and local leaders in the county and surrounding communities participated. Over 50 local veterans were in attendance to hear about how to incorporate the idea of telehealth into the medical care of veterans. Rural broadband has a future in rural communities but it has to be affordable and is necessary for telehealth availability for veterans and others. Jackson county and surrounding communities have no veterans' hospital or healthcare facility and the nearest veterans' hospital is approximately 70 miles away.

Dr. Tuyen T. Tran, MD, MBA, and Chief of Staff at Virtual Care (Telehealth), said that he participated in a summit last year to talk about the possibilities of bringing health care into rural areas through broadband. The Veterans Health Administration is the largest integrated health care system in the U.S. The VA in Lexington serves about 35,484 veterans and is a five-star facility.

He gave the committee a brief history of telehealth dating back to 1879, where doctors used telephones to diagnose patients and to avoid unnecessary house visits. NASA had telemedicine capabilities placed in spacecraft and spacesuits. Dr. Tran described telemedicine as the traditional clinical diagnosis and monitoring delivered by technology.

Telehealth, also known as Connected Care, is a collection of modalities to enhance delivery of care and education. Telehealth makes it easier for veterans to take care of simple health-related tasks online and on their mobile devices. Information sharing makes it easier for patients to see their health care records, gives them control of their health data, and allows them to share health-related data with others. For the provider, it makes it easier for them to deliver care virtually and with seamless electronic health record integration. Dr. Tran stressed that Connected Care should be valued equal to face-to-face care.

Patient support makes it easy for the patient to get the help they need to access and use online and mobile tools. Through telehealth, the VA can access prescription refill and tracking requests, download health records, and schedule appointments, and have secure messaging with providers. VA Connected Care products and services include VA mobile which has apps for veterans and VA staff. These capabilities provide live "real-time" video, two-way interaction between a patient and provider using audiovisual telecommunications technology, and may serve as a substitute for an in-person encounter. There is the capability to transmit the recorded

health history to a specialist who evaluates or renders service outside of a real-time or live interaction. It also allows for the personal health and medical data collection from an individual be stored electronically in one location and then transmitted to a provider in a different location for use. Applications include targeted text messages that promote healthy behavior and wide-scale alerts regarding disease outbreaks. Nationally, 12 percent of veterans enrolled in VA care are accessed through telehealth. 5,011 veterans are enrolled in the LEX VAMC telehealth program.

The barriers to adoption of telehealth include: cost for and access to quality broadband internet, privacy and data security, health system bureaucracy, training for patients to use new systems/technologies, attitude of patients to adopt new systems/technologies, trust in accuracy of data collected by monitoring devices, government health-related regulations/policy, and training for healthcare professionals.

Dr. Tran concluded that the rising cost of healthcare and the demand for Connect Care across a continuum have placed unprecedented pressures on healthcare systems. Telehealth offers tremendous hopes for enhancing the delivery of health care, but to achieve this aspiration it will require powerful technologies an efficient networks. The time is right to implement telehealth to make healthcare more efficient, more connected, and more affordable.

In response to a question from Representative Rothenburger, Dr. Tran explained that the costs associated with telehealth will drop significantly in the near future as most all people have some type of phone, tablet, or device to connect to telehealth.

#### **Kentucky Veterans Employment, Training, and Support Program (KyVETS)**

Kelli Carter Hogan, Executive Advisor, gave a PowerPoint presentation on KyVETS. Ms. Hogan explained that KyVETS provides resources and support to assist veterans in gainful employment and training services. KyVETS veteran services include workforce training, resume assistance, effective job search, networking, interviewing skills, and apprenticeship opportunities. Employer services include education on why hiring veterans is good business, matching veterans' skills to their employment needs, free advertisement of positions, and top talent referrals. KyVETS has three key areas which are education, training, and retention. The number of employers and veterans joining the program increases weekly, the program has more job postings from employers than veterans to fill them. This creates choice and opportunity for our veterans. KDVA joined the Kentucky Chamber to network with employers and to create a new platform to share KyVETS story. Ms. Hogan shared KyVETS' goals for 2017-

2018. The grand opening of the program is scheduled for November 11, 2017. The program hopes to develop a tool to identify job seekers by partnering with the Kentucky National Guard.

#### **Kentucky Veteran and Transitional Military Resource Team**

Dr. Brian Houillion, Special Assistant with the Public Protection Cabinet, spoke on the Kentucky Veteran and Military Resource Team. The resource team is split into two subcommittees which are the Accelerated Licensing and the Bridge. The Bridge subcommittee looks into the facet of veteran's employment and education.

Dr. Houillion is the chair of the subcommittee on Accelerated Licensing. HB 113 requests licensing boards to find ways to help veterans and military personnel receive professional licensing quicker. The Accelerated Licensing Subcommittee formed and includes several different organizations: the Kentucky Commission on Military Affairs, Workforce Innovation Board, Council on Postsecondary Education, Cabinet for Health and Family Services, KCTCS Where Opportunity Knocks, Employer Support of the Guard and Reserve, and West Kentucky Workforce. The subcommittee came up with the objectives to bridge military and civilian requirements for professional licensing. The goal is to provide fast and fair professional licenses to veterans, transitioning service personnel, active service personnel and their spouses. Several studies have been performed throughout the U.S., and the subcommittee hopes to see what other states are doing and adopt best practices. The subcommittee has designed a gap analysis to find out what separates the current requirements for licensing from the background and the education that the military may have. There are three areas where gaps can exist including education, regulations and legislation, and being lost in translation, that could hold back licensing. A meeting is set for September 15, 2017, to look into some identified industries of critical need. Some of the industries include an overall military medic into an EMT or a paramedic, license practicing nurses, nurse aides, licensed and certified social workers, HVAC and plumbers, physical therapist, and potentially respiratory therapists. The goal is to have a course of action arranged by the end of the year.

In response to a question to Representative Donahue, Dr. Houillion stated that whatever board is in charge of licensing will continue to be. The Transitional Military Resource Team's responsibility is to help assist and look into ways to accelerate the process of licensing for the veterans.

#### **Academic Credit for Military Experience**

Robert King, President of the Kentucky Council on Postsecondary Education, gave a



PowerPoint presentation on the importance of military students to higher education and state's goals. Service members, veterans, and families can help Kentucky meet its attainment goals. The traditional enrollment age is declining and there is a need to focus on adult learners. Military students benefit from taking college courses in order to have increased earning power and lower unemployment. By 2020, 65 percent of all U.S. jobs and 63 percent of all Kentucky jobs will require some level of college coursework or degree. About 98 percent of all jobs created since the recession required some level of postsecondary education. Mr. King discussed the Multi-state Collaborative on Military Credit (MCMC). Kentucky joined the MCMC in 2014 and focuses on developing course equivalencies using the American Council on Education (ACE) credit recommendations, which helps universities create outreach strategies and increase support services and resources for military members. MCMC created a set of guiding principles related to translating military training into college credit and is working with KCTCS to create a crosswalk between military occupations training and the KCTCS appropriate courses. It is working with universities to accept certain common ACE college credit recommendations for general education college credit.

Mr. King explained how military-related credit is awarded and future plans for publicly creating an accessible website where veterans can input their military experience and compose the academic credits earned to different programs at KY schools. Implementation of a site modeled after the Minnesota Veterans Education Transfer System (VETS) will cost \$2,000,000 and the ongoing operating costs would be approximately \$100,000 annually.

#### **Other Business**

There being no further business, the meeting was adjourned.

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

### **Minutes of the 4th Meeting of the 2017 Interim**

September 27, 2017

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

The fourth meeting of the Interim Joint Committee on Local Government was held on Wednesday, September 27, 2017, at 10:00 AM, in Room 171 of the Capitol Annex. Senator Joe Bowen, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Joe Bowen, Co-Chair; Representative Michael Meredith, Co-Chair; Senators Ralph Alvarado, Stan Humphries, Dorsey Ridley, Albert Robinson, Wil Schroder, Dan "Malano" Seum, and Damon Thayer;

Representatives Danny Bentley, George Brown Jr, Ken Fleming, Kelly Flood, Toby Herald, DJ Johnson, Kim King, Adam Koenig, Jerry T. Miller, Robby Mills, Phil Moffett, Rob Rothenburger, Attica Scott, Arnold Simpson, and John Sims Jr.

Guests: Candance Brake and Jessica Kirk, Greater Owensboro Chamber of Commerce; Joseph Berry, Greater Owensboro Economic Development Corporation; Andrew Howard, Erica Yartz, and Dave Kirk, Chamber Young Professionals; Jason Tanner, Tanner Publishing Company; Martha Maradiaga-Stone, Hollison; Barton Darrell, Kentucky Wesleyan College; Wade Jenkins, Old National Bank; Judy Piazza, Finance and Administration Cabinet; Sara Massey, Louisville Metro Government; and Gay Dwyer, Kentucky Retail Federation.

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

#### **Approval of Minutes**

Upon the motion of Representative Simpson, seconded by Representative Miller, the minutes of the August 23, 2017 meeting were approved.

#### **Impact of the "Under 40 Crowd" on Local Public Policy and their Influences on Local Communities**

Senator Bowen said that an important piece of legislators' duties is having a clear understanding of the entire constituency—young or old, male or female, Black, White, or Hispanic—whoever makes up the fabric of their districts. In his community, and the communities of all of the committee members, young people play a significant role in molding and shaping its towns, cities, and counties. It is appropriate and timely to hear the view of the world from the 40 under 40 arm of Owensboro's Chamber of Commerce. They are the decision makers of the future.

Ms. Candance Brake, President and CEO of the Greater Owensboro Chamber of Commerce, said that Chamber Board Members, and a core group of Owensboro's young professionals will present how they are creating infrastructure and opportunities for the Under 40 demographic, and the shift over a decade ago, of its economic development strategy and a bold place-making initiative that is paying off tenfold.

Owensboro has young business leaders in professional services such as law and accounting, leaders in manufacturing with international reach, and leaders in agriculture who are innovating the way food is produced and the way food production is viewed in general. There are small business owners in their 20s and 30s that just a short time ago were rare in Owensboro. Many others work in non-profit fields, education and community leadership.

Ms. Brake showed a brief video relating to the Owensboro Chamber of Commerce's promotion of Owensboro.

Mr. Joe Berry, Executive Vice-President of

the Greater Owensboro Economic Development Corporation, said that Owensboro realized that it must look in the mirror and decide how it could get better as a community in being attractive to people. This vision incorporated many elements—combining the discipline of town planning and urban design with new destinations that built upon the history of regional entertainment and the connection of neighborhoods. Streets became more walkable, residential opportunities were diversified, and local retail rediscovered Main Street.

These efforts have resulted in over \$200 million in public and private investment in the Owensboro urban core since 2009. The infusion of private capital has far exceeded the initial public investment that seeded this initiative, and in 2016 Owensboro welcomed a significant jobs announcement: Alorica specifically cited downtown and workforce development efforts as the single largest factor in its decision to locate in Owensboro.

The Owensboro place-making initiative was the product of years of careful, deliberate planning, and involved countless hours of public forums, citizen input, and economic analysis. Owensboro recognized that it was not enough to simply adopt the effective policies of other communities. It was far more important to capitalize on the assets that make Owensboro unique, such as the familial atmosphere, the appreciation for arts and culture, diversity and the welcoming of individuals from all walks of life, and the physical beauty of the Ohio River.

Mr. Andrew Howard, Chair of the Chamber Young Professionals (CYP), said that in February 2016, it became evident that a rebirth of a young professional group was warranted, which is a vital asset for the sustainability and growth of Owensboro. CYP focuses on talent within the age range of 21-40 years old. This group is crucial for the local community and state, especially as it relates to attraction, recruitment and retention of talent.

In February 2016, CYP started with no members and, to date, has grown in excess of 150 members. It is extremely proud that its membership base consists of various and diverse industries. CYP has its own autonomy and carries its own finances and fiscal responsibility, offers its own social networking events while also providing professional development and philanthropic opportunities.

CYP has cultivated a program termed "CYP Talent." This program allows local businesses and companies to promote their current job opportunities through the organization, reaching its members. CYP has also developed a program in which it promotes board opportunities within the community, as there is a tremendous need for continued generational involvement.

This has been done in a matter of 18 months. There is an extremely vibrant leadership team and membership base. The life blood of the group is, of course, its members. There is significant and strong support from the Chamber and the business community of Owensboro.

Ms. Erica Yartz, communications chair with CYP and an attorney with Thacker, Hodkins and Knight, said that in an effort to give back to the community, CYP has partnered with Independence Bank on an annual food backpack program—"Businesses 4 Backpacks," which is CYP's main program. There are children in Owensboro whose only meal all day is the free meal provided at school. Knowing this fact was the genesis of the program at the bank. When first partnering, the bank sent backpacks home with 78 children. Presently CYP and the bank are able to assist 291 children, with no children on the waiting list. CYP also volunteers on a regular basis for Habitat for Humanity, serving at homeless shelters, ringing bells for the Salvation Army, and has led many community service projects themselves, including a lunchbox program which provides items for donation to various causes.

Mr. Dave Kirk, with CYP and Public Information Officer with Owensboro Public Schools, noted the CYP's professional diversity. To welcome newcomers, CYP holds community social mixers and events such as the dog-friendly "Yappy Hour" as well as a barrel rolling event at a local distillery. There has also been a food and wine pairing at the Western Kentucky Botanical Garden, and an annual Christmas party at Kentucky Wesleyan. CYP welcomes everyone from 21 to 40 who works in the region.

Ms. Jessica Kirk, Talent Programs Manager/Executive Director of Leadership Owensboro, Greater Owensboro Chamber of Commerce, said that Leadership Owensboro is a program rich in history and tradition. Leadership programs exist in almost every major city across the country, but Owensboro is unique in that its program allows people to spend one day each month learning Owensboro from the "inside out." It inspires and empowers people with extremely diverse talents to change the community. From a homeless shelter director to a national food supplies brand manager, common ground and passion for Owensboro and its neighbors are discovered through Leadership Owensboro.

The most memorable parts of the program include Human Needs and Services Day and Education Day. Both experiences give participants' understanding for what some of Owensboro's most vulnerable neighbors endure day to day. For several people, this is the first time they have truly identified ways to improve the quality of life for everyone in the community because they walked in someone else's shoes for

the day.

The challenges learned through the Leadership Owensboro program forces its developing leaders to think out of the box, to ask the questions that are not being asked, to stand up for our neighbors whose voices cannot be heard, and to advocate for the community in City Hall and sometimes in Frankfort.

The regional alliance intentionally makes connections between Owensboro's educators and workforce. Everyone, including Owensboro, is struggling with finding a good workforce. The program works very hard to fill some of these gaps. The alliance provides educators, several of whom have never stepped outside of the classroom, with up close and personal tours with some of the region's top industry leaders. This opportunity allows the educators to connect real life working experiences with what they are teaching in the classroom. In return, it inspires the teachers and reignites their passion to serve students in the community. Whether it is speaking to students in schools about employers' needs to fill certain jobs, or working with colleges to help offer unique learning experiences to prepare their students for the workforce, the alliance helps to connect people to jobs through education.

One of the Chamber's and Owensboro's top goals is to keep, foster, and grow talent in Owensboro. The Chamber's internship program is an example of how it is very deliberate when it comes to keeping talent. The Chamber is constantly working with local colleges and high schools to place interns at the Chamber or to find another place that will give them the experience that will benefit them best. Mentoring an intern is not easy, but can provide so many benefits for one.

The Chamber works closely with students involved in the Wendell Ford Statesmanship Academy. The Academy helps students understand issues facing the community, state, and nation. The Chamber provides these students hands-on experiences that align with the Academy's mission. For example, it provides opportunities like getting involved in our Chamber's "GO Vote" initiative.

Mr. Jason Tanner, Owner of Tanner-West Publications, discussed CYP's program to encourage young business owners. He noted the Chamber's influences on his own businesses. Chamber awards can give businesses credibility that leads to success. Chamber and city efforts at making Owensboro a viable place to live and work reduce "brain drain."

Dr. Martha Maradiaga-Stone, Food Safety Manager at Hollison, discussed the innovation sector as a talent recruiter. Hollison developed a food quality sampling device that collects food samples that are ready for laboratory

examination. It has also developed probiotics for adding into certain foods. Food safety is important as it affects people on a daily basis. Recruiting talent with a science and laboratory background in Owensboro, the company has built a solid team that will have a major impact in the food safety system.

President Bart Darrell, Kentucky Wesleyan College and Chamber Board Chair-Elect, discussed four-year colleges and their role in talent recruitment. The facilities attract faculty and students. Kentucky Wesleyan has partnered with the University of Louisville's Law School for students' senior year in college in such a way that will also satisfy requirements for the first year in law school. Kentucky Wesleyan has partnered with the University of Kentucky's College of Medicine where it has located a satellite site and guarantees Wesleyan students a seat. Western Kentucky University and Kentucky Wesleyan are partnering so that Kentucky Wesleyan Students can enter more easily into a master's degree program in business studies. People must believe in their communities and know who they are and what they want.

Mr. Wade Jenkins, Chamber Board Chair and President of Old National Bank, discussed Chamber Board Leadership fostering talent. A five-year resident of Owensboro, when first considering moving to Owensboro, he was told of the great educational opportunities for his children, which was a deciding factor for his move. He acknowledged several members of the board and reiterated Senator Bowen's comment that they are already influencing local decisions in the community and will continue to do so.

Senator Bowen commented that it is important that legislators engage and embrace the under 40 group.

Representative Johnson commended the young professionals for the good work they are doing and told them to continue that work.

Representative Mills commented that he wanted to re-emphasize the CYP's efforts. Good things are going on in Owensboro and he thanked the group for appearing before the committee.

Representative Brown commented that he was very impressed with CYP and that other cities should emulate the efforts.

Representative Meredith commented that CYP is a role model for other communities.

There being no further business, the meeting was adjourned at 11:15 a.m.



## INTERIM JOINT COMMITTEE ON JUDICIARY

### Minutes of the 4th Meeting of the 2017 Interim

September 15, 2017

#### Call to Order and Roll Call

The 4th meeting of the Interim Joint Committee on Judiciary was held on Friday, September 15, 2017, at 10:00 AM, in Room 169 of the Capitol Annex. Senator Whitney Westerfield, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Whitney Westerfield, Co-Chair; Representative Joseph M. Fischer, Co-Chair; Senators Danny Carroll, Alice Forgy Kerr, John Schickel, and Wil Schroder; Representatives Robert Benvenuti III, Larry Brown, Tom Burch, McKenzie Cantrell, Daniel Elliott, Angie Hatton, Joni L. Jenkins, Stan Lee, Chad McCoy, C. Wesley Morgan, Kimberly Poore Moser, Jason Nemes, Jason Petrie, Brandon Reed, Kevin Sinnette, and Ken Upchurch.

Guests: Secretary John Tilley, Commissioner Carey Cockerell, Steven R. Gold, Stacy Tapke, Mike Foster, Chris Cohron, Rob Sanders, Robert Silverthorn, Stephanie Hold, and Dave Hopkins.

LRC Staff: Katie Comstock, Alice Lyon, Dale Hardy, Matt Trebelhorn, and Elishea Schweickart.

#### Prosecutorial Issues and Concerns

Chris Cohron, Commonwealth's Attorney, and Rob Sanders, Commonwealth's Attorney, testified that Commonwealth's attorneys recently received a request from the executive branch for a 17.4 percent budget cut. Mr. Cohron stated that a 17.4 percent cut is approximately \$8.5 million dollars, and that it would have a sufficient negative impact on all 57 Commonwealth's attorney offices. The total operating budget for each office is \$77,000. The salaries of elected prosecutors cannot be reduced due to percentile law, therefore the cut must occur from the remaining 61 percent of their budget. A Commonwealth's attorney is a constitutional officer, which means there are Court of Appeals decisions that address the issue of compensation. Kentucky's Constitution prohibits change in compensation midterm, notwithstanding reduction of duties.

Mr. Cohron stated that, when it comes to the budget, realistically, Commonwealth's attorneys would have to cut about 43 percent of their staff, which is not doable. Many of the offices are already extremely underfunded, which has been challenging. Another option is to close the Commonwealth's attorney offices until the beginning of the next fiscal year.

Mr. Cohron testified about the Kentucky State Police's 2016 Crime Report, which indicates the following:

- 280,581 serious crimes;

•Serious crime committed every approximately every 2 minutes;

•Homicide offenses committed approximately every 18 hours;

•Motor vehicle thefts committed approximately every 49 minutes;

•Robbery committed approximately every 2 hours;

•45 percent of violent crimes cleared by an arrest;

•1,732 police officers assaulted;

•Arrests for totaled 395,695 counts;

•23,443 counts of DUI violations; and

•75,710 counts of drug violations in 2016.

Mr. Cohron and Mr. Sanders praised the legislature for funding the rocket docket program. The rocket docket program is a method of taking cases, triaging them immediately, making treatment available as soon as possible, and trying to make sure offenders do not reenter the criminal justice system. The rocket docket program has been successful. Estimated rocket docket savings from the inception in July 2015 through the end of fiscal year 2018 will approach \$50 million, this is direct savings to local jails. Mr. Sanders encouraged members to consider making the rocket docket programs a permanent part of the budget, as well as expanding them to all 57 circuits in Kentucky.

Mr. Cohron spoke about the impact of reducing the staff in prosecutor's offices. The funding of Commonwealth's and County Attorney staffs under the Unified Prosecutorial System is devoted exclusively to criminal prosecution. Fewer staff would impact court appearances and timely prosecution. The impact of the cuts would be felt by vulnerable citizens and victim advocates. Proposed changes in victim's rights, such as Marsy's Law, will further add to the responsibilities of prosecutors. Reduction of staff would make ensuring victims' rights difficult if not impossible.

Mr. Cohron stated that a reduction of full time employees results in reduction in pension contributions. For the approximately 200 possible employees lost, \$2 million of the employer share would also be lost in fiscal year 2018. The Unified Prosecutorial System must be fully funded for the employer share if not retirement cost in the next biennium, or a similar negative impact will result.

Responding to a question from Representative Petrie, Mr. Sanders stated that Commonwealth attorneys cannot afford to take any budgets cut because they are already short on funds. Responding to a follow up question from Representative Petrie, Mr. Sanders stated that the current caseloads are excessive compared to the American Bar Association's recommendation.

Responding to a question from Representative Nemes, Mr. Cohron stated that, Kentucky's crime

rates are at a high, and that, with all due respect to the FBI, he does not believe the FBI's statistics are accurate.

Responding to a question from Representative Moser, Mr. Sanders stated that he supports reinvesting the funds that come from the rocket docket program.

Responding to a comment from Representative Benvenuti, Mr. Sanders stated that he fully supports more funding for state troopers and the justice system as whole because the system is grossly underfunded.

Steven R. Gold, Henderson County Attorney, Stacy Tapke, Kenton County Attorney, and Mike Foster, Christian County Attorney testified that there are 120 county attorney offices in Kentucky, with 538 employees and 120 elected officials. County attorneys are involved in 100 percent of all criminal cases, and as of fiscal year 2016, the caseload data includes:

- More than 120,000 misdemeanor cases filed;
- Nearly 300,000 traffic cases filed;
- Almost 17,000 juvenile cases filed; and
- Over 41,000 family court cases.

More than 515,000 cases were filed in 2016. Over the years county attorneys have received additional responsibilities, including the expansion of EPOs and DVOs.

Mr. Gold discussed Marsy's Law, a proposed bill for the 2018 Regular Session. County attorneys support the motive for the bill, and supporting victims is a core job of prosecutors. However, they worry about the success of its implementation, especially if funding is cut.

Mr. Foster spoke about how the proposed budget cuts would affect county attorneys. The annual operating budget for each office is \$3000, and this does not include employee salaries which makes up 99.4 percent of the county attorney salaries. The proposed budget cut for county attorneys would equal to \$7.4 million dollars, and would only be open to personnel cuts. This would mean 48 percent reduction in staff budgets, or:

\$61,800 per office;

12 offices have an annual staff salary budget including FICA/retirement and Health Insurance under \$60,000 annually;

29 more offices would have to lay off all staff on October 1, 2016 to meet the \$61,800; and

Lost contributions to KERS of approximately \$1.9 million for fiscal year 2018.

Mr. Foster stated that the budget cut would have an impact on the justice system, including:

- Delays in court proceedings;
- Docket backlogs and longer jail stays;
- Delay in fines and fees collected currently contributing to the General Fund; and
- Loss of Rocket Docket and other programs as resources are reallocated to meet most immediate needs.

Ms. Tapke spoke about the concerns many county attorneys have about the proposed budget cuts. The proposed cuts are causing stress. Many county attorneys have begun to consider finding employment elsewhere because they are uncertain of their futures.

Responding to a question from Representative Morgan, Mr. Gold stated that the county attorneys cannot take a budget cut without cutting their employees, and that they are already understaffed.

Responding to a follow-up question from Representative Morgan, Mr. Gold stated that their other forms of raising revenue include collecting on bad checks, delinquent taxes, and traffic safety programs. This percentage of income is determined office by office.

Responding to a question from Senator Schroder, Mr. Gold stated that county attorneys do not receive any federal money for heroin cases or the rocket docket.

Responding to a follow-up question from Senator Schroder, Mr. Foster stated that employee furloughs would be damaging to the justice system and that they would lose all of their prosecutors.

#### **Department of Juvenile Justice: Population Reductions, Facilities Closures, Youth Advocacy Programs, and Incentive Funds**

John Tilley, Secretary of the Justice and Public Safety Cabinet; Carey Cockerell, Commissioner of the Department of Juvenile Justice (DJJ); and Jason Reynolds, Legislative Director; presented before the committee.

Secretary Tilley stated that Kentucky has tried to incorporate juvenile justice strategies from Texas, a state that has had great success with their juvenile justice system. Much of Kentucky's success came from the passage of Senate Bill 200 in 2014.

Secretary Tilley stated that these changes are not only bettering Kentucky's youth, but also producing savings that are able to be reinvested into the system and into their frontline workers. This has been done with no threat to public safety.

Commissioner Cockerell, who has been with DJJ for a year, spoke more in depth about the changes. These changes include:

Development and administration of risk and needs assessments on all youth following adjudication on public offense;

Statutory limitations for commitment eligibility;

Probation and commitment length capped for youth adjudicated on misdemeanors and Class D felonies, excluding sexual offenses and offenses involving a deadly weapon;

Limits for how long youth committing misdemeanors and Class D felonies can be placed out-of-home, excluding sexual offenses

and offenses involving a deadly weapon;

Misdemeanors now have a max of four months out-of-home treatment for a 12 month commitment;

Class D Felony offenders now have a max of eight months out-of-home treatment for a 18 month commitment; and

Use of risk assessment, graduated responses, evidence-based programming, and changes to treatment planning process.

Commissioner Cockerell also explained the Risk and Criminogenic Needs Assessment (RCNA). RCNAs are done for every juvenile that is adjudicated in Kentucky, and the results are done on a bell curve. RCNAs from November 2015 through September 2017 show 2221 juveniles as low risk, 3603 juveniles as moderate risk, and 968 juveniles as high risk.

Secretary Tilley thanked the committee, legislature, and stakeholders for making everything DJJ has done possible.

Commissioner Cockerell also spoke about RCNA disposition outcomes, these include:

14 percent of youths sentenced to DJJ are low risk;

48 percent of youths sentenced to DJJ are moderate risk;

38 percent of youths sentenced to DJJ are high risk;

14 percent of youths committed to DJJ are low risk;

37 percent of youths committed to DJJ are moderate risk;

49 percent of youths committed to DJJ are high risk;

15 percent of youths probated to DJJ are low risk;

70 percent of youths probated to DJJ are moderate risk; and

15 percent of youths probated to DJJ are high risk.

DJJ shows an approximate 60 percent reduction in total population from Fall 2013 through May 2017. The total population includes detained youth, probated, probated/suspended commitments, commitments, and sentenced cases. In fiscal year 2013, there were 5,317 admissions to the detention centers. In fiscal year 2016, there were 3,247 admissions to the detention centers. In fiscal year 2013, there were 493 new commitments to DJJ. In fiscal year 2016, there were 253 new commitments to DJJ. Also, excluding youth who are committed as juvenile sexual offenders and youth with offenses involving a deadly weapon, DJJ has seen a 73 percent reduction in youth development center placements for low level offenders who were impacted by Senate Bill 200. The current residential length of stay has also seen a reduction.

DJJ has begun using evidence-based practices

as mandated by Senate Bill 200. These include:

Utilizing the Correctional Program Checklist;

Staff training on the Principles of Effective Intervention (PEI);

Piloting Aggression Replacement Training (ART) in two settings: residential and day treatment programs;

Utilizing Cannabis Youth Treatment (CYT) in its residential programs;

Using motivational interviewing (MI) in both community and residential programs for both mental health and substance abuse needs; and

Using Seven Challenges, which is a practice for substance abuse.

Commissioner Cockerell spoke about fiscal reinvestment. Savings achieved by DJJ as a result of a reduction in the population are reinvested into community supervision and aftercare services, day treatment centers, and the fiscal incentive program established in KRS 15A.062. In July 2017, \$1 million was transferred by DJJ to the Justice and Public Safety Cabinet for the Fiscal Incentive Fund. This will allow judicial districts to apply for funds through a competitive bid process to implement community-based, evidence-based programming to meet needs in local communities.

Commissioner Cockerell finished the presentation by speaking briefly about challenges still faced by DJJ. These challenges include: maintaining qualified and trained staff with 100 percent turnover of front-line youth workers, competing with higher local minimum starting salaries of jails, recruitment and retention of qualified licensed mental health staff, lack of applicants due to low pay grade and competition with the private sector, and addressing disproportionate minority contact (DMC) within the juvenile justice system.

#### **Overview of KASPER**

Robert Silverthorn, Inspector General, Stephanie Hold, Director of the Division of Audits and Investigations within the Office of the Inspector General, and Dave Hopkins, KASPER Administrator with the Office of the Inspector General, presented a KASPER overview.

Kentucky All Schedule Prescription Electronic Reporting (KASPER) is Kentucky's prescription drug monitoring program (PDMP). KASPER tracks schedule one through schedule five controlled substance prescriptions dispensed within the state as reported by pharmacies and other dispensers. It is a real-time web accessed database that helps address the misuse, abuse, and diversion of controlled pharmaceutical substances. KASPER data is one to three days old, and dispensers have one business day to report. Reports are available to authorized individuals typically within 30 to 45 seconds.



KASPER tracks:

Retail pharmacies dispensing into KY (in-state, mail order, Internet);

Hospital emergency departments dispensing controlled substances to an ED patient;

practitioners administering or dispensing a controlled substance in the office; and

Dispensing from Department for Veterans Affairs pharmacies.

Mr. Hopkins said that KASPER does not track:

Methadone administered at a federally regulated methadone clinic;

Controlled substances dispensed for administration to a patient in a hospital, long-term care facility, jail, correctional facility or juvenile detention facility;

Pseudoephedrine (tracked separately via NPLEx);

Dispensing by military pharmacies; and Schedule I or other illegal drugs.

Mr. Hopkins spoke about how a KASPER report is requested, which is available 24 hours a day, seven days a week. A KASPER report includes:

Patient name and date of birth;

Drug name, dosage, days' supply, date prescription written, and date prescription filled;

Prescriber name and city;

Dispenser name and city; and

Morphine milligram equivalent data.

Ms. Hold spoke about several changes coming to the KASPER program in 2018. Authorized practitioners and pharmacists will be able to access available positive drug toxicity screen results related to a patient's suspected drug overdose. KASPER will allow authorized users to access data on a patient's drug convictions as provided by the Administrative Office of the Courts.

Responding to a question from Senator Westerfield, Mr. Hopkins stated that there is no training required for a judge, law enforcement officer, or prosecutor to access a KASPER report.

Responding to a question from Representative Cantrell, Mr. Hopkins stated that an individual must provide a social security number to receive scheduled drugs.

Responding to a question from Representative Benvenuti, Mr. Silverthorn stated Narcan would be difficult to track and report because there is so much of it. The Office of the Inspector General is trying to find a way to add Narcan to the KASPER system.

There being no further business, the meeting was adjourned at 12:27 PM.

## INTERIM JOINT COMMITTEE ON STATE GOVERNMENT

### Minutes of the 4th Meeting

#### Of the 2017 Interim

September 27, 2017

#### Call to Order and Roll Call

The 4th meeting of the Interim Joint Committee on State Government was held on Wednesday, September 27, 2017, at 1:00 PM, in Room 154 of the Capitol Annex. Representative Kenny Imes, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Joe Bowen, Co-Chair; Representatives Jerry T. Miller, Co-Chair, and Kenny Imes, Co-Chair; Senators Ralph Alvarado, Denise Harper Angel, Stan Humphries, Christian McDaniel, Morgan McGarvey, Dorsey Ridley, Albert Robinson, Wil Schroder, and Damon Thayer; Representatives Lynn Bechler, Kevin D. Bratcher, Tom Burch, John Carney, Will Coursey, Jim DeCesare, Joseph M. Fischer, Derrick Graham, Richard Heath, Dennis Horlander, Dan Johnson, DJ Johnson, Brian Linder, Reginald Meeks, Phil Moffett, Tim Moore, C. Wesley Morgan, Jason Nemes, Sannie Overly, Jason Petrie, Rick Rand, Attica Scott, Tommy Turner, Ken Upchurch, Jim Wayne, and Scott Wells.

Guests: James Lewis, Kentucky County Clerk's Association; Representative Robert Benvenuti; Ashlea Christiansen, M.Ed., J.D.; Pam Darnall, President/CEO of Family and Children's Place; and Michelle Kuiper

LRC Staff: Judy Fritz, Alisha Miller, Karen Powell, Kevin Devlin, Michael Callan, Roberta Kiser, and Terisa Roland.

#### Approval of Minutes

A motion to approve the minutes of the August 23, 2017, meeting was seconded and passed without objection.

#### Kentucky County Clerk's Association

Leslie County Clerk James Lewis, representing the Kentucky County Clerk's Association, stated the county clerks would like to see some "clean-up" legislation in the upcoming 2018 Regular Session of the General Assembly. The clerks request an amendment to KRS 132.017, which relates to recall elections. The current statute needs to be amended to accommodate the 45-day period for printing the ballots, to address the wording for the ballot, and to establish who can call the election. Revisions are necessary because of the frequency of these elections and the problems created in meeting the statutorily required time frames.

Mr. Lewis stated that while this is an off year with no elections scheduled, under KRS 117.035 the county boards are still required to meet once a month in order to purge voter registration rolls. The State Board of Elections actually purges those rolls, so there is no need for a

mandated monthly meeting of the county board of elections. The clerks would like the meetings to be discretionary and held upon the call of the clerk or a majority of the members of the board. This change would save the counties money.

Mr. Lewis stated that KRS 117.343 provides the county clerks shall receive "up to" \$.50 cents per registered voter for their election duties during the election cycle. This year the clerks are receiving \$.34 cents per registered voter, which he said is a huge revenue drop. The clerks would like to have the wording changed to state that the clerks shall receive the full \$.50 cents per registered voter for their duties regarding elections.

The clerks would also like to amend KRS 117.085 to allow them to send an application for an absentee ballot by e-mail to the requesting voter. The voter would still have to mail the application back to the clerk. Allowing the clerks to e-mail the application for an absentee ballot to the voter would provide a quicker turnaround time and eliminate some of the problems relating to ballots not getting returned on time. Mr. Lewis stated the clerks would also request the timeframes in KRS 117.075 and 117.085 be changed from seven days before the election to 14 days. This change would provide the time necessary to mail the ballot out and get the ballot back.

Mr. Lewis stated that KRS 116.055 does not define "new registrations". On occasion the clerks have people who take their names off the voter registration roll and then come right back and re-register as a member of a different party. The current law is that the party of a person as registered on December 31<sup>st</sup> is the party in which a person will participate for their primary. Because "new registrant" has not been defined by statute, people take advantage of this. The clerks would like for the new voter registration tag to be tied to the December 31<sup>st</sup> date.

In response to a question from Senator Thayer, Mr. Lewis stated that clerks verify the identity of an absentee voter through signature cards and the integrity of the ballot through official seals and that the requested amendments would not change that verification.

Responding to a question from Representative Miller, Mr. Lewis stated that the amount clerks receive per registered voter is paid to them by the Secretary of State.

In response to a question from Representative Bechler, Mr. Lewis stated that the county clerks do review voter registration rolls after elections and send the names of individuals who should be purged to the State Board of Elections. These names are generally of deceased individuals. Representative Bechler commented that he would prefer to see local officials remaining involved in the purging of voter registrations.

In response to a second question from Representative Bechler, Mr. Lewis stated that the request to email an absentee ballot application would be an added option, not an exclusive provision.

Responding to a question from Representative Dan Johnson about the \$.34 per registered voter rate as opposed to the \$.50 per registered voter rate, Mr. Lewis stated that he suspected the reduced amount was due to the Secretary of State's budget. Mr. Lewis also stated that the amount has decreased each year.

#### **Overview of Proposed Constitutional Amendments Filed During 2017 Regular Session**

Representative Robert Benvenuti presented 2017 SB 15, also known as Marsy's Law, relating to crime victims' rights. Representative Benvenuti stated that this proposed constitutional amendment would grant victims of crime the same level of constitutional protection as the accused. He said Kentucky currently provides for only modest statutory protections for crime victims, and statutory protections do not provide the same level of protection as constitutional protections.

Representative Benvenuti stated providing constitutional rights for crime victims is not a new concept. Kentucky is one of only 15 states that does not offer constitutional protection to victims of crime.

Ashlea Christiansen, State Director and legal counsel of Marsy's Law for Kentucky, provided information regarding Marsy for whom Marsy's Law is named. She stated Marsy's Law is needed because when the accused is arrested and charged, the crime is considered to have been committed against the state and victims become merely witnesses to the crime. It is the victim, however, who has suffered emotionally, physically, psychologically and sometimes financially. Marsy's Law will insure that victims have a voice and are involved throughout the process. These rights given to victims will not infringe upon the defendants' rights and will not impede the court's ability to adjudicate the case fairly. They simply insure that victims have a meaningful role in the judicial process and standing to enforce their rights if they are violated.

Pam Darnell, President and CEO of Family and Children's Place, stated that the organization she represents has served crime victims for many years. She stated there has been an increase in child abuse, neglect, and violence across the state of Kentucky, with a 55% increase in child abuse reports over the past four years. Ms. Darnell said her organization fully supports Marsy's Law.

Michelle Kuiper stated she had been the victim of a horrific crime in 1994. She described the ordeal she had endured and stated she

supported Marsy's Law.

Senator Thayer expressed support for this proposed amendment and stated he intended to be a co-sponsor. He expressed a desire that this matter be passed early in the 2018 Session to provide advocates as much time as possible before it is voted upon to educate the electorate regarding this matter.

Representative Bratcher also expressed support for this proposed amendment. In response to a question from Representative Bratcher, Representative Benvenuti stated that there would be some costs associated with implementation of this proposal but he believed those costs would be minimal.

In response to a question from Representative Moffett, Representative Benvenuti stated that the Commonwealth would still control all aspects of the proceedings and victims would not have the right to direct the prosecution or resolution of the case.

Responding to a question from Senator Schroder, Ms. Christiansen stated that with the cooperation of the Commonwealth attorneys and county attorneys work was still being done with regard to definitional terms and that information would be made available to the legislators as soon as it was completed.

Representative Carney stated he supported this proposed amendment.

Representative Meeks stated he had supported this proposed amendment in the past and continues to support it.

A copy of all material presented regarding Marsy's Law was provided to the members and can be found in the Legislative Research Commission Library.

#### **HB 353 (2017 RS) – Taking the sense of the people as to calling a convention to revise or amend the Constitution of Kentucky**

Representative Phil Moffett, sponsor of 2017 HB 353, presented a history of state constitutional conventions in Kentucky and why he believed a state constitutional convention was needed at this time. There are many items addressed in the current Constitution of Kentucky that are no longer relevant in today's world. There is a need to modernize the governmental structures and processes and the current constitutional limitations of no more than four amendments per general election cycle, with each amendment limited to a single subject limits the ability to do that. Representative Moffett offered several examples from the current Constitution that he stated supported his proposal. He then reviewed the procedure required for the convention and stated his proposal included a prohibition against changes to the Kentucky Bill of Rights as well as a requirement that any proposed new Constitution of Kentucky be ratified by the General Assembly and then be presented to

the voters of the Commonwealth for approval. Representative Moffett stated that, because the process would take four to six years, he proposed passage of this initial step in the next legislative session.

In response to a question from Representative Wells, Representative Moffett stated that the current Constitution of Kentucky does not address the exclusion of certain items during a convention, but he has included the Bill of Rights exclusion in his proposed legislation and stated its inclusion in the next session should be sufficient to offer this protection.

Senator Ridley referenced a failed convention attempt in the 1960s. In response to an inquiry from Senator Ridley, Representative Moffett stated that additional information would need to be obtained as to whether there would be prohibitions against members of the General Assembly running as delegates under certain circumstances. In response to a further question from Senator Ridley, Representative Moffett stated that there is no mention of partisanship in the current Constitution with regard to delegates to a convention.

In response to an inquiry from Senator McGarvey, Representative Moffett stated that there is no limitation on the number of candidates that can seek election as a delegate. The only requirement for a delegate that is specified in the current Constitution is that the candidate have the same qualifications and be elected from House of Representatives legislative districts.

In response to another inquiry from Senator McGarvey, Representative Moffett stated that the first and second bills presented to the General Assembly regarding this issue would require a simple majority vote to pass. As the current Constitution is silent on presentation of a new Constitution to the voters for approval, Representative Moffett stated that a simple majority is all that would be required for passage.

In response to a question from Representative Dan Johnson, Representative Moffett stated that the placement on the ballot of candidates for delegates to any constitutional convention would likely be controlled by methodology currently in use.

Responding to a question from Senator Bowen, Representative Moffett stated that the current Constitution does not limit the number of topics that could be brought up or acted upon at a convention.

In response to a question from Senator Alvarado, Representative Moffett stated that delegates to a convention would be entitled to compensation and he would propose those delegates be paid the same as members of the General Assembly. There would be other costs associated with the convention.

Representative Miller stated that he



applauded Representative Moffett's undertaking to raise this issue and offered to provide assistance in reviewing the history of previous conventions. In response to a question from Representative Miller, Representative Moffett stated that he believes the public is ready for modernization of the Constitution.

Representative Moffett utilized a Power Point presentation to accompany his discussion, a paper copy of which was distributed to the members and is available in the Legislative Research Commission Library.

**(Discussion Only) 2018 RS BR 28 – Appointment by Governor of appellate judges/ Amend Sections 117, 118, 119 and 122**

Representative Jason Nemes, sponsor of 18 RS BR 28, stated his intention in presenting this proposed legislation was to start a conversation about how we can implement the best judicial system in Kentucky. He provided a historical overview of judiciary selection in the Commonwealth. He cited issues related to the election of judges as reasons to support the appointment of appellate judges by the Governor. These issues include the amount of money being spent in judicial elections as well as the time required for a campaign and its negative impact on attracting candidates.

Representative Nemes stated there were also strong arguments that could be made against his bill. He cited fear of partisanship, fear of centralized power, and fear of lack of electoral accountability relating to judges. In further discussing his bill, Representative Nemes stated that the judicial nominating commission process established in Section 118 of the state Constitution presently would be retained with regard to judicial appointments by the Governor. To insure electoral accountability Representative Nemes referenced the Missouri Plan and stated his bill would provide for a retention election by the voters of any appellate judge or justice after his or her initial eight year appointment. He further stated that his bill contains a 16 year term limit for judges on the Court of Appeals and an additional and separate 16 year term limit for justices on the Supreme Court.

Representative Nemes said the appointment process would not start until the next regular election for Governor in an effort to remove any concerns regarding partisanship.

Senator Schroder discussed his personal experience with judicial elections and stated that he believes it is always best to let the people decide.

In response to a question from Representative Wayne, Representative Nemes stated that elections pervert our judicial system and while public financing of judicial races would be beneficial, it does not address the issue of "dark money" in judicial campaigns.

Responding to a question from Representative Wells, Representative Nemes stated that he would support appointment of judges in the district courts and circuit courts but he believes this may present some logistical concerns.

Representative Graham expressed his desire to see mechanisms in place with this proposal to protect the judicial branch of government from manipulation by the executive branch. Responding to a question from Representative Graham, Representative Nemes stated that the reason "dark money" was different in a judicial race as opposed to legislative or executive races was the requirement that judges be impartial.

Representative Graham complimented Kentucky's elected judges from both parties as to their integrity and qualifications.

In response to a question from Senator McGarvey, Representative Nemes stated he would be in favor of setting up judicial nominating commissions for each Supreme Court district to provide more local input regarding appellate appointments. Responding to a second question from Senator McGarvey, Representative Nemes stated that he did not know how much money was spent under the Missouri Plan or similar plans in retention elections in other jurisdictions.

Responding to a question from Representative Morgan, Representative Nemes stated judges often retain their positions for several reasons, one of which is the fact that the judge is a good judge. Others remain in office simply because they have no opposition as attorneys of good quality often cannot take the time necessary to run for that position.

Senator Thayer expressed his opposition to any public financing for judicial races. He stated there are court decisions that equate campaign contributions with free speech. Senator Thayer further stated that he believes the way we currently elect judges is an abridgement of their constitutional rights, referring to restrictions on judicial elections. He would further support partisan elections of the judiciary.

**(Discussion Only) 2018 RS BR 40 – Permit Member of the General Assembly to Override an Administrative Regulation/Amend Section 29**

Representative Kenny Imes, Co-Chair of the Interim Joint Committee on State Government, stated that the members of the General Assembly have a responsibility to the people of Kentucky to be able to override administrative regulations, although the Constitution of Kentucky does not currently provide for that action. Chairman Imes stated that while the number of proposed administrative regulations that are found deficient is small, of that number, over the past six years, 81% of those deficient regulations

were still put into effect by a cabinet or agency. Chairman Imes stated that there needed to be more oversight by the General Assembly of administrative regulations and he was proposing a constitutional amendment to provide for that oversight.

Senator Bowen expressed his support for this proposed legislation.

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

**INTERIM JOINT COMMITTEE ON BANKING AND INSURANCE**

**Minutes of the 3rd Meeting of the 2017 Interim**

September 26, 2017

**Call to Order and Roll Call**

The 3rd meeting of the Interim Joint Committee on Banking and Insurance was held on Tuesday, September 26, 2017, at 10:00 AM, in Room 149 of the Capitol Annex. Representative Bart Rowland, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Tom Buford, Co-Chair; Representative Bart Rowland, Co-Chair; Senators Rick Girdler, Dennis Parrett, Dorsey Ridley, Albert Robinson, John Schickel, and Dan "Malano" Seum; Representatives Will Coursey, Jim DuPlessis, Joseph M. Fischer, Jeff Greer, Dennis Keene, Adam Koenig, Chad McCoy, Michael Meredith, Wilson Stone, Scott Wells, and Addia Wuchner.

Guests: Trevor Ray, PharmD, Midway Pharmacy, Leitchfield; Alyson Roby, PharmD, Medica Pharmacy, Bardstown; Patrick O'Connor, Deputy Commissioner, Kentucky Department of Insurance; Deb McGrath, Executive Director, Epilepsy Foundation of Kentuckiana, and Johnathan Van Lahr, PharmD, Save Rite Drugs, Irvington.

LRC Staff: Sean Donaldson, Jessica Sharpe, and Dawn Johnson.

**Approval of Minutes**

A motion by Senator Seum and second by Senator Schickel to approve the minutes of the August 22, 2017, meeting carried by voice vote.

**Pharmacy Benefit Managers Clawback Provisions**

Deb McGrath, Executive Director, Epilepsy Foundation of Kentuckiana explained the clawback practices of pharmacy benefit managers (PBM) that force patients to pay more than their medication costs to boost profits at the expense of consumers, businesses, and taxpayers. Patients are unaware they are paying more as pharmacists are contractually prohibited from disclosing this information or and that paying with cash may, at times, be more cost effective. Several states have passed legislation to prevent this practice.

Jonathan Van Lahr, PharmD, Save Rite Drugs,

Irvington gave examples of clawback practices used by PBMs. PBMs can affect a prescriber's or pharmacists Star ratings. He suggested modeling Louisiana's legislative language protecting independent pharmacists from PBM clawback practices. There is no mechanism identifying payments pharmacies receive or the PBM's net return. Dr. Van Lahr said that his pharmacy sometimes makes more selling snacks than filling certain prescriptions.

Responding to Chairman Rowland's questions, Dr. Van Lahr said three PBMs control 85 percent of the market. Pharmacists do not have access to PBM prescription payment data.

In response to Representative Greer's question, Dr. Van Lahr explained the cost of electronic refills versus his company reimbursements. Some prescriptions result in a gross profit of only 29 cents.

Responding to Representative Koenig's questions, Dr. Van Lahr said independent pharmacists cannot negotiate contracts with PBMs. To address the problem, more transparency would be helpful as well as Department of Medicaid Services' control of contracts.

Confirming Representative DuPlessis' comment, Dr. Van Lahr said pharmaceutical rebates meant for consumers often go to the PBM. Often the PBM requires pharmacists to dispense a brand name drug versus the generic which is significantly less expensive. Doing this results in the PBM receiving the brand name rebate which exceeds the price difference of the generic medication. Representative DuPlessis questioned whether state programs such as Medicaid have the same experiences with PBMs, ultimately costing taxpayers more.

Responding to Senator Ridley's question, Dr. Van Lahr said the clawback is usually on lower cost generic drug citing the example of a patient payment of \$30, of which the pharmacy is reimbursed \$4.05, with the remaining \$25.95 going back to the PBM.

Senator Buford said for the past few legislative sessions he has attempted to abolish PBMs as they are no longer cost effective. Independent pharmacies should not be have their prices dictated by a large corporate pharmacy.

Patrick O'Connor, Deputy Commissioner of the Department of Insurance, provided an overview of the prescription drug supply chain background, the reimbursement model, and prescription drug pricing.

Deputy Commissioner O'Connor explained Senate Bill 117, passed in 2016, legislation that addressed issues in the prescription reimbursement process through licensure of pharmacy benefit managers, provided the Department of Insurance regulatory authority over PBMs, and defining the maximum allowable

cost process including the appeals process. Mr. O'Connor reviewed common appeal issues including PBMs not responding to an appeal within the statutory timeframe and pharmacies unable to purchase subject drugs at or below maximum allowable cost established by the PBM. Department actions include responding to complaints within authority provided by SB 117 while simultaneously promulgating a regulation required by SB 117 that will impart different requirements on PBMs. The regulation includes a clearly defined appeals process, maximum allowable cost lists, and definition of annual reporting requirements. The department's goal is to create a system workable for all parties that keeps everyone informed, resulting in reduced appeals and complaints.

Speaking on behalf of Senator Max Wise, Senator Jimmy Higdon said control of outpatient pharmacy benefits should be given back to the Department of Medicaid. Senator Wise prefiled a bill to move outpatient pharmacy benefits from Managed Care Organizations (MCO) back to the Department of Medicaid. If enacted, the legislation will not affect current contracts. The state is not experiencing problems with the PBM contracted with to administer the fee-for-service pharmacy benefit, since the Department Medicaid makes the decisions and improves the reimbursement structure. Senator Higdon said the current system, put in place seven years ago, is no longer cost effective. He noted that 1.4 million Kentuckians are covered by Medicaid at a significant cost to the Commonwealth.

Alyson Roby, of Medica Pharmacy, an independent pharmacy in Bardstown relayed her experience with the implementation of SB 117. She said PBMs continue to require the substitution of generic drugs that are not substitutable under Kentucky law. While occurring less frequently, PBMs continue to reimburse below cost for these drugs even though reimbursement should be based on its equivalency. She explained that PBMs continue to ignore appeals and hopes they will fully comply with SB 117 when the regulation goes into effect.

Trevor Ray, Midway Pharmacy, Leitchfield described to members the significant decrease in reimbursement rates pharmacists now face through three of the managed care organizations that use CVS Caremark. Initially, Passport reimbursements rates were above acquisition costs. However, under CVS Caremark contracting rates decreased 86 percent and the dispense fee decreased to 45 cents from \$2. The percentage of below cost reimbursements increased from four to 32 percent. He said Passport claims account for 25 percent of his pharmacy's total business. Dr. Ray described his experience of filing appeals that were all initially denied. After filing complaints through the Department of

Insurance only a few appeals were overturned the following few months. When pharmacists filed complaints with Passport, CVS Caremark reduced reimbursement amounts again causing his company's under reimbursements increase to 45 percent. Passport's response was to recommend a \$2 dispensing fee and a return to June reimbursement levels. CVS Caremark responded by increasing the dispensing fee to 70 cents. Mr. Ray said there is a complete lack of transparency.

Dr. Ray asked that the general assembly recognize that a pharmacy should never be reimbursed below cost to dispense a medication, a practice that continues despite the efforts of the general assembly. He suggested that federal and state governments acknowledge that if reimbursement rates are close to acquisition cost the dispensing fee should be between \$9 and \$13. Many states have adopted this guideline. He said Kentucky's independent pharmacists support returning pharmacy oversight to the Department of Medicaid. Dr. Ray said if the problem is not fixed quickly, many independent pharmacies may have to close.

Representative Meredith said the fact that pharmacists are asking that prescription management be placed back under the Department of Medicaid shows there is a significant problem.

Senator Buford suggested pharmacists with appeals complaints should be certain to file them to accurately reflect the problems they are experiencing.

Responding to Representative Stone's question, Senator Buford said PBMs began as a cost effective measure for the state but have gradually become an overwhelming bureaucracy for the doctor, pharmacy, and patient to deal with. Dr. Ray said smaller PBMs are more transparent according to Passport management.

Responding to Representative Greer's question Senator Buford said the committee will be hearing from pharmacy benefit managers.

In response to Representative Fisher's question about a competitor, such as CVS, setting reimbursement rates, Dr. Roby said many anti-trust claims have been filed against CVS but none have been successful.

There being no further business, the meeting adjourned at 12:30 PM.

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

### **Minutes of the 4th Meeting of the 2017 Interim**

September 28, 2017

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

The 4th meeting of the Interim Joint Committee on Appropriations and Revenue was



held on Thursday, September 28, 2017, at 1:00 PM, in Room 154 of the Capitol Annex. Senator Christian McDaniel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel, Co-Chair; Representative Steven Rudy, Co-Chair; Senators Ralph Alvarado, Danny Carroll, Rick Girdler, Stan Humphries, Morgan McGarvey, Gerald A. Neal, Dennis Parrett, Wil Schroder, Stephen West, and Max Wise; Representatives Rocky Adkins, Myron Dossett, Ken Fleming, Jeff Greer, David Hale, Regina Huff, Donna Mayfield, Suzanne Miles, Jason Nemes, Ruth Ann Palumbo, Phillip Pratt, Jody Richards, Sal Santoro, James Tipton, Ken Upchurch, Jim Wayne, Russell Webber, and Jill York.

Guests: Rick Sanders, Commissioner, Kentucky State Police; Alex Payne, Deputy Commissioner, Kentucky State Police; Lt. Colonel Chad White, Kentucky State Police, Administrative Division.

LRC Staff: Jennifer Hays, Cynthia Brown, Amit Shanker, Hannah Walker, Charlotte Quarles, and Jennifer Beeler

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

Senator Parrett made a motion, seconded by Senator Alvarado, to approve the minutes of the August 24, 2017 meeting. The motion carried by voice vote.

#### **Implementation of Kentucky State Trooper Salary Increases and Retention Rates**

Rick Sanders, Kentucky State Police Commissioner explained how the 2016 Regular Session legislation that implemented a progressive pay scale as well as raises for Kentucky State Troopers has increased the retention rate of the Kentucky State Police.

Commissioner Sanders stated that the Kentucky State Police has on average 46 troopers per year retire, since the raise was enacted the first year only 26 troopers retired and in the second year there would have been less retirees until the pension crisis scares and the Kentucky State Police had 36 troopers retire in July 2017.

In response to a question from Representative Alvarado, Commissioner Sanders explained that he was tasked with creating a plan to integrate the Commercial Vehicle Enforcement (CVE) officers into the Kentucky State Police. He stated that CVE officers who retire today will retire under that distinction. They have a choice to go through the LEAP program, in which they would take a portion of the State Police Academy and at that point would be part of the Kentucky State Police.

In response to a question from Representative Hale, Commissioner Sanders stated there are currently 853 road troopers and 97 commercial vehicle enforcement officers and the pay difference is approximately \$10,000. KSP is

working on bring more those in line.

In response to a question from Chairman McDaniel, Commissioner Sanders said that there are only seven troopers who are on injury time, one of whom is a trooper who was shot in the line of duty and paralyzed. Lt. Colonel White explained that the executive branch budget allows for 890 troopers. Commissioner Sanders stated that traditionally there has only been one trooper class, but there will be a request to have two classes due to the lack of candidates.

In response to a question from Representative Wayne, Commissioner Sanders explained that not getting enough qualified candidates used to be due to the lack of adequate pay, but since the enactment of the pay scale that has not been the case. There is a negative sentiment about law enforcement, retirement is not what it used to be, and the Kentucky State Police will not lower standards just to have candidates.

In response to a question from Representative Santoro, Commissioner Sanders stated that, in comparison, Kentucky State Police starts out less than Lexington Police Department by several thousand, about the same as Louisville Metro, but Louisville Metro officers advance more quickly because it takes troopers three (3) years to get a first pay increase. In comparison to surrounding states, Kentucky is considerably less.

With no further business before the committee, the meeting was adjourned.

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

### **Budget Review Subcommittee on Transportation**

#### **Minutes of the 2nd Meeting of the 2017 Interim**

September 28, 2017

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

The second meeting of the Budget Review Subcommittee on Transportation of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, September 28, 2017, at 10:00 AM, in Room 131 of the Capitol Annex. Representative Sal Santoro, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Max Wise, Co-Chair; Representative Sal Santoro, Co-Chair; Senators Ernie Harris and Jimmy Higdon; Representatives Ken Fleming, Chris Harris, Kenny Imes, Marie Rader, and Jim Stewart III.

Guests: Megan McLain, Innovative Finance Manager, Kentucky Transportation Cabinet (KYTC).

LRC Staff: Justin Perry and Christina Williams.

#### **Louisville-Southern Indiana Ohio River**

## **Bridges: Tolling System Update**

Megan McLain, Innovative Finance Manager, KYTC, gave an update on the RiverLink tolling system that is being utilized on the Louisville-Southern Indiana Ohio River Bridges (LSIORB) project.

In response to a question from Chair Santoro, Ms. McLain stated if a customer feels they have been billed in error and that they did not cross the bridge, they should contact RiverLink. RiverLink will then pull up camera footage to see if an error was in fact made, and if so, the appropriate steps will be taken to correct it.

In response to a question from Representative Fleming, Ms. McLain stated the volume of traffic crossing the bridges is higher than expected and the revenue collected is also slightly higher. It is projected that there will be approximately \$110 million in tolls collected in fiscal year 2018, half of which are due to Indiana and half to Kentucky.

In response to questions from Representative Stewart, Ms. McLain said a citizen should not receive a bill unless they have crossed the bridge. If a person were to come into the county clerk's office to pay their registration and then discover there was a hold on it due to non-payment of tolls and fines, the person would then call RiverLink. RiverLink would then give them the option to pay immediately over the phone using a checking account number or a credit or debit card. Once that payment is made, the hold will be lifted and the citizen will be able to resume obtaining their registration.

In response to a question from Senator Wise, Ms. McLain stated the first invoice is generally mailed approximately fifteen days after the crossing of the bridge, unless the customer is from out-of-state, in which case it could take longer. She added that the customer will only be billed for more than \$5.00, therefore, if the toll is less, a bill will be sent after they cross the bridge again when the total would exceed the \$5.00 minimum.

In response to a question from Representative Imes, Ms. McLain said Indiana is also withholding renewals of vehicle registrations for nonpayment of tolls and fines. Customers who are coming from somewhere other than Kentucky or Indiana, there is no such agreement; however, there are plans to begin negotiations for reciprocal video toll enforcement. She stated there are four states in the country that have an agreement like this in place and they are being used as a model. Those four states have an agreement that failure to pay a toll will be treated the same, whether the citizen is from that state or the other participating states. KYTC has statutory authority to enter in such agreements with other states.

In response to a question from Representative Fleming, Ms. McLain said that the data that is being collected in order to bill tolls is not being

currently shared for use in economic studies. The information is available, and there is an expectation that a datamart will be created which will make available every field from the entire customer service software to other states so that queries may be run directly without having to go through the vendor. That information will not be shared with the public, but will be for state use only. Data that is being collected consists of the customer's name, address, make, model, and year of their vehicle, number of transactions that person has made, and their license plate number.

In response to a question from Representative Harris, Ms. McLain said there is no agreement with other states to enforce Kentucky's tolls by placing a hold on vehicle registrations, with the exception of Indiana. Kentucky is a member of the E-Z Pass group, which is a group of toll agencies that issue transponders to customers. For example, if Chicago issues a transponder to a customer who then crosses the RiverLink toll bridges, Chicago will take money out of that customer's account to send it to RiverLink. There is no agreement in place where other states can take enforcement action against their citizens on behalf of Kentucky for non-payment of tolls.

In response to questions from Senator Higdon, Ms. McLain said Kentucky is sharing the toll money with Indiana. The vendor that collects the tolls receives a flat monthly fee for operations and maintenance of the toll system, which also includes certain pass-through costs like rent for the customer service centers in Kentucky and Indiana. In fiscal year 2018, it is anticipated that approximately \$12 million will be spent on the functioning of the toll system as well as for roadway operations and maintenance, which will also come out of toll revenue. There was approximately a one percent increase in traffic due to the total solar eclipse, as well as an increase in traffic due to the basketball championship that took place in Indianapolis.

In response to a question from Representative Imes, Ms. McLain stated there are no plans for the state-to-state enforcement to include speeding, only enforcement of tolls.

In response to a request by Chair Santoro, Ms. McLain stated she would provide information as to how many people have received late notices thus far, as well as how many out-of-state payments have been made.

There being no further business, the meeting was adjourned at 10:35 AM.

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

**Budget Review Subcommittee  
on General Government,  
Finance, Personnel, and Public Retirement  
Minutes of the 2nd Meeting**

### **of the 2017 Interim**

September 28, 2017

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

The second meeting of the Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, September 28, 2017, at 10:00 AM, in Room 129 of the Capitol Annex. Representative Suzanne Miles, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Danny Carroll, Co-Chair; Representative Suzanne Miles, Co-Chair; Senators Joe Bowen and Dennis Parrett; Representatives Tim Couch, Will Coursey, Myron Dossett, Jim Gooch Jr., Richard Heath, Kim King, Adam Koenig, Michael Meredith, Russ A. Meyer, Jerry T. Miller, Phil Moffett, Rick G. Nelson, and Jim Wayne.

Guests: Becky Gilpatrick, Director of Student Aid, Kentucky Higher Education Assistance Authority (KHEAA); William Crump, MD, Associate Dean, University of Louisville (UofL) School of Medicine, Baptist Health Madisonville; Samantha Hays, MD, Resident at Baptist Health Madisonville; Lisa Wilson, Associate Provost for Finance and Operations, University of Kentucky (UK); Angie Martin, Chief Budget Officer, UK; Nancy Hale, President and CEO, Unlawful Narcotics Investigations, Treatment and Education (Operation UNITE); Jared Arnett, Executive Director, Shaping Our Appalachian Region (SOAR); Donna McNeil, Executive Director, Kentucky Infrastructure Authority (KIA); Steve Johnson, VP of Governmental, Community, and Legislative Affairs, Owensboro Health Family Medicine Residency Program; Michael Scherm, MD, Chief Medical Officer, Owensboro Health.

LRC Staff: Liz Columbia, David Talley, and Spring Emerson.

Chair Miles requested a motion to approve the minutes of the July 27, 2017 meeting; motion was made by Representative Nelson, seconded by Representative Moffett, and the minutes were approved without objection.

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

**Osteopathic Medicine Scholarship Fund  
Coal County Pharmacy Scholarship  
Program**

Becky Gilpatrick, Director of Student Aid, KHEAA, gave an overview of the scholarship programs that are funded with Coal Severance Tax Funds.

**University of Louisville Research  
Foundation (ULRF):**

**Trover Clinic Grant**

William Crump, MD, Associate Dean,

University of Louisville School of Medicine, Baptist Health Madisonville, and Samantha Hays, MD, Resident at Baptist Health Madisonville, gave an overview of the Trover Clinic grant that is funded with Coal Severance Tax Funds.

In response to a question from Representative Miller regarding the funding for Trover Clinic versus Owensboro Health, Chair Miles explained that the Trover Clinic funding was reduced in the current budget, while the funding for Owensboro Health was a one-time occurrence for the start-up of the residency program. Future funding will depend on the numbers in the upcoming budget cycle for the next fiscal biennium.

In response to a question from Representative Dossett, Dr. Crump said there are sixteen third- and fourth-year students in the residency program. Representative Dossett commented that with more physicians retiring, young replacements are desperately needed. Dr. Crump said it is difficult to fill Kentucky residencies with Kentuckians; however, that is the goal.

**Unlawful Narcotics Investigations,  
Treatment and Education (UNITE):**

**Operation UNITE**

Nancy Hale, President and CEO of Operation UNITE, gave an overview of the agency, which is funded with Coal Severance Tax Funds.

In response to questions from Representative Wayne, Ms. Hale said Operation UNITE provides vouchers for residential treatment at facilities that his agency contracts with for those services. There are approximately 4,200 clients being treated with vouchers, and some of those clients are eligible for Medicaid, but some are not. Medicaid only covers 28 to 37 days of treatment, and that is not enough. Many studies have shown that short-term treatment will not be as effective in helping clients move into long-term recovery. Clients with vouchers from Operation UNITE are able to receive 120 days of residential treatment, as well as move into the educational phases of treatment, which will help them to move into long-term recovery and to transition successfully back into their communities. Facilities are selected after they have met certain requirements, such as the number of beds, having certified alcohol and drug counselors and dietitians on staff, meeting state fire codes, and other requirements. Without the \$2 million per year from the Coal Severance Tax Funds, Operation UNITE would cease to exist.

Representative Couch commented that Operation UNITE provides an invaluable service in east Kentucky.

In response to a question from Representative Coursey, Ms. Hale said Operation UNITE provides education initiatives primarily for grades four through twelve, with the UNITE Service Corps program working with elementary



students as early as third grade. Last year, the fifth congressional district had approximately 8,000 young people actively involved in UNITE clubs in grades four through twelve. There are currently 112 students going to college on an “I Am UNITE” Scholarship representing a drug-free choice as UNITE Ambassadors. Camp UNITE is a summer camp for middle school students at the University of the Cumberlands, and many of the former campers, who are now in college or in the workforce, return to give a week of their time each summer as camp counselors.

In response to a question from Chair Miles, Ms. Hale said one hundred percent of Operation UNITE’s budget is from Coal Severance Tax Funds.

Representative Dossett thanked Ms. Hale for the important work performed by Operation UNITE.

#### **Shaping Our Appalachian Region (SOAR)**

Jared Arnett, Executive Director of SOAR, gave an overview of the program, which is funded with Coal Severance Tax Funds.

In response to a question from Senator Parrett, Mr. Arnett said Brady Industries is building their corporate headquarters in Ashland, Kentucky, and are projecting to provide 550 jobs at that facility.

#### **Kentucky Infrastructure Authority (KIA)**

Donna McNeil, Executive Director of the KIA, gave an overview of how Coal Severance Tax Funds are used in that agency.

#### **Owensboro Health: Family Medicine Residency Program**

Steve Johnson, VP of Governmental, Community, and Legislative Affairs, and Michael Scherm, MD, Chief Medical Officer, gave an overview of the use of Coal Severance Tax Funds in the Family Medicine Residency Program at Owensboro Health.

Representative Wayne commented that it is important for us to realize that Kentucky is in a fiscal crisis and in need of new revenue. The programs discussed today are very important and emphasize that need. Dr. Crump said that they went before the Daviess County Fiscal Court (DCFC) with their story and the DCFC gave up some of its own Coal Severance funds to help, even though it is also financially strapped.

Chair Miles thanked the agencies for their presentations before the subcommittee and called for a motion for adjournment. A motion was made by Representative Meredith, seconded by Representative Koenig, and the meeting was adjourned at 11:42 AM.

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

### **Budget Review Subcommittee on Education Minutes of the 2nd Meeting of the 2017 Interim**

September 28, 2017

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

The second meeting of the Budget Review Subcommittee on Education of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, September 28, 2017, at 10:00 AM, in Room 154 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; Representatives James Tipton, Co-Chair, and Regina Huff, Co-Chair; Senators C.B. Embry Jr., Stan Humphries, Christian McDaniel, Johnny Ray Turner, and Mike Wilson; Representatives George Brown Jr, John Carney, Kelly Flood, Tim Moore, Melinda Gibbons Prunty, Rick Rand, Jody Richards, Steve Riley, and Steven Rudy.

Guests: Dr. Gregory Postel, Interim President, University of Louisville.

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

#### **University of Louisville**

Dr. Postel updated members on the state of the University of Louisville (UofL). He focused on graduation rates, student success, community outreach, and resolving prior issues at the university.

In response to a question from Chair West, Dr. Postel explained the remaining SACS requirements were both to create a memorandum of understanding between the university and the research foundation and to give an update on hiring processes. Dr. Postel said that the UofL budget is \$1.2 billion; the \$1.2 billion amount includes athletics and the research foundation.

In response to a question from Representative Tipton, Dr. Postel stated that the Council on Postsecondary Education (CPE) and other universities report graduation data on a six-year basis. There is a new building on the Belknap Campus dedicated to student success and improving graduation rates. He explained that UofL has a lower aggregate student debt than other Kentucky universities. The issue of merit versus need-based scholarships is a nationwide debate. UofL is looking to find the right balance between meeting the needs of students and attracting excellent students.

In response to a question from Representative Flood, Dr. Postel explained that UofL deemed vacating title game wins and the clawback of associated conference proceeds from those wins as excessive punishment from the National Collegiate Athletic Association.

In response to a question from Representative Moore, Dr. Postel said that his goal is to highlight diversity while focusing on allowing students to discuss a variety of polarizing subjects in the absence of violence and hostility.

In response to a question from Representative Brown, Dr. Postel said the university agreed to an additional \$2.4 million commitment to the KFC YUM Center. The Louisville Arena Authority was pleased by the university commitment and said it would be sufficient to meet its needs.

In response to a question from Representative Brown, Dr. Postel said that UofL’s \$48 million deficit was addressed by reducing operational expenses, scaling back procurement spending, and being more selective about filling vacant positions.

In response to a question from Representative Prunty, Dr. Postel said the UofL overall budget decrease was between two and three percent. Budget cuts are not easy but they can be absorbed.

In response to a question from Representative Richards, Dr. Postel said he would provide the members with a list of Bucks for Brains chairs and professors.

Chair West announced the next meeting of the Budget Review Subcommittee on Education would be held October 26, 2017. There being no further business to come before the subcommittee, the meeting was adjourned at 11:35 a.m.

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

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

#### **Minutes of the 3rd Meeting of the 2017 Interim**

September 28, 2017

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

The 3rd 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 Thursday, September 28, 2017, at 10:00 AM, in Room 169 of the Capitol Annex. Representative Jill York, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Rick Girdler, Co-Chair; Representative Jill York, Co-Chair; Senators Perry B. Clark and Alice Forgry Kerr; Representatives Jim Gooch Jr., Diane St. Onge, and Tommy Turner.

Guests: Kasey Maier, Executive Director, Waterfront Botanical Gardens; Amy Barnes, Executive Director, Office of State Grants, Department for Local Government; Gregory C. Copley, Outreach and Technical Assistance

Coordinator, University of Kentucky Center for Applied Energy Research; Lona Brewer, Program Manager, Department for Energy Development and Independence; and Charles Snaveley, Secretary, Energy and Environment Cabinet.

LRC Staff: Seth Dawson, Greg Troutman, and Jenny Wells Lathrem.

#### **Update on the Waterfront Botanical Gardens**

Ms. Maier gave an update on the status of the Waterfront Botanical Gardens.

In response to a question from Chair York, Ms. Maier stated that the Energy and Environment Cabinet has been very helpful in the effort to transform the site from a landfill into greenspace.

In response to a question from Representative St. Onge, Ms. Maier noted that the effort to raise funds for the Waterfront Botanical Gardens has been multifaceted, relying on both government support and private donors.

In response to a question from Senator Clark, Ms. Maier said that every other major city closest to Louisville has a botanical garden.

In response to a question from Representative Gooch, Ms. Maier stated that although the area had flooded in the 1930s and 1940s, the site now sits forty feet above the flood plain.

In response to a question from Senator Girdler, Ms. Maier noted that the Waterfront Botanical Garden hopes to be self-sustaining within the next two to three years.

#### **Energy Savings Performance Contracting for Local Governments**

Ms. Barnes, Mr. Copley, and Ms. Brewer gave an overview of energy savings performance contracts.

In response to a question from Chair York, Ms. Brewer stated that the Department for Local Government anticipates that \$200,000 per year would sustain the program.

In response to questions from Senator Clark, Ms. Brewer noted that grant dollars are primarily used to provide technical assistance and education on energy saving performance.

#### **Overview and Update on the Department for Energy Development and Independence programs**

Secretary Snaveley and Ms. Brewer gave an overview of the programs of the Department for Energy Development and Independence.

In response to questions from Representative St. Onge, Ms. Brewer stated that Kentucky has not received any funds from the Volkswagen emissions settlement.

In response to questions from Chair York, Ms. Brewer noted that there are four coal education related projects that the department has funded in 2017. Secretary Snaveley said that the funding for these projects comes from the unmined minerals tax.

There being no further business before the subcommittee, the meeting was adjourned at 11:30 AM.

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

### **Budget Review Subcommittee on Justice and Judiciary**

#### **Minutes of the 1st Meeting of the 2017 Interim**

September 28, 2017

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

The 1st meeting of the Budget Review Subcommittee on Justice and Judiciary of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, September 28, 2017, at 10:00 AM, in Room 171 of the Capitol Annex. Senator Wil Schroder, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Wil Schroder, Co-Chair; Representative Jason Nemes, Co-Chair; Senators Ray S. Jones II, John Schickel, and Whitney Westerfield; Representatives John Blanton, Daniel Elliott, Joseph M. Fischer, Jason Petrie, Phillip Pratt, Brandon Reed, Arnold Simpson, and Kevin Sinnette.

Guests: Gregory M. Bartlett, Judge, Kenton County Circuit Court; Marc Theriault, General Counsel, Administrative Office of the Courts; Ed Ross, State Controller, Office of the Controller, Finance and Administration Cabinet (FAC); Tammy Bullock, Director, Division of Administrative Support, Office of Administrative Services, FAC; and Gerald Hoppmann, Executive Director, Office of Policy and Audit, FAC.

LRC Staff: Zachary Ireland, Savannah Wiley, and Jennifer Beeler.

#### **Discussion on the Process and Procedures Regarding Guardian Ad Litem**

Judge Bartlett spoke on the issue of Guardian Ad Litem from a judicial perspective.

In response to a question from Representative Elliot, Judge Bartlett stated that he believes judges should not be in charge of which lawyers can represent clients in their courtrooms.

In response to a question from Representative Simpson, Judge Bartlett stated that the ten lawyers paid most by the state for Guardian ad Litem services are in Kenton County.

Mr. Theriault spoke on the role that the Administrative Office of the Courts (AOC) plays in the Guardian ad Litem process.

In response to questions from Chair Schroder, Mr. Theriault stated that the role of a Guardian ad Litem attorney is to represent those who, due to either legal capacity or age, are unable to represent themselves in court. Mr. Theriault noted that Guardians ad Litem most commonly

represent children. Mr. Theriault confirmed that Guardians ad Litem earn up to \$250 per district court case and up to \$500 per circuit court case.

In response to questions from Chair Nemes, Mr. Theriault stated that Massachusetts and Virginia both have Guardian ad Litem program oversight and payment mechanisms housed within the Judicial Branch. Mr. Theriault noted that other fees that are approved by judges, such as payments for expert witnesses, are not approved by AOC and go directly to the Finance Cabinet.

In response to a question from Representative Simpson, Mr. Theriault stated that not all Guardian ad Litem payments are at the \$250 or \$500 cap. Those payments are determined by individual attorneys.

In response to a question from Senator Westerfield, Mr. Theriault confirmed that the Guardian ad Litem application for payment requires the attorney to certify that everything presented on the form is truthful.

In response to questions from Chair Schroder, Mr. Theriault noted that there is no requirement for attorneys to take AOC's Guardian ad Litem training course in order to participate as Guardians ad Litem. The Guardian ad Litem application for payment form has existed for several years.

In response to a question from Representative Simpson, Mr. Theriault stated that Kenton County is not the only county that utilizes closed panels, though the process used to determine Guardian ad Litem attorneys vary greatly throughout the state.

In response to a question from Representative Petrie, Mr. Theriault confirmed that there is a capped fee for Guardian ad Litem cases.

Ms. Bullock, Mr. Ross, and Mr. Hoppmann spoke on the role that the Finance Cabinet plays in the Guardian ad Litem process.

In response to questions from Chair Schroder, Mr. Ross stated that there is a statute that says the Finance Cabinet can pay in a current fiscal year anything that occurred in the two previous fiscal years. Ms. Bullock noted that payments are denied only if a form is incomplete or incorrect, the Finance Cabinet does not verify attorney hours worked per case. Ms. Bullock said that no one from the Finance Cabinet tracks cases related to Guardian ad Litem payments.

In response to a question from Representative Petrie, Ms. Bullock stated that there are checks to ensure there are no duplicate payments.

In response to questions from Senator Westerfield, Ms. Bullock noted that the Finance Cabinet does not sort Guardian ad Litem cases by county. Ms. Bullock stated that the Finance Cabinet does not pay more than \$500 per Guardian ad Litem case.

In response to a question from Chair



Schroder, Ms. Bullock stated that if there are trailer numbers in a case number to differentiate individuals in the same case that case could be paid out more than once due to the way cases are entered into the accounting system.

In response to a question from Representative Petrie, Ms. Bullock stated that invoice forms are received from both attorneys and court clerks.

In response to a question from Representative Fischer, Ms. Bullock noted that the accounting system keeps track of all payments.

In response to a question from Representative Elliott, Ms. Bullock stated that the Guardian ad Litem application for payment was reduced from a three page document to a two page document in order to get the payment into the accounting system and to pay the attorneys in a timelier manner.

In response to questions from Chair Schroder, Ms. Bullock stated that the total Guardian ad Litem payments over fiscal years 2016 and 2017 was around fourteen million dollars. Ms. Bullock confirmed that the total payments exceeded budgeted amounts by roughly nine million dollars. Mr. Hoppmann noted that the Finance Cabinet is undertaking an audit to review the way Guardian ad Litem payments are processed.

There being no further business before the subcommittee, the meeting was adjourned at 11:15 AM.

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

### **Budget Review Subcommittee on Human Resources**

#### **Minutes of the 1st Meeting of the 2017 Interim**

September 28, 2017

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

The 1st meeting of the Budget Review Subcommittee on Human Resources of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, September 28, 2017, at 10:00 AM, in Room 149 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 Russell Webber, Co-Chair; Senators Denise Harper Angel, Morgan McGarvey, and Stephen Meredith; Representatives Larry Brown, Donna Mayfield, Chad McCoy, and Addia Wuchner.

Guests: Dennis May, Chief Executive Officer, Hopebridge, Indianapolis, IN; Wendy Morris, Commissioner, Department for Behavioral Health, Developmental and Intellectual Disabilities (BHDID), Cabinet for Health and Family Services (CHFS); Stephanie Craycraft,

Division Director, BHDID, CHFS; Dr. Allen J. Brenzel, MD, MBA, Medical Director, BHDID, CHFS; Roger Westfall, Executive Director, Western State Hospital; Nina Eisner, Chief Executive Officer, The Ridge Behavioral Health Systems; Tim Feeley, Deputy Secretary, CHFS; Nancy Galvagni, Senior Vice President, Kentucky Hospital Association; and Shannon McCracken, Executive Director, Kentucky Association of Private Providers

LRC Staff: Miriam Fordham and Ben Thompson.

##### **Pediatric Therapy Services for Autism - Indiana Experience**

Mr. May provided an overview of Hopebridge and the services they offer to children on the autism spectrum.

In response to a question from Senator Meredith, Mr. May stated that Hopebridge measures success on an individual basis due to the differences between cases when it comes to an autism spectrum disorder (ASD) diagnosis. Hopebridge provides a report on a child's progress to Medicaid and insurance providers every six months. Due to the differences in the amount of reimbursable hours between the states in which Hopebridge operates, it is forced to look at a part-time labor model for Kentucky, as opposed to the full time labor model utilized in Indiana and Ohio.

In response to questions from Chair Alvarado, Mr. May said that with the introduction of the Healthy Indiana Insurance Plan, providers saw an increase in reimbursements for treatment.

##### **Overview of Mental Health Treatment and Costs**

Commissioner Morris provided an overview of the cost to the state for mental health treatment. Ms. Eisner spoke on the issues providers have concerning Medicaid reimbursement for mental health treatment.

In response to a question from Senator Harper Angel, Commissioner Morris stated that BHDID was legally obligated to help transition residents from the Oakwood Residential Facility.

In response to questions from Chair Alvarado, Commissioner Morris said that mental health treatment center readmission rates are higher in Kentucky than the national average. Commissioner Morris confirmed that the cabinet had not moved to implement SB 91 from the 2017 Regular Session due to there being no funding component. The cabinet's estimated cost to implement SB 91 is \$1 million per region.

##### **Community Alternatives for Supported Living**

Ms. McCracken gave an overview of the work by the Kentucky Association of Private Providers concerning community assisted living.

There being no further business before the

subcommittee, the meeting was adjourned at 11:51 AM.

## **LEGISLATIVE RESEARCH COMMISSION**

### **Minutes of the 557th Meeting 2017 Interim**

October 4, 2017

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

The 557th meeting of the Legislative Research Commission was held on Wednesday, October 4, 2017, at 1:30 PM, in Room 125 of the Capitol Annex. Senator Robert Stivers II, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robert Stivers II, Co-Chair; Representative Jeff Hoover, Co-Chair; Senators Jimmy Higdon, Ray S. Jones II, Dennis Parrett, Dorsey Ridley, Dan "Malano" Seum, Damon Thayer, and Mike Wilson; Representatives Rocky Adkins, Kevin D. Bratcher, Dennis Keene, David Meade, David Osborne, Jonathan Shell, and Wilson Stone.

LRC Staff: David Byerman and Christy Glass.

There being a quorum, Senator Robert Stivers called the meeting to order.

Present Stivers welcomed new members, Senator Dennis Parrett, Senator Mike Wilson, and Senator Jimmy Higdon to the Commission.

President Stivers called for a motion to approve the minutes of the September 6, 2017, meeting; accept and refer as indicated items A. through E. under Staff and Committee Reports; refer prefiled bills and administrative regulations as indicated and approve items A. through F. under New Business; accept and refer as indicated items 1. through 17. Under Communications; and approve the handout of the 2018 Regular Session Calendar.

A motion was made by Senator Parrett and seconded by Senator Higdon. President Stivers asked for discussion. Seeing none, a roll call vote was taken, and the motion passed unanimously. The following items were approved, accepted, or referred.

##### **STAFF AND COMMITTEE REPORTS**

Information requests since September 1, 2017.

Committee Activity Reports since August 31, 2017.

Report of the Administrative Regulation Review Subcommittee meeting on September 11, 2017.

Committee review of the administrative regulations by the Interim Joint Committee on Natural Resources and Energy, during its meeting on September 7, 2017.

Committee review of the administrative regulations by the Interim Joint Committee on Health and Welfare and Family Services, during

its meeting on September 20, 2017.

#### NEW BUSINESS

Referral of prefiled bills to the following committees: **BR 228** (relating to credit freezes and declaring an emergency) to **Banking and Insurance**; **BR 170** (relating to student criminal history background checks) to **Education**; **BR 216** (relating to pharmacy benefits in the Medicaid program to **Health and Welfare and Family Services**; **BR 28** (proposing to amend Sections 117, 118, 119, and 122 of the Constitution of Kentucky relating to the election of appellate judges) and **BR 67** (relating to appellate judges) to **Judiciary**; **BR 149** (relating to the expansion of gaming and making an appropriation therefor), **BR 197** (proposing an amendment to Section 226 of the Constitution of Kentucky relating to casino gambling) and **BR 155** (relating to sports wagering and making an appropriation therefor) to **Licensing, Occupations, and Administrative Regulations**; **BR 113** (relating to sign language interpretation in the House and Senate chambers), **BR 195** (relating to a day of prayer for students) and **BR 199** (concurrent resolution urging the United States Congress to amend 2 Title II of the Social Security Act to repeal the Government Pension Offset provision) to **State Government**; **BR 57** (relating to electric and hybrid vehicle fees and making an appropriation therefor) and **BR 187** (relating to notification of the expiration date of an instruction permit, operator's license, or personal identification card) to **Transportation**.

Referral of administrative regulations to the following committees for secondary review pursuant to KRS 13A.290(6): **806 KAR 5:031** (Repeal of 806 KAR 5:030 and 806 KAR 5:040), **806 KAR 7:011** (Repeal of 806 KAR 7:010), **806 KAR 9:051** (Repeal of 806 KAR 9:050 and 806 KAR 9:300), **806 KAR 17:575** (Pharmacy benefit managers) and **806 KAR 24:022** (Repeal of 806 KAR 24:020) to **Banking and Insurance**; **803 KAR 2:425 & E** (Toxic and hazardous substances) to **Economic Development and Workforce Investment**; **902 KAR 20:360 & E** (Abortion facilities), **921 KAR 3:025** (Technical requirements) and **921 KAR 3:042** (Supplemental Nutrition Assistance Program employment and training program) to **Health and Welfare and Family Services**; **501 KAR 6:230** (Little Sandy Correctional Complex), **501 KAR 6:270 & E** (Probation and parole policies and procedures) and **501 KAR 6:999** (Corrections secured policies and procedures) to **Judiciary**; **201 KAR 31:010** (Fees), **804 KAR 4:390** (License renewals), **804 KAR 4:400** (Applications incorporated by reference), **804 KAR 4:410** (Product registration and forms) and **804 KAR 8:050** (Signs on vehicles used) to **Licensing, Occupations, and Administrative Regulations**; **301 KAR 1:201** (Taking of fish

by traditional fishing methods) to **Natural Resources and Energy**; **45 KAR 1:030** (Audits of sheriffs' tax settlements), **45 KAR 1:040** (Audits of county fee officials), **45 KAR 1:050** (Audits of fiscal courts) to **State Government**.

From Senator Joe Bowen and Representative Brian Linder, Co-Chairs of the Public Pension Oversight Board: Memorandum recommending to cancel a request for proposals for actuarial services.

From Senate President Robert Stivers, House Speaker Jeff Hoover, and Senate Majority Floor Leader Damon Thayer: Memorandum appointing Senator Jimmy Higdon as President Pro Tem Designate and Senator Mike Wilson as Majority Whip.

From Director David Byerman: Memorandum suggesting Prefiling Deadlines for the 2018 Regular Session.

From Senate President Robert Stivers and House Speaker Jeff Hoover: Memorandum approving the extension of David Byerman's contract

#### COMMUNICATIONS

From the Office of the Attorney General: Constitutional Challenge Report for the month of August 2017.

From the Finance and Administration Cabinet: Monthly Investment Income Report for the month of August 2017.

From the Finance and Administration Cabinet, Office of the Controller: Surtax Receipts Statements for the Law Enforcement and Professional Firefighters Foundation Fund Programs, which reflect activity for Accounting Period 2 and year-to-date activity for the period of July 1, 2017, through August 31, 2017. Pursuant to KRS 42.190.

From the Kentucky Housing Corporation: FY 17 Kentucky Affordable Housing Trust Fund Awards.

From the Kentucky Council on Postsecondary Education: FY 17 Annual Report of the Kentucky Lung Cancer Research Program (KLRCF). Pursuant to KRS 164.476(7).

From the Kentucky Council on Postsecondary Education: FY 17 Ovarian Cancer Screening Annual Report. Pursuant to KRS 164.476(1).

From the Cabinet for Health and Family Services: FY 17 Annual Child Fatality and Near Fatality Report. Pursuant to KRS 320.020(2).

From the Kentucky Council on Postsecondary Education: 2015-2016 Report on Students Participating in the Tuition and Mandatory Fee Waiver Program for foster or adopted children. Pursuant to KRS 164.2847.

From the Auditor of Public Accounts: FY 17 Report of the Audit of the Kentucky Reclamation Guaranty Fund. Pursuant to KRS 350.500.

From the Department of Public Advocacy: FY 17 Annual Litigation Report.

From the Kentucky Board of Medical Licensure: 2017 Annual Report. Pursuant to KRS 311.201.311.201.

From the Kentucky Department of Agriculture: FY 17 Farm to Food Banks Annual Report. Pursuant to KRS 247.986.

From the Justice and Public Safety Cabinet: KRS 196.031 Annual Report.

From the Cabinet for Health and Family Services: Response to Kentucky Citizen Review Panel's 2017 Annual Report.

From School Facilities Construction Commission: 2017 Emergency and Targeted Investment Fund Report. KRS 157.618.

From the Teachers' Retirement System of Kentucky: FY 15 In-state Investment Report as of June 30, 2017. Pursuant to KRS 161.430.

From the Teachers' Retirement System of Kentucky: FY 17 Annual Report. Pursuant to KRS 42.615.

President Stivers mentioned that in December many legislative members will be traveling to Nevada for the Council of State Governments meeting, which will be hosted at the Mandalay Bay Hotel. In light of the recent tragedy that took place this past Sunday night in Las Vegas, President Stivers asked for a moment of silence in remembrance of the victims of that shooting.

There being no further business, the meeting was adjourned.

## PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE Minutes

### 2017 Interim

September 14, 2017

#### Call to Order and Roll Call

The Program Review and Investigations Committee met on Thursday, September 14, 2017, at 10:00 AM, in Room 131 of the Capitol Annex. Senator Danny Carroll, Chair, called the meeting to order and led the audience in a prayer and the Pledge of Allegiance. The secretary called the roll.

Present were:

Members: Senator Danny Carroll, Co-Chair; Representative Lynn Bechler, Co-Chair; Senators Wil Schroder, Dan "Malano" Seum, Reginald Thomas, Stephen West, and Whitney Westerfield; Representatives Chris Fugate, Brian Linder, Donna Mayfield, Ruth Ann Palumbo, Rob Rothenburger, Arnold Simpson, and Walker Thomas.

Guests: Lee Rust, Founder and CEO, Freedom Forever Ministries; Jim Erwin, Commissioner, Cookie Crews, Administrator, Health Services Division, Department of Corrections; Janet Conover, Warden, Kentucky Correctional Institution for Women; Dr. Craig Meeks, Regional Psychology Director, Dr. Lester



Lewis, Regional Medical Director, Correct Care Solutions; and Van Ingram, Executive Director, Office of Drug Control Policy.

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

#### **Minutes for August 11, 2017**

Upon motion by Representative Rothenburger and second by Senator Westerfield, the minutes for August 11, 2017, were approved by voice vote.

#### **Presentation on Prescribing of Drugs to Female Inmates**

Ms. Rust said the vast majority of women in prison are victims of some type of childhood trauma, usually from a family member or close family friend. Typically, they turn to drugs by their 20s. Women are usually addicts when they get to prison.

At the local level, they are usually prescribed medication at the inmate's request upon entry. Anti-depressants and anti-anxiety drugs have side effects including obesity, emotional numbness, and lethargy. These women are not in position to take advantage of programs, work on resolving issues in their lives, or take care of children. When they are released, they often stop taking prescribed medications.

On average, a female inmate has 2.2 children. Many of these children are in the foster care system, which costs approximately \$45,000 per child per year. Children in foster care are often abused.

Female inmates are 10 percent of the prison population. Costs are more than \$100,000 per year, including the costs of taking care of the inmate's families.

Ms. Rust said that she has filed multiple open records requests to obtain the cost of prescription drugs for women in prison, but the Department of Corrections (DOC) cannot provide a breakdown by gender.

The recidivism rate is 68 percent to 70 percent. Inmates manipulate the system to obtain medications for emotional relief. Poor emotional health leads to physical health problems.

In response to questions from Representative Bechler, Ms. Rust said DOC has not given her information on what drugs are most commonly prescribed to female inmates. Antidepressants and anti-anxiety medicines are labeled as psychotropics. National studies show that when psychotropics are prescribed, women are often categorized as mentally ill rather than emotionally ill, which raises concern. Most of the prescribed psychotropics prescribed are actually mood inhibitors.

In response to questions from Senator Westerfield, Ms. Rust said access to information from prisons has been better since the current

administration took office. Cyndi Heddelston, the Executive Staff Advisor for DOC, has been very helpful.

Senator Westerfield said Kentucky has the highest rate of incarcerated parents.

Senator Carroll commented that conversations with Secretary Tilley and Deputy Secretary Grate were very supportive of this meeting.

In response to a question from Senator West, Ms. Rust said DOC did not have any information by gender. Confidentiality should not be an issue since the information requested is not identifying.

Ms. Rust commented that she spoke with a retired warden who housed both women and men in his career. He observed that the men had a pill call window while women had a carport. He also mentioned that the women had a lot of seizures that he thought was related to medication.

Senator West commented that the timing on this meeting coincided with a story in the *Lexington Herald-Leader* about 10 counties suing pharmaceutical companies for overprescribing.

Mr. Erwin said there are 3,138 women incarcerated in state custody. This includes 912 who are in prison: 719 in the Kentucky Correctional Institute for Women (KCIW) and 193 in the Western Kentucky Correctional Complex (WKCC). There are 2,210 in jails including 1,548 class D, C, and DE (class D extended) felons and 662 in controlled intake and controlled intake pending. There are also 16 women in halfway houses.

Ms. Conover said that 85 percent of the inmates at KCIW are white; 13 percent are black. KCIW is the only female secure prison in the state and houses all custody levels. KCIW has prioritized intake for medical and mental health needs. KCIW serves as the intake for inmates from county jails, as enacted by HB 191 in 2007.

There are 433 inmates participating in chronic care clinics for issues such as hypertension, asthma, and seizures. Cancer treatment is also being given for 52 inmates. Mental health treatment at KCIW has a five-level coding system. Inmates are screened within 24 hours of arrival. Currently, 151 inmates require no services; 48 inmates receive follow-up as needed; 368 inmates have scheduled evaluations, may be on medication, but are housed in the general population; 144 inmates receive frequent evaluations and medication adjustments; and 8 inmates are under constant watch. Group and individual therapy services are provided. On staff, there are four psychologists, one psychological associate, three social service clinicians, and four practicum students. Psychiatric services are provided on site and via tele-psyche services. KCIW has 350 treatment slots for evidence-

based programs such as parenting, anger management, moral reconnection therapy, and behavior modification. KCIW has 48 beds to treat substance abuse issues and 48 beds in a dual diagnosis program to treat inmates with substance abuse and mental issues.

Mr. Erwin said HB 463, enacted in 2011, requires that DOC provide only evidence-based programs. DOC continues to review programs and alter what programs are provided based on client needs. Both medical and mental health services are contracted outside of DOC. An RFP is being prepared for a new contract.

Ms. Crews said DOC currently has a contract with Correct Care Solutions (CCS) for medical, dental, and pharmacy services and for an electronic health record. CCS partners with Norton Healthcare to provide as many in-house services as possible. The main objective of the health services division is to provide good healthcare to those in custody. CCS also provides mental health services.

Dr. Lewis said CCS's medical health service operates like a managed care system, with a focus on chronic care. CCS has a prescription formulary, but the ability to work off the formulary is available. Norton Healthcare provides OBGYN services for female inmates, which is considered a specialty service. Other specialty services are available and the recommendations from those specialists are followed as much as possible. Chronic care management focuses on maintaining or slowing the progression of conditions. Chronic illness is lifelong, and CCS works on a plan to treat those illnesses. Acute care is available when necessary. With a concentrated population, it is important to distinguish what a patient needs and what a patient wants. Pain is a subjective complaint. CCS carefully reviews pain prescriptions and the patients who use them.

Dr. Meek said the mission of CCS's mental health service is to improve functioning and maintain the safety of its patients. The mental health service is working to determine if patients are being prescribed more than one medication in a single category, which has been addressed now that a single provider is administering psychiatric services. Mental illness is difficult to diagnose. Most diagnoses are made on observation and patient self-reports. Over 90 percent of all inmates have self-medicated for years prior to being incarcerated. In many cases, medication is necessary to allow inmates to participate in the mental medical health service evidence-based programs. KCIW does have a high percentage of inmates on medication, but the cost compared with benchmark facilities is low.

Mr. Erwin said DOC has a therapeutic level of care committee that reviews all aspects of the

health of inmates. DOC is working to compile data for the various statistical requests it has received. KCIW has a concentrated population of inmates with medical needs. Most female inmates who require medical services are sent to KCIW. DOC has calculated some data compared to other state's facilities with similar populations and class D felons. At KCIW, just over 92 percent of inmates are on prescription drugs. Over 75 percent of those inmates are taking some type of psychiatric medication. Studies show that in the general public, women age 18 to 40 have a higher rate of prescription drugs than do men. KCIW has a quarterly average of nearly 496 inmates on psychiatric medications. On a quarterly basis, KCIW spends nearly \$182 for each of its 716 inmates, but just over \$197 on each inmate who receives treatment. KCIW has just under 70 percent of its inmates on psychiatric medications, spending nearly \$20 on each inmate.

In response to questions from Senator Carroll, Mr. Erwin said DOC realizes that the data should be improved. DOC should continually reassess and reevaluate practices. The opioid addiction will likely present new issues to be addressed.

Dr. Lewis said CCS is responsible for the healthcare of the entire state correction community. There is a quarterly pharmacy therapeutics meeting with a national consultant to determine issues that need to be addressed. If the data for KCIW and WKCC were blended, the overall percentages would be lower. The number of female inmates is increasing and sentences are longer.

In response to a question from Senator Carroll, Mr. Erwin said DOC works with the University of Kentucky on the Criminal Justice Kentucky Treatment Outcome Study to provide medical and mental health treatment opportunities for inmates when released. Inmates are released with medication. DOC will need to work to get data on how many addicted inmates are released.

Dr. Lewis said addiction is a lifelong illness. CCS only prescribes opiates for short-term and terminal illnesses. Inmates are not released with prescriptions for opiates. CCS is working to reduce Neurontin use for patients.

Dr. Meek said CCS does not prescribe benzodiazepines, such as Valium or Xanax, to anyone. Mental illness needs to be treated appropriately. Trauma changes how its victim's brains work; a holistic approach needs to be used for treatment. Abstinence is not enough.

In response to questions from representative Rothenburger, Dr. Lewis said follow-up after release depends on the patient's condition. Patients are given 30 days of medication for chronic illnesses. DOC and CCS attempt to get the patients insurance, appointments, and referrals. Mr. Erwin said the electronic health record is beginning to show benefits. Dr. Meek

said the electronic health record does not have the capacity to get records electronically from prior medical providers.

In response to questions from Senator Carroll, Dr. Meek said CCS is trying to reduce the percentage of inmates on psychiatric prescriptions. Except for permanent psychiatric illnesses, the goal is to treat and reduce symptoms. KCIW receives the most serious medically and mentally ill inmates of any female prison within the state. Overall, KCIW differs from other states' facilities because other states have more women's prisons among which inmates with illness are distributed. Dr. Lewis said most seriously mentally ill people end up in corrections. Many statewide facilities closed and no community support systems were available. Mr. Erwin said he would get the information on how much money is spent annually on medications in the female institutions separate from the male institutions. Ms. Crews said getting the information will be difficult, because one drug can treat various illnesses, some physical and some psychiatric. Dr. Lewis said he will work to find out how much money is spent on medications alone. Ms. Conover said she can provide the percentage of KCIW's budget that is spent on medications.

In response to questions from Representative Bechler, Mr. Erwin said he will look into the quarterly amount spent on medications for KCIW and WKCC. Dr. Lewis said there are very few malpractice lawsuits and few federal lawsuits, which are usually settled or dismissed.

In response to questions from Senator Carroll, Ms. Crews said the prescription contract is \$20 million, but DOC will provide the actual amount spent. Dr. Lewis said primary care medication costs are minimal. Major costs come from specialty and brand name medications.

Senator Carroll commented that medication should not be used to control inmates, especially female inmates.

Mr. Ingram said trauma and adverse childhood experiences are large factors in the substance abuse and opioid issues facing the state. Developing better mental health services for those who are traumatized at a young age when it occurs will lead to better outcomes. Follow-up mental health services are important, but mandating inmates to participate is not feasible.

In response to questions from Representative Simpson, Mr. Erwin said everyone has the right to refuse medical care. The parole board can set stipulations for those with substance abuse issues, but otherwise it can only make recommendations for released inmates. The Criminal Justice Policy Assessment Council may suggest steps the legislature can take to help.

In response to a question from Senator West, Mr. Ingram said SB 200, enacted in 2014,

has improved community services relating to juvenile detention centers. There is a need to train teachers, ministers, and other community members to recognize children who need services for adverse childhood experiences.

In response to a question from Representative Rothenburger, Mr. Ingram said the Suboxone and methadone clinics are getting a lot of attention, especially in regards to the 1115 Medicaid waiver. Discussions on how to improve substance abuse treatment are going on everyday throughout the state.

The meeting was adjourned at 11:39 PM.

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

### **Minutes**

September 19, 2017

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

The Capital Projects and Bond Oversight Committee meeting was held on Tuesday, September 19, 2017, at 1:00 PM, in Room 169 of the Capitol Annex. Representative Phil Moffett, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stan Humphries, Co-Chair; Representative Phil Moffett, Co-Chair; Senators Julian M. Carroll and Rick Girdler; Representatives Larry Brown, Will Coursey, and Steven Rudy.

Guests: Ms. Janice Tomes, Deputy State Budget Director; Mr. Scott Aubrey, Director, Real Properties; Ms. Ashley Adams, Financial Analyst, Kentucky Infrastructure Authority; and Mr. 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.

#### **Approval of Minutes (August 15, 2017)**

A motion was made by Senator Carroll to approve the minutes of the August 15, 2017 meeting. The motion was seconded by Senator Humphries and approved by voice vote.

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

Ms. Tomes reported two emergency repair, maintenance, or replacement projects approved pursuant to KRS 45.750(1)(g) and 45.780. The first was the \$1 million Kentucky School for the Deaf (KSD) High Voltage Electrical Service System project; with \$800,000 allocated from the Emergency Repair, Maintenance, or Replacement Account and \$200,000 allocated from KSD's 2014-2016 Maintenance Pool to replace the primary high voltage electric service system at KSD's campus. The campus experienced several electrical outages and the project was necessary to protect the health and welfare of



students and staff. The second project was the \$350,000 KingAir Engine Overhaul project; with \$250,000 allocated from the Emergency Repair, Maintenance, or Replacement Account and \$150,000 allocated from the Aviation Maintenance Pool to replace the engine. No action was required.

Ms. Tomes next submitted one unbudgeted project for the Department of Military Affairs pursuant to KRS 45.760. The Department of Military Affairs Boone National Guard Fitness Center project appropriation was \$1,267,040.50; with \$950,000 (75 percent) in federal funds and \$317,000 (25 percent) in restricted funds from the Combined Clothing Distribution Facility (CCDF) account for the construction of a physical fitness center to serve Kentucky National Guard troops and civilian employees of the Department of Military Affairs.

A motion was made by Senator Carroll to approve the project, seconded by Senator Humphries, and approved by unanimous roll call vote.

Ms. Tomes next submitted five new capital projects pursuant to Part II of HB 303 and KRS 45.760(6); to be funded from a combination of bond funds from the Workforce Investment Construction Pool (Kentucky Work Ready Skills Initiative (KWRSI) awards), the Kentucky Community and Technical College Systems (KCTCS) institutions' restricted funds and private donations, and some federal funds. The first project was the KCTCS Construct Community Intergenerational Center project at Hazard CTC, Lees Campus, in the amount of \$5,108,000; with \$2,888,100 in bond funds, \$720,200 in private funds, and \$1.5 million in federal funds from the Appalachian Regional Commission.

The second project was the KCTCS Construct Advanced Manufacturing Center at Jefferson CTC, Downtown Campus in the amount of \$20,241,386; with \$15.2 million in bond funds, \$3.3 million in private funds, and \$1,741,386 in restricted funds. Jefferson CTC is partnering with Jefferson County Public Schools on this project.

The third project was the KCTCS Renovate and Equip Manufacturing Labs at Owensboro CTC, Downtown Campus in the amount of \$3,283,244; with \$2,858,244 in bond funds, and \$425,000 in restricted funds. Owensboro CTC is partnering with Daviess and Hancock Counties on this project.

The fourth project was the KCTCS Renovate Manufacturing Labs in Somerset CC, South Campus in the amount of \$4,456,500; with \$3,800,000 in bond funds, \$356,500 in private funds, and \$300,000 in restricted funds.

The fifth project was the KCTCS Renovate and Equip Manufacturing Labs in West

Kentucky CTC in the amount of \$3,040,000 in bond funds. West Kentucky CTC is partnering with West Kentucky Area Technology Centers on this project.

Additionally, Ms. Tomes said that each of these projects, with the exception of Jefferson CTC, is backed by an agreement between the institution and the Education and Workforce Development Cabinet stipulating that no bond proceeds will be released until matching funds are received. Bond funds for Jefferson CTC will be released based upon written pledges.

In response to questions from Senator Humphries, Ms. Tomes said that the bond funds were the beginning of the allocations to the community colleges receiving KWRSI awards during the first round of funding.

A motion was made by Senator Carroll to roll the five projects into one roll call vote. The motion was seconded by Representative Coursey and approved by voice vote.

A motion was made by Senator Carroll to approve the five projects, seconded by Senator Girdler, and approved by unanimous roll call vote.

Ms. Tomes next submitted an amendment to a prior capital project approval pursuant to KRS 45.760(7)(a), which was a restricted fund appropriation increase for the KCTCS Pikeville Technology Center at Big Sandy Community and Technical College. The revised project authorization consisted of \$3,278,000 (59.6 percent) in federal funds and \$2,222,000 (40.4 percent) in restricted funds. The project was originally approved and reported in October 2015 for \$4.5 million. Construction bids and equipment needs were greater than originally anticipated.

A motion was made by Senator Carroll to approve the project, seconded by Representative Coursey, and approved by unanimous roll call vote.

#### **Lease Reports from the Finance and Administration Cabinet**

Mr. Aubrey reported six lease renewals with an annual cost exceeding \$100,000 for privately leased space in various counties. All leases are to be renewed under the same terms and conditions, with the annual rental rate as follows: Cabinet for Health and Family Services (CHFS), Floyd County, \$108,744 through June 30, 2026; CHFS, Lawrence County, \$123,671 through June 30, 2026; CHFS, Letcher County, \$178,579 through June 30, 2019; CHFS, Montgomery County, \$125,874 through June 30, 2019; Council of Postsecondary Education, Franklin County, \$324,411 through June 30, 2022; and Kentucky State Police, Hopkins County, \$110,880 through June 30, 2026.

A motion was made by Senator Carroll to roll the six lease renewals into one roll call vote. The

motion was seconded by Representative Coursey and approved by voice vote.

A motion was made by Senator Carroll to approve the six lease renewals, seconded by Representative Coursey, and approved by unanimous roll call vote.

Representative Rudy commented that he has received a number of phone calls from his constituency regarding the Beaver Dam Rest Area project. Mr. Aubrey said that the project is still an open procurement, nothing has been awarded to date, and that a resolution should be forthcoming.

Mr. Aubrey reported one new lease with the Department of Corrections in Jefferson County. This lease was advertised and procured pursuant to KRS 56.803. The new lease is for 11,105 square feet at a cost of \$19 per square foot with no utilities and 72 reserved parking spaces. The total annual cost is \$210,995 through June 30, 2025.

Mr. Aubrey next reported a lease modification for the Transportation Cabinet in Jefferson County. This lease is being modified to increase the square footage by 29,478 square feet for a total of 201,125 square feet and annual cost of \$402,070.76. The space is for storing salt used in treating roads during inclement weather.

Mr. Aubrey lastly reported leasehold improvements to the 300 Building located at 300 Sower Boulevard in Franklin County. The occupying agencies have requested voice data outlets in the glass conference rooms in the collaboration areas. The wiring will be installed in 38 rooms. The occupying agencies will reimburse the Tenant Improvement Fund \$9,041.50, bringing the total cost of the improvements to date to \$201,113.31.

A motion was made by Senator Carroll to roll the new lease, lease modification, and the leasehold improvement items into one roll call vote. The motion was seconded by Representative Rudy and approved by voice vote.

A motion was made by Senator Carroll to approve the new lease, lease modification, and the leasehold improvement items, seconded by Representative Rudy, and approved by unanimous roll call vote.

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

Ms. Adams reported one Fund A (Clean Water State Revolving Fund – CWSRF) loan increase request and one new Fund A loan request. The City of Elkhorn requested a \$37,939 increase to a previously approved \$560,000 Fund A loan, bringing the total amount borrowed to \$597,939. The increase was needed due to changes in project design for its wastewater treatment plant. The loan is a 20 year loan at a 0.75 percent interest rate. The Oldham County Environmental Authority requested a Fund A loan in the amount of \$6.3 million for the third

phase of its Orchard Grass Regional Wastewater Treatment Plant project. The loan is a 20 year loan with a 1.75 percent interest rate.

A motion was made by Senator Carroll to roll the KIA loans into one roll call vote. The motion was seconded by Representative Coursey and approved by voice vote.

A motion was made by Senator Carroll to approve the KIA loans, seconded by Representative Rudy, and approved by unanimous roll call vote.

Mr. Barrow provided follow-up reports for three previously approved bond issues. The first report was for the Kentucky Economic Development Finance Authority (KEDFA) Hospital Revenue Bonds, Series 2017A (Baptist Healthcare System Obligated Group). This conduit bond issue financed various Baptist Healthcare System projects and the amount issued was just under \$220 million.

With respect to the following two remaining previously approved bond issues, Mr. Barrow commented that both transactions sold into a very favorable market, mitigating some of the effects of the recent ratings actions.

The second previously approved bond issue was the Turnpike Authority of Kentucky (TAK) Economic Development Road Revenue and Revenue Refunding Bonds (Revitalization Projects), 2017 Series A and B, with was Road Fund supported. The Series A portion provided financing for \$30 million of transportation projects. The larger Series B portion was a refunding with a net present value savings of \$7.8 million, approximately 5.2 percent of the refunded bonds.

The third previously approved bond issue was State Property and Buildings Commission (SPBC) Project No. 117, which was General Fund supported. The bond issue had four separate series to comply with tax laws. Series A was a taxable new money issue, Series B was a tax-exempt new money issue funding approximately \$100 million of new projects, Series C was a taxable refunding issue, and Series D was a tax-exempt refunding issue. Mr. Barrow stated that the bond issue in aggregate funded \$115 million of new projects and that the refunding portion had a net present value savings of roughly \$8.1 million, about 6.3 percent of the refunded bonds.

In response to questions from Representative Moffett, Mr. Barrow said that the Commonwealth's Issuer Credit Rating was downgraded by one rating by Moody's [which resulted in General and Agency Fund supported debt as well as intercept programs for K-12 and postsecondary being lowered by one rating] and that the TAK's debt, which is Road Fund supported, was placed on negative watch by S&P. Road Fund supported debt also received a downgrade by Moody's. Mr. Barrow stated that due to market conditions,

supply was incredibly low and investors needed paper, there was no increase in spreads for the TAK issue and a slight increase in spreads for the SPBC issue. However, given the market conditions and absent the downgrades, the bond issues could have sold even better. Mr. Barrow said that over the long term, the lower ratings will generate a higher cost of capital as he expected spreads to widen in the future due to the downgrades. Mr. Barrow referenced the diversity of the investor base, including those that invest in lower-grade municipal bonds, and the varying opinions of investors. He stated that while a number of investors will no longer purchase the Commonwealth's bonds due to the pension issues; there were those that did as evidenced by the recent transactions. No action was required.

In response to questions from Senator Carroll and Representative Moffett, Mr. Barrow stated that the ratio of annual debt service to revenues was currently below the six percent threshold.

Mr. Barrow reported nine school district bond issues submitted with SFCC debt service participation. Five of those bond issues were new money transactions for the following school districts: Bath County, Beechwood Independent, Clark County, Harrison County, and Williamsburg Independent. The transactions were approximately \$40 million in aggregate, with just under 90 percent locally-supported and about 10 percent state-supported. There were no tax increases for four of those five transactions. A recallable nickel tax was passed in 2015 for the Williamsburg Independent School District. The remaining four bond issues were refunding transactions for the following school districts: Bell County, Garrard County, Glasgow Independent, and Leslie County. The transactions were approximately \$17 million in aggregate with a total savings of \$777,000. The local portion of the debt service is about 75 percent and the state portion is about 25 percent.

A motion was made by Senator Carroll to roll the school bond issues into one roll call vote. The motion was seconded by Representative Brown and approved by voice vote.

A motion was made by Representative Rudy to approve the school bond issues, seconded by Representative Brown, and approved by unanimous roll call vote.

#### **New Local School Bond Issues with 100 Percent Locally-Funded Debt Service**

Ms. Halloran reported one local school district refunding bond issue with 100 percent local debt service support. No action was required.

Ms. Halloran said that included in members' packets is a spreadsheet itemizing approved tenant improvement requests for the 300 Building. The list includes a \$1,369.60 item reported to staff in

July for the installation of an antenna. LRC staff and Finance and Administration Cabinet staff spoke about consolidating future requests when possible; however, the Division of Real Properties reported the most recent item separately as there were no additional projects to report. No action was required.

#### **Updated Debt Issuance Calendar**

Also included in the members' folders was the debt issuance calendar. No action was required.

With there being no further business the meeting was adjourned at 1:35 p.m.

## **MEDICAID OVERSIGHT AND ADVISORY COMMITTEE**

### **Minutes**

September 20, 2017

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

The Medicaid Oversight and Advisory Committee meeting was held on Wednesday, September 20, 2017, at 10:00 AM, in Room 149 of the Capitol Annex. Representative Kimberly Poore Moser, Chair, called the meeting to order at 10:03 a.m., 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, Morgan McGarvey, and Stephen Meredith; Representatives Robert Benvenuti III, Jim Gooch Jr., Joni L. Jenkins, and Melinda Gibbons Prunty.

Guests: Van Ingram, Executive Director, Kentucky Office of Drug Control Policy; Gil Liu, MD, Medical Director, Department for Medicaid Services, Cabinet for Health and Family Services; Dave Adkisson, President and CEO, Kentucky Chamber of Commerce; Allen J. Brenzel, MD, MBA, Medical Director, Department for Behavioral Health, Developmental and Intellectual Disabilities, Cabinet for Health and Family Services, and Associate Professor of Psychiatry and Pediatrics, University of Kentucky; Bonnie Hedrick, Ph.D., Program Manager/Liaison, Northern Kentucky Office of Drug Control Policy and St. Elizabeth Healthcare; Jennifer Hancock, President and CEO, Volunteers of America Mid-States, Freedom House; Danielle Mathieu, RN, Clinical Liaison, Baby Steps Program, St. Elizabeth Healthcare; Henrietta Bada, MD, Director, Division of Maternal and Child Health, Department for Public Health, Cabinet for Health and Family Services, and Professor, University of Kentucky; Mark Jorrich, MD, President, Kentucky Chapter of the American Society of Addiction Medicine; Molly Rutherford, MD, MPH, Bluegrass Family Wellness, Founder, Vice President, Kentucky Academy of Family Physicians, Past President, Kentucky Society of Addiction Medicine; Linny Cloyd, Deputy, Quick Response Team



Coordinator, Boone County Sheriff's Office; Scott Breeze, M.Ed., NRP, Fire Chief, Independence Fire District, Kenton County; Christina Weinel, ACTS Volunteer, Alexandria Police Department; Jason Merrick, MSW, CADC, Director of Addiction Services, Kenton County Detention Center; David Hayden, Vice President of Clinical Operations, SelfRefind; William Carter II, CEO, The Infinity Center; Steve Cummings, Pharm.D., Our Lady of Peace; Chris Harlow, Pharm.D., St. Matthew's Pharmacy; Mike Cox, M.Ed., NCC, LPCC, President, Isaiah House, Inc.; Tim Robinson, Founder & CEO, Addiction Recovery Care; Nancy Hale, President and CEO, Operation UNITE; Steve Hart, Kentucky Board of Pharmacy; Ronald Hatfield, Cellarian Health; Keith Mason; Kay Combs and Johnnie Lovins, Kentucky Office of Rural health; Todd Case, Recovery Works; Gary Riddle, Indivior; Brandon Kelley; Donald R. Douglas, MD, Pain Physician; Mary Lewis, Office of Health Policy, Cabinet for Health and Family Services; John J. Wernert, MD, Sagamore Institute; Chris Harlow, St. Matthews Community Pharmacy; Lana Davenport, MD, Psychiatrist, Addictionologist, Medical Director, The Infinity Center; and Kim Hinkel, SOS for Addictions LLC.

LRC Staff: DeeAnn Wenk, Sarah Kidder, Ben Payne, Jonathan Scott, Gina Rigsby, Becky Lancaster, and Heather Scott.

#### **Minutes**

A motion to approve the minutes of the August 16, 2017 meeting was made by Senator Raque Adams, seconded by Senator Alvarado, and approved by voice vote.

#### **OPIOIDS IN KENTUCKY: Awareness, Prevention, and Treatment of Heroin and Opioid Use, Misuse, and Abuse**

##### **Overview of the Epidemic and Scope of the Crisis**

Representative Addia Wuchner stated that opioid addiction increases the tolerance and individuals take higher doses to stave off withdrawal. An addiction spiral can happen quickly. Addiction destroys and fractures families and individual lives, communities, and futures. It fills court dockets, jails, hospital emergency rooms, NICUs, and morgues. People with addiction are suffering from a chemically inflicted disease that attacks the brain and tortures the body. The single most important lesson is that no one chooses the life of an addict. There is hope and recovery.

Representative Kimberly Moser stated that everything heard about the opiate use disorder is real to many families and communities. It cuts across all demographics and touches everyone. Addiction does not matter where you live, how intelligent you are, or your income. Addiction is a complex issue and there needs to be a continuum of care.

#### **Status and Overall Impact of the Heroin and Opioid Crisis**

##### **Status of Heroin and Opioid Crisis**

Van Ingram, Executive Director, Kentucky Office of Drug Control Policy, stated that 4 Kentuckians and 140 Americans die daily from a drug overdose that could have been prevented. It took over two and a half decades to get into the problem and, unfortunately, will take longer to recover from the problem. While it looks dire, there is hope. In 2016, 1,404 Kentuckians died of an overdose that was largely driven by the introduction of illicit fentanyl into the illicit drug supply. Just because legislation is enacted, there are still individuals with an opioid disorder and still seeking to prevent the withdrawal and feed the addiction. In the first six months of 2017, fentanyl was present in 53 percent of deaths. Foster care, courts, jails, prisons, hospitals, emergency departments, EMS, and police are all affected by the opioid problem. In 2016, 301 million units of opioids, not counting buprenorphine, were prescribed compared to 371 units in 2011. The whole problem is a result of the overexposure of opioids to the country. Kentucky is working on reducing the overexposure. Prescribers are seeking training to learn about the issue and how they can impact the problem. Protocols for pain management and trauma pain are being promoted across Kentucky. House Bill 333 from the 2017 Regular Session will help with overexposure of opioids often accompanied with a 30- to 40-day prescription for a procedure that needs only two to three days of pain medication. There are plans to make treatment on demand a closer reality than it is today. The amended Medicaid 1115 waiver will increase and improve the quality of substance abuse treatment.

##### **Healthcare Impact**

Gil Liu, MD, Medical Director, Department for Medicaid Services, Cabinet for Health and Family Services, stated that according to Kentucky's most recent budget, including federal dollars, Medicaid consumes one-third of every dollar and covers 1.4 million beneficiaries of Kentucky's 4.4 million population. Kentucky spends a lower amount on behavioral health compared other peer states. Between 2014 and 2016, Kentucky's expenses on behavioral health have doubled. During the same period of time, expenses on substance abuse disorder treatment have quadrupled. Community mental health centers have always been a safety net. Substance abuse treatments account for 16 percent of payments for behavioral health services. Behavioral health multi-specialty groups are focusing on substance abuse treatments which account for 48 percent of paid claims. In 2016, \$325 million was spent on psychotropic medications, a 76 percent growth since 2013. Kentucky Medicaid providers include

mental hospitals, behavioral health service organizations, psychiatric residential treatment facilities, community mental health centers, individual physicians, physicians within a group practice, and behavioral health multi-specialty groups. A major feature of the proposed 1115 Medicaid demonstration project waiver is the compiling of economic stimulus programs, initiatives through community engagement to give job training and great job opportunities to Medicaid beneficiaries, and watching the effects of higher quality health care services along with improving socio-economic status to improve the health of beneficiaries in Kentucky. Kentucky needs to strengthen financial incentives to build and sustain new programs. Kentucky is not waiting on federal agencies to issue clear guidance on quality measures.

Approximately 10,491 Medicaid individuals have been diagnosed with Hepatitis C. The disease is clustered in the southeast portion of Kentucky, and there should be tailored approaches to serve the needs of rural communities that have had long-standing challenges of access to health services, especially specialty care. Hepatitis C is curable, but the treatment is costly. Nationwide, the treatment rate is 10.1 percent compared to Kentucky's rate of 3.2 percent. There are racial disparities in treatment rates. The mission of the Medicaid program is to have excellent service that is sustainable but also equitable. There is a lack of clear documentation of strong treatment plans. A critical component of a treatment plan is care coordination. There are large numbers of individuals with Hepatitis C that have complicating co-morbidities. There are opportunities to strengthen the approach by engaging more effectively with specialists and primary care providers. Currently, the guidelines for Kentucky's Medicaid authorization of medical treatment for Hepatitis C are more stringent than national care guidelines.

##### **Employment and Economic Impact**

Dave Adkisson, President and CEO, Kentucky Chamber of Commerce, stated that the chamber represents approximately 68,000 employers statewide. The impact of the opioid crisis on Kentucky's health is staggering and the toll on families is devastating. In Kentucky, the opioid crisis has contributed to a low workforce participation rate. If Kentucky was at the national average, there would be approximately 165,000 more workers impacting Kentucky's economy than there are currently. Opioid addiction is a significant factor that affects the workforce. Many people actively looking for work cannot pass a drug screening required for employment, and many who do have jobs are exiting the workforce due to untreated or undertreated addictions. Kentucky needs a healthy workforce to grow its economy. Prevention and treatment with

the goal of full recovery must be a top priority in Kentucky. Worker's compensation data show that as the age of an injured worker increases the number of pharmaceutical prescriptions increases and opioids are still widely prescribed. Approximately 40 other states have implemented the use of drug formularies and medical treatment guidelines to reduce costs while safeguarding access to quality care. A 2016 research study by the National Council on Compensation Insurance estimates that if Kentucky adopted such a formulary, drug costs under the worker's compensation program would be reduced by 10 to 20 percent. The business community has become attuned to the fact that this is not just a medical and person issue but an economic issue affecting businesses and employees across the Commonwealth.

In response to a question by Representative Bentley, Dr. Brenzel stated that between 50 percent and 70 percent of people diagnosed with a substance abuse disorder also have a behavioral health disorder. Dr. Liu stated that based on national estimates, over half of the people with addictions have a complicating behavioral health diagnosis outside the drug issue.

In response to comments by Senator Julian Carroll, Mr. Ingram stated that in August, the Office of Drug Control Policy (ODCP) launched a campaign called "Don't Let Them Die" with the Kentucky Broadcasters Association to have messages played on across Kentucky on 250 radio stations, 19 television stations, and social media. One goal is to reduce stigma. Trying to apply logic to an addict's thinking and action will never work. The public needs to be educated on the risks of opioids and opportunities on how to resist these drugs.

#### **Awareness and Prevention**

#### **Children and Youth and the Impact of Adverse Childhood Experiences (ACEs)**

Allen J. Brenzel, MD, MBA, Medical Director, Department for Behavioral Health, Developmental and Intellectual Disabilities, Cabinet for Health and Family Services, and Associate Professor of Psychiatry and Pediatrics, University of Kentucky, stated that The Adverse Childhood Experiences Study is a research study conducted by the American health maintenance organization Kaiser Permanente and the Centers for Disease Control and Prevention. Participants were recruited to the study between 1995 and 1997 and have been in long-term follow-up for health outcomes. The study is the largest of its kind ever conducted to examine the health and social effects of ACEs through the lifespan. The study included largely middle-class individuals with private health insurance in the western part of the country. Adverse childhood experiences (ACEs) include physical abuse, emotional abuse, sexual abuse,

domestic violence against a mother, substance abuse in the home, mental illness in a parent, lost parent due to separation or divorce, and household member in jail. The study showed that the number of ACEs, including the ones related to substance abuse, predict an individual's overall adult health. To make an impact and break the cycle of addiction, ACEs scores have to be used to determine the likelihood of an individual who will become addicted to opioids and other addictions such as alcohol. Kentucky has a significantly higher prevalence of youth with multiple ACEs. The more ACEs, the likelihood of having or marrying into a family with a substance abuse disorder increases dramatically. Not all individuals who develop an opiate disorder had any ACEs, because the problem of addiction is affecting everyone. Prevention and intervention programs need to be targeted toward youth with ACEs because their risk is higher. Improving access to behavioral health and substance use disorder treatment services will break the addiction cycle.

#### **Core-Life**

Bonnie Hedrick, Ph.D., Program Manager/Liaison, Northern Kentucky Office of Drug Control Policy and St. Elizabeth Healthcare, stated that primary prevention will pay off much later in life. St. Elizabeth Healthcare has underwritten a campaign in Northern Kentucky and it will extend into some Kentucky media outlets. Recovery and treatment work and give people hope. Early intervention services of neurological impairment can help prevent unhealthy behaviors and health problems. From conception to death, humans live within an environment that will either nurture or limit their growth and development. Every \$1 spent on prevention saves \$18 in related medical, justice, social, and other costs. Core-Life is a program of Mental Health America of Northern Kentucky and Southwest Ohio. It is a theory-informed framework for enveloping all the wonderful things schools and youth serving groups are already doing to create a wonderful learning environment for the youth it serves. It was developed for schools, but it has applicability in YMCAs, youth camps, and other settings where youth are gathered for positive youth development. Its focus is on building social and emotional skills through the development of positive character traits. It is available from kindergarten to sixth grades. The program changes the way a school interacts with students and families to address ACEs early in a child's life. Information can be found at CoreLifeNKY.org.

In response to a question by Representative Marzian, Dr. Brenzel stated that Kentucky will spend 20 percent of the federal Cures Act funds on prevention. It includes naloxone and Narcan

rescue. The Sources of Strength program taught in schools identifies children who have risk factors and teaches them about health awareness and the child's potential. It also aligns them with positive mentors and relationships. The Medicaid benefit for substance use was added in Kentucky in 2014. Ms. Hedrick stated that strategic planning and alignment is very important.

In response to a question by Representative Moser, Dr. Brenzel stated that Core-Life costs a school \$8,000 compared to other programs that can cost \$80,000. Pilot schools have taken the concept of Core-Life and integrated it across many policies and procedures so it is not just an education program. The results show better behavior in students. When coping skills and resiliency are increased in schools, it contributes to academic growth.

#### **Special Populations Part I: Pregnant/Parenting Women and Infants**

Jennifer Hancock, President and CEO, Volunteers of America Mid-States, Freedom House, stated that data-driven results show that Volunteers of America (VOA) can keep families healthy and do it while saving money for Kentucky. Freedom House provides an evidence-based, healing environment that puts moms on a path to recovery. It delivers individualized clinical care and programming delivered by accredited health professionals. More than 150 health babies have been born at Freedom House. Freedom House provides residential treatment for pregnant women and women with young children who have a substance use disorder. The comprehensive program is designed to treat women's addictions, to break the cycle of addiction in families, to reunite families broken apart by addiction, and to promote the birth of health, drug-free babies. In 2015, approximately 1,500 babies were born with Neonatal Abstinence Syndrome (NAS). The Center for Disease Control and Prevention (CDC) states that every baby born with NAS will cost approximately \$93,000. When 10 healthy babies are born at the Freedom House, it saves Kentucky nearly \$1 million. Freedom House saves Kentucky by preventing babies from being placed in out-of-home care.

Danielle Mathieu, RN, Nurse Liaison, Baby Steps Program, St. Elizabeth Healthcare, stated that the program provides services to pregnant and parenting mothers that are dealing with a substance use disorder focused on opioids. A community nurse liaison and an RN nurse community health worker work in the program. The program helps moms get into the Women's Residential Assistance Program (WRAP) in Covington. Parenting classes are provided at the Campbell County and Kenton County detention centers where women receive certificates that can be taken to the judge to show they have finished the program. Services provided include



Alcoholic Anonymous meetings, parenting education in homes, treatment and housing assistance, medication assisted treatment (MAT) assistance, and reintegration with families and children. Moms can stay in the program up to two years after delivery. The program is focused around hope. From January to September 2017, 368 referrals were made to the program.

Henrietta Bada, MD, Director, Division of Maternal and Child Health, Department for Public Health, Cabinet for Health and Family Services, and Professor of Pediatrics, University of Kentucky, stated that with the current opioid epidemic, it is no surprise that children are also affected. When an infant is born, the supply of opioid from the placenta ceases and an estimated 60 percent to 90 percent of these infants develop a constellation of signs consistent with withdrawal manifestations; this is referred to as Neonatal Abstinence Syndrome (NAS). The maternal use of opioids maybe due to illegal use, or to prescribed medication assisted treatment for opioid dependence or for treatment of chronic pain. Ninety percent of the mothers of infants with NAS mothers have a history of drug (opioid) use; 77 percent of these women test positive during pregnancy or at delivery, and a similar proportion of their babies also test positive in their urine or meconium. Buprenorphine is positive in 30 percent of drug tests, followed by other opioids such as OxyContin or hydrocodone. Other substances noted in drug testing include marijuana and benzodiazepines. In Kentucky, the mothers of babies with NAS are predominantly white, 54 percent are from rural or semi-rural counties, 48 percent have received no prenatal care or started prenatal care late (after the first trimester), 83 percent are on Medicaid, 80 percent are smokers, and 1 out of 4 of has a diagnosis of Hepatitis C which can be transmitted to the baby. Eighteen percent give birth to low birth weight babies. Thirty-nine percent of mothers are in treatment programs during pregnancy but only about a fourth of the programs do drug testing, 20 percent of programs provide mental health counseling, and 5 percent address parenting. Almost half of these mothers in treatment during pregnancy do not continue treatment after delivery.

In 2015, the incidence of NAS was 24 cases per 1,000 live births, a 25 fold increase since 2001. The incidence of NAS varies from one county to another. In some districts in Eastern Kentucky, the incidence of NAS is three times the state average at 63 cases for every 1,000 live births. A plan of safe care needs to be developed. If infants with NAS survive the first year of life, they are reported to have cognitive and speech impairment, and or behavior problems. Teachers report attention problems, which actually become worse with time. However,

these detrimental outcomes can be mitigated by caretaker involvement and other protective factors, which will offset the effects of many risk factors. Social and psychological support in addition to providing resources for tangible needs is necessary for mother and child, or the caretaker and the child, if we are to offset the risks for poor outcomes, especially those resulting from adverse childhood experiences.

The plan should also include promoting attachment, access to well-child care, immunizations, testing for perinatal transmission of Hepatitis C, and provide a seamless continuum of care for the caretaker and the child. The plan of safe care should provide a seamless continuum of care for the caretaker-infant dyad with the main goal of promoting optimal long-term child development outcomes.

In response to comments by Representative Wuchner, Ms. Hancock stated that VOA makes long-term investments in working with families. VOA recognizes that addiction is not a disease that has the ability to be placed into remission or recovery in 28 days. VOA recently opened transitional housing to ensure mom has a safe place to live with her family. She remains connected to the program for up to two years.

Ms. Mathieu stated that Baby Steps is more engaged in trying to get the mom into treatment, and it can be a very lengthy and detailed process. The program helps moms 24 hours a day, seven days a week, because problems from the addiction happen at any time. One of the biggest struggles is a mom who says she wants help but then changes her mind. The program follows a mom for two years after delivery.

Dr. Bada stated that the common theme is the need to follow a mom two to three years after delivery.

In response to a question by Senator Raque Adams, Ms. Hancock stated that VOA has raised \$3.7 million to purchase and renovate a second facility for 16 additional residential beds as well as intensive inpatient and outpatient programming to integrate care on one campus.

In response to questions by Representative Bentley, Dr. Bada stated that it is difficult to piece out the effect of marijuana on babies with NAS. Studies show that smoking tobacco increases the odds of a baby developing symptoms similar to NAS. Being on other medications adds to the severity of NAS. It is difficult to determine which drugs are causing the baby to respond or not respond to treatment. There are studies that say there is something in some babies' genes that make the baby more susceptible to treatment versus others who are not. Nurturing needs to be provided to help behavioral problem scores to go down.

#### **Harm Reduction: Safe Drug Disposal**

Senator Alice Forgy Kerr stated that 70

percent of all addictions start in a friend's or family member's medicine cabinet. Stopping the addiction before it starts is an integral part in solving the addiction crisis. By removing opioid medication from the medicine cabinet, the next addiction can be stopped. Her goal is to provide education, direction, and solutions for safe medication disposal making homes of Kentuckians safe and opioid free.

John Holaday, PhD, CEO, DisposeRx, stated that DisposeRx's passion is to stop the cycle of addiction and deaths that begin in the medicine cabinet with leftover opioids. One goal was to make a product that is inexpensive, easy, safe, and permanently effective available at a low price to be provided along with a prescription for drugs once dispensed by the pharmacist. Another goal is to provide a combination of education and follow-up. It is hard to change patterns of behavior. There is no controlling organization at the federal level for disposing leftover opioids. The FDA says to flush them or take them back to the pharmacy, the Environmental Protection Agency says not to flush leftover drugs because the pills pollute the land and the water. A simple, safe, and convenient solution put in the vial in which the drug is dispensed is a very good way to tackle the opioid crisis.

Rob Reynolds, Director of Advocacy, Verde Technologies, Inc., stated that Verde is a drug deactivation disposal product. One solution right now is to start to change the paradigm of how the drugs can be managed. The life cycle of a drug needs to be closed. There needs to be a solution on how to dispose of leftover medications at the same time it is dispensed. If parents start disposing of unused medications in a proper way, children will watch and imitate the parents. There is a 96 percent chance someone will use the medication disposal if it is dispensed with the medications.

Senator Kerr stated that her bill would make sure there is something in the hands of the pharmacists that when medications are dispensed there is also a way to dispose of the product safely. She is working with insurance companies, Medicaid, and others to be proactive about the problem.

In response to questions by Senator Alvarado, Senator Kerr stated that private insurers, the Medicaid program, or patients may have to share in the cost. The bill will say that the medication disposal shall be provided at the time a drug is dispensed. Dr. Holaday stated that the DisposeRx product costs \$1.50 retail with discounts for larger volumes. Mr. Reynolds stated that Verde has different size products, so the price varies. Senator Kerr stated that there are 8 to 10 other companies that have similar products.

Representative Jenkins stated that Attorney General Andy Beshear has started a pilot project

and is distributing 50,000 medication disposal pouches in Floyd, Henderson, McCracken, and Perry counties.

### **An Opioid Misuse Reduction Strategy**

Phillip Chang, MD, Chief Medical Officer, University of Kentucky Healthcare, stated that opioid misuse reduction starts with prevention, treatment, and harm reduction. Approximately 60 percent of drug use starts in someone's drug cabinet, and 40 percent of those users will end up with a drug problem. Expectations and goals of patients need to be changed. Inform patients that pain will be tolerable but not gone all together. Patients need specialized care plans to cope with pain. There is pain management beyond opioids. Patients need to be educated about side effects and harms of opioids. Inpatient naloxone use has been reduced by half. Doctors, nurses, and future providers need to be educated about awareness of the short-term and long-term harm of opioids, and that there are other options for treating pain. There are non-pharmacologic options such as exercise, art, touch, or music therapy, acupuncture, and massage therapy. There needs to be an arm of surveillance, and that is why he is a huge fan and supporter of KASPER. He is not advocating not prescribing any opioids, but there needs to be a better appreciation of the harm that is caused by addiction to the drugs. Doctors who over prescribe opioids needs to be identified and educated about other options. Efforts need to be coordinated with a multi-model approach to bring experts together to try to combat the problems.

In response to question by Vickie Yates Brown Glisson, Secretary, Cabinet for Health and Family Services, Dr. Chang stated that the language for the Hospital Consumer Assessment of Healthcare Providers and System (HCAHPS), a patient satisfaction survey required by the Centers for Medicare and Medicaid Services (CMS) for all hospitals in the United States for adult inpatients, excluding psychiatric patients, is being changed. The older version asked whether your pain is well controlled, and the newer version asked whether a doctor asked about pain control.

In response to a question by Senator Meredith, Dr. Chang stated that identifying how a physician prescribes is easier said than done. There is no accurate way of knowing exactly who is prescribing and how much. If prescriptions are written on traditional paper pad, it is not catalogued electronically. KASPER allows an individual physician to see what has been prescribed by himself or herself, but there is no way to see how all physicians are prescribing, so there is no comparison. Just because a doctor is prescribing more than another doctor does not mean he or she is a bad doctor because some doctors provide more pain management

treatment than others.

In response to Representative Gibbons Prunty, Dr. Chang stated that patients should always have an active role in deciding if they want or need pain medications.

### **A Physician's Journey from Addiction to Recovery**

Michael Sprintz, MD, Founder and CEO, Sprintz Center for Pain and Recovery, Cellarian Health, stated that he is trained in anesthesia, addiction and pain medicine. He has been in recovery for almost 17 years. His practice specializes in treating patients with chronic pain with or without an addictive disease. During his second year of residency at John Hopkins, he was pulled out and sent to treatment because of his addiction. His use of drugs became more prevalent during medical school. He did not have a drug of choice like most people. Addiction is a neurobiological disorder in the reward center of the brain. An addict does not think logically or rationally. When systems are in place to identify people and help them, wonderful things can happen. John Hopkins had systems in place to identify student doctors who had addiction problems. There is a ritual that goes along with drug use such as shooting up a drug that causes a rush. The mind and body are not separate. Changing a patient's expectations and experiences as it relates to pain is vital. Decrease in the use of opioids will increase dependence in another area such as alcohol use. Monitoring programs create a structure for an addict. Addiction is a progressive and chronic disease, and there is no simple solution. An abstinence-based model helped him recover. He has founded a company that developed a PDMP enhancement software that works with systems like KASPER that makes it simple and easy for providers to get real-time information about medications a patient is taking so he does not prescribe medications that patient may already be taking. Anxiety and depression worsens pain and pain worsens depression and anxiety. Addicts lie to themselves about their addiction. There is no easy way to tell who has an addiction problem. Pain and addiction are experiences and can be altered in a positive way with things other than opioids. Addiction is not about feeling good, but about not feeling at all. He uses ACEs in his practice to help identify addicts early. The solution is not easy and takes a multidimensional approach. Addicts use more healthcare dollars which hurts the healthcare system.

### **Pathophysiology of Opioid Use Disorder**

Kelly Conrad, PhD, Medical Science Director, Addiction Psychology, Alkermes, stated that opioid use disorder is the term used for excessive opioid use. Patients are diagnosed based on symptoms over the past, using 11 criteria such as frequency of opioid use, inability to control or

limit use, presence of cravings, interference with daily life, development of tolerance and presence of withdrawal symptoms in absence of opioids. The term opioids not only includes analgesic drugs like morphine or drugs of abuse like heroin but also natural opioids that are present in the body. The body generates endogenous opioids which are peptide neurotransmitters in the brain and spinal cord. These include the endorphins, enkephalins, and dynorphins. The endogenous opioid systems are involved in the control of pain, of dopamine reward pathway, and of respiration. Opioid drugs act much like the body's own endogenous opioids, but have a high addiction potential. The term opioid refers to all substances that activate opioid receptors, and which are inhibited by opioid receptor antagonists like naloxone.

Opiate is used to refer to the subset of opioid substances that are structurally very similar to or which are derived from morphine. Opioid analgesic drugs and opioid drugs of abuse all act via one or more types of the opioid receptors in either the pain pathways, reward pathways, or enteric nervous system. The physiological effects of opioids are a result of cellular changes that take place after the opioids bind to the receptors. Opioids have a high addiction potential. One of the primary reasons for this is their effect on the reward pathway. Most drugs of abuse activate the brain's reward pathway. The strength of efficacy of a drug also depends on the type of drug-receptor interaction. For example, a full agonist such as morphine generally has higher abuse potential than a partial agonist such as buprenorphine. Potency of a drug also determines the abuse liability of a drug. Overlearning of rewards and the cues that predict that reward drive drug addiction and are thought to play a major role in relapse. A reward acts as a teaching signal that promotes future actions that have been experienced as pleasurable and salient. This information leads to a predicted outcome and an action is selected. For example, context and cues such as a syringe or a pill bottle signal the rewards availability and take on an increasing ability to drive drug-seeking behavior.

Three states of the addiction cycle involve different neurological structures or circuits: binge/intoxication, withdrawal/negative mood, and preoccupation/anticipation. Opioid addiction manifests as loss of control over using opioids, despite adverse consequences. Repeated exposure to opioids progressively causes molecular and cellular changes in the neurons. This eventually results in emergency of addiction behaviors. These drug-induced changes promote continued drug use through negative reinforcement. The transition from opioid use to dependence involves a shift from impulsivity to compulsivity. The primary response to binge



opioid use is an increase in the levels of dopamine. With repeated use, the primary cellular response to the opioid adapts to neutralize its effect, resulting in a decrease in dopamine levels. This effect may become even more pronounced when the opioid is not available and contributes to the withdrawal response and symptoms.

Prolonged administration of opioids, for analgesia and when abused, leads to tolerance which is characterized by the progressive loss of the opioid's effect. Higher doses are required to achieve the same effect. When the opioid is stopped, physical withdrawal symptoms occur, while the brain adjusts to operate in the absence of opioids. Opioid use disorder is similar to other chronic illnesses in that it has both physiological and behavioral components. Relapse rates for people with substance use disorders are similar to illnesses such as diabetes, hypertension, and asthma. Thus, opioid use disorder should be treated like any other chronic illness. Relapse does not indicate treatment failure. It can be managed by restarting or changing treatments. Up to 90 percent of individuals with opioid use disorder relapse in the first six months of abstinence without treatment. Several factors can be thought to play a role in predicting the risk of relapse in individual patients such as behavioral predictors and biological predictors. Several factors make it challenging for an opioid use disorder patient to remain abstinent. Sudden cessation of opioid use leads to imbalance in neurotransmitters such as dopamine, glutamate, and noradrenaline.

#### **OPIOIDS IN KENTUCKY: Treatment Options and Recovery Part I**

##### **Medication Assisted Treatment (MAT)**

Mark Jorrich, MD, President, Kentucky Chapter of the American Society of Addiction Medicine, stated that the national overdose deaths are exceeding predictions for 2016 by 22 percent, more than 64,000 deaths. The immediate need is for treatment to be available, accessible, and affordable. For opioid use disorder, research supports that medication assisted treatment works best. MAT must be combined with adequate counseling, support, and attention to continued care. Methadone maintenance is highly regulated but it is also time for a review of those regulations. Treatment using buprenorphine has standards in Kentucky that are solid and must be supported. The Kentucky State Chapter of the American Society of Addiction Medicine is ready to collaborate on treatment efforts with the legislature, Kentucky Medical Association (KMA), Kentucky Nurses Association (KNA), Kentucky Board of Medical Licensure (KBML), hospitals, other providers, insurance companies, and pharmacists. Kentucky Medicaid is beginning to address the issue of coverage and compensation for services.

Molly Rutherford, MD, MPH, Bluegrass Family Wellness, Founder, Kentucky Academy of Family Physicians, Vice President, Kentucky Society of Addiction Medicine, Past President, stated that the stigma of opioid use disorder is the main barrier that causes people to not get treatment. To make a difference, she recommended opioid use disorder be recognized as a chronic disease. The physicians who treat the disease should not be judged. The Kentucky Academy of Family Physicians has been holding informative and educational sessions to encourage primary care physicians to learn more about addiction. The right treatment is different for each individual. She stated that people should not strive for perfection but for life and harm reduction. Opioid use disorder is a chronic disease and individuals will relapse. Buprenorphine monoproduct was introduced in France in the mid-1990s, with a 79 percent decline in overdose deaths in six years. It is illegal to prescribe buprenorphine monoproduct in Kentucky unless the patient is pregnant.

Allen J. Brenzel, MD, MBA, Medical Director, Department for Behavioral Health, Developmental and Intellectual Disabilities, Cabinet for Health and Family Services, Associate Professor of Psychiatry and Pediatrics, University of Kentucky testified that there are multiple medications that make up MAT. The three most commonly used medications are methadone, buprenorphine, and naltrexone. Methadone is a full agonist that prevents withdrawal symptoms and reduces craving by activating opioid receptors in the brain. Buprenorphine is a partial agonist that activates and blocks opioid receptors in the brain. Naltrexone is a full antagonist that prevents relapse following complete detoxification from opioids. Buprenorphine is an implantable version of buprenorphine. MAT with buprenorphine or methadone requires significant support and monitoring of individuals as they enter recovery and develop the skills to maintain recovery lifestyles.

Dr. Brenzel stated that medication assisted withdrawal provides consecutively smaller doses of a medication such as methadone or buprenorphine as well as non-opioid-agonists to provide a smooth transition from illicit opioid use to a medication-free state. Maintenance pharmacotherapy on an opioid-agonist medication, such as methadone or buprenorphine, is defined as treatment with medication for an indefinite period by fixing and maintaining the level of the opioid in an individual in order to avoid the craving and withdrawal symptoms that abstinence from illicit opioids would produce. There should not be a stigma to long term MAT if that is what the individual requires to lead a healthy lifestyle, to work, and care for family. Methadone is

prescribed in narcotic and opioid treatment programs.

Buprenorphine is prescribed in primary care office settings. In Kentucky, there are over 750 physicians that have a Drug Enforcement Administration (DEA) certification to prescribe buprenorphine however, only 80 percent have prescribed for five or less people creating an access issue. Kentucky Medicaid is spending significant resources on buprenorphine. Naltrexone is prescribed in clinical settings including pharmacies. Dr. Expanding timely access to quality treatment providers is a critical strategy in addressing the current opioid use crisis and medication should be coupled with psychosocial treatments and support.

In response to questions from Representative Wuchner, Dr. Rutherford stated that she has seen many individuals go through a five day detox then be sent to figure out the next steps for themselves. It would help the individual to better coordinate care so he or she can stay at the inpatient detox center until transfer to an outpatient program. Dr. Jorrich stated that the lack of coordination of care is due more to the prior authorization process. For inpatient individuals, it is typically a three to five day process for a prior authorization. In regards to outpatient treatment, there is a prior authorization process for the first prescription. A patient with an opioid use disorder has a damaged brain and may need chronic medication.

In response to questions from Senator Raque Adams, Dr. Rutherford stated that there are problems with the emergency regulation passed in 2014, which made it illegal for physicians who had a Medicaid number to prescribe buprenorphine and bill a patient directly. The regulation drove out several doctors who worked full-time for hospitals but would also work part-time at a facility that prescribed buprenorphine. When the regulation went into effect, doctors could no longer work at the facility part-time because they were violating the law and their prescriptions would not be honored. There are issues with the regulation 201 KAR 9:270, that states that a prescriber cannot use monoproduct in the treatment of addiction unless there is an observed allergy or the patient is pregnant. There is a huge price difference between monoproduct buprenorphine and buprenorphine and naloxone. Prior authorizations are not often approved for 72 hours, which is a long time for a person with an active addiction, the patient could easily relapse.

In response to questions from Senator Alvarado, Dr. Jorrich stated that employed individuals that are being treated by a physician and taking Suboxone or other kinds of treatment are protected by the American Disabilities Act. A past criminal record is more of a problem in terms of employability.

Dr. Rutherford stated that the buprenorphine depo weekly injection is coming out soon and the buprenorphine implant is available. There is a new application that has been approved by the Food and Drug Administration (FDA) to help with cognitive behavior therapy for people with addiction.

In response to questions from Representative Benvenuti, Dr. Rutherford stated that the 100 patient limit, which has gone up to 275 for certain prescribers, cannot be changed by Kentucky because it is a federal regulation. Many physicians do not approach the 100 person limit and more legislation that would limit a physician's abilities to assist patients in treatment is not needed at this time.

### **Special Populations Part II: Justice Population**

#### **Jail Substance Use Program**

Jason Merrick, MSW, CADC, Director of Addiction Services, Kenton County Detention Center, stated that the Kenton County Detention Center has a 125 bed, residential treatment program. The program treats from a bio-psycho social model of treatment and addresses substance abuse as a chronic, progressive, potentially fatal disease. The Kenton County Detention Center is a long-term program. Psychologically, the center's treatments include cognitive behavioral therapies and socially, the center recognizes that many of its clients are dual diagnosed with anti-social personality disorder. The Kenton County Detention Center participates in the Kentucky Department of Correction's Substance Abuse Division. Mr. Merrick stated that he is also a person in long-term recovery. Recovery does happen and treatment works.

#### **Angel Initiatives**

Christina Weinel, Action Community Training Support (ACTS) Volunteer, Alexandria Police Department, stated that she became a volunteer for the Angel program with the Alexandria Police Department because she lost a son to addiction. The Angel program copies a program from Massachusetts that sends a social worker to follow up on drug related calls made to the police department. The social worker will talk with the family or those with addiction to ask if they want to seek help. In the past ten months, 39 percent of the people that have been reached out to by the Angel program have responded. Thirty-three percent of individuals in the Angel program are in active treatment. Thirty-three percent of individuals have completed the program and 22 percent are not in treatment but remain in contact with volunteers. None of the people are incarcerated. Volunteers reach out to community members in monthly meetings and by holding monthly trainings. Volunteers follow individuals through their recovery and post-recovery process. The program has volunteers

who will assist individuals sign up for Medicaid.

#### **Quick Response Teams**

Scott Breeze, M.Ed., NRP, Fire Chief, Independence Fire District (IFD), Kenton County, stated that in 2016 there were 56 overdoses. There have been 65 overdoses covered from January 1, 2017 to September 18, 2017. IFD has hired two part-time paramedics and the Kenton County Police Department has hired a part-time officer. Whenever there is an overdose or opioid related call, the IFD will send out a police officer, a paramedic, and a drug addiction counselor to offer assistance to the individual. There have been 10 fatalities out of the 65 overdoses. In overdose incidents, the IFD is seeing significantly more men than women, generally in the ages of 26 to 35. In 2017, the IFD has made 25 direct patient contacts and 27 contacts with patient family members. Naloxone administration is increasing. In 2016, St. Elizabeth Emergency Departments in Covington, Edgewood, Florence, Ft. Thomas, Grant and Owen, treated 1,584 heroin overdoses.

Linny Cloyd, Deputy, Quick Response Team Coordinator, Boone County Sheriff's Office, stated that years ago, the only course of action to offer assistance was to incarcerate an individual and hope the courts would order or allow treatment. The jail population in Kentucky is at 109 percent. It is necessary to look at other ways to deal with the opioid problem. The Boone County Quick Response Team has been active for three months. The Boone County Quick Response Team will work with people who have been incarcerated for various offenses to offer help and assistance. The response team also works with people with other addictions. The response team will meet with an individual more than one time to offer assistance and to build trust in the community.

#### **Treatment Options and Recovery Part II Outpatient Treatment**

David Hayden, Vice President of Clinical Operations, SelfRefind, stated that SelfRefind is an integrated care approach to addiction treatment. SelfRefind has 15 facilities in Kentucky. The treatment model consists of physician services with the use of buprenorphine products to address the opioid use disorders. SelfRefind requires individual and group counseling. SelfRefind provides case management to reconnect patients to the community. Ninety percent of the patients report improvement in their overall health and 88 percent report improvements in their mental health.

#### **Long-Acting Injections**

Steve Cummings, Pharm.D., Our Lady of Peace, stated that the long-acting injection (LAI) clinic is the first retail, pharmacist-operated clinic at a behavioral health care center in the United States. The LAI clinic specializes in

dispensing and administration of injectable pharmaceuticals that remain in the patients system from two weeks to three months. The LAI clinic helps to provide to access and compliance to medications necessary for psychosis and addiction. Our Lady of Peace has two detoxification units. Once the patient has agreed to Vivitrol therapy with counseling, the shot can be administered prior to the patient leaving the campus. The hope is that the patient comes to the counseling session sober. The Kentucky Board of Pharmacy allows the pharmacist to inject, not only with vaccinations but with the long-acting injection product lines. The pharmacist can dispense, administer, interpret labs, and bill for services. The LAI clinic at Our Lady of Peace is a financially self-sustainable, reproducible model using only a pharmacist and a medication access coordinator. The medication access coordinator operates to perform the prior authorizations for the provider to help the patient gain accessibility to these products.

Chris Harlow, Pharm.D., CGP, St. Matthews Pharmacy, testified that addiction patients were receiving the first dose of Vivitrol upon discharge from a treatment facility and given a one-time prescription. Patients could not find providers in Louisville willing to administer the extra dose prescribed to them. Dr. Harlow was approached two years ago because he was an independent provider and could provide the new service in his pharmacy. Since that time, Dr. Harlow has partnered with several addiction providers in Louisville and surrounding areas to expand the long-acting injectable program. His program sees patients post-discharge after detoxification. A patient will see a provider and receive a prescription for Vivitrol or the patient is referred by a physician, where there is an established collaborative care agreement. The pharmacy administers a drug screen, conducts a consultation overview of the medication with the clinical pharmacist, administers a test dose of naltrexone tablet authenticated, and administers the medication to the new patient. A patient must be opiate free at the time of administration.

Dr. Harlow stated that a barrier for pharmacists is that they are not recognized as billable providers under Kentucky Medicaid, a fee must be charged to the patient for services provided. Many patients are not able to pay the fee for the program. He is advocating that Medicaid set up a mechanism to reimburse pharmacists as providers. Pharmacists may only administer medications that they dispense. Several payers are blocking pharmacists from billing this medication due to a requirement as a specialty pharmacy. St. Matthews Pharmacy is an accredited specialty pharmacy by the Accreditation Commission for Health Care (ACHC). However, his pharmacy is being blocked



because the pharmacy benefit networks (PBNs) have ownership in the specialty pharmacies.

### **Outpatient Treatment**

William Carter II, CEO, The Infinity Center, introduced Lana Davenport, MD, Psychiatrist, Addictionologist, Medical Director, The Infinity Center, to address the committee. Dr. Davenport stated that she has been treating addiction with medication assisted treatment since 2009. She believes a patient cap of 270 is not needed. Patients, as well as the professionals working in the industry, are stigmatized. The Infinity Center has three patients that are involved in the drug court in Boyd County. The patients have been told by the judges they must be taken off Suboxone in order to get their children back. These patients have done very well in the clinic for years and are now faced with the choice of getting their children back or staying in treatment and staying well.

In response to questions from Representative Bentley, Dr. Harlow stated that there is no definition of a true specialty drug and that every PBN treats Vivitrol differently. He stated that he is not aware of a specialty drug course being taught at the University of Kentucky College of Pharmacy. Mr. Hayden stated that 88 percent of patients at SelfRefind come back for follow-up appointments over a six month period. Mr. Carter stated that urine analysis is only clinical way to determine if a patient is taking medication. The Infinity Center drug screens frequently, at random, and provided to the physician every time the patient comes into the office. The Infinity House contracts with laboratory services to provide the lowest possible cost to the patient.

Dr. Davenport stated that in rural Eastern Kentucky, some patients drive up to two hours to get treatment because there are no treatment centers closer to the patient. Many patients do not have access to Narcotics Anonymous or Alcoholics Anonymous meetings in their area. Medication assisted treatment could be a better option because abstinence based treatment depends on having those ancillary support services available locally.

In response to questions from Representative Marzian, Dr. Harlow stated that pharmacists can only bill a patient's insurance company for the medication. Pharmacists are not recognized as billable providers and cannot bill the insurance company for a dispensing fee. Pharmacists must get reimbursed directly from the patient, if possible. Rehabilitation clinics sometimes call before a patient is discharged to allow his business to call ahead for a prior authorization. The Infinity Center coordinates patient care with Pathways from detoxification to inpatient treatment to intensive outpatient treatment. Mr. Cummings stated that Our Lady of Peace coordinates care with comprehensive care

centers as well.

In response to questions from Representative Jenkins, Mr. Hayden stated that there are many areas that have state facilities however, one barrier for a patient achieving sobriety is maintaining housing. It can be difficult in some areas to find a safe place to stay and help from the legislature would be beneficial.

### **Residential Treatment**

Mike Cox, M.Ed., NCC, LPCC, President, Isaiah House, Inc., stated that a residential treatment center is a live-in health care facility providing therapy for substance abuse, mental illness, or other behavioral problems. There are three residential programs at Isaiah House, Inc. The short-term treatment program is a 28 day, Medicaid program that provides comprehensive medical and psychosocial assessments, detoxification monitoring, individualized treatment plan, individual and group counseling, psychoeducational classes, leisure events, and after-care planning. There is also a 100 day program for UNITE clients that in addition to the short-term program provides parenting classes, financial management classes, GED classes, transportation, and the opportunity to begin college courses while on site. Another program is the long-term program that provides eight months of treatment as well as three months of continuum care. Many clients obtain their GED, acquire college credited hours, job skills training, and ongoing medical evaluation.

Mr. Cox stated that in the long-term treatment plan clients maintain sober living housing, receive ongoing counseling, drug testing, and accountability. Clients are given the option after 90 days to obtain full-time employment with benefits. Isaiah House, Inc. is funded by Medicaid, commercial insurance, Operation UNITE, self-pay, donations, grants, and fund raisers. Isaiah House's mission statement is to provide the best possible care to those entrusted to us regardless of socio-economic means, working not only with the client individually but with the entire family. The Isaiah House faces challenges with funding, insurance companies, and the 16 bed cap in Medicaid.

Tim Robinson, Founder, CEO, Addiction Recovery Care, stated that in 2010 he started Karen's Place, a recovery center for women, in Louisa, Kentucky. Kentucky is leading the way for solutions to the drug epidemic in the Appalachian states. Addiction Recovery Care takes a holistic approach to care for each individual. Addiction Recovery Care is nationally accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF) Drug and Alcohol Treatment Centers. Addiction Recovery Care has residential, outpatient centers, and a maternity center. Seventy percent of the babies born at the maternity center came back with

mother in three days or less.

Mr. Robinson stated that Addiction Recovery Care outpatient programs offer MAT, counseling, case management, and peer support. Every dollar spent on residential drug treatment equals seven dollars in benefits. Benefits are calculated by the decreased costs in medical care, mental health services, criminal activity, and welfare payments, along with the increase in employment earnings. Addiction Recovery Care has a treatment center staff training program that provides a staff internship program, guaranteed jobs, and career paths. Addiction Recovery Care had 16 members graduate the Peer Support Specialist Academy in May of 2017. Addiction Recovery Care has created 200 jobs in eastern Kentucky with an average pay of \$37,500 with benefits.

### **Comprehensive Approaches**

Nancy Hale, President, CEO, Operation UNITE, stated that Operation UNITE was launched in 2003 as a comprehensive approach to create long-term success in combating substance abuse. UNITE involves law enforcement, treatment, education, and prevention initiatives. Through collaborative partnerships, more than 100,000 youth have participated in UNITE's programs, and 4,200 people have entered treatment using a UNITE voucher. UNITE focus is on treatment and education. UNITE staffs a treatment help line to connect people to resources and have supplied \$14 million in vouchers for long-term residential drug rehabilitation. The UNITE treatment team responds to approximately 1,200 inquiries a month. Education, with repetitive and consistent messaging, is the key to prevention.

### **The Progress Made and the Work Ahead Kentucky Opioid Response Effort (KORE) Grant Initiatives**

Allen J. Brenzel, MD, MBA, Medical Director, Department for Behavioral Health, Developmental and Intellectual Disabilities, Cabinet for Health and Family Services, Associate Professor of Psychiatry and Pediatrics, University of Kentucky, stated that the opioid use disorder crisis is complex and multifactorial, there is not one simple answer. Resources include; state substance abuse block grants, state budgeted funds, health care coverage coupled with the Mental Health and Substance Abuse Parity Act, the 1115 Kentucky HEALTH Waiver and the Federal Twenty-First Century CURES Act. Kentucky refers to the Federal Twenty-First Century CURES Act grant as the Kentucky Opioid Response Effort (KORE). KORE prevention will support evidence based, primary prevention programs to be implemented across school age populations. KORE will build on extensive efforts to decrease the inappropriate prescribing of opioids and work on drug disposal efforts.

Dr. Brenzel stated that KORE treatment priorities are to decrease stigma as barrier to treatment and to increase access to high quality, evidence based treatment at all levels. KORE is funding 46 different entities with different state procurement processes and contracts. Treatment programs must allow MAT to receive KORE financial support. The KORE target populations are individuals who have overdosed, are re-entering the community from a correctional setting, pregnant or parenting women, and youth. KORE treatment activities include emergency department peer support contacts, bridge clinics in close proximity to emergency departments, and supported employment for individuals re-entering the community from a correctional setting. KORE will support peer and other recovery support networks and organizations. KORE harm reduction efforts include Narcan distribution and enhancing relationships with syringe access sites to increase likelihood of those individuals getting in to treatment.

#### **Closing Remarks**

Representative Kimberly Moser stated that the input presented is very good news for Kentucky. She is looking forward to the outcomes of the implemented programs discussed. She stated that the coordination of care is through education.

Representative Addia Wuchner stated that the opioid topic is complex and multifaceted. She supports a holistic approach for the opioid problem. The long game includes prevention, treatment, recovery, and sober living.

#### **Adjournment**

There being no further business, the meeting was adjourned at 3:55 p.m.

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

### **Minutes**

September 26, 2017

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

The Education Assessment and Accountability Review Subcommittee meeting was held on Tuesday, September 26, 2017, at 1:00 p.m., in Room 129 of the Capitol Annex. Representative Daniel Elliott, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Daniel Elliott, Co-Chair; Senators Alice Forgy Kerr, Gerald A. Neal, and Mike Wilson; Representatives Derrick Graham, Regina Huff, and Steve Riley.

Guests: Wayne Young, Executive Director, Kentucky Association of School Administrators.

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

#### **Approval of August 15, 2017 Minutes**

Senator Kerr made a motion to approve the minutes of the August 15, 2017 meeting, seconded by Senator Wilson. The motion passed by voice vote.

#### **Preschool Program Review and Full-Day Kindergarten**

Bart Liguori, Division Director, Office of Education Accountability (OEA), Sabrina Olds, Research Analyst, OEA, and Christopher Joffrion, Graduate Fellow, OEA, testified about the preschool and full-day kindergarten programs in Kentucky. Ms. Olds explained that the data used for the study came from the Kentucky Department of Education (KDE), the Governor's Office of Early Childhood, Kentucky Center for Education and Workforce Statistics, and a survey sent by OEA to all district superintendents, which had a 100 percent response rate. The major conclusions regarding preschool were that opportunity has increased, but enrollment has not. By and large, districts think they are serving more students than they are and they spend more than twice the amount they receive from the state preschool grant. Additionally, funding fluctuations make long term planning difficult for districts. Regardless of this, the preschool program is effective in Kentucky. Major conclusions regarding full-day kindergarten programs were that most districts provide a full-day kindergarten and the additional cost for that varies widely. Full-day kindergarten is effective as it is associated with higher 3<sup>rd</sup> grade K-PREP proficiency rates.

Ms. Olds illustrated the fluctuations in funding for preschool from the General Assembly. In 1991, \$18 million was appropriated for preschool programs, by 2007 the appropriation was \$74 million, or approximately \$88 million when adjusted for inflation. In the most recent school year, the General Assembly appropriated \$82.6 million. When state-funded preschool was first established, the target age groups were 3- to 4-year-olds with disabilities, and at-risk students from families with incomes up to 130 percent of the federal poverty level. In 2007, the eligibility requirements were broadened to serve students up to 150 percent of poverty level and in 2016 requirements were expanded to 160 percent of federal poverty level. In 2006, prior to eligibility increases, the number of preschool students was approximately 20,000. In 2016, the number of students served was 18,700 and in the most recent school year, 1,100 fewer students were served than before the increases in eligibility. While this shows that the number of students served has decreased since expanding eligibility, Ms. Olds illustrated that size of the at-risk population has increased. She showed the difference in funding per-pupil over time. In 2002, districts received approximately \$2,500 per at-risk student. Ten years later, they received \$2,800 and in 2016,

they received \$4,862. However, with reductions in appropriations to the Preschool Partnership Program, districts received \$500 less in 2017.

Ms. Olds shared results from the survey of district superintendents on per-pupil preschool expenditures. On average, districts spend approximately \$6,200 for regular preschool programming, \$2,000 for special education services, and \$1,000 for transportation. This brings the total per-pupil expenditure to approximately \$9,300 in fiscal year 2016, which is almost twice the state appropriation. Because districts do not receive additional funds for preschool transportation, and because they are required to have driver assistants on any bus transporting preschool students, OEA staff suggests that KDE consider recommending that the Kentucky Board of Education allocate a portion of preschool funds to districts that transport preschool students. Ms. Olds highlighted this recommendation with statements from superintendents that the Preschool Partnership Grand funding should not have been reduced and that permanent funding should be provided to support full-day preschool and kindergarten as they represent a key strategy in novice reduction and closing the achievement gap in Kentucky.

Ms. Olds discussed the preschool program requirements put in place with the passage of Kentucky Education Reform Act in 1990. First, districts must fully utilize Head Start funds before enrolling students in the state-funded preschool program. However, there is no definition of "full utilization" and agreements between districts and Head Start programs vary in their service of 4-year-olds. Several district superintendents stated in the OEA survey that the General Assembly should revisit full utilization requirements. OEA followed up with these districts and discovered that Head Start providers in their areas are not agreeing on a number of students served, which was hindering the districts' ability to enroll eligible preschoolers. Other statutory requirements for preschool included: requirement for a minimum of 2.5 hours a day of instruction, 4 days a week; requirement for the provision of breakfast or lunch, and time allotted for meals not counting as instructional time; and recommendation for a 10-to-1 student to staff ratio.

Based on conversations with superintendents, and the fact that KDE is working collaboratively with Head Start providers and state-funded preschool coordinators, OEA recommends revision and modernization of the full utilization agreement process. KDE expects this to be completed soon and changes implemented in the 2018-2019 school year. Before implementation, however, OEA further recommends that KDE provide to the General Assembly a district-



level analysis of the potential cost of increasing preschool enrollment of 4-year-old students, including an inventory of available space in district buildings, supplies, and playground equipment, to better inform appropriation decisions.

Approximately 40 percent of districts are providing a full-day preschool schedule four to five days a week. There are only two districts that do not provide any preschool services; they contract with Head Start to provide those services. However, since the inception of preschool, these contractors have not enrolled any students. Demographically, there are 5,159 3-year-old students currently enrolled, 65 percent of whom are male and 80 percent of whom are white. There are 14,232 4-year-old students enrolled, 55 percent of whom are male and 70 percent are white. Additionally, 82 percent of enrolled 4-year-olds qualify for free/reduced price lunch, 29 percent qualify for special education services, and eight percent have limited English proficiency. Ms. Olds noted that less than half of all limited English proficiency children participate, despite the fact that more than 80 percent of that population qualifies for free/reduced price lunch. They also may not be receiving the necessary special education services. Based on this information, OEA recommends that school districts, with support and guidance from KDE, should complete a needs assessment analysis of the education needs of preschool-aged, limited English proficiency students and should explore possible resources available to better meet the needs of these students.

Mr. Joffrion presented the review of the KDE Preschool Program Review (P2R) and preschool recruitment, enrollment, assessment, and data concerns. The P2R is KDE's process for monitoring regulatory compliance at the district level. Of the 142 districts which have received a P2R evaluation since school year 2013, a total of 71 districts received at least one finding related to the district's responsibility to conduct an annual self-evaluation of their preschool program. This means that 50 percent of reviewed programs were in some way noncompliant with the annual evaluation requirements. Of these findings, the most common related to the district's obligation to monitor the success of participating children as they progress through the primary school program and to monitor and evaluate the participation of eligible children in the preschool program. As part of the OEA survey, districts were asked to submit their most recent self-evaluation. Only two districts provided documents which meet the requirements of the regulation and, therefore, OEA recommends that KDE should ensure that all districts complete an annual preschool evaluation that fulfills the requirements outlined in regulation.

Regulation also establishes requirements for the recruiting of students for the state-funded preschool program including the districts' responsibility to: identify all eligible children, demonstrate an emphasis on recruiting eligible children not currently served by a preschool program, and establish a recruitment strategy that encourages the enrollment of eligible children. As part of the OEA survey, districts reported their estimate of the percentage of eligible students served, with 98 districts estimating they were serving 75 percent or more of the eligible population. In fact, data shows that three-quarters of districts are actually serving 50 percent or less of the eligible population. Participation rates of eligible 4-year-olds over the course of the three-year study period show an average enrollment of 63 percent of IEP students, but less than 40 percent of free/reduced price lunch students. This represents less than half of the over 100,000 eligible preschool students who began kindergarten in school year 2015 through 2017. The state-funded preschool program, however, is not the only publicly funded pre-kindergarten program for students in Kentucky. Head Start also enrolls 4-year-olds. Mr. Joffrion gave illustrations of the enrollment of students in either preschool or Head Start across the state. Statewide, 60 percent of eligible children were served by either program in the study period.

As mentioned earlier, districts are not serving the entire eligible student population. The percent of students with a prior setting of "home," who were eligible for state-funded preschool, was illustrated by district for members in handouts. In the period from 2014-2016, more than 21,000 preschool eligible students remained at home prior to beginning kindergarten. In 145 school districts, more than 60 percent of students with a prior setting of home were eligible for state-funded preschool. In roughly ten percent of districts, more than 90 percent of students with a prior setting of home were eligible for preschool. Based upon this, OEA recommends that, with the support of KDE, regional training centers, and the Governor's Office of Early Childhood, school districts should review and revise their recruitment strategies to increase the enrollment of eligible children to more fully comply with regulation.

In the area of preschool assessment and kindergarten readiness, state-funded preschool students are assessed each year using one of five preschool assessments which measure child development in three areas: social and emotional skills; knowledge and skills; and adaptive behavior. According to preschool teachers, only 37 percent of preschool students have achieved age-appropriate development in social and emotional skills, compared to 73 percent of parents who feel their children are average or

above average. In all 173 districts, kindergarten readiness is measured by the Brigance Screens III. In school year 2017, 50.1 percent of all students entering kindergarten tested ready. As part of the OEA survey, superintendents were asked to provide copies of their preschool schedules and 68 districts complied. In districts that offered close to the minimum number of preschool hours, 42 percent of students tested ready for kindergarten. In districts where more than 16 hours of scheduled preschool time was provided, 55 percent of students tested ready. Rates of readiness for at-risk students and IEP students were also illustrated. Just over 50 percent of free/reduced price lunch students with a prior setting of only preschool tested ready. Only 37 percent of free/reduced price lunch non-preschool students tested ready and just 29 percent of free/reduced price lunch students with a prior setting of home tested ready. While the differing rates among IEP students based upon prior setting is not as great as among free/reduced price lunch students, IEP students with a prior setting of only preschool still perform better on kindergarten readiness than non-preschool peers. Mr. Joffrion said that the data suggests that for at-risk students, preschool provides better outcomes compared to other early childhood education settings. As a whole, the results of OEA's assessment of the preschool program in Kentucky lead them to recommend a full and complete evaluation of the state-funded preschool program at least every five years beginning in 2020 and that the evaluation should be provided to the Kentucky Board of Education and to the General Assembly.

Previous OEA research has shown a significant achievement gap between white and non-white students beginning in the third grade. However, kindergarten readiness data analyzed for this study, shows a significant difference. With the exception of Hispanic students, preschool only students of all races are achieving kindergarten readiness at roughly the same rates. Additionally, a slightly larger percentage of black free/reduced price lunch preschool only students achieve kindergarten readiness than white peers. The screener used for all of this data was the Brigance kindergarten screener which Kentucky began using in the fall of 2012 as part of a pilot program. The findings from the pilot resulted in a statement from KDE that there was an opportunity to recalibrate the criterion for readiness based upon data gathered in the initial years of full implementation. Since then, however, there has not been any recalibration and the Brigance Screens III is used by all 173 districts.

The Brigance Kindergarten Screens III manual states that the screener was standardized based upon a sample of 167 5-year-olds representative of the demographic profile of the

United States. Kentucky had 50,000 kindergarten students in 2017. The free/reduced price lunch percentage of the sample population was 40 percent, where Kentucky has a percentage of 65 percent. And the percentage below the cut score on the screener sample was 9 percent, compared to 50 percent of Kentucky students. According to the Brigance manual, the performance of the representative sample was standardized to have a mean score of 100 with a standard deviation of 15. In Kentucky the standardized mean was 86, suggesting that the mean of Kentucky's kindergarten population is in the 16<sup>th</sup> percentile of the Brigance sample. Noting the difference between the Brigance sample and Kentucky's population, OEA has concerns about the validity and generalizability of the Brigance Screens III. These concerns were submitted to Kentucky's National Technical Advisory Panel on Assessment and Accountability (NTAPAA) whose members agreed with the concerns and provided additional feedback. Based on that feedback, OEA recommends that if KDE continues to use the Brigance Screen III to determine kindergarten readiness, it should recalibrate the standard for readiness based on data gathered in the initial years of its use as a common screener in Kentucky. Additionally, OEA recommends that the KDE engage in a longitudinal assessment of the relationship between kindergarten readiness, K-PREP, and other indicators of future academic success.

Ms. Olds then began the presentation on full-day kindergarten by stating the primary research questions of how many districts provide full-day kindergarten and what cost districts bear to provide the additional half-day. In 2017, six school districts offered half-day kindergarten and four districts offered a combination of full- and half-day kindergarten. This means that 163 districts provide full-day kindergarten in Kentucky. The OEA survey sent to superintendents shows that districts spent \$161 million on salaries and \$17 million on benefits for kindergarten staff in 2016. Additionally, districts reported spending \$17 million on special education services, however, several districts did not provide an estimate of cost because they did not have expenses coded at that level. Together this data shows a per-pupil cost for kindergarten of at least \$4,000. The Kentucky Board of Education has asked the General Assembly to fund full-day kindergarten in the 2018-2020 biennial budget, which would result in an increase of \$171 million in SEEK appropriations per year.

Districts that switched to a full-day kindergarten between 2009 and 2017 were asked to submit the cost estimate associated with this decision. OEA also asked for additional documentation presented at board meetings where this transition was discussed. The data

shows that district per-pupil costs varied from a low of \$844 to a high of nearly \$3,000 for the additional half-day. These costs reflect the need for additional teachers, aides, and instructional materials. The OEA survey also asked for additional comments from superintendents regarding the kindergarten program. Of those who responded, 21 said that kindergarten was underfunded and needed full funding support from the state. One superintendent, whose district has over half of its student population living in poverty, stated, "if the district did not have to bear the impact of the unfunded half day and the 40 percent loss of transportation we would be able to provide more mental and behavior[al] support for schools, more Response To Intervention (RTI) interventionists for our struggling students, lower teacher to student ratios, college and career coaches, and other very needed supports for our schools."

OEA further performed a logistic regression analysis to determine if there was a statistical significance between 3<sup>rd</sup> grade performance on the K-PREP reading and math assessments for students who attended full-day or half-day kindergarten during the 2013 school year while controlling for demographic differences in the student population such as race, ethnicity, and gender. The data indicated that students who attended full-day kindergarten were 1.08 times more likely to score proficient or better on the K-PREP reading assessment relative to those who attended half-day kindergarten. On the K-PREP math assessment, students in full-day kindergarten were 1.12 times more likely to score proficient or better.

Ms. Olds presented OEA recommendations from the report that had not previously been highlighted. Of particular concern was the recommendation to increase preschool student eligibility to 160 percent of the federal poverty level which had been included in the current state biennial budget, but was line-item vetoed by the Governor. The veto caused conflict with current regulation which sets eligibility at 130 percent and OEA recommends that the Kentucky Board of Education revise the regulation to take current poverty levels into account. She expressed OEA's concern that while regulation requires districts to record daily attendance of preschool students, about half of districts did not have any attendance records for preschool students, recommending that the regulation be enforced so the data could be analyzed to determine whether preschool attendance has any impact on outcomes. There was also significant discrepancy between reporting of preschool and Head Start enrollment, per-pupil funding, and readiness screening, so OEA made several recommendations to ensure that all future reporting is accurate and consistent.

In response to a question from Senator Wilson, Mr. Joffrion said that approximately 11,000 students in the three-year study period had prior setting of "other," but that there was no further specificity of whether those students were with family or in a private childcare situation. Senator Wilson also expressed his concerns with the use of the Brigance screener and the data showing that preschool may not be providing as great an advantage in future achievement as would be expected.

In response to a question from Representative Graham, Ms. Olds said that the regulation states that schools should report attendance but KDE has not required it or verified it during the P2R audits. There is no requirement to use Infinite Campus for the reporting, but there is no other method specified in regulation and it would be the logical option for districts to use.

Representative Graham further commented that there is a program in the Jefferson County Public Schools district where the business community provided funding for preschool and kindergarten services. The first cohort from that program is currently in 3<sup>rd</sup> grade and he would be interested in knowing how that group has progressed. Mr. Joffrion said that the K-PREP data was still forthcoming, but should be available for that comparison in the next few weeks. Ms. Olds added that looking at Jefferson County data by itself indicates that the Jump Start program is providing some benefit. Mr. Liguori said that Jefferson County Public Schools had not provided specific partnership data, but OEA would be interested in looking into it on behalf of the committee.

In response to questions from Senator Neal, Ms. Olds said that the Pritchard Committee was in the process of making a report about what preschool and kindergarten costs should be to get the best use of resources. Additionally, Mr. Joffrion said that the quality of classrooms should be assessed separately as the P2R also assesses quality of classroom instruction in comparison to preschool best practices, but that was not included as part of this analysis.

Senator Neal requested that the OEA perform a qualitative evaluation of preschool and kindergarten to determine if any changes should be made to curriculum or instruction to make Kentucky's programs internationally competitive. David Wickersham, Deputy Director, Office of Education Accountability, informed the committee that a preliminary report to that effect could be provided in a few weeks, but that it would also be suitable as a full study topic for next years' research agenda.

With no further questions, Senator Wilson made a motion to accept the report as presented. Representative Riley seconded and the motion passed by voice vote.



### Election of Senate Co-Chair

Chairman Elliot announced that Senator Wilson would no longer be serving as co-chair of the committee because of his election as Senate Majority Whip. Chairman Elliott opened the floor for nomination of a Senate Co-Chair. Senator Wilson nominated Senator Wise, seconded by Senator Kerr. There being no further nominations, Senator Wilson made a motion that nominations cease and that Senator Wise be elected by acclamation. Senator Kerr seconded the motion. Senator Wise was elected by voice vote to serve as the Senate Co-Chair.

Representative Graham expressed his congratulations to Senator Wilson on his new leadership position, stating that it has always been a pleasure working with him.

Chairman Elliot stated that the next meeting would be Tuesday, October, 17, 2017, at 1:00 p.m. in Annex Room 129. He encouraged members to be considering study topics to be included in the OEA Research Agenda that the committee would be approving in November. With no further business, the meeting was adjourned at 2:00 p.m.

# LRC Publications

## Research Reports

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

**450\_U** Office of Education Accountability Preschool Program Review And Full-Day Kindergarten

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

**446** Program Review and Investigations Motor Fuel Taxes And Re-formulated Gasoline In Kentucky 2016

**437** Program Review and Investigations Medically Fragile Foster Children

**434** Office of Education Accountability Kentucky District Data Profiles School Year 2016

**433** Program Review and Investigations Number, Cost, And Policies Related To Non-Merit Employees

**432** Program Review and Investigations Assessment Of Farmland For Property Taxation In Kentucky (2016)

**431** Program Review and Investigations Cost And Policy Considerations For State-Mandated Local Public Notices

**430** Program Review and Investigations State Inmates Housed In County Jails In Kentucky (Revised 5/24/17)

**429** Office of Education Accountability Overview Of Achievement Gaps In Kentucky Schools

**428** Program Review and Investigations State Funding Of The Blue-grass Water Supply Commission

**427** Office of Education Accountability A Review Of The Safe Schools Program

**426** Program Review and Investigations Medical Care for Kentucky Inmates In Community Medical Facilities: Feasibility And Savings Are Uncertain

# 2018 Prefiled Bills

## **BR1 - Representative Jerry Miller (8/16/2017)**

AN ACT relating to the overtaking of bicycles on a roadway.

Amend KRS 189.300 to provide that the operator of any vehicle moving upon a highway is to keep to the right unless signage or markings indicate otherwise; amend KRS 189.340 to require vehicles overtaking bicycles to pass at a distance of at least three feet; provide that if there not a minimum distance of three feet available, the passing vehicle is to use reasonable caution; specify when a motor vehicle may pass a bicycle to the left of the center of a roadway.

(Prefiled by the sponsor(s).)

## **BR2 - Representative Diane St. Onge (6/5/2017)**

AN ACT relating to public safety.

Amend KRS 446.010 to define "unmanned aircraft system"; create a new section of KRS Chapter 500 to prescribe permitted and prohibited uses of drones; provide exceptions; prohibit use of evidence obtained by a drone in violation of stated prohibitions; authorize that section to be cited as the "Citizens' Freedom from Unwarranted Surveillance Act"; create a new section of KRS Chapter 501 to clarify criminal liability for offenses committed using a drone; create a new section of KRS Chapter 525 to create the offense of obstructing an emergency responder. (Prefiled by the sponsor(s).)

## **BR14 - Representative Tom Burch (6/22/2017)**

AN ACT relating to the reporting of child abuse, neglect, or dependency.

Amend KRS 620.030 to establish that if a person knows or has reasonable cause to believe that a child is dependent, neglected, or abused, causes an oral or written report of the dependency, neglect, or abuse to be made, is employed by a local law enforcement agency, the Department of Kentucky State Police, the cabinet or its designated representative, the Commonwealth's attorney, or a county attorney, then that person shall make the oral or written report to his or her employer and to one of the other entities authorized to receive the report. (Prefiled by the sponsor(s).)

## **BR15 - Representative Jim Wayne, Representative Tom Burch, Representative Jeffery Donohue, Representative Joni Jenkins, Representative Mary Lou Marzian, Representative Reginald Meeks, Representative Attica Scott (7/13/2017)**

AN ACT relating to taxation.

Amend KRS 140.130 to decouple from changes to the federal estate tax since 2003; amend KRS 141.010 to provide for a reduction and phase-out of the pension exclusion, disallow the domestic production activities deduction, establish a cap for itemized deductions, and define "taxpayer"; amend KRS 141.020 to provide for changes to income tax rates; amend KRS 141.066 to make a technical correction; amend KRS 141.0205 to recognize and order changes in income tax credits; amend KRS 141.0401 to lower the exclusion threshold; amend KRS 141.120 to change apportionment methods to use a "throwback" rule and market-based sourcing for receipts; amend KRS 141.200 to require "combined" reporting for corporations; amend KRS 134.810, 136.310, 136.530, 141.040, 141.121, 141.206, and 141.420 to conform; amend KRS 141.205 to recognize "tax haven" foreign countries and tax all income apportioned or allocated to those countries; amend KRS 141.383, 148.544, and 148.546 to make the film industry tax credit nonrefundable and nontransferable; create a new section of KRS 6.905 to 6.935 to require review and sunset of all economic development tax credits; amend KRS 131.190 to allow LRC employees to review selected tax documents; amend KRS 138.270 to reduce motor fuels dealer compensation to one percent; amend KRS 132.020 to make the real property tax rate 12.2 cents per \$100, remove the rate adjustment provision, and remove the recall provisions; amend KRS 132.260 to clarify requirements for reporting of rental space for mobile or manufactured homes, private aircraft, and certain boats or vessels; amend KRS 132.730, 132.751, 132.810, and 132.815 to clarify property tax treatment of manufactured homes; amend KRS 140.300 to clarify the treatment of agricultural valuation on inherited property; amend KRS 279.200, 279.530, 279.220, and 139.530 to repeal rural electric and telephone co-op taxes; amend KRS 132.097 and 132.099 to amend the exemption for personal property shipped out of state; amend KRS 139.105, 139.200, 139.220, 139.270, 139.340 and 139.740 to impose sales

tax on selected services; create a new section of KRS Chapter 141 to provide for a refundable Kentucky earned income tax credit; amend KRS 243.0305 and 243.990 to recognize changes in the distilled spirits case tax; amend KRS 138.130, 138.140, and 138.143 to change the tax on cigarette rolling papers, to raise the tobacco taxes, to impose a floor stock tax, and to tax e-cigarettes; amend KRS 65.125, 65.674, 67.862, 67.938, 67A.843, 68.245, 68.248, 82.095, 97.590, 132.0225, 132.023, 132.024, 132.027, 132.029, 157.440, 160.470, 160.473, 67C.147, 78.530, 342.340, and 134.810 to remove provisions that allow for recall of certain tax rates and make conforming and technical changes; create a new section of KRS Chapter 141 to provide for a refundable noise mitigation credit; repeal KRS 132.017, 132.018, 132.025, 132.720, 143A.035, and 243.710, relating to recall petitions and to various tax rates; provide that estate tax provisions apply for deaths occurring on or after August 1, 2018, sales tax provisions are effective for periods beginning on or after October 1, 2018, motor fuels compensation provisions are effective August 1, 2018, and property tax provisions are for assessments on and after January 1, 2019. (Prefiled by the sponsor(s).)

## **BR18 - Senator Morgan McGarvey (10/18/2017)**

AN ACT relating to telecommunications.

Amend KRS 278.5461 to include a definition of "personally identifiable information"; amend KRS 278.5462 to provide that no telecommunications or Internet service provider shall collect personally identifiable information from a customer as a result of the customer's use of the telecommunications or Internet services without the customer's express written approval. (Prefiled by the sponsor(s).)

## **BR25 - Representative Jeffery Donohue (8/14/2017)**

AN ACT relating to death in the line of duty benefits and declaring an emergency.

Amend KRS 16.601 and 61.621 to increase minimum death benefits payable to the surviving spouse of a member of the state-administered retirement systems from 25% to 50% of the deceased member's final rate of pay if the member died as a result of an act occurring in the line of duty; amend KRS 61.542 to provide



that the surviving spouse shall supersede all previously designated beneficiaries in the case of line-of-duty death benefits payable from the systems administered by the Kentucky Retirement Systems unless the member files a valid beneficiary designation form after marriage to his or her spouse; provide that eligible surviving spouses of members who died in the line of duty prior to the effective date of the Act shall receive the increased line of duty death benefits; provide that a surviving spouse of a hazardous duty member who died as a result of an act occurring in the line of duty on or after January 1, 2017, who was ineligible for the minimum monthly death benefits because he or she was not named beneficiary shall be eligible for the benefits provided by this Act; EMERGENCY. (Prefiled by the sponsor(s).)

**BR28 - Representative Jason Nemes  
(9/20/2017)**

AN ACT proposing to amend Sections 117, 118, 119, and 122 of the Constitution of Kentucky relating to the election of appellate judges. Propose to amend Sections 117, 118, 119, and 122 of the Constitution of Kentucky to fill terms of justices of the Supreme Court and judges of the Court of Appeals by appointment by the Governor from a list of three nominees provided by the judicial nominating commission; provide for appointed justices and judges who seek additional terms to stand for elections in their districts; limit individuals to two full terms of office; schedule transitional provisions; submit to the voters for approval or disapproval. (Prefiled by the sponsor(s).)

**BR37 - Representative Scott Wells  
(8/25/2017)**

AN ACT relating to area development districts and declaring an emergency. Amend KRS 147A.117 to require that the Auditor of Public Accounts' bill shall not exceed a quote given to an area development district by a certified public accountant for the same audit; EMERGENCY; EFFECTIVE July 1, 2018. (Prefiled by the sponsor(s).)

**BR38 - Senator John Schickel  
(5/15/2017)**

AN ACT relating to Kentucky school bus drivers. Create a new section of KRS Chapter 2 to designate and observe May 1 of every year as "School Bus Driver Day." (Prefiled by the sponsor(s).)

**BR39 - Representative Sal Santoro  
(5/16/2017)**

AN ACT relating to Kentucky school bus drivers. Create a new section of KRS Chapter 2 to designate and observe May 1 of every year as "School Bus Driver Day." (Prefiled by the sponsor(s).)

**BR40 - Representative Kenny Imes  
(6/27/2017)**

AN ACT proposing to amend Section 29 of the Constitution of Kentucky relating to administrative regulations. Propose to amend Section 29 of the Constitution of Kentucky to permit the General Assembly or an agency or committee it creates to review, approve, or disapprove any administrative regulation of the executive branch during or between regular sessions of the General Assembly; submit to the voters for approval or disapproval; supply ballot language. (Prefiled by the sponsor(s).)

**BR41 - Representative Kenny Imes  
(6/6/2017)**

AN ACT proposing to amend Section 95 of the Constitution of Kentucky relating to the election of state officers. Propose to amend Section 95 of the Constitution of Kentucky to hold the election of the Governor, Lieutenant Governor, Treasurer, Auditor of Public Accounts, Attorney General, Secretary of State, and Commissioner of Agriculture, Labor and Statistics in even-numbered years, every four years, beginning in 2024; provide transitional calendar; submit to the voters for ratification or rejection; provide ballot language. (Prefiled by the sponsor(s).)

**BR54 - Representative Jeffery Donohue  
(6/8/2017)**

AN ACT relating to railroads. Create a new section of KRS Chapter 277 to require two-person crews on trains or light engines used in connection with the movement of freight; establish civil penalties for failure to have a two-person crew. (Prefiled by the sponsor(s).)

**BR57 - Representative Sal Santoro  
(9/22/2017)**

AN ACT relating to electric and hybrid vehicle

fees and making an appropriation therefor. Create a new section of KRS Chapter 186 to establish a base fee for hybrid vehicles, hybrid electric plug-in vehicles, and non-hybrid electric vehicles; require the fee to be adjusted with any increase or decrease in the gasoline tax established in KRS 138.228; require collection of the fee at the time of motor vehicle registration; require that all fees collected under this section be transferred to the road fund; amend KRS 186.010 to define the terms "hybrid vehicle," "hybrid electric plug-in vehicle," and "non-hybrid electric vehicle"; amend KRS 186.050 to reference the fees collected under this Act; amend KRS 138.220 to provide notification to county clerks of the fees provided in this Act; make technical correction; EFFECTIVE January 1, 2019. (Prefiled by the sponsor(s).)

**BR64 - Senator Johnny Ray Turner  
(6/1/2017)**

AN ACT relating to vacating convictions for reckless homicide. Amend KRS 431.073 to allow convictions for reckless homicide to be vacated and expunged if the offender has first been granted a partial pardon by the Governor. (Prefiled by the sponsor(s).)

**BR67 - Representative Jason Nemes  
(9/20/2017)**

AN ACT relating to appellate judges. Amend KRS 118A.110 to define "retention election" for appellate judges; create a new section of KRS Chapter 118A to create an election process for retaining appointed appellate judges, following the ratification of a constitutional amendment to provide for appointments of appellate judges; amend KRS 118A.020, 118A.030, 118A.060, 118A.100, and 118A.140 to conform; repeal, reenact, and amend KRS 21A.020 to set staggered terms for appellate judges; EFFECTIVE contingently on January 1, 2020. (Prefiled by the sponsor(s).)

**BR81 - Representative Brandon Reed  
(9/28/2017)**

Urge the United States Fish and Wildlife Service to issue more migratory bird depredation permits and subpermits to allow Kentucky farmers to legally take black vultures that are depredating their livestock. (Prefiled by the sponsor(s).)

**BR91 - Representative Regina Huff  
(7/25/2017)**

AN ACT relating to suicide prevention training. Amend KRS 156.095 to require two hours of in-person suicide prevention professional development training every other school year for middle and high school principals, guidance counselors, and teachers; require a newly hired staff member to receive a packet of information on suicide prevention when the person is hired in a year training is not provided; amend KRS 158.070 to delete requirement for two hours of self-study review for suicide prevention training.  
(Prefiled by the sponsor(s).)

**BR97 - Representative George Brown Jr  
(7/12/2017)**

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).)

**BR102 - Representative Suzanne Miles, Representative Jason Nemes  
(6/29/2017)**

AN ACT relating to the natural resources severance and processing tax. Amend KRS 143A.010 to amend the definition of "processing" to include the act of loading or unloading limestone that has not otherwise been severed or treated in the Commonwealth; amend KRS 143A.035 to allow a credit for substantially identical severance or processing taxes paid to another state or political subdivision thereof; provide that no taxpayer may claim a total amount of credit that exceeds his or her tax liability; allow the Department of Revenue to report tax credit information to the Legislative Research Commission; amend other sections to conform; EFFECTIVE August 1, 2018.  
(Prefiled by the sponsor(s).)

**BR105 - Senator Danny Carroll  
(10/12/2017)**

AN ACT relating to sex offenses. Amend KRS 510.050, 510.060, 510.080, 510.090, 510.110, and 510.120 to increase penalties for sex crimes against a victim who is a person with an intellectual disability.  
(Prefiled by the sponsor(s).)

**BR113 - Senator Brandon Smith**

**(9/8/2017)**

AN ACT relating to sign language interpretation in the House and Senate chambers. Amend KRS 7.100 to require the Legislative Research Commission to provide sign language interpretation in each chamber of the General Assembly whenever the General Assembly is in session.  
(Prefiled by the sponsor(s).)

**BR114 - Representative Chris Harris, Representative Rocky Adkins, Representative Angie Hatton, Representative Rick Nelson, Representative Kevin Sinnette  
(6/30/2017)**

AN ACT relating to the Public Service Commission. Create a new section of KRS Chapter 278 to require the Public Service Commission to reconsider previously issued orders that involve multistate transactions if the orders involve a multistate transaction that requires approval from another state public utility commission and the out-of-state public utility commission fails to approve the transaction or utility plan; require the Public Service Commission to review its previous order and determine whether the order is still in the public interest of Kentucky ratepayers; provide that the provisions of this Act shall apply retroactively to all Public Service Commission orders issued on or after July 1, 2013.  
(Prefiled by the sponsor(s).)

**BR115 - Representative Chris Harris, Representative Rocky Adkins, Representative Angie Hatton, Representative Rick Nelson, Representative Kevin Sinnette  
(6/30/2017)**

Direct the Public Service Commission to reexamine the electric rates charged to certain ratepayers to determine if they remain fair, just, and reasonable.  
(Prefiled by the sponsor(s).)

**BR131 - Senator Alice Kerr  
(10/17/2017)**

AN ACT relating to the safe disposal of controlled substances. Amend KRS 218A.170 to require a practitioner or a pharmacist to sell or distribute a nontoxic composition, which permanently captures the controlled substance, for the sequestration or deactivation and disposal of unused, unwanted, or expired controlled substances anytime a controlled substance is sold or distributed.  
(Prefiled by the sponsor(s).)

**BR143 - Representative Dan Johnson  
(10/5/2017)**

AN ACT relating to unborn children and declaring an emergency. Amend KRS 507A.010 to redefine "abortion," "unborn child" and define "fertilization"; amend the definition of unborn child; require prosecution for the death of an unborn child without limitation and not withstanding any other state law regardless of the identity of the actor; create a new section of KRS Chapter 15 to require the Attorney General and Commonwealth's attorneys to monitor and enforce KRS Chapter 507A; amend KRS 211.027, 311.720, 311.727, and 311.760 to conform; repeal KRS 311.710 and 507A.060; permit the Act to be cited as the Abolition of Abortion in Kentucky Act; EMERGENCY.  
(Prefiled by the sponsor(s).)

**BR149 - Representative Dennis Keene  
(9/18/2017)**

AN ACT relating to the expansion of gaming and making an appropriation therefor. =Create a noncodified section 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 10 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, 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; establish a gaming tax of 31% and limit that money to the benefit of the state retirement systems for the first 10 years; establish an admission tax of \$3 per person per day; establish the casino gaming revenue distribution trust fund; establish the regional tourism and infrastructure development fund and provide criteria for projects seeking money from the fund; waive 15 U.S.C. sec. 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; EFFECTIVE DATE DELAYED.

(Prefiled by the sponsor(s).)

**BR155 - Senator Julian Carroll  
(9/20/2017)**

AN ACT relating to sports wagering and making an appropriation therefor. Create a new section of KRS Chapter 230 to require the Kentucky Horse Racing Commission to institute a sports wagering system; amend KRS 230.210 to define "exempt sports contest," "sports wagering," and "sports wagering facility"; amend KRS 230.215 to declare it the policy of the Commonwealth to encourage the conduct of wagering on sporting events, when allowed by federal law, and to vest forceful control over sports wagering in the racing commission; include consideration of members of professional and collegiate sports organizations in the Governor's appointments to the commission; amend KRS 230.240 to allow the director of the racing commission to take personnel action relating to sports wagering; amend KRS 230.260 to include promotion of fair sports wagering among the purposes of the racing commission;

create a new section of KRS Chapter 230 to establish licensing requirements and establish a licensing fee of \$250,000; create a new section of KRS Chapter 230 to require the racing commission to promulgate administrative regulations prescribing the manner in which sports wagering shall be conducted; provide minimum criteria; prohibit participants from wagering on a sporting event; create a new section of KRS Chapter 230 to establish a 20 percent tax on the total amount wagered at sports wagering facilities; create a new section of KRS Chapter 230 to establish the sports wagering distribution trust fund and appropriate moneys from that fund; amend KRS 230.320 to include sports wagering among the activities that are regulated by the racing commission; amend KRS 230.360 to include sports wagering among the activities that are not subject to local control; amend KRS 230.990 to establish penalties for tampering with the outcome of a sporting event and participant wagering on a sporting event; EFFECTIVE UPON CONTINGENCY: Act takes effect only if the federal Professional and Amateur Sports Protection Act is repealed by Congress or is rendered void by the United States Supreme Court.

(Prefiled by the sponsor(s).)

**BR163 - Senator Julian Carroll  
(10/18/2017)**

AN ACT relating to cannabidiol use. Create a new section of KRS Chapter 218A to permit a physician to recommend the use of cannabidiol or cannabidiol products; set criteria for recommendations; prohibit the Board of Medical Licensure from prohibiting recommendations; amend KRS 218A.010 to add recommendation to the definition of marijuana.

(Prefiled by the sponsor(s).)

**BR164 - Senator Morgan McGarvey  
(10/19/2017)**

AN ACT relating to animal safety. Amend KRS 411.245 to establish immunity from civil liability for damage to a vehicle if a person enters the vehicle for the purpose of removing a domestic animal.

(Prefiled by the sponsor(s).)

**BR165 - Representative Jim Wayne  
(8/8/2017)**

AN ACT relating to firearms. Create a new section of KRS Chapter 527 to prohibit the unlawful storage of a firearm.

(Prefiled by the sponsor(s).)

**BR170 - Representative Attica Scott, Representative Kelly Flood  
(8/31/2017)**

AN ACT relating to student criminal history background checks.

Create a new section of KRS Chapter 164 to prohibit public postsecondary institutions from inquiring about a prospective student's criminal history prior to admission, except for certain types of offenses; allow an institution to inquire about a student's criminal history after admission, for the purposes of providing support services and informing decisions regarding a student's participation in campus activities, organizations, and residency; allow an institution to inquire about a student's criminal history prior to admission into a professional degree program, but prohibit denial of admission based solely on criminal history; require institutions to provide counseling regarding occupational licensing requirements to a professional degree student who has a criminal history.

(Prefiled by the sponsor(s).)

**BR172 - Representative C. Wesley Morgan  
(8/22/2017)**

AN ACT relating to carrying concealed weapons.

Create a new section of Chapter 237 to allow concealed deadly weapons to be carried without a license in same locations as concealed carry license holders may carry them; amend KRS 237.115 and 527.020 to conform.

(Prefiled by the sponsor(s).)

**BR173 - Representative C. Wesley Morgan  
(8/18/2017)**

AN ACT relating to public assistance.

Amend KRS 205.200 to create a substance abuse screening program for adult recipients of public assistance, food stamps, and state medical assistance.

(Prefiled by the sponsor(s).)

**BR175 - Representative C. Wesley Morgan  
Oct 09-WITHDRAWN**

**BR182 - Representative Rick Nelson  
(8/17/2017)**

AN ACT relating to electric utility billing.

Create a new section of KRS Chapter 278 to place a cap on the amount that an electric utility can bill for a basic service charge.

(Prefiled by the sponsor(s).)

**BR187 - Senator Dorsey Ridley  
(9/27/2017)**

AN ACT relating to notification of the expiration date of an instruction permit, operator's license, or personal identification card. Create a new section of KRS 186.400 to 186.640 to require the Transportation Cabinet to notify holders of operator's licenses, instruction permits, and personal ID cards of the impending expiration of these documents 45 days prior to their expiration; allow notice by electronic or postal mail; allow license, permit, and ID card holders to provide electronic mail addresses for notification or opt out of notification; clarify that nonreceipt of a notice shall not constitute a defense to any offense regarding an expired permit or license.  
(Prefiled by the sponsor(s).)

**BR192 - Representative Jason Nemes  
(10/13/2017)**

AN ACT relating to personal jurisdiction. Amend KRS 454.210 to expand personal jurisdiction of courts over nonresidents.  
(Prefiled by the sponsor(s).)

**BR193 - Representative Jason Nemes  
(10/20/2017)**

AN ACT relating to occupational licensing regulations. Create new sections of KRS Chapter 12 to define terms; set forth requirements for all occupational licensing regulations established by an agency on or after November 15, 2018; require each agency to conduct a comprehensive review of all occupational licensing regulations under its jurisdiction every five years and to prepare and submit a report of its review to the Legislative Research Commission; establish a process to petition an agency to repeal or modify an occupational licensing regulation; allow a petitioner to appeal an agency's actions or inaction to Circuit Court.  
(Prefiled by the sponsor(s).)

**BR195 - Representative Regina Huff  
(9/15/2017)**

AN ACT relating to a day of prayer for students. Create a new section of KRS Chapter 2 designating the last Wednesday in September of each year as A Day of Prayer for Kentucky's Students.  
(Prefiled by the sponsor(s).)

**BR197 - Representative Dennis Keene, Representative Rick Rand  
(9/18/2017)**

AN ACT proposing an amendment to Section 226 of the Constitution of Kentucky relating to casino gaming. Propose to amend Section 226 of the Constitution of Kentucky to authorize the General Assembly to define and permit casino gaming; prior to July 1, 2029, require that proceeds be used to pay for oversight of casino gaming, and mandate that 100 percent of proceeds in excess of oversight costs go to retirement systems; after July 1, 2029, allow the General Assembly to allocate proceeds.  
(Prefiled by the sponsor(s).)

**BR199 - Representative Kenny Imes  
(9/18/2017)**

Urge the United States Congress to amend Title II of the Social Security Act to repeal the Government Pension Offset provision.  
(Prefiled by the sponsor(s).)

**BR204 - Senator Richard Girdler, Senator Stephen Meredith  
(9/28/2017)**

AN ACT relating to retirement benefit participation for members of the General Assembly. Create a new section of KRS 6.145 to 6.237 to allow an individual who becomes a member of the General Assembly on or after the effective date of the Act to make a one-time irrevocable election to not participate in the Legislators' Retirement Plan or the Kentucky Employees Retirement System for his or her service to the General Assembly; allow an individual who has not yet met the requirements for vesting to make a one-time irrevocable election within 60 days of the effective date of this Act to discontinue participation in the Legislators' Retirement Plan or the Kentucky Employees Retirement System for his or her service to the General Assembly and receive a refund of his or her accumulated account balance; provide that the election to not participate or discontinue participation in the Legislators' Retirement Plan or the Kentucky Employees Retirement System shall apply to all future service of the General Assembly; amend KRS 6.505, 61.510, 61.525, 61.535, and 61.625 to conform.  
(Prefiled by the sponsor(s).)

**BR213 - Senator Richard Girdler, Senator Stephen Meredith  
(9/28/2017)**

AN ACT relating to retirement benefits for legislators. Amend KRS 6.505 to close the Legislators' Retirement Plan to new members effective August 1, 2018; prohibit current legislators from participating in the Legislators' Retirement Plan on or after August 1, 2018; provide that current and future legislators may only participate in the Kentucky Employees Retirement System for any service to the General Assembly occurring on or after August 1, 2018.  
(Prefiled by the sponsor(s).)

**BR216 - Senator Max Wise  
(9/25/2017)**

AN ACT relating to pharmacy benefits in the Medicaid program. Create a new section of KRS Chapter 205 to require the Department for Medicaid Services to directly administer all outpatient pharmacy benefits; prohibit renewal or negotiation of new contracts to provide Medicaid managed care that allow administration of outpatient benefits by any entity but the Department for Medicaid Services; reduce costs of future Medicaid managed care contracts by costs of all outpatient pharmacy benefits as they existed on January 1, 2017; allow the department to utilize managed care principles and techniques to assist with member medication adherence and cost control; require the department to establish a reasonable dispensing fee pursuant to Centers for Medicare and Medicaid Services guidelines; EFFECTIVE January 1, 2019.  
(Prefiled by the sponsor(s).)

**BR228 - Representative Joseph Fischer, Representative Bart Rowland  
(9/26/2017)**

AN ACT relating to credit freezes and declaring an emergency. Amend KRS 367.365 to allow for security freezes to be requested by methods established by the consumer reporting agency; allow consumers to request a replacement personal identification number or password in the same manner as the original security freeze request; remove the expiration of a credit freeze after seven years; include gender-neutral language; EMERGENCY.  
(Prefiled by the sponsor(s).)

**BR230 - Representative Jason Nemes  
(10/20/2017)**

AN ACT relating to retirement benefits for legislators. Create new sections of KRS 6.500 to 6.577 to permit a member or retiree of the Legislators'



Retirement Plan to opt out of the traditional defined benefit plan and elect to participate in the Kentucky Employees Retirement System's hybrid cash balance plan for nonhazardous employees under KRS 61.597; specify that, on the member's effective election date, the value of the active member's accumulated account balance or a lump-sum payment of the actuarial value of the retiree's benefits be deposited into the member's hybrid cash balance account and be considered part of the member's accumulated account balance in the Kentucky Employees Retirement System; specify that on an active member's effective election date, an employer pay credit shall be applied to the member's accumulated account balance for each contributing month prior to the effective election date; require the Judicial Form Retirement System and the Kentucky Retirement Systems to provide the electing member with information detailing the consequences of the member's or retiree's election; specify that a member or retiree is not eligible to make an election until a private letter ruling by the IRS is received; make the benefit election under this section irrevocable; amend KRS 6.505 to close the Legislators' Retirement Plan to new members effective August 1, 2018, and transfer all legislative members' in the hybrid cash balance plan to the hybrid cash balance plan in the Kentucky Employees Retirement System; make conforming amendments to KRS 21.374, 21.402, and 61.597; amend KRS 141.010 and 141.020 to provide that, effective for taxable years on or after January 1, 2019, members and retirees of the Legislators' Retirement Plan who do not opt out of the traditional defined benefit plan and elect to participate in the Kentucky Employees Retirement System's hybrid cash balance plan have any retirement distributions exceeding \$80,000 taxed at a rate of 75%.  
(Prefiled by the sponsor(s).)

**BR234 - Representative Robby Mills  
(9/28/2017)**

AN ACT relating to estheticians.  
Amend KRS 317B.025 to reduce from 1,000 to 700 the hours of instruction required for licensure as an esthetician; permit the instruction to be held in a school in another state if the school is licensed or approved by that state.  
(Prefiled by the sponsor(s).)

**BR235 - Representative Robby Mills  
(9/28/2017)**

AN ACT relating to retirement benefit participation for members of the General Assembly and declaring an emergency.  
Create a new section of KRS 6.145 to 6.237 to

allow individuals who become members of the General Assembly on or after April 1, 2018, to make a one-time irrevocable election to not participate in the Legislators' Retirement Plan or the Kentucky Employees Retirement System for their service to the General Assembly; allow members of the General Assembly who began contributing to the Legislators' Retirement Plan or the Kentucky Employees Retirement System on or after December 31, 2014, but prior to April 1, 2018, to make a one-time irrevocable election by December 31, 2018, to discontinue participation in the Legislators' Retirement Plan or the Kentucky Employees Retirement System for their service to the General Assembly and receive a refund of accumulated contributions; provide that the election to not participate or discontinue participation in the Legislators' Retirement Plan or the Kentucky Employees Retirement System applies to all future service of the General Assembly; amend KRS 6.505, 61.510, and 61.525 to conform; EMERGENCY.  
(Prefiled by the sponsor(s).)

**BR247 - Senator Dennis Parrett  
(10/4/2017)**

AN ACT relating to kinship care.  
Amend KRS 605.120 to permanently establish a kinship care program.  
(Prefiled by the sponsor(s).)

**BR248 - Senator Dennis Parrett  
(9/29/2017)**

AN ACT relating to educational programs.  
Create a new section of KRS Chapter 158 to require the Department of Education to develop academic standards for a financial literacy program to be implemented by each public high school; require the financial literacy program to be completed for high school graduation; direct the department to determine the implementation date.  
(Prefiled by the sponsor(s).)

**BR271 - Senator Danny Carroll  
(10/12/2017)**

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).)

**BR275 - Representative C. Wesley Morgan  
(10/20/2017)**

AN ACT relating to public protests.  
Create a new section of KRS Chapter 525 to create a Class A misdemeanor, disruption of a public protest; create a new section of KRS Chapter 525 to create a Class A misdemeanor, obstruction of traffic and to limit drivers of liability of motor vehicles; create a new section of KRS Chapter 522 to prohibit any person, including a public servant from preventing a peace officer from performing official duties at a protest.  
(Prefiled by the sponsor(s).)

**BR285 - Representative Regina Huff  
(10/19/2017)**

Apply to Congress Article V of the Constitution of the United States for the calling of a convention of the states limited to proposing amendments to the Constitution of the United States that impose fiscal restraints on the federal government and that limit the powers and jurisdiction of the federal government; state that the application be aggregated with the applications of other states and limited for the purposes identified in the applications; state that the application be a continuing application until a convention is called or until the application is withdrawn by the Kentucky General Assembly.  
(Prefiled by the sponsor(s).)

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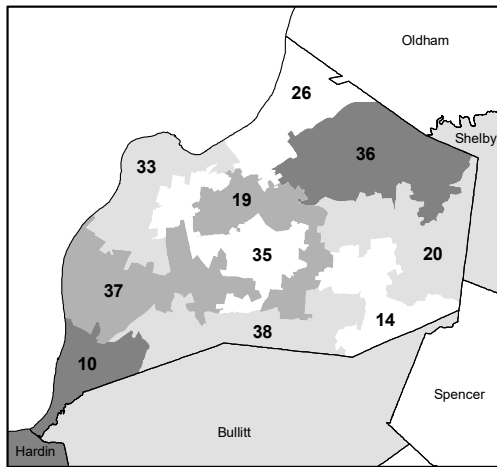
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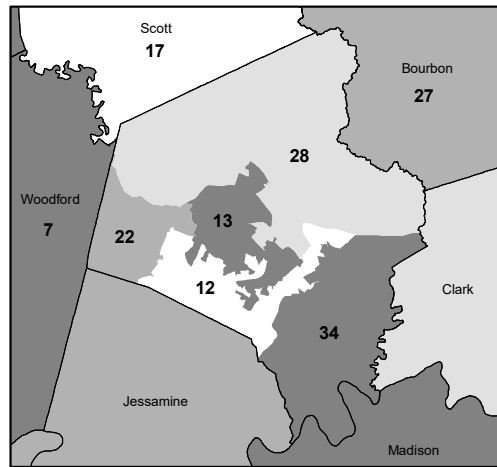


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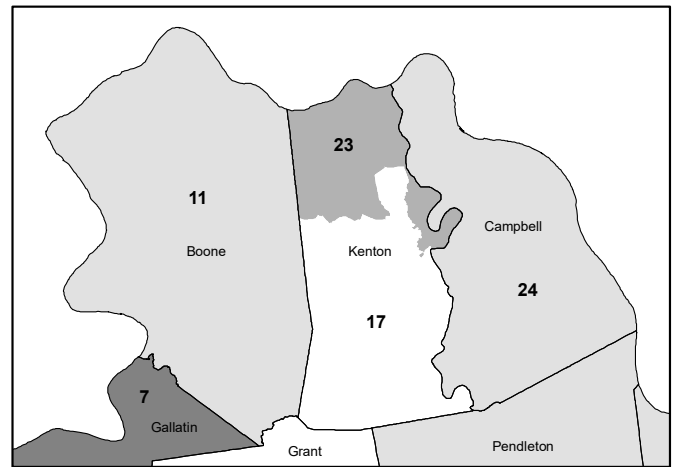
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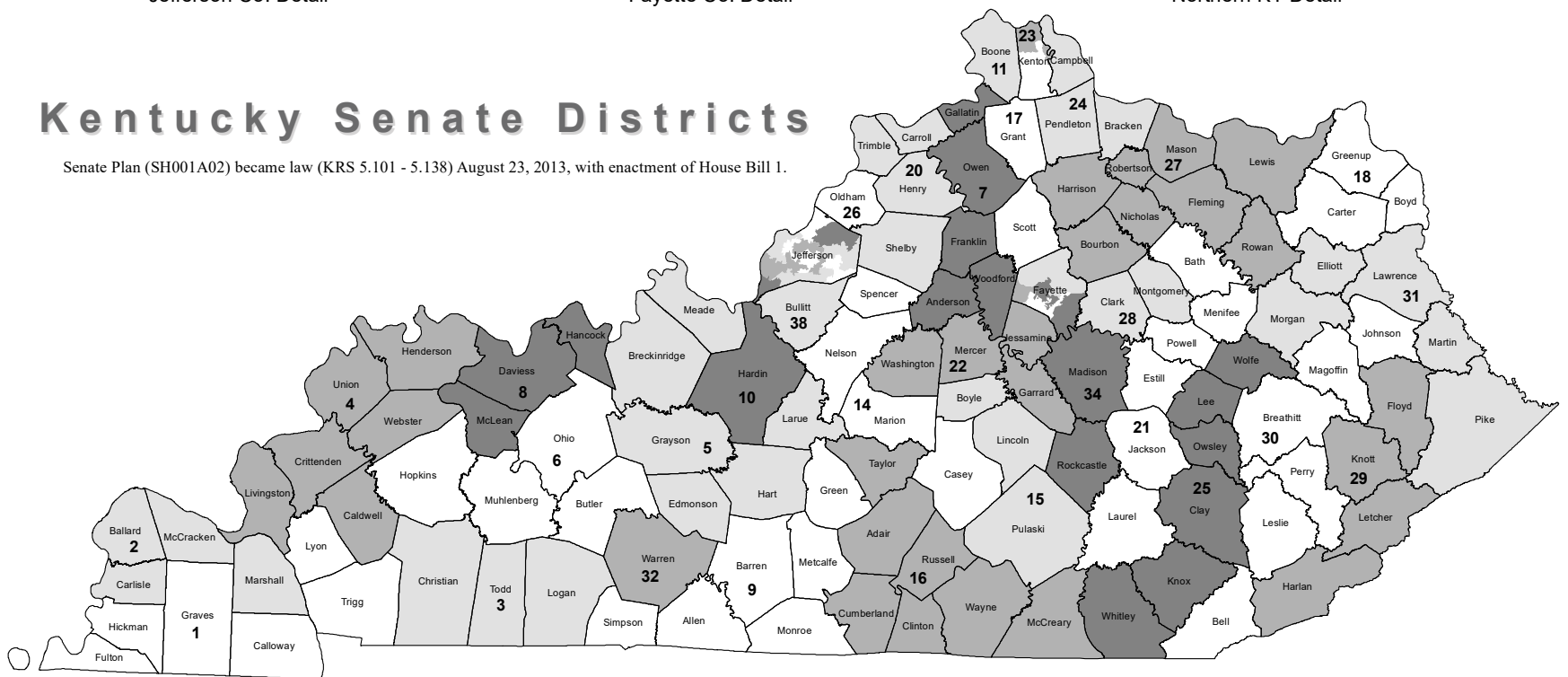
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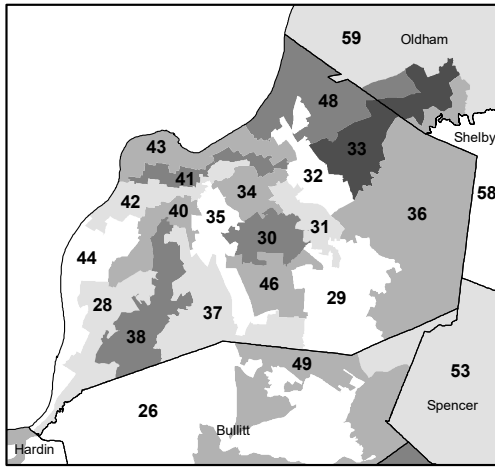
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# Kentucky Senate Districts

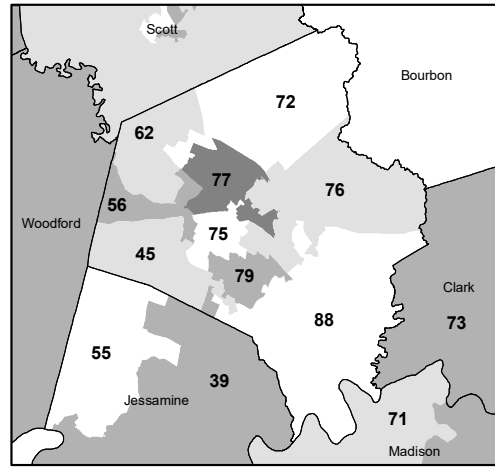
Senate Plan (SH001A02) became law (KRS 5.101 - 5.138) August 23, 2013, with enactment of House Bill 1.



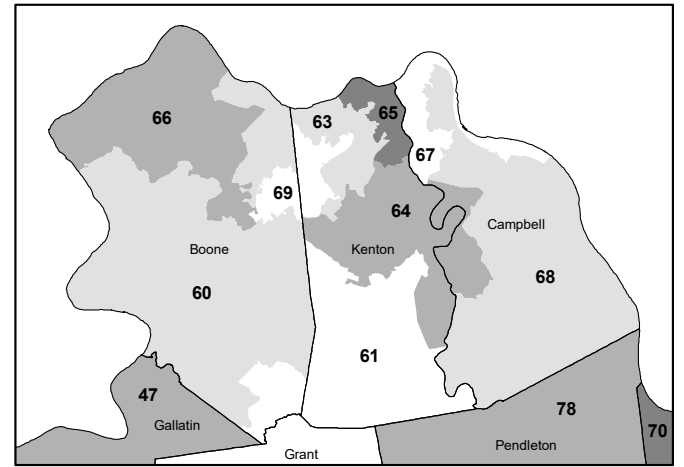
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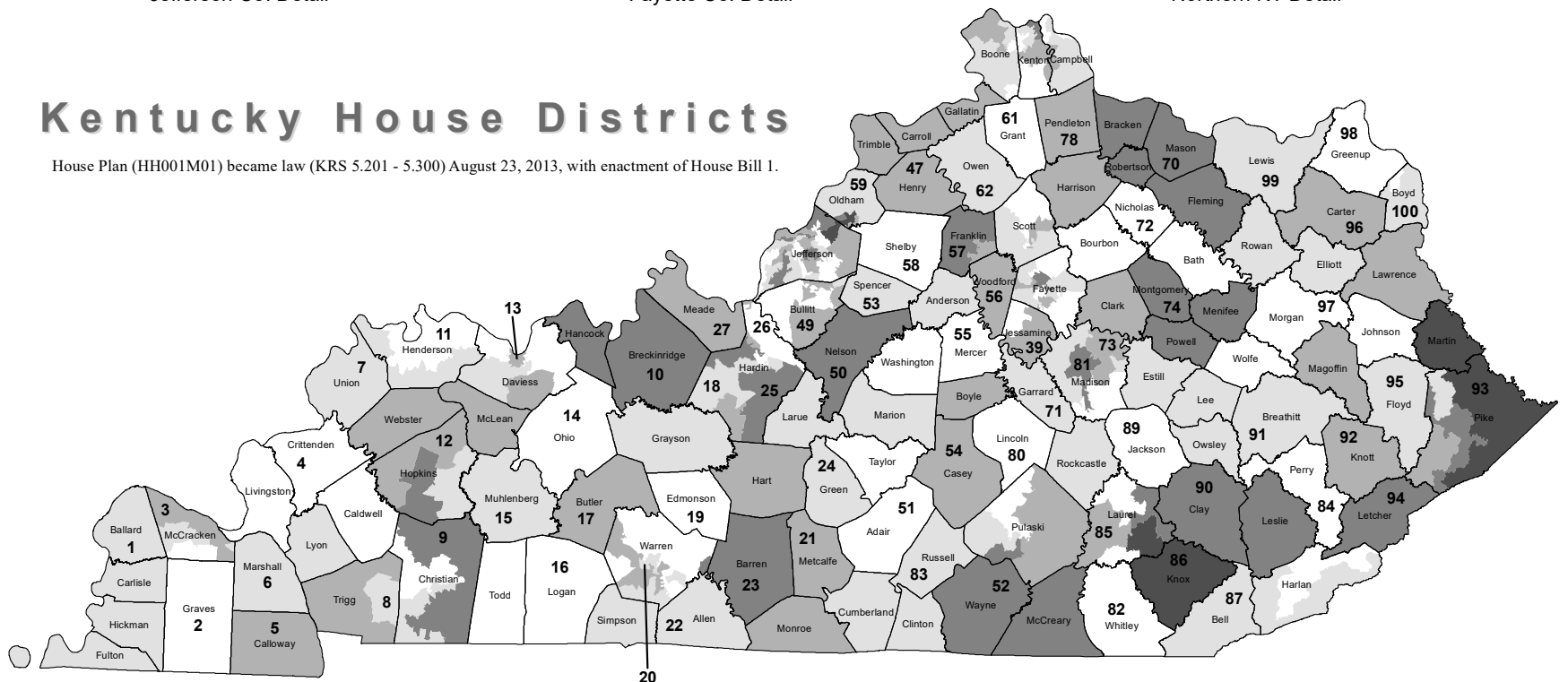
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House Plan (HH001M01) became law (KRS 5.201 - 5.300) August 23, 2013, with enactment of House Bill 1.



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2017 Interim

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