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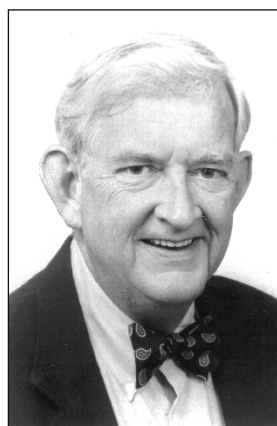
Nominations now accepted for 2011 Vic Hellard Jr. Award

The Kentucky Legislative Research Commission is now accepting nominations for the 2011 Vic Hellard Jr. Award.

The award, given annually in memory and recognition of Mr. Hellard's contributions to an independent legislative institution and devoted service to the Commonwealth, recognizes a person who has advanced the interests of citizens of the Commonwealth by example and leadership.

Letters of nomination should be submitted by Oct. 31, 2011 and should explain how the candidate: 1) Demonstrates vision, considering the long-term implications for the public good; 2) Demonstrates innovation, finding new approaches while appreciating history; 3) Champions the equality and dignity of all; 4) Enhances the processes of a democratic society, promoting public dialogue, educating citizens and decision makers, and fostering civic engagement, and; 5) Approaches work with commitment, caring, generosity and humor.

Please submit nominations to: Hellard Award Selection Committee, Legislative Research Commission, Attn: Ben Payne, 702 Capitol Avenue, Room 101, Frankfort, KY 40601, or online at www.lrc.ky.gov/HellardAward.htm.



Vic Hellard Jr.

Kentucky lawmakers making voices heard in D.C.

by Chuck Truesdell
LRC Public Information

While Kentucky's 138 state legislators are elected to serve in Frankfort, they are increasingly making their voices heard in Washington as well.

Several Kentucky legislators attended national conferences this summer, including the bipartisan National Conference of State Legislatures meeting in San Antonio. During the four-day conference in August, state lawmakers from across the country expressed support for federal banking legislation, sought the ability to raise revenue from online shopping, and reaffirmed states' role in workplace safety.

Passing a resolution urging action by one state's congressional delegation may affect a handful of votes, but the collective position of all states' lawmakers can sway crucial votes, said Rep. Brent Yonts, D-Greenville. He was a leader on NCSL's

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Energy panel discusses diversification in Kentucky

by Rebecca Mullins Hanchett
LRC Public Information

Kentucky's energy diversification efforts make it more attractive to the energy industry and government regulators, the state Special Subcommittee on Energy heard on Sept. 16 from an industry official.

Native Kentuckian Jolly Hayden, who is now based in Texas as a vice president for transmission development with NextEra Energy Resources, said long-range cost analyses and other considerations of using natural gas, hydro power and other resources to make electricity are helpful to the Commonwealth, which currently derives 94 percent of its electricity from coal.

Hayden explained that diversification gives

Kentucky more leverage in today's energy arenas.

"Instead of exporting coal by rail and barge, you could start to export coal by wire," Hayden told the committee.

Subcommittee Co-Chair Sen. Brandon Smith, R-Hazard, said coal faces increasing opposition in the U.S. while it increases in demand in China and other places.

House Majority Floor Leader Rocky Adkins,

Kentucky became a national model for energy policy after the Kentucky General Assembly passed landmark legislation in 2007 and 2008.

D-Sandy Hook, said Kentucky became a national model for energy policy after the Kentucky General Assembly passed landmark energy bills in 2007 and 2008. Over \$1 billion in incentives in several different energy fields—including biofuel, natural gas, and coal—have been initially approved under that legislation in the past few years, Adkins told Hayden.

If all those projects were to become reality, Adkins said the investment would draw over \$17 billion in capital construction to the Commonwealth.

"We are trying to entice investment in Kentucky," said Adkins. "(And) we are trying to do it in a very responsible way."

Hayden said while Kentucky's strength is

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Energy, from page 1

coal, it is “also our risk.”

Diversifying with natural gas, which has an extensive network of pipelines through Kentucky, or hydro power in areas on the Ohio River that benefit Kentucky were among his suggestions. As for natural gas, Hayden said that “by supplementing some of our coal fleet with gas, it creates a little bit of head room with our friends at the EPA (Environmental Protection Agency) as well as the Sierra Club and the likes.”

Improved market access through transmission organizations like the Midwest ISO and PJM—both which help move electricity throughout different regions of the country—would also help the state, Hayden told lawmakers.

Several members of the subcommittee said keeping electricity costs low in Kentucky is important to them, other Kentuckians and companies that have located or will locate here. Adkins said, keeping costs low is “critical.” That need was also stressed by subcommittee Co-Chair Rep. Keith Hall, D-Phelps, who emphasized the committee’s openness to the current U.S. energy debate.

“This committee is not just a coal committee. We have visions, and we have goals,” Hall said.

NCSL, from page 1

Labor and Economic Development Committee when lawmakers from across the nation sought a higher minimum wage five years ago. Months later, Congress passed and President Bush signed the current \$7.25 minimum wage into law.

“I think that shows the influence of the policy initiatives that we write,” Yonts said. “When Washington hears that state leaders take a collective opinion, that can finally give an issue traction.”

Likewise, NCSL’s Legislative Summit is often a forum for debate. Rep. Steve Riggs, D-Jeffersontown, sits on NCSL’s Communications, Financial Services, and Interstate Commerce Committee, which considered the repeal of last year’s Dodd–Frank Wall Street Reform and Consumer Protection Act. The attempt failed on a 16-1 committee vote.

“This law may not be perfect, but it is bringing about some much-needed consumer protections while keeping our nation’s economy on much firmer footing,” said Rep. Riggs, D-Louisville. “While there have been attempts in individual states to voice their displeasure with this act, this vote would have been the first one with national implications.”

On another issue with significant implications for Kentuckians, Rep. Yonts advocated a policy reminding Congress that mine safety is a joint state-federal effort. “Federal action should not preclude states from pursuing stronger approaches that are appropriate for them,” the policy states.

The NCSL’s balance between the two parties — each committee has two co-chairs, and the group’s presidency rotates between Republicans and Democrats annually — also gives a larger voice to lawmakers who are in the political minority at home. One reason is NCSL’s mission to ensure state jurisdiction over most policy areas under the U.S. constitution. “That’s not a partisan issue,” Rep. Brad Montell R-Shelbyville, said. “Very seldom is there a partisan divide. I just don’t see that.” Nearly two-third of Kentucky’s state legislators serve on one of NCSL’s 12 policy committees.

While in San Antonio, lawmakers also heard from noted speakers, including an Army veteran who was severely injured in Iraq as well as the crew of the final Space Shuttle mission. “To see them in person and hear their message of hope and optimism was intriguing,” Riggs said.

The idea of conferences as a perk of office is a myth, Montell added. “They’ve got meetings for you all day long,” he said. In fact, he noted, the schedule is so packed with useful sessions that lawmakers must narrow their focus on one or two issues rather than drinking from a firehose.

In recent years, ideas picked up at these conferences have also found their way into Kentucky statute as well as federal law. “You get a tremendous amount of ideas by listening to other people, hearing what they’re doing in their states,” Yonts said. “The same problems affect every state. The question is, how do you tackle them.”

“I came back with some great information and some great contacts that will make me a more effective legislator,” Montell said. “It’s a solid investment.”

Arrests of children 10 and younger studied

by Rebecca Mullins Hanchett
LRC Public Information

Children age 10 or younger who face criminal arrest in Kentucky should not be prosecuted but instead referred to social services, state judicial and social service officials told a state legislative committee Sept. 14.

“All the research shows the earlier a child is referred to court, the more likely the child will be to continue in the juvenile justice system,” Patrick Yewell, executive officer for Family and Juvenile Services in the Administrative Office of the Courts, told the Interim Joint Committee on Judiciary. “Many studies show that (these children) are ... about four or five times more likely to continue in the juvenile justice system.”

More than 2,700 Kentucky children age 10 or younger have been charged with a public or status offenses over the past six years, Yewell said. Of children in that age group currently facing a criminal complaint in Kentucky, 54 percent receive diversion while many of the rest end up in the criminal justice system.

Many in Kentucky’s juvenile services and juvenile justice community say diversion should be required—not just an option—for children age 10 and under who face a criminal complaint with probable cause, Yewell said. Should diversion fail, advocates of the proposal want children to receive social and mental health services in their communities instead of time in the criminal justice system.

Deputy Commissioner of the Department for Juvenile Justice Hasan Davis said even children age 11 and 12—much less children age 10 or younger—who come through the juvenile justice system require costly one-on-one attention, 24 hours a day.

“They do create for us a very unique set of circumstances,” Davis said. “We usually have to pull out staff and do one-on-one supervision ... and change everything about our protocol, so it provides for us a real challenge that should be addressed some other way.”

Those thoughts were echoed by Public Advocated Ed Monahan, who said many of these young children are being represented across the state by his office.

“These kids will be better handled outside the criminal justice system,” Monahan said. “The criminal justice system currently is spending a substantial amount of money on these kids; A lot of competency hearings, and the criminal justice system is not really set up to deal with child social service issues.”

Setting a limit for prosecution at age 10 and under would also address research that Monahan said shows a young child’s brain is not developed enough to understand criminal punishment, he explained.

“Ten and under is a modest attempt to acknowledge that persons at that level don’t have the ability to have the culpability to put them in the criminal justice system,” Monahan said. Additionally, he agreed with comments made by Yewell that the longer these children are in the criminal justice system, the more likely they are to be in the juvenile and adult criminal justice system in the future.

Most criminal charges filed against children age 10 and younger in Kentucky stem from a complaint that a child is beyond control of school or parent, or has committed minor assault or criminal mischief, Yewell said.

Committee Co-Chair Rep. John Tilley, D-Hopkinsville, said the issue requires thorough study.

“Everyone who has a stake in this needs, and certainly has a role to play in this, needs to be at the table,” he said.

More testimony will be heard at future meetings, he added.

Rep. Kelly Flood, D-Lexington, said she is working on legislation for consideration during the upcoming 2012 Regular Session that would put time limits on valid court orders involving status offense violations by juveniles. Flood told the committee that the legislation would not take away judicial discretion, including discretion in cases where a child is a danger to self or others.

Testimony was also received by the committee regarding proposed enhancement of the state’s criminal gang statutes.

Third Judicial Circuit Commonwealth’s Attorney Lynn Prior said her area, which includes Hopkinsville, has seen a growing amount of gang activity.

Lawmakers get glimpse of expanded UK vet lab

by Rebecca Mullins Hanchett
LRC Public Information

The Veterinary Diagnostic Laboratory sitting on the University of Kentucky's Coldstream Research campus has been involved in diagnosing animal disease for years. Now, it is gaining a national reputation for its work.

The lab received full accreditation by the American Association of Veterinary Laboratory Diagnosticians in July 2009 in the middle of a \$28.5 million project to expand the facility's research space. A few months later in October 2009, the facility became a member of the National Animal Health Laboratory Network.

Today, 2011 president of the national network and the Veterinary Diagnostic Laboratory's Director Dr. Craig Carter said, the lab is one of 39 veterinary diagnostic centers nationwide that is capable of conducting tests on animal diseases like foot-and-mouth disease and avian influenza that were once conducted only at federal laboratories.

"People listen to us and they respect the work we are turning out for animal agriculture," Carter told the

Interim Joint Committee on Agriculture during its meeting at the lab on Sept. 9. The committee members toured the facility following the meeting.

Besides diagnostic testing to improve animal health, the Veterinary Diagnostic Laboratory work also includes—but is not limited to—research of diseases that can spill over from animals to humans, Carter said. Foot-and-mouth disease, mad cow disease, avian flu, West Nile virus and swine flu are among the diseases that have jumped the species barrier between humans and animals in recent decades, based on scientific reports.

"We can't have good human health without good animal health," Carter told lawmakers.

Committee Co-Chair Sen. David Givens, R-Greensburg, told Carter and other UK officials from the College of Agriculture at the meeting that the lab is "state of the art". When Givens asked how the lab determines if the state's livestock industry faces an immediate health threat, Carter said the university has systems in place to detect changes in populations like past increases in the infectious disease blackleg that affects cattle and sheep.

"The first year we saw a lot of



Committee Co-Chair Rep. Tom McKee, D-Cynthiana, tours the UK Veterinary Diagnostic Laboratory. Among other lawmakers on the tour were Rep. Martha Jane King, D-Lewisburg, and Rep. Michael Meredith, R-Brownsville.

blackleg clusters and reported the need to vaccinate for blackleg," said Carter. The following year, he said the blackleg cases were "down to nothing."

Sen. Joey Pendleton, D-Hopkinsville, said he was glad to

see the improvements to the lab and suggested that the committee work during the 2012 Regular Session of the Kentucky General Assembly to invest in improvements at its sister facility, the Breathitt Veterinary Center at Murray State University. That center is also fully accredited nationally.

"We've come a long way, but we've got a lot further to go," said Pendleton.

Rep. Jim Glenn, D-Owensboro, asked UK Associate Dean for (Agricultural) Research and director of the Kentucky Agricultural Experiment Station Dr. Nancy Cox if the College of Agriculture hopes to expand its ever growing undergraduate student base (now totaling around 2,300). Cox said the growing number of students has required more personnel, but also shows growing confidence in the college.

"We are very proud of the confidence the students and their parents have in us," she said, adding that a large percentage of the college's incoming freshmen are from outside of Kentucky.

"We think if we are that attractive to out-of-state students, we must be doing something right," she said.

Ag committee travels to Kentucky State Fair



At left: Rep. Mike Cherry, D-Princeton, left, talks with Rep. Steven Rudy, R-West Paducah, at a joint meeting of the Interim Joint Committee on Agriculture and the Kentucky State Fair Board on Aug. 25 at Freedom Hall in Louisville. Sen. Robin Webb, D-Grayson, above, asks State Veterinarian Dr. Robert Stout about a rule proposed recently by the USDA concerning animal disease traceability.



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INTERIM JOINT COMMITTEE ON AGRICULTURE

Minutes of the 3rd Meeting of the 2011 Interim August 25, 2011

Call to Order and Roll Call

The 3rd meeting of the Interim Joint Committee on Agriculture was held on Thursday, August 25, 2011, at 10:00 AM, in the VIP Boardroom at the Kentucky State Fair. Representative Tom McKee, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator David Givens, Co-Chair; Representative Tom McKee, Co-Chair; Senators Joe Bowen, Paul Hornback, Vernie McGaha, Dennis Parrett, Joey Pendleton, Dorsey Ridley, Damon Thayer, Robin L. Webb, and Ken Winters; Representatives Royce W. Adams, John "Bam" Carney, Mike Cherry, James R. Comer Jr., Jim DeCesare, Mike Denham, Myron Dossett, C. B. Embry Jr., Sara Beth Gregory, Richard Henderson, Kim King, Martha Jane King, Michael Meredith, Brad Montell, Fred Nesler, David Osborne, Sannie Overly, Ryan Quarles, Tom Riner, Steven Rudy, Rita Smart, Wilson Stone, Tommy Turner, and Susan Westrom.

Guests: Representative Jim Gooch; Representative Dennis Horlander; Senate President David Williams; House Speaker Greg Stumbo; John McCauley, FSA State Director; Karen Wooldridge, NRCS State Director; Ann Blair Thornton, Miss Kentucky 2011; Harold Workman, President and CEO of the Kentucky State Fair and Exposition Center, and members of the Kentucky State Fair Board.

LRC Staff: Biff Baker, Lowell Atchley, Stefan Kasacavage, Stewart Willis, and Susan Spoonamore.

The July 13, 2011 minutes were approved by voice vote and without objection upon motion made by Representative Henderson and seconded by Representative Kim King.

Report of the Kentucky State Fair Board

Harold Workman, President and CEO of the Kentucky State Fair and Exposition Center, discussed some of the board's construction priorities, including the reopening of Kentucky Kingdom and the demolishing of Cardinal Stadium to make room for an outdoor amphitheater. He estimated that Kentucky Kingdom should be ready to reopen in 2012, providing 1,000 temporary jobs during the

summer for youth and 100 permanent jobs. Mr. Workman also stated that in order to keep trade shows in our state, the Conference Center and some of the buildings at the Fair needed maintenance and expansion. Without improving those buildings, he was concerned that competition from other states would lure trade shows away from Louisville.

Responding to questions, Mr. Workman stated that the new horse barns have increased the number of entries at Exposition Center events.

Mr. Workman informed the members that the KFC Yum Center has been very successful in booking concerts. Excluding the sale of basketballs tickets, the Center is ranked 10th in the United States and 29th in the world for tickets sales.

USDA Proposed Rule for Improving the Traceability of Livestock

Dr. Robert Stout, State Veterinarian, Kentucky Department of Agriculture, discussed the recent rule proposed by the United States Department of Agriculture (USDA) relating to animal disease traceability. The rule would require that all interstate movement of livestock be monitored and that livestock be officially identified and accompanied by an interstate certificate of veterinary inspection or other documentation. Each state would be required to develop a monitoring system. Dr. Stout stressed the importance of disease traceability.

Responding to questions, Dr. Stout stated that his office has been involved in the planning of the USDA rule from the beginning. He estimated that tagging animals would cost approximately \$1.50 per head, and that it would cost approximately \$125,000 to \$150,000 to monitor traceability. The rule should go into effect in the spring of 2012.

Senator Givens asked LRC staff to prepare an estimate of how much it would cost Kentucky to monitor the traceability of animal diseases as proposed under the new rule.

Representative Tom McKee informed the members that a memo relating to a recent decision by the Federal Motor Carrier Safety Administration was in their packets. The memo explains the position of the administration regarding the transport of agricultural products.

There being no further business, the meeting was adjourned at approximately 11:25 a.m.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Minutes of the 3rd Meeting of the 2011 Interim August 25, 2011

Call to Order and Roll Call

The 3rd meeting of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, August 25, 2011, at 1:00 PM, in Room 154 of the Capitol Annex. Representative Rick Rand, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Bob Leeper, Co-Chair; Representative Rick Rand, Co-Chair; Senators Joe Bowen, Tom Buford, Jared Carpenter, Denise Harper Angel, Ernie Harris, Jimmy Higdon, Paul Hornback, Vernie McGaha, Gerald A. Neal, R.J. Palmer II, Joey Pendleton, Brandon Smith, Jack Westwood, and Mike Wilson; Representatives John A. Arnold Jr., Dwight D. Butler, John "Bam" Carney, Jesse Crenshaw, Ron Crimm, Mike Denham, Bob M. DeWeese, Danny Ford, Derrick Graham, Keith Hall, Jimmie Lee, Reginald Meeks, Lonnie Napier, Fred Nesler, Marie Rader, Jody Richards, Sal Santoro, Arnold Simpson, Jim Stewart III, Tommy Turner, Jim Wayne, and Susan Westrom.

Guests: Erin Klarer, Vice President of Government Relations; Mel Letteer, Research and Policy Analyst; Becky Gilpatrick, Director of Student Aid; and Shelley Park, legislative liaison for the Kentucky Association of Student Financial Aid Administrators from the Kentucky Higher Education Assistance Authority; Secretary Marcheta Sparrow and Mona Juett, legislative liaison, Tourism, Arts & Heritage Cabinet; and Commissioner Gerry van der Meer, Department of Parks.

LRC Staff: Pam Thomas, John Scott, Charlotte Quarles, Eric Kennedy, Jennifer Hays, and Sheri Mahan.

Senator Leeper moved to approve the minutes from the previous meeting as written. The motion was seconded by Representative DeWeese. The motion carried by voice vote.

Student financial aid in Kentucky

Ms. Erin Klarer, Vice President of Government Relations for the Kentucky Higher Education Assistance Authority, provided general information about the Federal Pell Grant program. It is the single largest

source of federal grant aid supporting postsecondary students. The program is designed to make higher education accessible to low income students and is administered by the U.S. Department of Education. It is funded through discretionary and mandatory appropriations, and provided over \$34.8 billion to 9.5 million students in 2010 – 2011. Of this total, \$486.5 million was disbursed to students in Kentucky.

Ms. Klarer continued, providing details regarding the use of Pell Grants in Kentucky. She stated that 51 percent (133,991) students attending Kentucky postsecondary institutions received grant awards for the 2010 – 2011 school year. The grant money was distributed as follows: 45 percent to 2-year public institutions, 29.5 percent to 4-year public institutions, 14.5 percent to proprietary institutions, and 11 percent to private institutions. Kentucky's total postsecondary financial aid sources are as follows: 22 percent from Pell Grant funds, 58 percent from other federal sources, 11 percent from institutional sources, and 9 percent from state funds.

Ms. Becky Gilpatrick, Director of Student Aid for the Kentucky Higher Education Assistance Authority, discussed recent federal financial aid legislation, highlighting several pieces of legislation and discussing their effect on federal student financial aid. Next, she discussed Pell Grant eligibility, stating that the applicant must be a U.S citizen or eligible non-citizen, have a high school diploma or equivalency, and meet satisfactory academic progress standards. In addition, the applicant must be enrolled in an undergraduate course of study without having received a prior bachelor's degree, and must never have been in default on a Title IV loan or liable for an overpayment on a Title IV grant.

Ms. Gilpatrick next discussed the federal needs analysis associated with the Pell Grant program. Expected Family Contribution (EFC) is the standard formula used in determining financial need. Factors used to determine EFC are adjusted gross income, untaxed income, taxes paid, assets, household size, and number in household attending college. The maximum EFC for Pell Grant eligibility is \$5,273. Ms. Gilpatrick also discussed the application process for federal financial aid, outlining the Free Application for Federal Student Aid (FAFSA) form, which provides data needed to determine EFC. The FAFSA also serves as the application for other aid programs, including state financial aid. Pell Grant award amounts range from \$555 to \$5,500 per school year. Award amounts are based on a student's EFC and enrollment status.

When determining the award amount, the lower the EFC, the greater the Pell Grant eligibility. Students making satisfactory academic progress may receive Pell Grant awards for 18 semesters.

Ms. Gilpatrick discussed funding issues in the Pell Grant program. The present grant budget does not meet current funding needs. This is due to an increase in students enrolling in college who qualify for assistance. Changes in EFC eligibility and the economic downturn have also contributed to underfunding. The current administration plans to change the program to a full entitlement grant program which would rely solely on mandatory federal funding, and not from discretionary funding subject to annual cuts.

Ms. Shelley Park, legislative liaison for the Kentucky Association of Student Financial Aid Administrators, discussed financial aid packaging. She stated that the Pell Grant is considered the foundation of a student's financial aid package. Other types of aid are added to help cover the student's total cost of attendance. These include state grants and scholarships, institutional aid, student work programs, and student loans. Kentucky's three major financial aid programs are the College Access Program Grant (CAP), Kentucky Tuition Grant (KTG), and the Kentucky Educational Excellence Scholarship (KEES). Nearly 100 percent of net lottery proceeds are designated for these programs, minus \$3 million for literacy initiatives. CAP and KTG receive 55 percent of net proceeds, and KEES receives 45 percent.

Ms. Park then provided basic information about each Kentucky student aid program. The CAP grant has a maximum award of \$1,900 for the 2011 – 2012 academic year, and recipients must be Pell Grant eligible and enrolled in college at least half-time. The program's objective is to help Kentucky's financially neediest students attend in-state technical colleges, trade schools, and universities. The CAP grant had total unfunded potential awards of \$119.6 million for FY 2011. The KTG has a maximum award of \$2,964 for the 2011 – 2012 academic year and the recipient must be enrolled full-time at an accredited independent institution and demonstrate financial need. The program is designed to equalize tuition for needy students attending independent colleges in Kentucky. This program has a total of \$19.6 million in unfunded potential awards for FY 2011.

Ms. Park next discussed the KEES financial aid program. This program is designed to reward students for earning good grades in high school. Award amounts are based on the student's

yearly grade point average (GPA) and their highest ACT or SAT score. Students earn awards each year of high school based on their yearly GPA of 2.5 or higher, with awards ranging from \$125 to \$500 per year. Students who earn at least one GPA award can receive a bonus for scoring at least 15 on the ACT or 710 on the SAT. She next discussed KEES bonus awards, which include achieving qualifying scores on Advanced Placement (AP) or International Baccalaureate (IB) exams. There is no limit to the number of bonus awards a student can receive. She finally outlined other state financial aid programs, which include teacher scholarships, osteopathic medicine scholarships, coal county scholarships for pharmacy students, Kentucky National Guard tuition awards, and KHEAA work-study programs.

In response to a question from Senator McGaha, Ms. Gilpatrick responded that an eligible non-citizen is defined as student who is in the country on a qualifying visa.

In response to a question from Representative Carney, Ms. Park stated that whatever grading scale a school district might be using, that it is converted to a 4.0 scale for KEES qualification. Additional weight is given to AP and IB classes in determining qualification.

In response to a question from Senator Leeper, Ms. Park stated that there is language allowing KHEAA to reduce KEES student awards if a funding shortage exists. To date, the KEES program has not reduced awards.

In response to a question from Representative Rand, Ms. Gilpatrick stated that students can earn a KEES award beyond the maximum by taking supplemental AP and IB exams. KHEAA is working on projections concerning the supplemental funds, and it is possible that the supplemental awards may require funding beyond what the lottery proceeds provide.

Update regarding the Department of Parks

Secretary Marcheta Sparrow of the Tourism, Arts & Heritage Cabinet, and Commissioner Gerry van der Meer of the Department of Parks provided an update of the state's park system. Secretary Sparrow discussed the department's budget, stating that General Fund appropriation decreased by 15.3 percent from FY 2010 to FY 2011. Available funds to the department were down by 10 percent for the same period, and the department was able to decrease expenditures by 9.5 percent. She discussed various ways the department has been able to reduce its 2011 budget, including implementation of operational efficiencies, introduction of a winter schedule, attrition of full time employees, and the shifting of

full time staff to a 37.5 hour work week.

Commissioner van der Meer discussed the effect of flooding on the park system. He stated that the estimated lost revenue due to flood and storm damage for FY 2011 was \$750,000. Several system golf courses, marinas, and campgrounds have remained closed for extended periods. He discussed plans and expectations for FY 2012. The department intends to continue to implement study recommendations, to introduce new room rates, and to launch a more user friendly website in late September. He briefly discussed the effects of the economic downturn on the travel industry, with consumer spending remaining flat over the last two quarters.

Commissioner van der Meer discussed the implementation of alcoholic beverage sales at state parks. Alcohol is now available at Jenny Wiley, General Butler, Lake Barkley, John James Audubon, and My Old Kentucky Home state parks. All these parks are located in locally voted wet territories and have been properly licensed.

Commissioner van der Meer provided a brief overview of park facilities and then discussed maintenance issues. He stated that while the maintenance budget has declined, the department is nonetheless responsible for maintaining 20 more facilities than in 2000. Park infrastructure has deteriorated at a rate that far exceeds the maintenance budget and the current estimated need exceeds \$200 million. He provided examples of critical need capital projects, including Kentucky Dam Village and Rough River water distribution system upgrades, and Lake Cumberland electrical system upgrades. The current maintenance pool fund is \$5.25 million.

In response to a question from Representative Rand, Commissioner van der Meer stated that full alcohol sales have not been implemented at General Butler State Park, but hopefully full sales will be completed by mid-September. All alcohol within the park will be confined to the location where the alcohol was purchased. Secretary Sparrow stated that our parks are not competitive with resort parks in other states.

In response to a question from Representative Ford, Commissioner van der Meer stated that each park has an individual budget, and typically General Fund monies are distributed to each park to make up the difference between expenses and incoming park revenues. Secretary Sparrow stated that only 20 of the state parks self generate revenue. Traditionally, the only parks that make a profit are Cumberland Falls, Natural Bridge,

Lake Cumberland, Kentucky Dam Village, and Lake Barkley.

In response to a question by Representative Wayne, Commissioner van der Meer stated he would investigate the possibility of the department receiving Kentucky Infrastructure Authority loans to make needed repairs.

In response to a question from Representative Simpson, Secretary Sparrow replied that at least 50 percent of visitors to Kentucky state parks are Kentucky residents. The economic downturn has raised that percentage slightly. She stated that the park system generates approximately two thirds of its own income, with General Fund appropriations accounting for the remaining third. Hotel incomes alone are not enough to cover park operations expenses, and hotel room rates are priced to remain competitive with surrounding facilities. She also stated that very little interest has been shown in privatizing park run hotels.

Being no further business, the meeting was adjourned at 3:20 p.m.

INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Minutes of the 3rd Meeting
of the 2011 Interim
August 18, 2011

Call to Order and Roll Call

The 3rd meeting of the Interim Joint Committee on Economic Development and Tourism was held on Thursday, August 18, 2011, at 9:15 AM CDT, at the Community Financial Services Bank (CFSB) Center, Murray State University. Representative Leslie Combs, co-chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Leslie Combs, Co-Chair; Senators Jared Carpenter, Ernie Harris, Jack Westwood, and Ken Winters; Representatives John “Bam” Carney, Myron Dossett, Ted Edmonds, Jim Gooch Jr., Mike Harmon, Melvin B. Henley, Wade Hurt, Kim King, Adam Koenig, Donna Mayfield, Terry Mills, Fred Nesler, John Short, Wilson Stone, and Jill York.

Guests: Murray State University: Dr. Randy Dunn, President; Loretta Daniel, Regional Business and Innovation Center; Dr. James Gantt, Director, Center for Telecommunications System Management (TSM), Dr. Fred Miller, Hutchens Distinguished Professor of Marketing, TSM, and Dr. Mike Bowman, Associate Professor, TSM; Henry Snorton, Founder, Mission Vision Partner Consulting; Stan Eckenberg, President and Chief Operating Officer, Computer Services,

Inc.; and James Stokes, Controller, West Kentucky and Tennessee Telecommunications Cooperative.

Legislative Guests: Representative John Will Stacy.

LRC Staff: John Buckner, Karen Armstrong-Cummings, and Dawn Johnson.

Murray State University

University President Dr. Randy Dunn said the Telecommunications System Management (TSM) program, created a result of 1997 higher education reform, is MSU’s program of distinction. The TSM program is part of two colleges—the College of Science, Engineering, and Technology and the College of Business. Graduates of the program are employable in a wide range of areas.

While the TSM program is in the forefront, every initiative at MSU strives for excellence. He noted that for the past 20 years, MSU has been ranked a regional top-tier school according US News and World Report and was voted as one of Forbes America’s Best Colleges among Kentucky’s public universities. He said public universities should strive to create a better quality of life for the regions they serve.

Dr. Dunn said the university’s state-of-the-art science campus has been 15 years in the making and MSU’s top capital request is an engineering-physics facility. Other capital requests include a new library and an agriculture center to be built on donated land.

Dr. Dunn noted the university is in its final year of fund raising and in 2012 will celebrate reaching its \$60 million goal. Approximately \$30 million is designated toward scholarships.

Small and Minority Business

Henry Snorton, Mission Vision Partner Consulting, suggested ways the Commonwealth can help small and minority businesses. He said that while the Cabinet for Economic Development’s 1997 strategic plan was helpful, there is still room for improvement. The state should be more proactive in promoting small and minority business. Recommendations included creation of a state regional office in western Kentucky, holding a statewide economic development summit, and increased emphasis on exporting Kentucky products. He said the state should make entrepreneurship and innovation more accessible and improve funding for minority businesses.

Regional Business and Innovation Center, Murray State University

Loretta Daniel, Director of the Regional Business and Innovation Center, explained that the center’s purpose is to help build successful businesses with a focus on technology and innovation. To date, the center has

assisted over 300 clients and helped obtain over \$29 million in capital through state and federal grants and private investments. This has added 458 new jobs in the area and client-generated revenue of over \$116 million. Ms. Daniel said the center is part of the Kentucky Innovation and Commercialization Center Program, which has helped to create 866 new companies in Kentucky, raise \$554 million in capital, and 4,740 new jobs, generating \$2.2 billion in revenue. Ms. Daniel listed several companies helped through the program. She said not only does the center works to increase understanding of innovation and entrepreneurship, but it also provides support services including regional outreach initiatives and access to entrepreneurial resources. The center has three key industry initiatives: West Kentucky AgBioworks, Professional Organization for Information and Network Technology (POINT), and Make It Kentucky. There is a small business incubator at the center and they provide access to service providers and access to university resources that assist entrepreneurs.

Telecommunications System Management, Murray State University

Dr. James Gantt, Director of the Center for Telecommunications System Management (TSM), explained the program. He said the combination of business, telecommunications, and information technology training creates graduates unique in their field. Students can complete core requirements through the community college system and complete the TSM program online. Dr. Gantt said industry helps support the program through scholarships, internships, and employment. Outreach programs include the CyberCave, which is a high school recruiting tool, the Cyber Academy, which is a week long program where college students teach high school students about technology, and Networks-to-Go, which is a portable equipment student outreach program. Dr. Gantt said as a member of several associations and the winner of multiple awards including the International Telecommunications Education and Research Association’s 2007 Undergraduate program of the year, the TSM program has had 12 years of excellence.

Broadband Mapping

Dr. Fred Miller, Hutchens Distinguished Professor of Marketing, explained the research methods of data collection for the state’s broadband mapping project. Areas of interest included speed and availability, demographic profiles, and accuracy of information reported. Dr. Miller said the material and profiles were provided by Business GIS software that was purchased for the project

and currently available in the center for other commercial uses. He added that the software is very useful in providing geographic information for economic development and tourism. Dr. Miller said the conclusions of the survey were: the state broadband map was accurate but less so for each of the providers, there were some speed issues in areas claiming broadband availability, there were discrepancies in profiles of coverage in rural areas, and mobile wireless showed some discrepancy in speeds reported by consumers and speeds providers reported. He said the federal broadband map reported that Kentucky had lower coverage than actually existed due to one service provider not participating in the survey.

Responding to Representative Carney’s question, Dr. Miller suggested reviewing the National Telecommunications and Information Administration (NTIA) national broadband map to compare accuracy of broadband speeds. Representative Carney said some constituents have reported not having service when they should have based on service providers.

Representative Henley added that high speed service is also important in economic development. He said the issue of high speed telecommunications is a main topic raised by potential industries.

Emergency Communications Research and Undergraduate Security Research

Dr. Mike Bowman, Associate Professor of Marketing, explained the development of the Man-Portable Interoperable Tactical Operations Center (MITOC). In 2005, MSU, in conjunction with the University of Louisville and the Kentucky Community and Technical College System, set out to develop military-style command posts for emergency response. The project integrated existing technologies to be used by first responders. MITOC provided the only area communications during the 2009 ice storm and has been used during other disasters. Dr. Bowman said the goals of the MITOC project are affordability, ease of operation, and commercial viability. The current mobile unit sells for approximately \$10,000, which is within the budget range for rural communities. Each unit’s range of usage is based on electricity, network, and cellular service availability. MSU is currently working on ResponderLink software that allows radio transmissions over the internet as well as Incident Management Decision Support System (IMDSS) and IMDSS-Health incident management software for healthcare related information such as hospital bed availability.

Dr. Bowman said MSU’s network

security program has been successful. He mentioned a TSM research project analyzing Wi-Fi security at public terminals that won a fellowship award. The study examined the extensive personal data, including items like tax returns and banking information, left behind at public terminals.

M u l t i - S t a t e Telecommunications Summit

Dr. Gantt outlined the upcoming multi-state telecommunications summit. Developed by the Chair of the Kentucky Public Service Commission (PSC), PSC leaders from Tennessee, West Virginia, and Indiana will discuss changes in technology and consumers impact regulations. National speakers will be featured.

Dr. Gantt introduced the next two speakers who were representative of businesses hiring TSM graduates.

Stan Eckenberg, President and Chief Operating Officer of Computer Services, Inc. (CSI) of Paducah, provided a company outline. Founded in 1965, CSI, a financial services software company, has over 1,000 employees, \$165 million in revenue, and 21 offices nationally. Mr. Eckenberg said CSI provides banking information technology (IT) services as well as IT services to companies like Travelocity and Google. CSI has a critical need for employees who can build and manage financial networks. Graduates of the TSM program are a tremendous asset to CSI, which has employed 17 graduates thus far. He said the TSM program is unique in offering a Masters program as well as combining business studies with telecommunications training. Mr. Eckenberg said telecommunications is the future of business growth.

Mr. James Stokes, Controller of West Kentucky and Tennessee Telecommunications Cooperative (WK&T), said the cooperative currently has 15,000 subscribers to their local and long distance telephone service, high speed internet, and digital television services. WK&T also provides security services for homes and businesses. In 2009, through the American Recovery and Reinvestment Act, WK&T was awarded a loan of \$123.8 million to provide fiber optics to the homes of all subscribers. Mr. Stokes said the Cooperative funds three scholarships annually to the TSM program and employs TSM interns. WK&T encourages and assists employees and interns financially in completing the TSM program.

Senator Winters said MSU's TSM program is a program of distinction and noted the economic impact it has in the area and across the commonwealth.

There being no further business, the meeting adjourned at 11:45 CDT.

INTERIM JOINT COMMITTEE ON EDUCATION

Minutes of the 4th Meeting
of the 2011 Interim
September 12, 2011

Call to Order and Roll Call

The fourth meeting of the Interim Joint Committee on Education was held on Monday, September 12, 2011, at 10:00 AM, at the Elkhorn Crossing School in Scott County. Senator Ken Winters, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Ken Winters, Co-Chair; Representative Carl Rollins II, Co-Chair; Senators Walter Blevins Jr., Jared Carpenter, Denise Harper Angel, Jimmy Higdon, Alice Forgy Kerr, Vernie McGaha, R.J. Palmer II, Johnny Ray Turner, and Mike Wilson; Representatives John "Bam" Carney, Hubert Collins, Leslie Combs, Jim DeCesare, Ted Edmonds, C. B. Embry Jr., Derrick Graham, Donna Mayfield, Ruth Ann Palumbo, Ryan Quarles, Jody Richards, Tom Riner, Rita Smart, Wilson Stone, Ben Waide, Addia Wuchner, and Jill York.

Guests: Wayne Young, Kentucky Association of School Administrators; Karen Dodd, Kentucky Department of Education; Jim Thompson, Education and Workforce Development Cabinet; Robyn Oatley, Prichard Committee; and Clyde Caudill, Kentucky Association of School Administrators and Jefferson County Public Schools.

LRC Staff: Kenneth Warlick, Jo Carole Ellis, Ben Boggs, Sandy Deaton, Janet Stevens, Lisa Moore, and Janet Oliver.

Approval of Minutes

Upon motion by Representative Carney, seconded by Representative DeCesare, the minutes of the August 1, 2011, meeting was approved by voice vote.

Overview of Scott County Schools

Senator Winters said the Task Force on Transforming Education in Kentucky made several recommendations relating to career and technical education, which will be discussed at the November education committee meeting. As a member of the task force, he became aware of the innovative, successful program being offered at Elkhorn Crossing School.

Representative Quarles welcomed the members to his home district. He said that Superintendent Patricia Putty assumed her position upon retirement of long time superintendent Dallas Blankenship and that she continues to progressively lead Scott County Schools, as evidenced by the successful Elkhorn Crossing School and an increase in ACT scores throughout the district. He said Scott County is the

second fastest growing county in the state with a population increase of 40 percent in the past ten years.

Superintendent Putty provided the following information. Scott County has 1,139 employees and 8,432 students. The district is comprised of seven elementary schools, three middle schools, a ninth grade school, a grade 9-12 intervention school, Elkhorn Crossing School, and Scott County High School. The district sets aside collaborative days in its calendar so all of the district's teachers can meet to discuss curriculum, instruction, and student learning. The Scott County Board of Education's vision for Elkhorn Crossing School, which opened in August 2010, was to create a collaborative culture to ensure student learning. Instruction and curriculum is research-based, and the most up-to-date methodology and technology is used to provide career and technical education. Elkhorn Crossing School is comprised of six separate learning villages with each village offering a technical education course and two core content courses. She said Scott County values the core content areas of reading, language arts, math, science, social studies, but equally important are arts and humanities, foreign languages, and career and technical education. She stressed the importance of funding so districts can continue to provide elective courses as a means to increase rigor, graduation rates, and ACT scores.

Superintendent Putty said the need for career and technical education also increases as the number of free and reduced price students increase. She said Elkhorn Crossing School is locally operated, but state funding is critical in ensuring the continuing success of the program and that all technical programs are under one umbrella.

Tour of Elkhorn Crossing School

Members of the committee, LRC staff, and guests toured the facility with student ambassadors serving as guides. Upon conclusion of the tours, Senator Winters expressed appreciation on behalf of the committee members to the student guides for providing the informative tours of their school.

School Philosophy, Organization, and Instructional Programs

Francis O'Hara, Ed. D, Director of Career Education and Principal of Elkhorn Crossing School (ECS), provided the following information. The ECS philosophy is that small, personalized learning villages make a better school. The "village" concept consists of three highly skilled teachers collaborating to intersect their respective disciplines to provide seamless instruction. ECS focuses on rigor, relevance, and relationships.

The district offers initial exposure to career and technical education through an ECS Gateway Academy summer camp for elementary school students. Seven slots are allotted to each of the elementary schools and students must complete an application to attend the academy. During the past five years, 250 students have graduated from the summer camp. These students are given priority consideration if they elect to attend ECS in the tenth grade. All middle school students are required to take a Gateway to Technology program and may choose from various disciplines, including design and modeling; automation and robotics; energy and the environment; flight and space; science of technology; and magic of electrons. Feeder introductory courses in engineering design, principles of biomedical sciences, media arts, and health sciences are offered at the Scott County Ninth Grade School and 60 percent of the students take a career course.

The ECS village structure for sophomores and juniors include engineering, biomedical sciences, media arts, health sciences, and Bluegrass Community and Technical College early college courses. A sixth village in culinary arts will be added in Fall 2012. Each village has three teachers with one teaching the elective course and the other two teaching a core content required subject, such as English, math or science. For example, tenth grade students in the engineering village may take the principles of engineering, English II, and Geometry, or they may take principles of engineering, Honors English II, and Honors Algebra II. Eleventh grade students in the engineering village may take digital electronics, English III, and Geometry, or they may take digital electronics, AP Language III, and Honors Pre-Calculus. ECS also offers elective early morning and evening lab classes for seniors that include engineering design and development, biomedical innovations, media arts, AP Language III, AP Physics, and college readiness classes in English 101 or 102 and Communications 181.

ECS enrollment for the 2011-2012 school year was 1,007 students, of which 384 were off campus freshman and the remainder a combination of sophomores, juniors and seniors. Each ECS village has curriculum integration, teacher collaboration, and intersecting of seven areas of the ECS report card. The seven areas include mastery of course content; work ethic/effort reflected by student commitment to complete assignments and attend classes; collaboration in group work; critical thinking reflected by ability to analyze and synthesize information; writing mechanics; progress on

completion of projects/proposals with accompanying research; and the effectiveness of presentation skills to audiences. ECS students have received numerous awards for various projects and activities and score high on college entrance examinations and advanced placement classes. Dr. O'Hara said that the ECS delivery of instruction should serve as the model for all career and technical education in Kentucky.

Doug Klein, instructor for the engineering village, said that working as a team with the math and English teacher in the village concept is very different than the traditional high school "silo" atmosphere. Students in the engineering village develop projects from civil, mechanical, environmental, biotechnical, electrical, materials, industrial, naval, and aeronautical engineering fields. Each student selects and completes a project in one of the engineering fields and completes two core content required subjects. Ninety-seven percent of students in the engineering village have passed all three courses.

Julie Adams, instructor for the biomedical sciences village, said Scott County Schools has realized that the massive shortage of health care workers provides a viable career avenue for students. Both the biomedical sciences village and health sciences village provide training and instruction related to the health care industry. The biomedical sciences career pathway uses problem-based learning curricula provided by Project Lead the Way and offers a series of courses that begin in the freshman year and can be completed in the senior year. The team of teachers helps students apply learned skills in real world settings including laboratory experiments. The village has an advisory committee that includes professionals and community leaders who mentor the students. Students elect to come to ECS even though rules are stricter than traditional high schools. Rules include completion of six hours of community service each semester and a dress code. The biomedical sciences village implemented a "white coat ceremony" that is being used as a model nationwide in which students take an ethical oath to maintain high moral standards and an impeccable reputation as they pursue a career in the medical field.

In response to a question from Representative Waide about continuity of the program, Dr. O'Hara said the success of students who have participated in the ECS career and technical education program will attract exemplary leaders and teachers. Senator Winters said that the enthusiasm and excitement displayed by ECS staff and students results in success.

In response to a question from Representative Graham, Dr. O'Hara responded that students who apply are selected for the elementary school Gateway to Technology summer academy based on criteria established by each of the seven elementary schools in the district with seven slots being allotted to each school. The same process is used in the middle schools, but only 72 students are selected in order to maintain a 24-1 student-teacher ratio. There are four sophomore classes and two junior classes at ECS.

In response to a question from Representative Palumbo, Dr. O'Hara said instructional staff is comprised of certified teachers or professionals holding degrees in the fields they teach. All instructors hold bachelor degrees or above, and overall, ECS has the highest-qualified career and technical education instructors in the state.

In response to a question from Senator Winters, Dr. O'Hara said there have not been enough Scott County students to express an interest in plumbing and other construction-related areas to start classes for those fields. He said automotive technology and welding are still popular choices for career and technical education, but operating costs always a factor when providing technical education. Scott County students do not pay any fees associated with technical education.

In response to a question from Senator Kerr regarding funding to build the school, Dr. O'Hara said Scott County bonding capacity of approximately 14 million for two years was used to prepare the site and construct the facility. Also, Nextel contracted with Scott County to rent air space providing an initial payment of \$600,000 and \$3,000 to \$5,000 per month; Toyota donated \$50,000; the non-profit Center for Quality People and Organizations donated \$100,000; some General Fund money was used; and various grants have been obtained. Superintendent Putty said that \$839,000 of General Fund money has been allocated to the technology center.

Senator Winters thanked all the presenters and students for their informative presentations and tour of the facility. He said there are a total of 98 career and technical education schools in Kentucky, and the legislature will be instrumental in ensuring their success. Input from Scott County may be sought as legislation is developed regarding career and technical education.

Other Business

Senator Winters announced that the next meeting will be in Montgomery County.

Adjournment

There being no further business

to discuss, the meeting adjourned at 12:45 PM.

INTERIM JOINT COMMITTEE ON EDUCATION

Subcommittee on Postsecondary Education

Minutes of the 2nd Meeting of the 2011 Interim

August 1, 2011

Call to Order and Roll Call

The second meeting of the Subcommittee on Postsecondary Education of the Interim Joint Committee on Education was held on Monday, August 1, 2011, at 10:00 AM, in Room 131 of the Capitol Annex. Senator Ken Winters called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Reginald Meeks, Co-Chair; Senators Jared Carpenter, R.J. Palmer II, Johnny Ray Turner, Mike Wilson, and Ken Winters; Representatives C. B. Embry Jr., Donna Mayfield, Ryan Quarles, Jody Richards, Rita Smart, and Addia Wuchner.

Guests: Jim Thompson, Education and Workforce Development Cabinet; and Janet Hoover, Kentucky Adult Education (KYAE).

LRC Staff: Jo Carole Ellis, Ken Warlick, Sandy Deaton, and Lisa W. Moore.

Bridging Kentucky's Workforce Skills Gap

Beth Brinly, Commissioner, Kentucky Department of Workforce Investment, said the partnership between the Kentucky Department of Workforce Investment, the Kentucky Community and Technical College System (KCTCS), and the KYAE is a collaborative effort to address the workforce skills gap in Kentucky. The partnership is grounded in policy alignment, strategic investments, alignment of resources, and fostering a community of collaboration at the local level to model the state level.

Jay Box, Chancellor, KCTCS, said "Accelerating Opportunity" is an exciting and new initiative of the Jobs for the Future program. It is funded through five different foundations, including the Bill and Melinda Gates foundation. Kentucky received \$200,000 for the planning grant and hopes to receive an implementation grant in November 2011. The total grant would be \$1.6 million for the state.

Dr. Box said "Accelerating Opportunity" allows KCTCS to work collaboratively with several partners to accelerate the learning of adult education students who have returned to college. The program focuses on getting adult education students through

their developmental education courses and career and technical education training so they can quickly return to the workforce. Partners include: Kentucky Cabinet for Education and Workforce Development; Kentucky Chamber of Commerce; KCTCS; Kentucky Council on Postsecondary Education (CPE) and KYAE; Kentucky Department of Workforce Investment; Kentucky Workforce Investment Board; and business and industry partners.

Dr. Box said the new program will build on Kentucky's career pathways investments and capacity-building efforts to increase credential attainment for lower-skilled adults. The program will strengthen instructional delivery, including integration, acceleration, and co-enrollment, to improve the overall adult education instruction and sequencing. The program will also link the adult education curriculum to the labor market and include employer input.

Dr. Box said the Accelerating Opportunity grant requirements include: selecting eight community colleges to test an integrated basic skills model; producing 3,600 students with marketable credentials by October 2014; having state and institutional policy support; making postsecondary data base modifications for student tracking; scaling the model across the state; and documenting program costs. The eight KCTCS pilot institutions are Gateway, Maysville, Jefferson, Owensboro, Bluegrass, Madisonville, West Kentucky, and Southeast Kentucky. KCTCS has invested \$1.2 million to begin the pilot project this year, whether they get the grant or not. He said adult education has agreed to provide the teaching staff regardless of the grant status as well.

Dr. Box said KCTCS is involved in the Kentucky Workforce Investment Network System (KY WINS) incumbent workforce training initiative. It provides customized training for incumbent workers based on an employer's current and emerging workforce needs. KY WINS funds 65 percent with employers paying 35 percent of the training cost for services delivered by KCTCS colleges. Since 2001, KY WINS has funded 1,090 projects; and 985 are completed, 105 remain active, and 166,919 participants are projected to be served through training and assessment. The average wage for trainees is \$23.49 an hour.

Dr. Box said KCTCS has a statewide workforce transition initiative focusing on incumbent workers who have some college credit but have not achieved an academic credential. Kentucky is also part of a multi-state initiative with Michigan and North Carolina to support degree completion for adults with some college credit. The Adult Degree

Completion program is funded by the Lumina Foundation and led by Jobs for the Future.

Dr. Box said developmental education courses are being added to the online transitional program Learn On Demand, which is a modular, self-paced, online learning system for adults needing basic skills. Developmental courses in math, reading, and writing will be available through Learn on Demand in Fall 2011.

Dr. Box said there is a KCTCS degree designed for federal or state certified apprenticeship programs. Students can receive up to 24 college credits for the on-the-job training portion of the apprenticeship. He said technical training for the apprenticeship is aligned to KCTCS programs. An additional 19 college credits in general education and 3 college credits for computer literacy are required for the degree. The apprenticeship program is available at Jefferson and West Kentucky. KCTCS is coordinating with the Kentucky Labor Cabinet to promote the apprenticeship degree statewide.

Mr. Reecie Stagnolia, Vice President, KYAE, CPE, said the National Commission on Adult Literacy is asking Congress and state governments to make postsecondary and workforce readiness the new mission of the adult education and workforce skills system. He noted companies are looking at human capital infrastructure when deciding on where to locate. He said individuals without a high school diploma are two times as likely to be unemployed, three times more likely to be in poverty, and eight times more likely to be incarcerated. Workers need more than the GED to keep up with the skills necessary to be successful in the workplace.

Mr. Stagnolia said in 2002 the share of jobs requiring at least some formal postsecondary education or training was 74 percent. Each year, employers are demanding higher skills at all levels. It is estimated that by 2013 90 percent of the fastest-growing jobs, 60 percent of all new jobs, and 40 percent of manufacturing jobs will require some form of postsecondary education.

Mr. Stagnolia said Kentucky has produced over 100,000 GED graduates in the last 10 years. Kentucky ranks as 13th highest in the nation in the percent of non-high school completers obtaining a GED. He said partnerships with key agencies will help Kentucky make further progress at a faster pace.

Mr. Stagnolia said KYAE serves students who do not have a high school credential; possess a high school credential, but need academic skills for college and career readiness; are unable to speak, read, or write the English language; and have significant challenges, many financial. He noted

that 50 to 80 percent of KYAE students have a learning disability that might be undetected, and 70 percent are functioning below a 9th grade level.

Mr. Stagnolia said GED graduates enrolling in Kentucky's colleges and universities within two academic years increased slightly in 2009-2010 to 23 percent. He noted 93 percent of adult education students enroll in KCTCS as a point of entry to postsecondary education.

Mr. Stagnolia discussed the three KYAE strategies to meet the needs of adult learners. He said Kentucky was the first state to adopt common core standards and adult education will do the same. It is important for adult education students to meet rigorous standards and enter into postsecondary education not needing developmental education.

Mr. Stagnolia said the second goal of adult education is to provide success coaches to work with these students who often do not have access to guidance counselors or parents to help them navigate through the educational process. He said student success strategies are critical for student success.

Mr. Stagnolia said the Skill Up Kentucky initiative is a contextualized GED program that emphasizes the integration of 21st Century skills through problem-based instructional activities targeting a variety of workplace contexts. Through this innovative new program, students obtain their GED while developing a wide range of professional soft skills to enhance their marketability for the global workplace of the 21st century. At the end of the six-month adult education program, students earn their GED, National Career Readiness Certificate, Microsoft digital literacy certification, and college credits in the field of study.

Ms. Beth Brinly, Commissioner, Kentucky Department of Workforce Investment, said the WorkSmart Kentucky Plan was derived from the Kentucky Workforce Investment Board's strategic plan. It has four goals: align with education objectives of the state; align with economic development objectives; simplify the workforce development system; and achieve customer-centered service delivery.

Ms. Brinly said one of the major partnership efforts of the WorkSmart Kentucky Plan was identifying sector strategies. A steering committee was comprised of people from key agencies who identified a set of sectors that would be a priority of all the partner agencies and align strategic investments and resources to prepare the citizens of the Commonwealth for high-wage jobs. She said five state sectors have been identified as critical and endorsed by all the

partner agencies: energy creation and transmission; auto and aircraft manufacturing; business services and research; health and social services; and transportation and logistics.

Ms. Brinly said the same process was used to determine three to five key regional sectors. A number of the local areas have already identified regional sectors, but the process is on-going across the Commonwealth. She noted an online sector toolkit was developed to enable regional and state sector information to be shared. The sector toolkit can be accessed at kysectorstrategies.com. She said the employer community will determine what career pathways are critical for their company's growth and expansion. She said the career pathways will lead to industry certificates, diplomas, and associate degrees. The information will also be used to overhaul the eligible training provider list to help individuals make informed choices about pathway options that will provide a family sustaining wage and allow them to remain in their community.

Ms. Brinly said another focus is on high impact Workforce Investment Boards (WIBs). WIBs grow a strong and engaged board that drives the vision, mission, objectives, and implementation steps. They set clear strategic direction, and manage assets effectively and efficiently. She said local WIBs receive feedback reports and can apply for technical assistance resources to address issues deficiencies.

Ms. Brinly said the Work Ready Communities initiative is to support efforts at the local and regional levels to address the skills gaps in Kentucky. The new program is designed to transform local economies and give counties a competitive advantage in attracting new businesses and jobs. The program promotes collaboration among key community stakeholders including education, economic development, elected officials, employers, workforce agencies, and community organizations as they work toward common community goals. She said each community must gather local support and commitment and apply for the Work Ready Community designation. To earn certification, counties will have to meet established criteria in six areas: high school graduation rate; National Career Readiness Certificate holders; demonstrated community commitment; educational attainment; soft skills development; and availability of internet and digital literacy.

Ms. Brinly said WorkSmart Kentucky wants to be a solution based business services partner with the employer community. She said this includes having user friendly online services and a one-stop certification

process. It includes rapid response redesign, which responds to the needs of businesses throughout its complete life cycle.

Ms. Brinly said WorkSmart Kentucky is partnering with KYAE and KCTCS on the National Career Readiness Certificate effort. They are able to do job profiling and help match people with jobs. She noted the program is demonstrating a new brand and identity in hopes that it is more readily recognized across the state.

Approval of Minutes

With a quorum being present, Senator Wilson moved to approve the minutes of the July 11, 2011, meeting and Representative Meeks seconded the motion. The minutes were approved by voice vote.

Bridging Kentucky's Workforce Skills Gap – Continued

In response to questions from Senator Winters, Ms. Brinly said the local workforce investment board works with the community college system, the economic development community, and local elected officials to identify the three to five sectors regionally that are specific to that economy. The local board forwards the recommendation after consensus is reached.

In response to a question from Senator Winters, Mr. Stagnolia said the GED Express program is being implemented and was modeled after the Opportunity School for Women program in Berea, Kentucky. He said the program works with the military and targets individuals not in the educational pipeline to fast track their work on GED attainment in an intense and focused learning environment. He noted the statistics regarding GED graduates enrolling in Kentucky's colleges and universities within two years did not include individuals who took the GED for military purposes unless they also enrolled in postsecondary education.

In response to a question from Senator Winters, Mr. Stagnolia said the adult education program works with very few students who have some college credit. He noted adult education students must test below a 12th grade level to receive services. He said about 30 percent of adult education students have a GED or a high school diploma.

In response to a question from Senator Winters, Dr. Box said KCTCS will give academic credit for experiential learning. He said department heads may meet with employers to validate the skills the individual learned on the job and then award credit for the corresponding courses.

Responding to questions from Senator Wilson, Dr. Box said KCTCS uses a standard evaluation tool to help individuals determine their career

pathways. It is a survey that allows students to work through a series of questions to help determine strengths and interest areas. Ms. Brinly said the WorkSmart Kentucky Program uses a bank of assessment tools based upon career interest. Mr. Stagnolia said KYAE utilizes the assessments provided in the Kentucky Career Centers.

Mr. Stagnolia said that soft skills such as integrity and work ethic are embedded in the adult education curriculum. He said problem solving, communication, critical thinking skills, and knowing the importance of showing up to work on time are integrated in student instruction. Ms. Brinly said the Kentucky Career Centers provide workshops to teach soft skills. The Work Ready Community initiative will use a soft skills measurement tool at the high school level and another for the adult worker population. She said it will be a community driven process and the resources and measurement tools will be shared. Dr. Box said soft skills are embedded in all KCTCS technical program curriculum.

Dr. Box testified that funds set for the KY WINS project were established in 2000-2001. The General Assembly appropriates \$1.6 million each year to the program.

Responding to questions from Representative Richards, Mr. Stagnolia said the adult education program relies on census data to identify how many people in an area do not have a high school diploma. He noted 40 percent of students who enroll in the adult education program are functioning below a 6th grade level.

Mr. Stagnolia noted that adult education is a non-compulsory program. He said a big challenge is to think of ways to inspire and motivate the students at the lowest levels to become involved in the program. It is important for the educational pipeline that local adult education programs are encouraged to recruit lower level students to address the skills gap. KYAE is looking at strategies utilizing technology as a way to engage lower level students. Some of the students can use technology, but many at the lower reading levels need high-touch instruction as well.

In response to Representative Richards, Dr. Box testified that the criteria used to select the eight community colleges for the Accelerating Opportunity initiative was to select rural, urban, and suburban areas to ensure all parts of the state were represented. KCTCS selected some community colleges that had adult education grants and others that they had established good working relationships with like Jefferson County. KCTCS also looked at which of the colleges had a true

commitment to the workforce in the area and were working with WIBs. He said 13 colleges were ready to go, but KCTCS had to narrow it down to 8.

In response to a question from Representative Wuchner, Dr. Box said he did not know if the students that were receiving work and life experience had to pay for the college credit per credit hour, but he would investigate and report back to the committee. He noted that a testing fee is charged for students who opt to test out of college courses.

Senator Winters said the regional universities tend to not charge students for acquiring college credit for experiential experience or if they pass a CLEP test. He said they normally charge an administrative or posting fee for those credentials.

Responding to comments and questions from Representative Meeks, Ms. Brinly said the infrastructure for the workforce investment system in the Commonwealth of Kentucky did not receive the priority it needed during good economic times. She said there are 54 technology projects underway to improve resources and services to customers. An interactive telephone bank is being implemented across the state and will help busy offices. The user-friendly online service will also review work eligibility and post work referrals so individuals do not have to come in person to the office every six weeks. The online system will indicate if individuals followed up on work suggestions and initiated contact to obtain employment.

Ms. Brinly said restructuring the delivery system should speed up the process and eliminate work backlogs at a time when federal resources are dwindling. She also noted employers, such as the Ford company based in Louisville, has a voice in how applicants apply for jobs. She noted additional staff was brought from other offices in Frankfort to meet employer demands in handling applicants. The Office of Workforce Investment has also received a \$1 million reemployment and assistance grant from the federal government in order to target individuals who are most likely to exhaust their unemployment benefits and get them in for early intervention. She said these individuals need to get on the fast track to receive training before all their benefits have been exhausted.

In response to a question from Representative Meeks, Ms. Brinly said the American Recovery and Reinvestment Act resources have been exhausted and workers have been laid off, contributing to less customer service to unemployed individuals. She noted ongoing restructuring efforts should help the problem. She said the employment and training system in Kentucky

experienced a 20 to 36 percent cut to programs, but will continue to invest in state employees and technology to help serve customers. She noted KCTCS has helped in this endeavor by granting a partial tuition waiver in order to keep current trainees enrolled in the system.

Responding to questions from Representative Smart, Ms. Brinly explained the signage for the Kentucky Career Centers and said the new brand will apply to all of the offices associated with the Department of Workforce Investment. The final result should be a pipeline that meets the employer and community needs. She said the Kentucky Career and Technical Education efforts should support the career pathways identified in the regional sector strategies and support career coaches. She noted career coaches talk to individuals about transferring credits, applying for financial aid, planning for college, and discussing the rigor of courses to help them expedite their career goals.

Senator Winters said the Career and Technical Education Task Force is focusing on the secondary level and some middle school programs. He said the task force report will be heard at the November Interim Joint Committee on Education meeting. He also noted that Senator Westwood's career pathway bill identifies career counselors that basically do the same things as a career coach. It is important for these career counselors and coaches to foster, coerce, coach, and inspire these students for the program to be successful. He noted that collaboration and partnerships will make Kentucky's future bright. He credited Senate Bill 1 in part for encouraging KCTCS, Department for Workforce Investment, CPE, KYAE, the Department of Education, and labor and industry for working together and he commended their work.

With no further business before the committee, the meeting adjourned at 11:45 a.m.

SPECIAL SUBCOMMITTEE ON ENERGY

Minutes of the 3rd Meeting of the 2011 Interim August 19, 2011

Call to Order and Roll Call

The 3rd meeting of the Special Subcommittee on Energy was held on Friday, August 19, 2011, at 10:00 AM, in Room 131 of the Capitol Annex. Representative Keith Hall, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Keith Hall, Co-Chair; Senators Joe Bowen, Ernie Harris, Ray S. Jones II, Bob Leeper, Robert Stivers II, Johnny Ray Turner, and Robin L. Webb;

Representatives Royce W. Adams, Rocky Adkins, Dwight D. Butler, Leslie Combs, Tim Couch, Will Coursey, Jim Gooch Jr., Wade Hurt, Thomas Kerr, Martha Jane King, Lonnie Napier, Fred Nesler, Sannie Overly, Tom Riner, Kevin Sinnette, John Will Stacy, Fitz Steele, and Brent Yonts.

Legislative Guest: Representative Teddy Edmonds.

Guests: Dr. Rodney Andrews, University of Kentucky Center for Applied Energy Research; Mr. Robbie Englert, Crounse Corporation; Mr. Steve Alley, Ingram Barge Company; Mr. Martin Hettel, American Electric Power River Operations.

LRC Staff: D. Todd Littlefield, Stefan Kasacavage, and Kelly Blevins.

Chairman Hall noted a quorum being present and requested a motion for approval of the July meeting minutes. Representative Steele moved that the minutes be approved with a second by Representative Napier, the motion carried by voice vote. Representative Steele expressed concern with a recent Environmental Protection Agency (EPA) visit to eastern Kentucky counties that was unannounced to state officials. Several committee members expressed their dissatisfaction with the EPA and their lack of notification.

Progress Report on the University of Kentucky Center for Applied Energy Research

Dr. Andrews highlighted for the committee recent achievements of the University of Kentucky Center for Applied Energy Research (CAER) which included a grant for \$600,000 from the intelligence community and \$1.5 million awarded from the NASA Subsonic Fixed Wing program using Fischer-Tropsch liquefaction of coal to make aviation fuels. Dr. Andrews noted substantial growth of CAER sponsored project awards which had increased from \$5 million in 2008 to \$23 million in 2010. He then updated the committee on CAER Laboratory Building #2. The building will house the Kentucky Argonne Battery Manufacturing Research and Development Center, and it will include a biofuels laboratory. It will free up significant space in CAER #1, and CAER is aiming for LEED Gold status. Dr. Andrews updated the committee on work that CAER is doing in the development of an algae system for mitigation of CO₂ from coal-fired power plants. This fall the project will roll out at Dale Station, after it runs through the winter it will be scaled up producing 5,000 kg of dry algae. Dr. Andrews explained the role of the Early Lead Mini Fischer-Tropsch Project Development Unit (PDU) that will research quantities of FT liquids and finish fuels to be produced. The

PDU will develop technologies to implement coal-to-liquids, gas-to-liquids, biomass-to-liquids, and coal/biomass-to-liquids with lower CO₂ footprints.

Dr. Andrews explained the CAER proposal regarding the application of a heat integrated post-combustion CO₂ capture system with Hitachi advanced solvent into an existing coal-fired power plant by Drs. Liu and Neathery. He stated that the proposal is built on outputs from state-supported CMRG, an innovative systematic approach for heat integration, and advance solvent systems. Finally, Dr. Andrews updated the committee on CAER's combined flue gas extraction project which should provide necessary information and data on mass and energy balance, solvent degradation, and corrosion to provide a full techno-economic and environmental, health and safety analysis at a commercial scale level.

Dr. Andrews responded to a question regarding algae and carbon sequestration, stating that CAER's hope is to be able to use natural sunlight and photosynthesis and the algae will use all the NO_x produced, and hope to learn more about the algae's use of sulphur and CO₂.

Representative Adkins pointed out the increase in awards for research and development from 2008 with the passage of House Bill 1. Dr. Andrews agreed that what was provided in House Bill 1 put CAER in a position to be a national leader. Representative Adkins noted the historical perspective from 1970 to 2007: the population grew by 45 percent, the demand for energy increased approximately 145 percent, and the demand for coal went up 225 percent to provide the energy for that population, but the regulated emissions over that period of time decreased 79 percent.

A copy of Dr. Andrews' presentation is on file with the LRC Library.

Transportation of Kentucky Coal by Barge: Emerging Export Markets

Mr. Robbie Englert, Vice President of Sales for Crounse Corporation explained headquarters in Paducah and division office is located in Mason County. He stated that a ton of product can be moved 576 miles with a gallon of fuel via barge. In response to a question by Representative Adkins, Mr. Englert stated Crounse Corporation employs 350 people.

Mr. Steve Alley, Director of Sales for Ingram Barge Company testified that Ingram Barge is the largest barge company in the industry operating over 130 tow boats and more than 4,000 barges. Ingram Barge is the largest dry cargo carrier and third largest liquid carrier. Ingram Barge employs 1,655 associates at Kentucky

locations, those wages and benefits exceeds \$100 million a year. Mr. Alley stated that Ingram Barge Company has used its size to build a dense operating pattern over their entire network from Minnesota to Louisiana. He pointed out the advantages of barge transportation: one 15 barge tow equals 216 rail cars or 1,050 semi tractor trailers. Another advantage of barge transportation is its energy efficiency when compared to other modes of transport. Mr. Alley pointed out that inland barges produce less CO₂ while moving North American cargo. Barges produce 19.3 tons of CO₂ per million ton-miles compared to 71.6 by semi tractor trailer. Mr. Alley explained the Capital Development Plan (CDP) developed by the Inland Waterways Users Board and the United States Army Corps of Engineers (USACE). The 20 year plan includes completion of all projects currently underway, a priority listing of new project starts over the next 20 years, improved business practices to improve project delivery, an increase of six to nine cents per gallon on the \$0.20 per gallon user fee that is paid exclusively by barge companies, and a cap on barge users' exposure to project cost over-runs. The Capital Development Plan would ensure completion of twenty five projects necessary by 2030, as opposed to just six projects completed under the existing system. A copy of Mr. Alley's presentation is on file with the LRC Library.

Mr. Martin Hettel, Manager of Captive Services for American Electric Power (AEP) River Operations testified that AEP River Operations operates 3,275 barges and 95 towboats making it one of the largest inland barge companies in the United States moving 77 million tons in 2011. Mr. Hettel stated that AEP's river-served plants can generate 18,320 megawatts of electricity daily, enough to power 10,000,000 households daily. AEP River Operations moves 35 million tons of coal and consumables to produce the 18,320 megawatts at AEP's river-served facilities. AEP River Operations also moves 18 million tons of other cargo for their commercial customers. Mr. Hettel stated that AEP employs 715 Kentucky residents. AEP's River Operations transports raw materials for steel mills, fertilizers for crops, cement for construction, and project cargos for plant builds into the state of Kentucky. AEP River Operations transport export coal, aggregates, grain, grain by-products, and finished steel to other states and transport limestone, grain, grain by-products, coal, cement and lime within the state of Kentucky.

Mr. Hettel explained that center gulf coal exports have been on the rise since 2008 and that 2011 exports

could reach 15 million tons. AEP River Operations project 2012-2014 exports could reach 18-20 million tons. Mr. Hettel discussed the impact of lock closures on the industry noting that the Markland Lock in Warsaw, Kentucky currently has the main chamber closed for new miter gate installation. This closure will result in a loss estimated at \$12,840,000 to industry as well as making export commodities less competitive to other world markets. Mr. Hettel added that locks and dams create pools that benefit many groups other than navigation. He added that Olmsted Lock and Dam was authorized for construction through the Water Resources Development Act (WRDA) that was passed in 1988 is still not completed. The U.S. Army Corps of Engineers says that it will not be completed until 2016 and the cost will increase over the projected \$2,100,000,000 price. A copy of Mr. Hettel's presentation is on file with the LRC Library.

Representative Sinnette voiced concern about the poverty level of eastern Kentucky and the number of low paying jobs in the area. He noted that his constituents need low cost energy; he requested that American Electric Power (AEP) not arbitrarily increase rates.

Jimmy Keeton, Governmental and Environmental Affairs manager for AEP and Kentucky Power Company, responded to Representative Sinnette's comments, requested that members continue to call Kentucky's congressional delegation. He assured the committee members that AEP will continue to fight and do what is possible to keep low energy rates in Kentucky.

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

INTERIM JOINT COMMITTEE ON HEALTH AND WELFARE

Minutes of the 2nd Meeting of the 2011 Interim August 17, 2011

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Health and Welfare was held on Wednesday, August 17, 2011, at 1:00 PM, in Room 129 of the Capitol Annex. Representative Tom Burch, Co-Chair, called the meeting to order at 1:10 p.m., and the secretary called the roll.

Present were:

Members: Senator Julie Denton, Co-Chair; Representative Tom Burch, Co-Chair; Senators Joe Bowen, Perry B. Clark, David Givens, Denise Harper Angel, Dennis Parrett, Joey Pendleton, and Jack Westwood; Representatives Julie Raque Adams, Bob M. DeWeese, Kelly Flood, Brent Housman, Joni L. Jenkins, Mary Lou Marzian, Darryl

T. Owens, Ruth Ann Palumbo, Susan Westrom, and Addia Wuchner.

Guest Legislator: Representative Mike Nemes.

Guests: Dr. James Ramsey, President, University of Louisville; Dr. Jim Taylor, CEO, University Medical Center, University of Louisville; David Laird, President and CEO, Louis Waterman, and Lou Ann Atlas, Jewish Hospital & St. Mary's HealthCare; Jennifer Elliott, legal counsel, University of Louisville; Dr. Dan Varga, CMO, and Paul Edgett, Senior Executive, and Maria Alagia Cull, St. Joseph Hospital/Catholic Health Initiatives; Dr. Sharmila Makhija, MBA, Chair, Department of Obstetrics, Gynecology, and Women's Health, University of Louisville School of Medicine; Jodi Mitchell, Kentucky Voices for Health; Betsy Janes and Amelia Priest, American Lung Association; Kathy Bryan; Nathan Goldman and Sharon Eli Mercer, Kentucky Board of Nursing; John M. Johnstone, MD; Patricia L. Horvat, RN; Steve B. Fisher, Dwain Harris, Kentucky Rural Health Association; Dewey Parker, National Nurses Unite; Bill Doll, Kentucky Medical Association; Rob Jones, Community Action Kentucky; Kathy and Dennis Nafus, Smokefree Kentucky; Eric T. Clark, Kentucky Association of Health Care Facilities; Donald Moore; Paula Lewis; Betsy Farley; Sarah S. Nicholson, Kentucky Hospital Association; Amelia Adams, ACLU, RCRF; Russell Palk and Greg Gwinnett, Medimmune; Honi Goldman; An Hayes, Kentucky Equal Justice Center; Carol Raskin; and Anne Joseph, Covering Kentucky Kids and Families.

LRC Staff: DeeAnn Mansfield, Miriam Fordham, Ben Payne, Jonathan Scott, Gina Rigsby, and Cindy Smith.

Consideration of Referred Administrative Regulations

The following administrative regulations on the agenda for consideration were 201 KAR 20:056 – establishes the requirements for licensure, renewal, and reinstatement, programs, and recognition of a national certifying organization; 201 KAR 20:062 – establishes Advanced Practice Registered Nurse (APRN) programs of nursing standards; 201 KAR 20:070 – establishes the requirements for the licensure of nurses by examination prescribed by the Kentucky Board of Nursing (KBN); 201 KAR 20:110 – establishes the requirements for licensure by endorsement and establishes the requirements for a temporary work permit for an applicant to practice nursing while the application for a license is being processed; 201 KAR 20:215 – establishes the fees, procedures, and requirements for continuing competency for nurses; 201

KAR 20:225 – establishes procedures by the KBN for reinstatement of a license that has lapsed or has been subject to disciplinary action; 201 KAR 20:240 – establishes fees by the KBN for licensure, examination, renewal, reinstatement, and continuing education; 201 KAR 20:310 – establishes standards for faculty of programs of nursing which prepare graduates for licensure as registered nurses or practical nurses; 201 KAR 20:411 – establishes the requirements relating to a sexual assault nurse examiner course and the credentials of a sexual assault nurse examiner; 201 KAR 20:470 – establishes the requirements for dialysis technician training programs and for credentialing dialysis technicians; 902 KAR 8:160 – establishes minimum administrative and operational requirements for Kentucky’s local health departments; 902 KAR 8:165 – establishes minimum accounting and auditing requirements for Kentucky’s local health departments; and 902 KAR 8:170 – establishes minimum fiscal and financial management requirements for Kentucky’s county and district local health departments and for all other classes of local health departments, except if a specific Kentucky Revised Statute requires a more stringent minimum requirement. A motion to adopt all of the administrative regulations except 201 KAR 20:470 was made by Senator Denton, seconded by Representative Burch, and adopted by voice vote. A motion to adopt the amendment for 201 KAR 20:470 was made by Senator Denton, seconded by Representative Burch, and adopted by voice vote. A motion to adopt 201 KAR 20:470 as amended was made by Senator Denton, seconded by Representative Burch, and adopted by voice vote. A motion to approve all the administrative regulations but 201 KAR 20:470 was made by Representative Marzian, seconded by Representative Flood, and approved by voice vote. A motion to approve 201 KAR 20:470 as amended was made by Representative Marzian, seconded by Representative Palumbo, and approved by voice vote. A motion to approve the administrative regulations as amended was made by Representative Marzian, seconded by Representative Palumbo, and approved by voice vote. Nathan Goldman, General Counsel, Kentucky Board of Nursing, was present to answer questions.

Legislative Hearing on the FFY 2012-2013 Community Services Block Grant

A motion to accept the block grant was made by Representative Westrom, seconded by Representative Marzian, and accepted by voice vote.

Legislative Hearing on the Executive Order 2011-353, relating to Reorganization of the Cabinet for

Health and Family Services

A motion to accept the executive order was made by Representative Palumbo, seconded by Representative Marzian, and accepted by voice vote. Eric Friendlander, Deputy Secretary, Cabinet for Health and Family Services was present to answer questions.

Pending Merger of the University of Louisville Hospital, Jewish Hospital and St. Mary’s HealthCare, and Saint Joseph Healthcare System

Dr. James Ramsey, President of the University of Louisville, stated that the three entities that will potentially merge are Jewish Hospital & St. Mary’s HealthCare (JHSMH), Saint Joseph Health System (JSHS), and University Medical Center (UMC). The University of Louisville was a private school until 1970 when it joined the state’s higher education system. In 1997, the General Assembly enacted the postsecondary education reform act legislation that redefined the university. Statutorily, the University of Louisville is to be a premier nationally recognized research university and work to improve healthcare in Kentucky. The merger would allow the University of Louisville to continue to achieve these goals. During the past 11 years, the university has experienced 11 budget cuts.

The university developed seven strategies to achieve the 1997 legislative mandates: 1) continue re-engineering processes and expense management; 2) improve balance sheet management, with an emphasis on converting underperforming assets; 3) increase contract research and commercialization income; 4) create private sector partnerships; 5) enhance fund raising; 6) expand the research mission through innovative financing tools like the tax increment financing plan; and increase clinical income to support education and research. Generating clinical income is critical to supporting the teaching and research mission of the university. The University of Louisville School of Medicine has a budget of \$351 million; \$28 million is state appropriation. While the merger is critical to the university achieving the legislative mandates, neither the university nor the School of Medicine will merge with the other entities, just the University Medical Center/James Graham Brown Cancer Center.

In 1983, the University Hospital opened and operated for ten years by Humana, a for-profit entity. In 2008, a 17-member community-based board was created to govern UMC. In 2008, UMC created a five-year strategic and financial plan. The results of the strategic plan and financial analysis were UMC could not continue to meet the mandate to cover the 21

percent uninsured population and/or would have to decrease academic support provided to the U of L School of Medicine. Services at UMC for women’s health, trauma, cancer, and stroke consumed the 320 beds. UMC lost revenue because services for heart treatment, surgeries, and solid organ transplants were provided at other community medical centers. UMC had the option of continuing to operate as usual, but could not borrow more money to raise more capital. UMC entered into discussions with Norton Healthcare and Jewish Hospital to collaborate on specific services without actually merging the entities. A private company agreed to buy Jewish and continue the collaboration of services with UMC, but U of L would have to give up its academic control. The university would not give up its academic control. Saint Joseph Healthcare heard about the proposed merger between UMC and JHSMH and wanted to be a part of the collaboration. U of L looked at St. Joseph’s value and vision statement and agreed it would be a meaningful partnership in providing for the health care needs of Kentucky. St. Joseph has hospitals in London, Mt. Sterling, Berea, Martin, Nicholasville, Bardstown, and two in Lexington.

The vision statement of the merged entities states “We are the premier, integrated comprehensive health system in the Commonwealth known for efficiently providing the highest quality care and service close to home; reducing the incidence of disease; and eliminating inequities in access throughout the communities we serve. With unmatched geographic reach, we are differentiated by our faith based and academic heritage, developing the best next generation of healthcare professionals, and for being the fastest in translating research from bench to bedside. Because we are the most vital nationally recognized health system, we are the go-to organization for any major health policy initiatives in the State.” The merger is first and foremost about better health care for Kentucky. It is also a financial transaction that that would maintain the current clinical support received from UMC, JHSMH, Kosair Children’s Hospital, and Norton.

The university academic medical center would receive \$200 million and \$120 million would go toward community and statewide program support totaling \$320 million. An additional \$100 million will be invested in electronic management records and information technology. UMC’s payor mix is unsustainable at 21 percent. U of L does not have the resources to invest in facilities and equipment or maintain technology needed for neurosurgery, the trauma center, and other services. If the merger does not

take place, UMC will not be able to compete in the marketplace.

The merged entity will be a 501(c)(3) not-for-profit organization. It will be governed by an 18-member community board, with 17 members from Kentucky, 10 from Louisville. A standing committee of the board with fiduciary responsibility over the merged entity is the Academic Medical Center Committee will consist of 11 individuals, seven appointed by the University of Louisville. The merged entity will be governed by a community board consisting of 18 individual with 17 from Kentucky. The Academic Medical Center will consist of UMC/James Graham Brown Cancer Center, Jewish’s downtown hospital, and Frasier Rehabilitation. The current University of Louisville academic affiliation agreements are with the UMC, Norton Healthcare, Louisville Veterans Administration Medical Center, Jewish Hospital & St. Mary’s HealthCare, Baptist Health, Kosair Children’s Hospital, and Trover Clinic. The future University of Louisville academic affiliation agreements will be with the merged entity, Norton Healthcare, Kosair Children’s Hospital, Louisville VA Medical Center, Baptist Health, and Trover Clinic. The academic affiliation agreements are used to protect the university and define what happens if the terms and conditions of merger are not satisfied and the merger has to be dissolved.

Paul Edgett, Senior Executive, St. Joseph & St. Mary’s HealthCare, stated that the majority of its hospitals are located within rural communities. There is a great mix of rural and urban hospitals providing outstanding quality of care for everyone with special emphasis on the poor. One program that helps residents in the community with counseling services, education, and nutrition is the Appalachian Outreach Program. The program reached 14,000 people in 2010. CHI has given 34 grants totaling \$5 million for childhood obesity, domestic violence, and teen pregnancy. CHI is committed to increasing access to care, expanding services, enhancing clinical quality, and preparing providers for the future. In the past six years, including the \$320 million investment, CHI has invested nearly \$1 billion in Kentucky health care. CHI headquarters are located in Denver, Colorado, and its largest office is located in Erlanger, Kentucky. Serving patients unable to pay is the hallmark of each merging entity’s mission.

David Laird, President and CEO, Jewish Hospital & St. Mary’s HealthCare, stated that it merged with CHI five years ago and began to work with them once it merged the Caritas Health System. Fifty years ago, Jewish started working with the university

with its residency and solid organ transplant programs. Even though there are different cultures being merged, there is a mutual respect for working together.

Dr. Jim Taylor, CEO, University Medical Center, stated that community benefit is a concept for not-for-profit hospitals where a calculation is made each year that tries to demonstrate the benefit for the community in return for a tax-exempt status. The combined community benefit in 2009 among the UMC, JHSMH, and SJHS was \$270 million. Of the \$270 million, \$150 million is UMC with \$75 million being charity. Without financial viability, care to the indigent population will not be able to continue.

Dr. Dan Varga, CMO, St. Joseph Healthcare System, stated that the most important component of the clinical aspect of the merger is the sanctity of the doctor-patient relationship, as it exists today, remains unchanged. The agreements ensure the physician will be able to discuss with patients the full array of clinical options to inform their decision making regardless of where services are provided. Agreements protect academic freedom of the University of Louisville School of Medicine and its faculty and do not limit content curriculum or location of university classes, or the fields of research the university faculty can pursue. All institutions that are part of the merger will continue to provide care and expand access to everyone regardless of their ability to pay. All hospitals will continue to provide inpatient care as it does today, consistent with its missions and non-profit status. University of Louisville clinics not part of the merger will continue providing services the same as always. Physicians will continue to inform patients and families of all options available, including palliative care, terminal sedation, and Hospice care. All hospitals will abide by KRS 311.621-311.633 relating to end-of-life care. All advance directives and organ donations can be honored consistent with the Catholic Ethical and Religious Directives (ERDs) with rare exceptions.

Dr. Sharmila Makhija, Chair, Department of Obstetrics, Gynecology, and Women's Care, University of Louisville, stated that miscarriage management, ectopic pregnancy, medically indicated abortion, and emergency contraception of alleged victim of rape will be provided consistent with ERDs. Elective abortion is not currently performed at the University Hospital and will not change after the merger. Family planning, vasectomies, and in vitro fertilization will continue as office procedures. Tubal ligation as a sole procedure or a vaginal delivery and tubal ligation will both be performed

in a hospital setting outside of the merged entity. A cesarean delivery and tubal ligation performed at one time under anesthesia will be performed in a hospital setting outside of the merged entity. KRS 212.347 requires 24 hours written informed consent before a tubal ligation is performed.

Dr. Makhija answered Senator Pendleton's question by saying that there would be no change in current practice concerning a woman who wants a tubal ligation after a cesarean or vaginal delivery.

Dr. Makhija answered questions by Representative Owens by saying the location of the elective services would be outside the merged entity. The doctor and the patient would decide which outside hospital would perform the procedure. When a patient is in an acute situation, the patient is always put first, and will be treated at the hospital she goes to for treatment. The life of the mother always takes priority over the life of her unborn child.

Dr. Ramsey answered a question by Representative Owens by saying that UMC is a separate 501(c)(3) and is not owned by the University of Louisville. The university appoints eight of the 17 members of UMC's board. Dr. Taylor said that there are also five ex-officio members and in committee or board meetings, the majority of board members voting are non-university appointed or non-university affiliated.

Dr. Taylor answered a question by Representative Owens by saying the human resources benefits component of the merged entities is not finished so it is unknown if the coverage for reproductive services, including vasectomies and tubal ligations, and prescriptions for birth control pills would be available for employees of the merged entity. There is an attempt to bring three entities together in a way that is as equitable as possible.

Mr. Edgett answered a question by Senator Denton by saying that the \$200 million from CHI would focus on advancing academic and research activities at UMC. CHI will be investing in the expansion in addition to new services, the recruitment and retention of new physicians, and bringing programs and services into the community. Commitment to providing services closer to home in the rural communities, not just urban areas only, will better improve health prevention and health status. Dr. Ramsey said that no specific decisions have been made about how use the \$200 million that CHI will invest at the UMC, but the new governing board will be involved in the process to decide how the funds will be allocated.

Dr. Laird answered a question by Senator Denton by saying that it is the intention to allow doctors to do

their residencies at all CHI affiliated hospitals throughout the state. One of the hopes of the merged entity is to address the physician shortage in Kentucky. The entities are not bringing the merger together to create a cartel to negotiate and extract good high value out of the payors. Dr. Varga answered a question by Senator Denton by saying that a critical component identified with the merger is an opportunity to reduce costs of care and operating the system. If the demand for indigent care or uncompensated care continues, there will be more capacity from a financial standpoint to address the need for more services. Dr. Ramsey answered a question by Senator Denton by saying that the Academic Medical Center will be defined at the University of Louisville Hospital/James Graham Brown Cancer Center, Frasier Rehabilitation, and the downtown Jewish Hospital. The two east-end locations would be included.

Ms. Elliott answered a question by Senator Bowen by saying that it was very important in the negotiations that the medical school would be protected if the merger dissolved. Depending on the circumstances, the university has the ability to buy back the UMC/JGBCC as well as the current Jewish Hospital and Frasier Rehabilitation.

Ms. Elliott answered a question by Representative Housman by saying that when the consolidation agreement was signed, the expectation was there would be a nine to twelve month process for both the Federal Trade Commission (FTC) to review the merger as well as the IRS to approve the non-profit tax status of the merged entity, administrative regulations would be filed with the Cabinet for Health Family Services (CHFS). The definitive agreement was signed in June 2011. Discussions are in progress with the Governor's Office, CHFS, and the Attorney General's Office who all have to sign off on the transaction. Dr. Taylor answered Representative Housman by saying that there came a time contractually when it would be inappropriate to have discussions with another party, so Plan B discussions have been put on hold. Documents have been signed already to merge with the other entities. If approval is not granted, that will be when there will be discussions about a Plan B. Mr. Edgett stated that the merger would allow SJHS to grow and expand and have a greater influence in the Commonwealth. If the merger does not go through, SJHS would continue with its current ministry and sustain on-going operations. Dr. Laird stated that JHSMHC would continue its operations but one thing that would cause financial problems would be the IT component to integrate its entire system to share information compliant with all of the recent laws

passed nationally. Mr. Edgett stated that the SJHS has been the beneficiary of \$500 million capital investment for its master facility plans. The full scale of implementation in physician workforce development and clinical IT services across its system will be significant investments. The physician workforce scenario for central and eastern Kentucky will be very difficult to carry alone without the merger.

Dr. Makhija answered a question by Representative Palumbo by saying that if a woman sought treatment for a miscarriage, a uterine evacuation would be performed at UMC. Vaginal deliveries will be performed at UMC, but if a woman wanted a tubal ligation at the time of birth, she would have to deliver at another facility. Ms. Elliott answered questions by Representative Palumbo by saying that depending on the reason for the unwind, the university would have the option of cashing in its interest in the statewide network and be valued at the time of the unwind. The value of the university's interest in the larger statewide network would be counted against the business interest and the downtown medical assets that the university would buy back. A third-party evaluation would be performed to determine the value. If the unwind was a result of the termination of the academic affiliation agreement or any breach of the agreements by the merged entity, then there would be seller financing by CHI for up to a three- to five-year period.

Mr. Edgett answered a question by Senator Harper Angel by saying that Catholic ERDs have only changed twice in the past 15 years and neither change impacted clinical practice or procedures. If there is a change to the ERDs, CHI would evaluate the impact, if any, on the activity within the organization and work with the university if it impacts the university's ability to fulfill its academic mission and make adjustments. If the change impacts the university's ability to fulfill its academic mission, the university would have cause to unwind. Dr. Makhija answered questions by Senator Harper Angel by saying that a patient would be allowed to take oral contraceptives, but the hospital would not dispense them to a patient. During rape counseling in the emergency room, information is offered about the pros and cons of taking oral contraceptives to prevent a pregnancy.

Dr. Makhija answered a question by Representative Marzian by saying that if there is an emergency, a woman should be taken care of based on a facility's standard of care best clinical practices. Mr. Edgett answered a question by Representative Marzian by saying that the merged entity will be a 501(c)(3) organization with a fiduciary board that will be

responsible for the governance and oversight of the organization. The bishop is not involved in governance or management of the organization. As a Catholic health system, there is a responsibility to work with the bishop to seek his approval when entering into partnerships. His role is to assure that CHI is living up to the Catholic values as a Catholic health system.

Mr. Edgett answered a question by Representative Adams by saying that the entities would come together in a more formal way to align all of efforts, investments, and resources in order to accomplish a singular vision. Currently the entities compete in various areas and provide duplicative services, but after the merger, the organization will be able to focus resources and redeploy them effectively with a stronger position and better outcome. One of the biggest upsides of the merger would be the University of Louisville being able to expand their clinical and teaching platform across the existing SJHS clinical platform which covers almost all of central and eastern Kentucky. Presently, SJHS does not have a formal relationship with the university and is in the process of developing a comprehensive position workforce plan.

Dr. Taylor answered questions by Representative Jenkins by saying there will be some jobs lost, the net will be a gain because of an increase in access and growth of services throughout the Commonwealth. A Level III Neonatal nursery is available for a baby born with complications. Depending upon the complication, the infant may be treated at UMC or transferred to Kosair, especially if a surgical procedure is needed. Dr. Makhija answered a question by Representative Jenkins by saying that oral contraceptives will be dispensed for a rape victim if that is her choice.

Dr. Makhija answered a question by Representative Wuchner by agreeing that the availability of choice of services no longer provided by the merged entity would be available and provided by the same physicians outside of the merged entity.

Representative Burch asked that the names of the 18-member board be provided to the committee.

Adjournment

There being no further business, the meeting was adjourned at 2:40 p.m.

INTERIM JOINT COMMITTEE ON HEALTH AND WELFARE

Minutes of the 3rd Meeting
of the 2011 Interim
September 13, 2011

Call to Order and Roll Call

The third meeting of the Interim Joint Committee on Health and Welfare

was held on Tuesday, September 13, 2011, at 1:30 PM, in Bluegrass Ballroom One at the Lexington Convention Center. Senator Julie Denton, Co-Chair, called the meeting to order at 1:40 p.m., and the secretary called the roll.

Present were:

Members: Senator Julie Denton, Co-Chair; Representative Tom Burch, Co-Chair; Senators Tom Buford, Perry B. Clark, Dennis Parrett, and Katie Kratz Stine; Representatives Julie Raque Adams, Brent Housman, Joni L. Jenkins, Mary Lou Marzian, Darryl T. Owens, Ruth Ann Palumbo, Susan Westrom, and Addia Wuchner.

Guests: Jill Seyfred and Jon Copley, Prevent Child Abuse Kentucky; Terry Tolan, Executive Director, Governor's Office of Early Childhood; Pat Wilson, Commissioner, Department for Community Based Services, and Murray Wood, Legislative Liaison, Cabinet for Health and Family Services; Shirley Hedges, Kentucky Foster/Adoptive Care Association; Andrea J. Cornuelle, M.S., R.T. (R), Professor, Radiologic Technology, Northern Kentucky University; Sheryl Abercrombie, Administrative Director, Radiology, University of Kentucky Medical Center; and Carol Scherbak, M.S., R.T.(T), Assistant Professor, Northern Kentucky University, Former Radiation Therapy Program Director, University of Kentucky Medical Center; Jordan Wildermuth, National Association of Social Workers; Peggy Williams, Majority Floor Leader's Office; Allyson Taylor, Office of Victim Advocacy, Attorney General's Office; Cindy Murray, Legislative Research Commission, Betty Marshall, Hand in Hand Family Resource Center; Pam Priddy, Necco; Tammy Gay, Family Resource and Youth Services; Elizabeth Croney, President, KVC Behavioral Health Care Kentucky; Michaela Giles, Office of the State Budget Director; Doug Jones, Family Resource Youth Services Center; Meghan Wright, Kentucky Association of Children's Advocacy Centers; Alexandra Kempf, Kentucky Youth Advocates; Barry Salovitz, Casey Family Programs; Brad Richie, Cabinet for Health and Family Services; Sarah S. Nicholson, Kentucky Hospital Association; and Prentice Harvey, Norton Healthcare.

LRC Staff: DeeAnn Mansfield, Miriam Fordham, Ben Payne, Jonathan Scott, Katie French, and Gina Rigsby.

Minutes

A motion to approve the minutes of the August 17, 2011 meeting was made by Representative Burch, seconded by Senator Parrett, and approved by voice vote.

Comments by Prevent Child Abuse Kentucky

Jill Seyfred, Executive Director, and Jon Copley, PCAK Board Member,

stated that fifteenth annual KIDS ARE WORTH IT! Conference is sponsored by Prevent Child Abuse Kentucky (PCAK), a statewide nonpartisan, nonprofit network whose mission is to prevent the abuse and neglect of Kentucky's children through its outreach. PCAK is the only statewide child abuse and neglect organization whose sole mission is to prevent the abuse and neglect of Kentucky's children. The board members consists of social services professionals, doctors, lawyers, business leaders, law enforcement, and high-level government officials.

Consideration of Referred Administrative Regulations

201 KAR 8:008E – repeals 201 KAR 8:390 related to general anesthesia, deep sedation, and conscious sedation by a dentist; 201 KAR 8:532 & E – establishes requirements and procedures for licensure of dentists; 201 KAR 8:562 & E – establishes requirements and procedures for the licensure of dental hygienists; and 900 KAR 7:040 – establishes the guidelines for distribution and publication of data collected by the Cabinet for Health and Family Services pursuant to 900 KAR 7:030 while maintaining patient confidentiality and further protecting personally identifying information. A motion to accept the administrative regulations was made by Senator Buford, seconded by Senator Parrett, and accepted by voice vote.

In response to a question by Representative Burch, Ms. Seyfred stated that PCAK has partnerships with over 100 different entities statewide and one of them is with schools. The goal of PCAK is to have a strong networking relationship with every school in all 120 counties.

Child Protection Programs and Services - House Joint Resolutions 137 and 17: 2010 Review

Pat Wilson, Commissioner, Department for Community Based Services, Cabinet for Health and Family Services, stated that the threshold for an Ombudsman's investigation in a particular county relating to DCBS matters is if there are ten justified complaints to the Ombudsman's Office within a six-month period regarding case issues in a county, that triggers the Ombudsman's investigation. The investigation consists of all the cases with complaints with action needed that triggered a response and then per protocol the Ombudsman's Office will review 25 other random cases. January 2010 to June 2010, Fayette County had ten justified cases by the Ombudsman's Office where action was needed involving 14 actual items. The finding standard by the Ombudsman's Office is more likely than not, meaning that compliance is measured by preponderance of evidence in the cases reviewed. In Fayette County,

the findings of the child protective services investigations were initiated and completed timely and checks for previous reports and history and criminal background was completed. The required monthly standard for DCBS is that every child in foster care and all families with open child protective service cases are to be visited once a month. The findings by the Ombudsman's Office were that children in out-of-home care were seen monthly and families receiving services were not consistently seen monthly.

Case plan objectives, tasks, status of progress, consequences, and next steps were generally being discussed with children in out-of-home care and their parents. The federal law states that when a child has been in foster care 15 out of last 22 months, the department will take action to move toward a termination of parental rights unless there is a compelling reason not to terminate rights. Compelling reasons are defined in statute but also have to be presented to the court. Documentation on case plans and periodic assessments were completed timely, information on the contact screen in The Worker's Information SysTem (TWIST) data system matched the description in service recordings, but quarterly contact with service providers was not consistently documented. The goal in Fayette County, part of the Southern Bluegrass Region, was to rebalance the workload and provide Fayette County staff an opportunity to rebound from a deficit position. The Ombudsman's Office reports information in six-month intervals. No counties triggered an investigation from July 2010 to June 2011. New hires not ready to manage high-risk cases were assigned to work on presentation summaries in adoption cases providing a coaching and mentoring opportunity as well as providing relief to caseworkers. Outcomes are linked to the department's Continuous Quality Improvement process of analyzing data, including report findings, identifying issues, implementing probable resolutions, and measuring results. Southern Bluegrass/Fayette County utilizes management reports to guide staffing and caseload decisions as well as conducting internal case and process reviews, which is standard practice for DCBS. In July 2011, 96 percent of the approximately 600 Fayette County case plans for children in out-of-home care were completed in a timely manner, up from 66 percent in July 2010. Monthly home visits to families receiving services improved from 79.6 percent in July 2010 to 90 percent in July 2011.

In response to questions by Representative Westrom, Commissioner Wilson stated that one of the challenges for Fayette County

has been having a large number of new frontline workers hired. It takes two to three years to become an experienced social worker, so new hires are not assigned high-risk cases immediately. Currently the number of child protective services and out-of-home care cases statewide is 20 to 21. The number of these cases has risen over the past two years because of the recession. Staff turnover has an impact on staff morale because cases are reassigned to the remaining staff's workloads. A high standard of performance is expected from staff which adds pressure to frontline workers, but the families and the children the cases represent deserve no less. She said that she would have to check with the Ombudsman's Office to see if someone who called the Ombudsman's Office with a complaint reached a live person or an automated answering system.

In response to questions by Senator Parrett, Commissioner Wilson stated that approximately 42,000 to 43,000 child protective cases were conducted in 2010. Of those investigations 34,000 investigations were moderate to high risk and 10,000 investigations were low risk. In SFY 2011, 29 percent of the cases were substantiated, and the national average is 26 percent.

In response to questions by Representative Marzian, Commissioner Wilson stated that worker exit interviews are conducted on a voluntary basis by another branch of the cabinet and information is sent back in aggregate form with no identifying information to DCBS. The average salary for a social worker is approximately \$28,000.

In response to questions by Representative Burch, Commissioner Wilson stated that the cabinet files a petition with the facts of the case in court, because a child cannot be removed from a home without a court order. When the child is committed to the custody of the cabinet, an annual permanency review has to be conducted and a report sent to the court regarding permanency. A relative placement is sought first with the hope of reunification with the biological parent. Approximately 75 percent of children are reunited with a parent. Approximately 24 percent of children placed in foster care are reunited with family within 60 days. When reunification is not attained, it requires a court hearing to change the goal to either adoption or some other form of guardianship. Termination of parental rights is a separate court action. When the goal becomes adoption, the cabinet files the court for termination of parental rights. The court gives the cabinet the discretion to place the child for adoption. After the court grants the termination of parental rights, the child can be legally

adopted. The department, guardian ad litem, the prosecuting attorney, a defense attorney, and, if available, a Court Appointed Special Advocate (CASA) volunteer, provide the court with information about a case.

In response to questions by Representative Wuchner, Commissioner Wilson stated that the exit interview aggregate information report is sent to the department at least semi-annually, depending on how many workers leave. Exit questions deal with workload, supervision, and support, and answers do factor into every day practices and how new policies are implemented by the department. She said that it is not uncommon nationally for child welfare agency turnover rates to be as high as 25 percent to 40 percent within a year. Kentucky's average is 12 percent to 15 percent. She said that she would have to get the percentage of workers who leave that participate in exit interviews.

In response to a question by Representative Palumbo, Commissioner Wilson stated that she would send the committee the percentage of workers who are licensed social workers.

In response to questions by Representative Jenkins, Commissioner Wilson stated that there are approximately 700 adoptions annually, but she did not have information on the number of available children, average age, and weight of each child.

In response to a question by Senator Denton, Commissioner Wilson stated that the 700 children are foster children. Approximately 85 percent of adoptions are by foster parents.

Early Childhood Development: Update

Terry Tolan, Executive Director, Governor's Office of Early Childhood, stated that the Office was created on July 12, 2011. In November 1999, Governor Patton created a 25-member Task Force to submit recommendations on early childhood outcomes. In 2000, House Bill 706 was passed unanimously by both chambers of the legislature establishing the most comprehensive early childhood legislation of its time. The four outcome areas of House Bill 706 are to assure maternal and child health, establish support for families, enhance early care and education, and establish a support structure. The early childhood initiatives were funded with 25 percent of the Tobacco Settlement money. The Early Childhood Development Authority (ECDA) was given responsibilities to establish and fund priorities for early childhood, develop a state plan promulgating administrative regulations, and broadly coordinating and improving early childhood services.

In 2009, Governor Beshear created the Governor's Task Force

on Early Childhood Development and Education. The task force's eight recommendations were: 1) adopt and distribute the school readiness definition to local communities, schools, state agencies, and early childhood advocates; 2) The Kentucky Department of Education (KDE) should work in cooperation with the Early Childhood Advisory Council (ECAC) to identify and implement a screening tool for children's transition and entry into kindergarten and coordinate its use with other child assessment requirements; 3) develop a governance model for the system of early childhood services in the Commonwealth; 4) increase opportunities for, and reduce barriers to, collaboration and coordination at all levels of the early childhood system through provision of technical assistance, use of incentives and development of measures to assess and evaluate collaboration and coordination efforts; 5) ensure that early childhood standards are widely distributed and used effectively in the programming for high quality child care, early care and preschool programs, Head Start, and used across the education community, including postsecondary programs; 6) support the work of KDE in the promotion of a model curriculum framework for public preschools and related review of kindergarten standards; 7) identify strategies including incentives and other supports to increase participation in the STARS for KIDS NOW program to make it more meaningful to parents; and 8) strengthen the role of the Community Early Childhood Councils (CECC) by simplifying the grant process and identifying the needs of each local community to determine support for the local council.

In response to the recommendations, on July 12, 2011 the Governor issued an executive order that created the Governor's Office of Early Childhood Development. The duties and responsibilities of the Office are to promote the vision of Kentucky's early childhood system, advocate for improved quality of early childhood services, promote the definition of school readiness and expand its use, identify a screening tool for children's transition to kindergarten and communicate with providers, analyze and provide recommendations on assessment with KDE, local districts, Head Start, higher education, and CECCs, strengthen state, regional, and local coordination and collaboration, reduce barriers to coordination among existing programs, conduct periodic needs assessments on quality and availability, establish procedures for accountability and measurement, and request reports and progress reports. A high priority is to secure a four-year, \$60 million Race to the Top – Early

Learning Challenge grant. By 2013, the goal is to make sure that every child entering kindergarten has an appropriate developmental screen.

In response to a statement by Representative Wuchner, Ms. Tolan stated that most parents are unaware of the necessary readiness tools needed before a child enters school.

Representative Burch stated that more information on the development of a child's brain is available today than in 1999.

Kentucky Foster/Adoptive Care Association: Update

Shirley Hedges stated that the association collaborates positively with the Department for Community Based Services (DCBS) to insure a child's stay in foster care is positive and successful. The main goal for foster care is for DCBS and the resource parents to return the child to the biological family. If reunification cannot be attained for the child, the next step is adoption. Being a foster parent is a 24-hour a day, seven days a week occupation, but the children benefit by being part of a nurturing family. Hopefully, this will allow the child to break the cycle and have successful families when they are grown. Taking care of Kentucky's children is the responsibility of all Kentuckians, not just foster and adoptive parents.

Currently, the law provides a biological parent or step-parent to transfer ownership of a vehicle to his or her child without paying sales tax. The association recommends that the statute be amended to exempt children in out-of-home care from paying sales tax. Also, the association recommends that resource homes be allowed to participate in the state medical insurance plan with no cost to the state. The per diem rate for foster parents ranges from \$19 to \$27 per day for food, shelter, personal hygiene products, children's allowance, haircuts, diapers, school supplies, clothing allowance, non-medical mileage, extra-curricular activities, over-the-counter medical supplies, field trip expenses, and one day of respite care per month. With the increase in the cost of living expenses, the association recommends that the per diem rate be raised. Because of the hardship on foster parents to have an annual physical, it is recommended that the physical be required every two years instead of annually.

Licensing for Imaging and Radiation Therapy Professionals

Andrea J. Cornuelle, M.S., R.T. (R), Professor, Radiologic Technology, Northern Kentucky University, Sheryl Abercrombie, Administrative Director, Radiology, University of Kentucky Medical Center, and Carol Scherbak, M.S., R.T. (T), Assistant Professor, Northern Kentucky University, Former Radiation Therapy Program Director, University of Kentucky Medical

Center, stated that in 1978, KRS 211.870 and 211.890 implemented the Radiation Operator Certification Program and in 2007, nuclear medicine technologist and radiation therapists were added. Currently there are over 8,000 licensees including radiographers, nuclear medicine technologists, radiation therapists, limited operators, and temporary licensees making it the third largest group of health professionals in Kentucky. Due to growth and the complexity in medical imaging and radiation therapy, radiation imaging and therapy professionals wish to create a professional board that would allow self governance in regulatory and professional disciplinary issues. The board would represent all major geographical areas of Kentucky. The board responsibilities would include issuing and renewing the license of qualified applicants, determining and enforcing established guidelines for continuing education requirements, approving accredited educational programs for the radiation science professions and monitoring compliance with the educational standards established by the individual disciplines, investigating suspected or alleged violations, conducting hearings and recording minutes, resolving the allegations, and, if appropriate, imposing sanctions or penalties, submitting a report of activities to the Governor and the Legislative Research Commission annually, and hiring an executive director and staff to support the Board and licensees, appointing ad hoc committees if necessary. The advantages of a board would be the ability to better oversee the quality of the profession, to respond to changes in the professions more quickly, to increase staff to support the growing number of licensees, and provide licensees with a voice through broader representation. Establishing the board would move oversight of radiation professionals out of the cabinet and into an independent, self-governing peer Board of professional representatives.

In response to a question by Senator Buford, Ms. Cornuelle stated that the licensure fee for two years is approximately \$75.

In response to questions by Representative Wuchner, Ms. Cornuelle stated that the disciplinary action and suspension of licenses is done by the cabinet.

In response to a question by Representative Burch, Ms. Cornuelle stated that there is no opposition to the legislation.

Adjournment

There being no further business, a motion to adjourn at 3:55 p.m. was made by Representative Jenkins, seconded by Representative Marzian, and approved by voice vote.

INTERIM JOINT COMMITTEE ON LICENSING AND OCCUPATIONS

Minutes of the 3rd Meeting of the 2011 Interim August 12, 2011

Call to Order and Roll Call

The 3rd meeting of the Interim Joint Committee on Licensing and Occupations was held on Friday, August 12, 2011, at 10:00 AM, in Room 129 of the Capitol Annex. Representative Dennis Keene, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator John Schickel, Co-Chair; Representative Dennis Keene, Co-Chair; Senators Julian M. Carroll, Denise Harper Angel, Jimmy Higdon, Paul Hornback, Dan “Malano” Seum, Kathy W. Stein, Damon Thayer, and Robin L. Webb; Representatives David Floyd, Wade Hurt, Joni L. Jenkins, Adam Koenig, Reginald Meeks, Mike Nemes, David Osborne, Ruth Ann Palumbo, Carl Rollins II, Arnold Simpson, and Susan Westrom.

Guests: Mac Stone, Executive Director, Office of Agriculture Marketing and Promotion and Roger Leasor, Kentucky Wine and Grape Council; Shannon Tivitt, Executive Director, Office of Occupations and Professions, Monica Hall, Iris Triplet-Baker, Jillian Cain Becht, Lisha Stone, former students of proprietary schools.

LRC Staff: Tom Hewlett, Bryce Amburgey, Carrie Klaber, Michel Sanderson, and Susan Cunningham

Approval of minutes

A motion was made by Senator Schickel, seconded by Senator Thayer, to adopt the minutes from the July 8, 2011 meeting. The motion carried by voice vote.

Promotion of the Kentucky Wine Industry

Mac Stone, Executive Director of the Office of Agriculture Marketing and Promotion and Roger Leasor, Kentucky Grape and Wine Council, updated the committee on the wine industry in Kentucky. The industry is thriving because of the General Assembly’s support. Two years ago, 100 wines were entered at the Kentucky State Fair. This year 200 wines have been entered in the competition. The growth has been in quality as well as quantity. Eleven Kentucky wineries won medals at a wine competition at the Indiana International Wine Festival, a premier wine festival. Two of the medals were gold. The Kentucky State Parks Department will begin selling some this year’s award winning wine at three state parks. The location of the wineries is also expanding from just the central Kentucky region into

western and southeastern Kentucky. Forty-two wineries now have tasting rooms. Five wineries have restaurants, 21 host special dinners, and 28 host concerts or entertain with music. Kentucky wine was also present at the World Equestrian Games on the World Stage and several of those wines have been featured at the James Beard House, further endorsing the quality of Kentucky wine.

The general trend in the growth of the industry has steadily increased as the wineries have used the market development and the wholesale cost share reimbursement program. The program has been supported by the legislature through the Grape and Wine Council. Initially the wineries only accessed a portion of the funds due to their limited marketing potential. Now, however, because of the growth in number of wineries, the fund is limited in the amount it can reimburse. There is a cap of \$800 that a winery can cost share on a 50/50 basis for marketing. This is still a benefit for the small wineries, but larger wineries are on their own now.

The Agriculture Development Fund had provided money for the viticulture and enology programs at the University of Kentucky. However, budget cuts have taken away some of the money from these programs. The Kentucky Vineyard Society has written a proposal to the Ag Development Board to increase the number of field days and to add a two day educational meeting in January associated with the Fruit and Vegetable Conference. This would include some funding. The University of Kentucky has donated infrastructure and contributed 38 percent of the overhead costs, and should be given credit for helping to maximize fund dollars. Rather than depending on money from grants to keep the marketing and cost share programs growing, wineries are looking for other ways to fund their programs. Self-funding and other cost share mechanisms are being considered. Also, wineries may consider a check-off system similar to soybeans or beef cattle.

Another issue with wineries is the entertainment license. KRS 231.010 defines “a place of entertainment” to mean “a roadhouse, place offering intoxicating or nonintoxicating drinks for sale, tourist camp or place of public entertainment at which people assemble to eat, drink, dance, bathe, or engage in any game or amusement, or any place having therein or thereon any person engaging in the practice of being a medium, clairvoyant, soothsayer, palmist, phrenologist, spiritualist, or like activity, or one who, with or without the use of cards, crystal ball, tea leaves, or any other object or device, engages in the practice of telling the fortune or

another; but the last clause shall not be construed to apply to a person pretending to tell fortunes as part of any play, exhibition, fair or amateur show presented or offered by any religious, charitable, or benevolent institution. It shall not mean a private home at which bona fide guest are entertained, drive-in theaters, places of business conducted only as filling stations for motor vehicles or grocery stores, nor transient or temporary entertainment such as circuses, carnivals and county fairs” (Effective: June 17, 1954). The broad scope of the definition may inhibit the business wineries able to conduct. Some wineries are hosting wedding and special events. They want to ensure they are being good neighbors, good stewards, and good business people. They want to benefit the community and the area. The definition from 231.010 also has a clause regarding conduct prohibited on the premises that does not apply to wineries today. Sixty-Eight wineries are making an investment in local infrastructure by hosting events, hiring staff, and buying Kentucky Proud products for events. There is some concern that this definition could have an unintended effect on the ability of the small farm wineries to continue these kinds of activities.

Grapes were passed around to the committee with the explanation that they are a seedless variety called Reliance, grown in Woodford County by Steve Isaacs, a professor at the University of Kentucky’s Ag Econ department.

Roger Leasor told the committee that Kentucky finally has a wine industry. The wineries are winning awards not just in Kentucky but in Florida, Indiana, and California. Losing a position at the University of Kentucky due to budget cuts would be like taking a step backward for the wine industry. The path that the successful wineries have set is an invaluable educational tool for wineries that are just now starting.

In response to a question from Representative Keene, Mr. Stone said he would have to check to see how Kentucky was ranked with other states in wine progress. Mr. Leasor said he felt that data collected would reveal that Kentucky’s rank is impressive. In response to a question from Senator Carroll about the place of entertainment Mr. Stone said it was his understanding that it would apply to a business in the county, outside city limits, and the county judge has to set the hours of operation.

Proprietary schools in Kentucky

Representative Reginald Meeks said he filed House Bill 125 in the 2011 regular session as a reasoned response to months of input from Kentucky students who felt they had

been harmed by proprietary schools. In addition, he had input from the Office of the Attorney General, members of the Board of Kentucky Proprietary Education, representatives of the Office of Occupations and Professions, the Council on Post Secondary Education, the Association of Independent Colleges, and Kentucky public colleges and universities. House Bill 125 corresponded with a national examination of this particular issue. A healthy public dialogue has communicated the merits and the short-comings of various sectors of the post secondary education system. The vast majority of proprietary schools genuinely desire to provide a quality education for students. Schools that use deceptive marketing practices to lure vulnerable students into debt make all proprietary schools look bad. If these things are occurring, they need to be addressed. Representative Fred Nesler has also been involved in this effort since the beginning.

Representative Meeks pointed out that Crit Luallen, Auditor of Public Accounts, testified at the June, 2011 meeting of the Interim Joint Committee on Licensing and Occupations. She stated that the Board of Proprietary Education has not been adequately monitoring the proprietary schools that it oversees. There have been deficiencies cited in the Office of Occupations and Professions administrative support of the board. House Bill 125 attempted to address these concerns.

Changes in transparency, accountability, grievance procedures and student protection requirements for proprietary schools should not be arbitrary or unilateral. Public colleges and universities and non-profit institutions could also improve in these areas. The student protection fund, managed by the Board of Proprietary Education, is inadequate, but there are concerns about public and non-profit schools served by the CPE having sufficient protections for their students as well.

The final version of House Bill 125 would have allowed the Board of Proprietary Education and the CPE to explore reasonable financial protections, rather than mandating specific fees. Proprietary schools are more likely to go out of business than public or non-profit schools. There should be a common solution to ensure that students get the quality education that they pay for, regardless of the type of school the student chooses to attend.

House Bill 125 was amended to allow use of the integrated post secondary data system, also known as IPEDS, to avoid duplication and redundancy in reporting requirements. Also, changes were made to give proprietary schools a voice in the

deliberations by CPE that impact their operations. The accreditation section of the bill was modified to allow national accreditation to be accepted in lieu of regional accreditation in schools that are in good standing.

Work should continue across all post-secondary institutions in Kentucky to ensure that course credit earned in one institution is of equivalent quality across institutions and will be successfully transferred. Previous testimony said financial aid does not go to the school but to the student; however, when financial aid for students is paid for by tax payer dollars, schools have an obligation not only to the students but to the tax payers of the Commonwealth.

Shannon Tivitt, Executive Director of Occupations and Profession, said the office handles the administration functions for 23 of the state's 43 regulatory boards. These boards are independent state authorities that set policy for various occupations throughout the state. The office, on behalf of the boards, license over 20,000 individuals and or businesses. The state Board for Proprietary Education is unique in that it is the only board that handles businesses versus an individual license. Many of the recommendations that were made by the Auditor of Public Accounts have been addressed, some were about the Office of Occupations and Professions operations and some were for the board's policies and daily business.

In response to a question from Representative Westrom, Ms. Tivitt said the board, by statute, has 11 members. A new chair was selected in January. Three members of the board represent technical schools, and three members represent privately owned institutions. Currently the governor's office is reviewing applications for new and renewing members.

Monica Hall, a single mother, has been a Licensed Practical Nurse for seven years. She decided to return to school for a Registered Nurse degree. Most schools have long waiting lists for their RN programs. The Kentucky Board of Nursing magazine had an advertisement for a program with no waiting list. She followed up with the school that placed the advertisement. During a meeting with an academic advisor she was told that her income would increase, that the nursing instructors were helpful, flexible, and interested in helping her achieve her goals. It was only later that she learned that the nursing program was in academic probation with the Kentucky Board of Nursing because its students were not meeting the required pass rate. During the third quarter, lecture time was less than the syllabus stated and classes were substandard. The instructor appeared

to be uninterested in teaching. When asked a question the instructor simply told the students to look for the answer in their text book. The list of fees Ms. Hall was given when she enrolled did not match the charges for her classes. When she asked about these charges, the financial aid officer was reluctant to investigate or explain the differences. Financial aid remaining in her account was never refunded to her. After receiving complaints, the Dean of Nursing advised students that if they did not like the program they should leave. In 2006 the Kentucky Board of Nursing voted to close the Registered Nurse program, but in 2010 voted instead to put the program on probation for one year. While trying to further her education and increase job opportunities, the end result has been heavy debt and no degree.

Iris Triplet-Baker, former student of a proprietary school, said she returned to school in 2008 as a non-traditional student with a goal of going to law school. She enrolled in a school in close proximity to her home. Once enrolled, she was informed that many credits from the school would not transfer to another college. In interviewing at law schools she was told that a degree from the school she attended would not be recognized. Professionals in the community told her that they do not hire graduates from that school. When she voiced her concern to the school she was told that she could leave. She was advised to call the Board of Proprietary Education but this resulted in a dead end. She has since created a group called "Linked Up," to be the voice for students in for-profit colleges.

In response to a question from Representative Keene, Ms. Baker said it had been 17 years since she graduated from high school and she was told that programs at the school she attended were approved by the American Bar Association. In response to a question from Representative Jenkins, Monica Hall said she was unaware at the time of enrollment that she was entering a proprietary school, adding that she did apply to a public school that had received 600 applications implying that there would be a long delay in being accepted into the program. In response to a question from Representative Simpson, Ms. Baker said she enrolled in a para-legal program. In response to a question from Representative Westrom, Ms. Hall said her understanding was that the Kentucky Board of Nursing was trying to act in their oversight capacity; however, the school's legal team would step in to stop their action. In response to a question from Representative Koenig, Representative Meeks said the Board of Proprietary Education is committed to making the changes recommended by the Auditor's office

as well as working on issues that will be changed legislatively.

Jillian Kain Becht, former proprietary school student, thanked the committee for inviting her to testify at the meeting. She told members that she successfully completed a professional medical coding program, received a diploma in medical coding, and passed the certification exam to become a certified professional coder through the American Academy of Professional Coders. Prior to attending a proprietary school, she attended a public university for less than a year. She then entered the work force, which led to a job at a health care services business. This job involved assisting registered nurses in obtaining treatment authorizations from insurance companies. This is where she learned the fundamentals of insurance and billing, using procedure and diagnosis codes to receive authorization for patient care. She soon realized that she was interested in more than an administrative position. However, because she was a single mother with a full-time job she did not know which school would best fit with her schedule. She wanted to attend an accredited school that would fit her budget and make her a more valuable employee. Traditional colleges did not offer a flexible schedule for part-time students with a full-time job. Also, they did not offer accelerated classes, and while some did offer on-line classes, this lacks the advantage of a classroom environment. A proprietary college seemed the best fit for her. The school she selected was an accredited college with a medical coding program and a high success rate for its alumni. Instructors at the school were vital to her education. She believes her education was invaluable to her career advancement, providing her with the tools to improve her future with an opportunity to grow.

Alisha Stone, Senior para-legal at Frost Brown Todd in Lexington, became a para-legal after earning an associate degree from a proprietary school in 1998. She researched various colleges in the area to see how classes would fit into her schedule, as well as the possibility of grants, financing, and the length of time required to finish a program. On her initial visit to the school she would eventually graduate from, she took entrance exams, and filled out the necessary paper work to begin as a student the next quarter. The financial aid department was helpful in applying for student loans for fees not covered by grants. She was a non-traditional student in classes with students just out of high school, and others who were coming back for second and third careers and who were older than she was. Her instructors were knowledgeable and prepared her well for entrance into this new field. The college coordinated an internship

that became a full-time job for a short time. The fact that she did not have experience was not a deterrent for hiring her as the firm was impressed by her education and the reputation of her school. Her alma mater also gives back to its alumni and the para-legal profession as a whole.

Representative Keene told committee members that the next meeting will be September 9, 2011, at 10:00 AM in the Annex.

There being no further business to come before committee, the meeting was adjourned at 11:08 AM

INTERIM JOINT COMMITTEE ON LOCAL GOVERNMENT

Minutes of the 2nd Meeting
of the 2011 Interim
August 24, 2011

Call to Order and Roll Call

The second meeting of the Interim Joint Committee on Local Government was held on Wednesday, August 24, 2011, at 10:00 AM, in Room 171 of the Capitol Annex. Representative Steve Riggs, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Damon Thayer, Co-Chair; Representative Steve Riggs, Co-Chair; Senator Dan "Malano" Seum; Representatives Julie Raque Adams, Ron Crimm, Mike Denham, Richard Henderson, Brent Housman, Adam Koenig, Stan Lee, Tom McKee, Michael Meredith, David Osborne, Jody Richards, Arnold Simpson, Rita Smart, and Jim Wayne.

Guests: Commissioner Jerry Lunsford and State Fire Marshal William Swope, Department of Housing, Buildings, and Construction; Peter Irvine, Public Protection Cabinet; Mason County Attorney John Estill, Jefferson County Attorney Mike O'Connell, and Bill Patrick, Kentucky County Attorneys' Association; Jeff Dean, Pendleton County Attorney; Bryan Dean; Phillip Hedrick, Boyd County Attorney; Joe Taylor, Grant County Attorney; Shelley Hampton, Kentucky Association of Counties; J.D. Chaney and Tony Goetz, Kentucky League of Cities; Jim Thompson, Education and Workforce Development Cabinet; Dan Walton, Labor Cabinet; and Mike Kurtsinger, Kentucky Firefighters Association.

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

Approval of Minutes

Upon the motion of Representative Denham, seconded by Representative Crimm, the minutes of the June 21, 2011 meeting were approved by voice vote.

Consideration of Referred Administrative Regulation

The committee considered referred Administrative Regulation 815 KAR 10:070 & E, which establishes the requirements and fees for registration of consumer firework retailers and locations within the Commonwealth. Representative Riggs stated that a written report of the review will be submitted to the LRC.

Discussion of the Office, Duties, and Challenges of County Attorneys

John Estill, Mason County Attorney and President of the Kentucky County Attorneys' Association, stated that in 1975 the county attorney became part of the "Unified Prosecutorial System." County and Commonwealth's Attorneys were unified for administration under the Prosecutors Advisory Council.

To be eligible for the position of county attorney, the candidate must be at least 24 years old, a citizen of Kentucky, a resident of the state for two years, and a resident of the county one year before the election. The candidate also must be a licensed, practicing attorney for two years before the election.

The Constitutional office of county attorney was established in 1850. The office serves state government in a prosecutorial role, and serves fiscal court and other county agencies as a legal advisor. The duties of county attorney as part of the Unified Prosecutorial System include: prosecution of all violations of criminal law within the jurisdiction of district court including (misdemeanors and felonies); and prosecutorial jurisdiction over juvenile issues (criminal acts, transfer of certain cases to adult status, truancy, dependency, neglect, abuse, and emergency custody orders). Mike O'Connell, Jefferson County Attorney, noted that the county attorney's office sent letters to parents regarding truancy and there was a 75 percent to 80 percent reduction in truancy due to those letters.

Mr. Estill explained that additional prosecutorial duties of the county attorney include working with the court and victims in emergency protection order (EPO) cases pursuant to Amanda's law. Mr. O'Connell stated that the enforcement of Amanda's Law has been difficult because it was not funded. Mr. Estill stated that the office of county attorney also handles extraditions; assists in disability/guardianship cases; and handles mental health commitments (obtaining emergency examination and 72 hours commitment and long term commitment). Mr. O'Connell mentioned that the county attorney also enforces penalties in cases of the elderly being exploited.

Regarding crime in Kentucky, Mr. Estill stated that crime rates and the types of cases substantially

impact both case and work load of county attorneys. DUI arrests are labor intensive. In 2010, the following statistics were reported: 29,917 persons were arrested for DUI. The county attorney's office is seeing big results from the recent, stricter DUI legislation; 19,250 arrests were made from petitions filed seeking domestic protective orders that resulted in related prosecutions; juvenile crime arrests were 49,167; and 61,413 persons were arrested for drug violations.

County attorneys perform the following duties to county government: attend the fiscal court or consolidated local government; conduct all business touching the rights and interests of the county; institute, defend and conduct all civil actions in which the county is interested before the courts of the Commonwealth (fiscal court and other officers and employees); give legal advice to fiscal court; give legal advice to the several county officers in all matters concerning county business within their jurisdiction; and oppose all unjust or illegally presented claims.

Other non-prosecutorial duties of county attorneys include: representing special and taxing districts; election duties (duty to advise, assist and investigate); filing suits for autopsy or participating in inquest; investigating entertainment permits; and assisting the Transportation Cabinet. The county attorney is advisory and counsel to: fiscal court; public works; special districts; county clerk; PVA; jailer; treasurer; county agencies; and Board of Elections. Some county attorneys take on additional responsibilities, which supplements funding for operation of offices, such as bad check collection, recovering delinquent property taxes, and collecting child support payments for parents.

In response to a question from Representative Simpson, Mr. Estill said county attorneys have the responsibility for the oversight of boards of special districts in an advisory role only, but do not have the personnel to attend every district's board meeting.

In response to another question from Representative Simpson, Mr. Estill said county attorneys typically only advise the smaller boards.

In response to a question from Senator Seum, Mr. Estill said the new e-warrant system takes longer to input warrants but the service of warrants is better.

In response to another question from Senator Seum, Mr. O'Connell said outstanding warrants are put in a purged docket but many are dismissed or thrown out. No one is responsible for tracking outstanding warrants prior to e-warrants. Senator Seum commented that he was not happy with the outstanding warrant process.

In response to a question from

Representative Smart, Mr. Estill said each county attorney has at least one assistant but the number depends upon the size of the county.

In response to a question from Representative Riggs, Mr. Estill said it is a challenge to get funding for county attorneys in counties that are growing.

In response to a question from Representative Crimm, Mr. O'Connell said EPOs are meaningless in the few situations where people do not abide by them. In most cases the EPO will get the attention of the person and that person will abide by it.

In response to a question from Representative Richards, Mr. Estill replied that special districts are supposed to file budgets. Representative Richards commented that there is not enough oversight of special districts.

Representative Richards also stated that there is a big problem with copper being stolen. Mr. O'Donnell said the stealing of copper is rampant and has been hard to get a handle on. Mr. Estill pointed out that recycling centers need to be the focus because that is where the thieves are taking the copper.

Representative Denham commented that the problem with 2011 HB 242, relating to the purchase of metals by recyclers to require signed proof of ownership, which he sponsored, is that the thieves are staying ahead of the legislation.

In response to a question from Representative Lee, Mr. Estill said percentages are not kept on how many county attorneys have a private practice. His office is part-time.

In response to a question from Representative Denham, Mr. Estill said there have been no complaints about 2011 HB 463 relating to omnibus revisions to the state's criminal justice system. The county attorneys are taking the "wait and see" approach. Mr. O'Connell added that it is too early to tell what effects it will have.

Representative Riggs told Mr. Estill and Mr. O'Connell to keep the committee informed.

Representative Riggs asked that the committee have a moment of silence for former Representative John Adams who had recently passed away.

Representative Riggs announced that the committee would meet in September.

There being no further business,

the meeting was adjourned at 11:50 a.m.

INTERIM JOINT COMMITTEE ON STATE GOVERNMENT

Minutes of the 3rd Meeting of the 2011 Interim August 24, 2011

Call to Order and Roll Call

The third meeting of the Interim Joint Committee on State Government was held on Wednesday, August 24, 2011, at 1:00 PM, in Room 154 of the Capitol Annex. Representative Mike Cherry, Co-Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Damon Thayer, Co-Chair; Representative Mike Cherry, Co-Chair; Senators Walter Blevins Jr., Jimmy Higdon, Gerald Neal, R. J. Palmer II, and John Schickel; Representatives Dwight Butler, Larry Clark, Leslie Combs, Tim Couch, Will Coursey, Danny Ford, Jim Glenn, Derrick Graham, Mike Harmon, Melvin Henley, Martha Jane King, Jimmie Lee, Brad Montell, Lonnie Napier, Sannie Overly, Darryl Owens, Tanya Pullin, Tom Riner, Carl Rollins II, Steven Rudy, Sal Santoro, John Will Stacy, Tommy Thompson, Tommy Turner, Jim Wayne, Alecia Webb-Edgington, and Brent Yonts.

Guests: Representatives Fred Nesler and Keith Hall; Greg Haskamp, Finance and Administration Cabinet; and Bill Thielen and T. J. Carlson, Kentucky Retirement Systems (KRS).

LRC Staff: Judy Fritz, Kevin Devlin, Brad Gross, Alisha Miller, Karen Powell, Greg Woosley, Bill VanArsdall, and Peggy Sciantarelli.

Approval of Minutes

The minutes of the July 21 meeting were approved, without objection. (This occurred near the end of the meeting.)

International Interest in Open Door Transparency in Kentucky

Greg Haskamp, Executive Director, Office of Policy and Audit, Finance and Administration Cabinet, gave an update about Kentucky's e-transparency web site, Open Door, which is serving as a model both nationally and internationally. Mr. Haskamp provided a one-page handout listing the numerous countries in Africa, the Middle East, and Asia that have expressed interest in Kentucky's searchable portal. He explained that Kentucky is the only state nationwide that has online expenditure records for all three branches of government and all independently elected offices. Much of the global interest involves the International Visitor Leadership Program, a premier professional exchange program that brings visitors selected by U. S. embassies around

the world to the United States for a three-week exchange program. It is handled under the auspices of the U. S. State Department and, in Kentucky, is sponsored by a number of groups, primarily the World Affairs Council of Kentucky/Southern Indiana and also the National Conference of States Legislatures. Since the Open Door's inception in 2009, leaders from 20 countries have come to Kentucky to learn about the website. The Cabinet is working to expand salary search information to include universities and quasi-governmental agencies, prepare for compliance with Senate Bill 7 [transparency legislation enacted in the 2011 Regular Session], and, in the long term, expand financial literacy resources. There were no questions for Mr. Haskamp. Representative Cherry thanked him for his report and also briefly spoke about his own recent discussions with a South African delegation.

Kentucky Retirement Systems Fund Loss Reporting Error

(This was a late addition to the meeting agenda at the Chair's request and is not listed on the official written agenda.) William Thielen, Interim Executive Director of KRS, and T. J. Carlson, Chief Investment Officer, were present to discuss why losses to the state employee pension fund in recent stock market volatility were not as severe as first reported. Mr. Carlson gave the following explanation.

The decline in the KRS financial portfolio had initially been reported by the media to be \$1.7 billion—or 15 percent—when it was in fact only \$500 million, or 5.4 percent. This happened because KRS staff released a pre-reconciled asset total for pension plan assets for the fiscal year through August 9, 2011. Due to a new asset allocation that took effect July 1, one section of the portfolio was being moved from the fixed income section, or bond section, to a real return section. When the KRS custodian ran the overnight account update, that account—valued at approximately \$1.1 billion—was missing from the consolidation. The reported 15 percent loss was calculated by reporters and not by KRS. When KRS noticed the reported value of its portfolio to be dramatically below that of the other three public pension plans listed by the media, it became apparent there was an error because KRS, as a result of current reallocations, has more cash in its portfolio than average public pension plans. On August 18, KRS issued corrected information. Mr. Carlson closed by stating that the KRS Investment Committee has put in place new reporting procedures to prevent unreconciled information from being released in the future. KRS has also begun discussions with its custodian regarding the possibility of reconciling account information on

a more frequent basis. When asked by Representative Glenn, he said that reporting could probably be done twice monthly with no increase in custodial fees; however, the KRS Board would have to decide whether increased fees would be justified for more frequent reporting.

Representative Cherry thanked the speakers. He also said he was heartened to see in KRS' press release that investment return in the KRS Pension Fund for the fiscal year ending June 30, 2011, was up approximately 19 percent, well above the assumed return rate of 7.75 percent.

Redistricting—Technological Aspects

Judy Fritz and Greg Woosley, State Government Committee staff, Geographic Information Systems (GIS) staff Scott Hamilton, and Office of Computer and Information Technology (OCIT) staff Jim Swain and Joel Redding, gave an overview of the technological aspects of redistricting, in preparation for the General Assembly's redrawing of legislative and congressional districts. Ms. Fritz, State Government Committee Staff Administrator, noted that a copy of today's PowerPoint presentation is included in the meeting folders and that it contains information about constitutional and case law relating to redistricting that will not be discussed today.

Ms. Fritz said it is anticipated that the redistricting system will be ready for use the first part of September—that is, precinct boundaries will have been verified and populated with the most recent census data, and the bill drafting and data systems will have been checked and double-checked. Upon approval by the Senate President and the House Speaker, in-house training and distribution of work stations will take place. She explained the process for submission of redistricting proposals and preparation of proposed plans as bill requests or amendments to existing bills. The process requires LRC staff to verify all redistricting plans and to create maps and reports to accompany each plan. The Senate State and Local Government and House State Government are the usual committees of jurisdiction for redistricting.

Mr. Woosley, State Government Committee staff analyst, discussed the process and requirements for establishment of election precincts by each county board of elections, pursuant to KRS 117.055. He explained that proposed precinct establishment orders (PEO) must be submitted to the State Board of Elections (SBE) for approval, and SBE must provide a copy of each submitted PEO to LRC for review and comment prior to SBE approval. Once a PEO is approved it is resubmitted to LRC for incorporation

into the LRC database. Effective July 15, 2010, precinct lines were frozen until after redistricting takes place. Mr. Woosley said that state law requires that no election precinct cross congressional, state senate, or state house district boundaries, as well as local magisterial district lines. Following redistricting, county boards of elections are required by state law to alter precinct boundaries so that they do not cross legislative district lines.

Mr. Hamilton, GIS Manager, discussed redistricting data preparation and the five-phase 2010 Census Redistricting Data Program, which provides states the opportunity to delineate voting and state legislative districts and to suggest census block boundaries for use in census redistricting data tabulations. He explained that in December 2005, LRC submitted legislative district boundaries under Phase 1 of the program. Kentucky only partially participated in Phase 2 (Voting District/Block Boundary Suggestion Project), since precinct boundaries were not submitted. The timeline for Phase 2 submissions was January-March 2009, and Kentucky precincts were not frozen until July 2010. In Phase 3, redistricting data and geographic products were delivered to the states. Kentucky received the census GIS geographic layers in January 2010 and the census population data in March. Under Phase 4, the newly drawn congressional and legislative district boundaries will be collected, and 2010 Census data will be tabulated to those new districts. The data will then be released via DVD and to American Fact Finder, the Census Bureau's online, self-service search tool that delivers a wide variety of population, economic, geographic, and housing information. Phase 5—evaluation and recommendations for the 2020 Census—began at the recent NCSL Annual Conference in San Antonio, Texas. In a roundtable meeting at the Conference with Census Bureau officials, a number of staff from different states suggested that submission of precinct boundaries under Phase 2 of the Redistricting Data Program be moved to a later date in order to allow for greater participation.

Mr. Hamilton reviewed the timeline for redistricting data preparation. From October 2008 to June 2009, LRC staff realigned precinct boundaries to the newly improved census geography; June 2009 to February 2011, known precinct geography and data discrepancies were resolved; February 21-May 4, 2011, precinct layers were created for each county, using the newly released 2010 Census Redistricting GIS layers received January 25; May 10-18, 2011, precinct maps were created

for each county; May 19, maps and accompanying documents were sent to county clerks for verification; May 25-July 19, precinct verification maps were returned to LRC by all 120 county clerks, and 60 counties required corrections to be made. The return rate from counties was only 60 percent in the previous round of redistricting. In July 2011, a statewide precinct layer was created. Kentucky has 3,578 precincts—an increase of 218 from the 2000 Census—and 161,672 census blocks—an increase of 29,373. Mr. Hamilton concluded by pointing out that the redistricting system would have been ready for use upon release of redistricting data by the Census Bureau if Kentucky could have fully participated in Phase 2 of the Redistricting Data Program. Full participation was not possible, though, because of election filing deadlines and the requirement to freeze precincts.

Mr. Swain, Chief Information Officer, briefed the Committee regarding storage and sharing of redistricting plan files and security procedures that are in place to protect the confidentiality of plan proposals and bill requests. He explained that, in addition to the security provided by the Maptitude software, there will also be instant offsite replication of data via fiber optics, nightly backups to a robotic tape system, and uninterruptible power systems. Computer stations with redistricting software for public use will be located in the LRC library, and unique logins and security will be provided for all users.

Mr. Redding, Deputy Chief Information Officer and LRC Webmaster, gave an overview of LRC's "Redistricting 2010" web page that will go online at a later date. Included in the web site will be links to redistricting bills and plan reports that have been made public, 2010 population information, current district maps, and census and redistricting information from the U. S. Census Bureau and the National Conference of State Legislatures. He noted that LRC's web site currently contains a link to "2010 Census Redistricting Data."

The staff presentation concluded with an on-screen demonstration of the Maptitude software by Mr. Woosley. This was followed by questions and comments from committee members.

When Representative Lee asked who is responsible for changing or establishing precinct lines, Mr. Woosley explained that county boards of elections, in conjunction with the State Board of Elections, control the creation of precinct boundaries. State law says that after each election the county board should review any precinct in which the votes cast in the last election totaled 700 votes or more. The only statutory provision that

speaks to a mandatory change says that the State Board may withhold funds to counties for administration of elections if a precinct population increases by more than 1,500 registered voters.

Representative Lee asked about the legality of local governments moving precincts from one legislative district to another through annexation—a situation that had occurred in his own district. Mr. Woosley said that he cannot render a legal opinion but explained that state law prohibits precinct lines from crossing legislative boundaries and prohibits county boards of elections from altering legislative districts.

Responding to a question from Representative Montell, Mr. Hamilton explained that even though Kentucky did not gain significant population in the 2010 Census, the number of census blocks increased by 29,373 in order to accommodate the population increase in some areas that caused existing census blocks to become too populated.

Representative Graham asked whether the population in his district is properly represented now, since it had been altered by the moving of two precincts from the city into the county in error after the 2010 Census. Mr. Hamilton said that the mistake had been rectified. Responding to another question from Representative Graham, Representative Cherry said that state legislative and congressional redistricting plans can be filed either in separate bills or in the same bill, as was done in House Bill 1 (2002 Regular Session).

Representative Stacy and Representative Combs stated their opinion that in some counties there are split precincts where legislative district boundaries do not follow precinct lines. Mr. Woosley indicated that precinct boundaries have historically been used in the redistricting process, in accord with state law. Representative Cherry said he, too, believes there may be some split precincts, and he directed staff to research this question and advise the Committee.

Representative Stacy and Representative Overly asked about the timetable, requirements, and authority for the redrawing of judicial districts. Mr. Woosley said that the Kentucky Constitution speaks to judicial redistricting with permissive language, while sections applying to legislative redistricting speak in mandatory language. Representative Cherry requested staff to research this issue also.

Senator Thayer said he has been contacted about judicial redistricting and is of the opinion that it should be addressed in the next legislative session. He said he was told it has been 20 years since judicial districts were last redrawn and that some judicial

districts are completely out of balance with regard to population.

Subcommittee Report and Adjournment

Senator Thayer, Co-Chair of the Task Force on Elections, Constitutional Amendments, and Intergovernmental Affairs, reported on the Task Force's July 26 and August 23 meetings. The report was adopted without objection. Business concluded, and the meeting was adjourned at 2:25 p.m.

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

Minutes of the 3rd Meeting of the 2011 Interim August 11, 2011

Call to Order and Roll Call

The 3rd meeting of the Interim Joint Committee on Veterans, Military Affairs, and Public Protection was held on Thursday, August 11, 2011, at 1:00 PM, in Room 154 of the Capitol Annex. Senator Jack Westwood, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jack Westwood, Co-Chair; Representative Tanya Pullin, Co-Chair; Senators Carroll Gibson, Vernie McGaha, Dennis Parrett, Joey Pendleton, Dan "Malano" Seum, Kathy W. Stein, Katie Kratz Stine, and Mike Wilson; Representatives Royce W. Adams, Dwight D. Butler, Mike Cherry, Tim Couch, Myron Dossett, David Floyd, Jimmie Lee, Rick G. Nelson, Fred Nesler, Tom Riner, Carl Rollins II, and Ben Waide.

Guests: John Glisson, President, Jack Strunk, Lucy Strunk, and Jack Strunk Jr., members, Lexington Chapter of the Kentuckiana Regional Group of the Blinded Veterans Association, Inc.; Pamela Glisson, Executive Director, Gina Wallace, Executive Administrative Coordinator, Todd Stevens, Board Treasurer and Special Projects Coordinator, Hampton Washington Graves, Chaplain, Independent Place, Inc.; Brett Morris, Associate Director for Veterans Affairs, Eastern Kentucky University; Dr. Roosevelt Shelton, Associate Vice President for Enrollment Management, Kentucky State University; Jeffrey Liles, Assistant Vice President Enrollment Services, Jill McBride, Student Veteran Advocate, Morehead State University; Dr. John Yates, Professor Emeritus and Director of the Transfer Center, Murray State University; Dave Merriss, Director of the One Stop Shop, Northern Kentucky University; Tony Dotson, Coordinator for Veterans Resource Center, University of Kentucky; Terri Hernandez, Director of Transfer for

Adult Services and Military and Veterans Affairs Services, University of Louisville; and Tonya Archey, Director of Military Student Services, Western Kentucky University.

LRC Staff: Erica Warren, Clint Newman II, Kristopher Shera, and Rhonda Schierer.

Minutes

Representative Lee moved to approve the July minutes. Representative Pullin seconded the motion. The minutes were approved.

Resolution

Representative Royce Adams read a resolution in memory and honor of Sergeant Jeremy Russell Summers. Representative Pullin moved to adopt the resolution, Senator Parrett seconded the motion, and the motion was adopted.

KY NFB-NEWSLINE Demonstration

John Glisson, President of the Lexington Chapter of the Kentuckiana Regional Group of the Blind Veterans Association, Inc., introduced his guest and team members to include: Pamela Glisson, Executive Director, Gina Wallace, Executive Administrative Coordinator, Todd Stevens, Board Treasurer and Special Projects Coordinator, Hampton Washington Graves, Chaplain, Independence Place, Inc., and Jack Strunk, Lucy Strunk, and Jack Strunk Jr., members of the Kentuckiana Regional Group of the Blinded Veterans Association of Lexington Chapter, Inc.

Mr. Glisson spoke to the committee about the KY NFB-NEWSLINE and discussed its importance to blinded or severely disabled individuals, including veterans. He shared stories of veterans who have greatly benefited from the newslines service. He explained that a veteran does not have to be blind in order to be eligible for the service. There are 3,000 known blinded veterans in Kentucky and upwards of 41,000 veterans and family members who are eligible for the service. The service allows him and all other veterans that are eligible to connect with their audiences, communities, and families.

Mr. Stevens gave a demonstration of a Victor Reader device which reads written material in an audio format. On the KY NFB-NEWSLINE website, there is a tool that will help individuals transfer their favorite articles or an entire newspaper from their computer onto the device easily in a matter of seconds. Mr. Stevens downloaded the USA Today paper and demonstrated the various ways to use the device and listen to the editorials. Jack Strunk gave a demonstration of the KY NFB-NEWSLINE with a phone in the committee room. He said there is no other service like it in the world.

In response to a question from Senator Stine, Mr. Glisson stated that

a KNFB reader mobile phone device is portable and will scan items quickly, but it is costly. The mobile device costs around \$4,500.

In response to a question from Representative Floyd regarding veterans who are retirees and receive disability compensation exempt from taxes, Mr. Glisson stated that he believes that those veterans are also eligible to receive service. He said that many times veterans do not admit that they are blind or even visually impaired.

In response to a question from Chair Westwood regarding the Accessible Electronic Information Act which became law in 2004, Mr. Glisson stated that although the Governor line-item vetoed the funding mechanism, the legislation is still in place but is not being funded, except for \$40,000 for the service to be accessible to Kentucky. He said that operations, technical assistance, content, development, outreach, and marketing are not being funded and therefore the program is not accessible to the number of individuals that need it.

Veterans Services Offices of Kentucky's State Universities

Brett Morris, Associate Director for Veterans Affairs, gave a PowerPoint presentation on the veterans' services available at Eastern Kentucky University. Dr. Roosevelt Shelton, Associate Vice President for Enrollment Management, gave a PowerPoint presentation on the veterans' services available at Kentucky State University. Jeffrey Liles, Assistant Vice President Enrollment Services and Jill McBride, Student Veteran Advocate, presented a packet of information on the veterans' services available at Morehead State University. Dr. John Yates, Professor Emeritus and Director of the Transfer Center, gave a PowerPoint presentation on the veterans' services available at Murray State University. Dave Merriss, Director of the One Stop Shop, gave a PowerPoint presentation and a short video on the veterans' services available at Northern Kentucky University. Tony Dotson, Coordinator for Veterans Resource Center, gave a PowerPoint presentation on the veterans' services available at University of Kentucky. Terri Hernandez, Director of Transfer for Adult Services and Military and Veterans Affairs Services, gave a PowerPoint presentation on the veterans' services available at University of Louisville. Tonya Archey, Director of Military Student Services, presented a packet of information on the veterans' services available at Western Kentucky University. All PowerPoint presentations and correspondence are a part of this record located in the Legislative Research Commission's library.

In response to a question from Senator Seum regarding the GI Bill, Mr. Morris, Eastern Kentucky University (EKU), stated that the Montgomery GI Bill has a 10 year delimiting date. The Post 9/11 GI Bill has a 15 year timeframe upon discharge. In response to Senator Seum, Mr. Morris stated that the KEES Program is available to high school graduates who leave for military duty and return.

In response to a question from Representative Floyd, Mr. Morris stated that the most common degree veterans are seeking at EKU is criminal justice and occupational safety.

In response to Senator Pendleton, Mr. Morris stated that the Army Times ranked EKU as the number one college in Kentucky for being veteran friendly based upon a survey of responses from the Kentucky schools.

In response to Senator Pendleton, Dr. Shelton, Kentucky State University, stated that the university has counselors on hand to help veterans who have to take out loans and also to counsel them on doing so as a last resort.

In response to a question from Representative Floyd, Mr. Liles, Morehead State University, stated that he was not sure if students need to be full time in order to be eligible for a housing allowance.

In response to a comment from Representative Waide, Dr. Yates, Murray State University (MuSU), stated that the two most popular programs for veterans are the Bachelor of Integrated Studies Program and the Bachelor's of Business Administration which are both available online.

In response to a comment from Senator Pendleton, Dr. Yates stated that MuSU is working hard to try to attract military and military family members to the campus in Hopkinsville.

Co-Chair Pullin commented to Mr. Merriss, Northern Kentucky University, that on behalf of the Veterans, Military Affairs, and Public Protection, the committee salutes his mother and all the members of the Women's Army Core as they participated in saving the world.

In response to a question from Representative Floyd, Mr. Dotson, University of Kentucky (UK), stated that UK does not have very many classes online. However, students do not have to be full time in order to receive a portion of their stipend.

In response to a question from Senator Stein, Mr. Dotson stated that he was unsure of why there were few courses online at UK. However, UK has the Graduate Level Program for Library Science Degree online. He added that the new Dean of the College of Arts and Sciences is working to increase the online class output of UK tenfold.

In response to a question from Chair Westwood, Mr. Dotson stated

that UK is not accepting out of state veterans for in state tuition. He added that UK increased its Yellow Ribbon Program participation.

In response to a question from Representative Lee, Mr. Dotson stated that he was not aware of any restrictions on veterans being involved in the athletic programs of any of the colleges.

In response to a question from Chair Westwood, Ms. Hernandez, University of Louisville (U of L), stated that to the best of her knowledge U of L is accepting the option of out-of-state veterans receiving in-state tuition.

In response to a suggestion from Representative Riner, Ms. Hernandez stated that U of L will strive to make sure that the military friendly designation is known throughout the community.

Other Business

Co-Chair Pullin noted that the Veterans, Military Affairs, & Public Protection Committee will meet on the regular meeting date, time, and place for the rest of the interim.

There being no further business, the meeting adjourned.

CAPITAL PLANNING ADVISORY BOARD

Minutes of the 4th Meeting of the 2011 Calendar
August 26, 2011

Call to Order and Roll Call

The fourth meeting of the Capital Planning Advisory Board was held on Friday, August 26, 2011, at 10:00 A.M., in Room 113 of the Capitol Annex. Representative Melvin Henley, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jack Westwood, Co-Chair; Representative Melvin B. Henley, Co-Chair; Senator Paul Hornback, Representative Ron Crimm, David Buchta, Charles Byers, Laurie Dudgeon, Ben Fletcher, Carole Henderson, John Hicks, Bill Hintze, F. Ryan Keith, Mary Lassiter, Mark R. Overstreet, and Katie Shepherd.

Guests: John Covington and Denise Pitts, Kentucky Infrastructure Authority; Cabinet Secretary J. Michael Brown and Dr. Tracey Corey, Justice and Public Safety Cabinet; Laurie Dudgeon, Carole Henderson, and Charles Byers, Kentucky Court of Justice; Bob Wiseman and Steve Byars, University of Kentucky; Charles Bush, Finance and Administration Cabinet, Division of Real Properties; Sherron Jackson, Council on Postsecondary Education; and Janet Lile, Commonwealth Office of Technology.

LRC Staff: Shawn Bowen, Kristi Culpepper, and Jennifer Luttrell.

Approval of Minutes July 29, 2011

Mr. Hintze noted a correction to the July minutes. On page 5, paragraph 2, the last sentence should be corrected to read "Also, the Department would like to move the Emergency Operations Center from three locations in Frankfort to the Boone National Guard Center."

There was a motion made by Representative Crimm, seconded by Mr. Hintze, and adopted by voice vote to approve the corrected minutes of the July 29, 2011 meeting.

Information Item

Ms. Bowen said there was one information item included in members' binders pertaining to the Department of Military Affairs' capital plan. The agency has amended certain portions of its plan to include seven additional General Fund priorities.

Review of agency capital plans

Representatives from the Kentucky Infrastructure Authority (KIA) gave a brief overview of the agency's capital plan. Testifying before the board were John Covington, Executive Director and Denise Pitts, Treasurer.

KIA was created in 1988 and is administratively attached to the Department for Local Government. The agency's mission is to fund infrastructure projects across the Commonwealth. Over the six-year period, KIA proposes funding in the amount of \$906,840,000 for its loan and grant programs. Of this amount, \$338,640,000 is General Funds, \$193,200,000 is Federal Funds, and \$375,000,000 is Agency Bonds.

In response to questions from Representative Henley, Mr. Covington said KIA can only fund projects for public governmental agencies, and most of the requests for broadband projects come from municipalities. KIA has funded broadband projects in Glasgow, Hopkinsville, and in the Green River Area Development District.

Noting recent concerns with the federal debt ceiling, Representative Henley asked if KIA anticipates any changes in the amount of federal funding it receives. Mr. Covington responded that there is a trend of reduced federal funding.

In response to a question from Senator Westwood, Mr. Covington said the Fund F program receives federal funds and requires a state match of 20 percent. KIA utilizes the funds to make loans to governmental agencies; the loan repayments from these agencies are then used to make loans of a similar nature to other utilities or systems.

In response to a question from Senator Westwood regarding an increase in Environmental Protection Agency (EPA) requirements for infrastructure projects, Mr. Covington explained that many of the water

treatment plants are aging facilities in need of replacement and, in some cases, complying with EPA standards may require the facilities be upgraded.

In response to comments from Representative Henley regarding the use of outdated water treatment methodologies, Mr. Covington said there was a period of time in the 60s and 70s when the EPA encouraged innovation and new technologies for new water treatment plants. Some of those technologies worked and some did not, and most of those plants built using innovative technologies have either been replaced or taken out of service.

The next plan to be reviewed was for the Justice and Public Safety Cabinet. Representing the Cabinet were Secretary J. Michael Brown and Dr. Tracey Corey, Chief Medical Examiner. Secretary Brown gave a brief overview of the Cabinet's capital plan, noting that the Kentucky State Police (KSP) had recently amended its capital plan. KSP has changed its number two priority from the "Construct Kentucky State Police Training Center" project (\$34,683,000) to the "Renovation of New Academy Buildings and Grounds" project (\$5,000,000).

KSP had initially planned to build a new training facility; however, with the recent closing of the Frankfort Career Development Center, KSP will assume title to the facility from the Department of Corrections and convert it to a training facility. The renovations are expected to cost \$5,000,000 and will save the state approximately \$29,000,000. The training center site is approximately 362 acres, and the renovations will be completed in phases.

Secretary Brown said the downward trend in the prison population, and the passage of House Bill 463 by the 2011 General Assembly, were cited as factors in the decision to close the Career Development Center. Employees were relocated to other facilities and the inmate force that provides the governmental service programs in Frankfort is operating out of Blackburn and the Franklin County Jail.

In response to questions from Senator Westwood, Secretary Brown said the Frankfort Career Development Center does not house inmates with substance abuse problems. Those inmates are housed in other facilities and jails throughout the state. The Frankfort facility houses the Department of Corrections' minimum security population.

In response to a question from Representative Crimm regarding the use of inmates for carpentry work at state parks, Secretary Brown said the Department of Corrections administers programs whereby inmates work in the

community. However, before a decision is made to place inmates in community work programs, the Department must perform a risk analysis and determine the transportation and security needs.

In response to a question from Representative Henley, Secretary Brown said the inmates in community work programs do not come from medium or high level security prisons, but from minimal security facilities. He said some of the issues with utilizing this kind of labor can be solved if the agency requesting the work pays the cost for transportation and security.

Secretary Brown next discussed the Cabinet's number one priority, the construction of a \$20,130,000 medical examiner's office and crime lab in Jefferson County. KSP currently maintains leased space for a crime lab in Jefferson County. KSP did over 12,000 cases last year and the demand for cases in crime labs has risen. The most efficient way to meet this demand would be to co-locate the crime lab with the medical examiner's office. Many times they do not know if the cases that come into the medical examiner's office will develop into a criminal case, and combining these two offices will save a great deal of time and effort.

Dr. Corey said the Medical Examiner Division of the Justice and Public Safety Cabinet has four regional offices located in Frankfort, Ft. Thomas, Madisonville, and Louisville. There are a myriad of problems with the Louisville facility, including its location – on the seventh floor of a public building. Other issues with the facility include inadequate space due to high caseloads, HVAC problems, lack of privately controlled access, and roof leaks.

Mr. Hintze said when the state built the central lab in Frankfort, the State Police Central Crime Lab and the medical examiner's Frankfort office were co-housed with the lab. When the central lab opened in the early 90s it was a national model. Mr. Hintze said the Louisville medical examiner's office serves the state's largest, most populous county, as well as a disproportionate number of jurisdictions throughout the state, and it is time to build a professional publicly-owned facility to house the medical examiner's office.

Senator Westwood said it makes sense to put the medical examiner's office and the crime lab together, as it would better facilitate the flow of information between the two agencies. He inquired as to whether any of the scientific evidence being processed could be at risk of loss because the two offices are not co-housed. Secretary Brown said the staff maintains a high degree of professionalism, and the scientific evidence being processed is not at risk. There could, however, be

a delay in processing evidence due to the current space limitations of the facility. This delay in turn could cause a backlog at the trial court level.

In response to a question from Mr. Hicks, Dr. Corey said work space is very limited. The Medical Examiner Division occupies about 15,000 square feet through a free lease with the Louisville Metro Government. The Division is located in an old hospital and a lot of the space is hallway space, which is not usable due to fire codes. Dr. Corey said the Medical Examiner Division needs about 24,000 square feet in a new facility.

The next plan to be reviewed was for the Kentucky Court of Justice. Representing the Court of Justice were Laurie Dudgeon, Director, Administrative Office of the Courts (AOC); Carole Henderson, Budget Director, AOC; and Charles Byers, Chief Information Officer, AOC. Ms. Dudgeon said over the six-year period, the Court of Justice plans to request funding for six new judicial center projects. Projects are planned for Nicholas and Henry counties in 2012-14, Bath and Lee counties in 2014-16, and Fulton and Owsley counties in 2016-18.

Ms. Dudgeon discussed the Court of Justice' number one priority, the E-Case and Docket Management System (\$28,132,000). Funding for this three-phase project is also proposed in 2014-16 (\$20,166,000) and 2016-18 (\$14,650,000). The current case management system supports all 120 counties, and is over 20 years old. This system is well beyond its life expectancy and is functionally and technically obsolete. Both COT and the National Center have recognized the consequences of a catastrophic system failure, and have recommended replacement of the system as a high priority.

In response to a question from Mr. Hicks, Ms. Dudgeon said there are several state courts that have successfully transitioned from a patchwork system to an integrated system. Mr. Byers said Arkansas, Missouri, Oklahoma, and New Mexico are states either in the process of transitioning or have transitioned to an integrated casework system.

Staff Report on Kentucky's Bonded Indebtedness

Kristi Culpepper, Committee Staff Administrator for the Capital Projects and Bond Oversight Committee, discussed a report on the state's debt position as part of the capital planning process. In summary, the report noted that Kentucky's near-term financial picture has improved since the economic downturn. Revenues have returned to pre-recession levels and the state has begun replenishing the Budget Reserve Trust Fund. Kentucky has been penalized by the rating

agencies, however, for a number of financial practices. Policymakers have enacted a series of structurally-imbalanced budgets that use non-recurring resources to offset recurring expenditures. The state has a large debt burden relative to other states using various debt indicators. Finally, the state has low pension funding levels that are expected to decline further. These issues will limit the resources available to support additional borrowing.

Senator Westwood noted that the state is currently under the six percent guideline, which calls for debt service on appropriation-supported debt to be no more than six percent of total General Fund, Road Fund, and Restricted Fund revenues. He asked if the six percent figure takes into account the debt restructuring transactions the state accomplished in FY 2011. Ms. Culpepper responded that the six percent ratio compares the state's debt service to revenues and the figure takes into account the debt restructuring transactions. She added that restructuring debt extends the state's current debt service out to some future date. While this action reduces the state's current commitments, it does not reduce the state's long-range commitments.

Senator Westwood asked if agency bonds issued by the universities count against the state's bond rating. Ms. Culpepper said the state has an intercept program in place and rating agencies, such as Moody's, view the intercept program as a credit enhancement the state is providing to the universities. If there is a situation where the universities will not be able to make a debt service payment, the state would intercept funds to make that payment on the universities' behalf. The rating agencies recognize that there is some level of support there, but at the same time, it is not the same kind of commitment as general funds. The universities are treated as distinct credits by the rating agencies. All universities have underlying ratings from the rating agencies, and the ability to assume additional leverage depends on the characteristics and market position of each university.

Ms. Lassiter noted that the report was a comprehensive overview of the state's past financial position and the implications of that. She said the state will continue to struggle budgetarily for several years and actions that the state has taken to weather the storm have increased its burden in the out years.

Ms. Lassiter said things are beginning to improve and, at the end of FY 2011, for the first time, the state made the largest deposit to its Rainy Day fund. Debt restructurings have been done in the last two budgets. Kentucky was not the only state that

restructured its debt for budgetary relief. The restructuring was done to keep from cutting education, healthcare, and public safety more than necessary. Had the state not restructured its debt to lessen its obligations in the current period, and elected to use that money for something frivolous, that would have been viewed as negative from the rating agencies. The rating agencies acknowledge a good public policy reason for debt restructuring in troubled times.

Ms. Lassiter said the six percent rule is a Kentucky-only guidepost. The rating agencies have their own metrics they use to evaluate the state's financial position. Those metrics include variables such as the state's ability to respond to changes in the economy, whether the budget is structurally balanced, and the state's debt position.

Mr. Hicks said the report provides a good historical framework. He said Kentucky has chosen not to put a lot of cash in capital projects, so the use of debt has become a primary source of funding. In reference to Table 4 on page 9 of the report, New Appropriation-Supported Debt Authorized in 1984-2012, Mr. Hicks noted that about 14 years ago the state began issuing more debt to support higher education and water and sewer infrastructure projects.

Mr. Hicks said rating agencies view the Commonwealth as whole then take into account the projects, and whether those projects generate revenue. In addition, rating agencies also review the economic status of the state.

Relative to Mr. Hicks' comments regarding agency bonds as a moral obligation of the state and the school intercept program, Ms. Culpepper said there is a lot of moral obligation debt of the Commonwealth, such as the school intercept and the Kentucky Housing Corporation, that is not included in the six percent calculation. The six percent ratio does not necessarily mean that all of the debt captured there is supported by the same kinds of revenues and has the same kind of commitment.

Discussion - Statewide Plan Project and Policy Recommendations

Representative Henley said it is the practice of this board to include both policy and project recommendations in the statewide capital plan. The first three policy recommendations are based on discussions from meetings held this year. The last three policy recommendations are standard recommendations that have been included in past plans.

Relative to the policy recommendation to amend the current leasing statutes in 2012, Mr. Bob Wiseman, Vice-President for Facilities at the University of Kentucky, said

the leasing statutes are well written and work fine when generic office space is being leased. However, some of the issues the university has with the current leasing laws include the 30-day cancellation clause, the advertising requirements, and the initial eight-year lease term. Medical and scientific facilities are unique in nature, and the university, when leasing this type of space, must utilize an exceptions clause contained within the statutes. In a public environment of accountability and transparency, requesting an exception to the current lease laws may create the appearance that the university is doing something that is not permissible.

Mr. Hicks said there has been an initial meeting with the Finance and Administration Cabinet, LRC staff, and other staff from the Office of State Budget Director to discuss this issue, and they are committed to continuing those discussions. Representative Henley said it may be a good idea for UK to work with staff of the Finance and Administration Cabinet to address the leasing issues and pursue legislative changes later.

In response to a question from Senator Westwood, Mr. Wiseman said there are occasions where sole source vendors should be recognized, particularly when leasing medical and scientific facilities.

Relative to the issue of maintenance and operational (M&O) funding related to agency bond projects, Steve Byars, Director of Government Relations, UK, said the university does not request M&O funding for agency bond funded projects. Funding for operational costs is built into the project budget.

In response to a question from Senator Westwood, Mr. Hicks said none of the universities request M & O funding for their agency bond funded projects.

Charles Bush, Director of the Division of Real Properties, Finance and Administration Cabinet, addressed the board regarding the potential policy recommendation to amend certain state leasing statutes. He said Finance Cabinet staff has met with the universities regarding this issue and they believe there are tools within the current statutes that would address the problems outlined here today. He said the staff is very comfortable working with the universities regarding this issue under the current leasing statutes.

Representative Henley said the next recommendation relates to the Council on Postsecondary Education (CPE). CPE is requesting the board's support for its new multi-biennia approach for financing capital needs for postsecondary institutions. He introduced Sherron Jackson, Associate Vice President of Budget, Planning,

and Policy, CPE, to further discuss the issue.

Mr. Jackson said this new strategy is a unique concept that will allow CPE and the postsecondary institutions to address critical needs noted in the 2007 VFA Study. The new model would recommend that a pool of funds be established and administered by CPE, and funding be done in terms of an allocation of dollars to each university rather than all funds authorized on a per-project basis.

In response to a question from Representative Henley regarding the allocation of funds for Morehead and Murray, Mr. Jackson said the report that was developed by VFA, and the contractors reviewed all of the education and general facilities on the campus. Based on the age of the facilities and the time frame in which those facilities may or may not have been renovated and brought up to code, there appeared to be a need to address the existing facilities to a greater extent than it would be to expand the size of the campus solely based on the student body.

Ms. Lassiter said this board has held deferred maintenance as a priority for many years. The issue of deferred maintenance funding is not unique, and currently there is a study being conducted of primary and secondary schools throughout the state to determine what the needs are as well.

Ms. Lassiter noted that CPE's new strategy calls for postsecondary capital funding decisions to be made by CPE and the institutions. Historically, these decisions have been made by the General Assembly. She encouraged CPE to discuss this process further with members of the General Assembly.

Mr. Jackson said since the early 1990s, the Executive Branch and the General Assembly have preferred to fund maintenance pools or have provided moneys in a pool predicated on a list of projects that have been identified from which the institutions have been able to spend those dollars without it being a line item in the budget. In this proposal, CPE would envision the same thing, except in this case, the Council wants to ensure that some of the expenditures for postsecondary education are directed towards asset preservation rather than new and expanded projects.

Representative Henley next discussed a policy recommendation relating to the Commonwealth Office of Technology (COT). As part of the capital planning process, COT reviews the information technology projects submitted by agencies. COT has requested that the board endorse its recommendation that information technology, or IT planning, should emphasize an approach that considers

the Total Cost of Ownership (TCO). TCO which takes into account items such as servers, data storage, network, and communications, most of which would be delivered for state agencies by a central source as an operating cost. He introduced Janet Lile, Executive Director, COT, to further discuss the recommendation.

Ms. Lile said the maintenance, upkeep, and operating costs for IT systems are very important to consider before implementing an IT project, and it is a disservice to state agencies when a capital project is approved and they do not allow for the inclusion of operating costs upfront. To better formulate project cost estimates, COT has developed a form that will assist agencies identify the TCO for IT systems when preparing agency budget requests.

Mr. Hicks said steps are being taken to include the TCO in project cost estimates. The IT form for the capital planning system was revised this year to include the TCO over a five-year period. Also, the LRC budget instructions for the upcoming biennial budget include instructions for determining the TCO for all capital projects, not just IT.

In response to a question from Representative Henley, Ms. Lile said the state maintains contracts with independent companies that evaluate and provide ratings for hardware and other type of IT products available for purchase.

In response to a question from Mr. Overstreet, Ms. Lile said in the past, technology systems were sometimes contained to individual areas, such as an employee's desktop or within their work areas. Now, due to the expansion of Internet and broadband service, the exchange of information is widespread.

Representative Henley said the three remaining recommendations have been included in past plans. Those recommendations include a study of the state's debt policies and practices, funding for the Budget Reserve Trust Fund, and adequate funding for state agency maintenance pools.

Ms. Bowen next discussed the voting process for member project recommendations. The voting sheets will be e-mailed to members after the August 26 meeting. Responses are due September 9 and will be included in the meeting materials for the September 23 meeting.

With there being no further business, Representative Crimm made a motion to adjourn the meeting. The

motion was seconded and the meeting adjourned at 12:00 P.M.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes of the 7th Meeting
of the 2011 Interim
August 16, 2011

Call to Order and Roll Call

The 7th meeting of the Capital Projects and Bond Oversight Committee was held on Tuesday, August 16, 2011, at 1:00 PM, in Room 169 of the Capitol Annex. Representative Jim Glenn, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Bob Leeper, Co-Chair; Representative Jim Glenn, Co-Chair; Senator Jared Carpenter; Representatives Steven Rudy and Jim Wayne.

Guests: Donna Duncan, Commissioner, Department of Financial Incentives, Cabinet for Economic Development; John Hicks, Deputy Director, Governor's Office of Policy Management; Brian Simmons, Internal Policy Advisor, Department of Military Affairs; Charles Bush, Director, Division of Real Property, Finance and Administration Cabinet; Kasi White, Financial Analyst, Kentucky Infrastructure Authority; and Brett Antle, Deputy Executive Director, Office of Financial Management.

LRC Staff: Kristi Culpepper and Jennifer Luttrell.

Approval of Minutes

Representative Rudy made a motion to approve the minutes of the July 19, 2011, meeting. The motion was seconded by Representative Wayne and approved by voice vote.

Information Items

Representative Glenn asked Kristi Culpepper, Committee Staff Administrator, to present information items. Ms. Culpepper said members' folders contained six information items. The first three items provided additional information regarding projects discussed at the July meeting: Department of Military Affairs – Construct Asphalt Team Facility Project; leases for debris storage sites from the January 2009 ice storm; and an Economic Development Bond grant for the Louisville / Jefferson County Metro Government for the benefit of AAF-McQuay Incorporated.

The fourth information item was the annual report on the Economic Development Bond program.

The fifth information item was a report on a High-Tech Investment / Construction Pool grant for Nucleus Innovation Park in Louisville, Kentucky.

The sixth information item was

the Bond Market Update.

In response to a question from Senator Leeper, Donna Duncan replied that the Cabinet for Economic Development is still negotiating the terms of the grant agreement for NHK Spring Precision of America and that no funds have been released.

Follow-up Reports for Previously Approved Bond Issues

Representative Glenn asked Brett Antle, Deputy Executive Director, Office of Financial Management, to present three items. Mr. Antle said the first item was the approval of \$367,295,000 of State Property and Buildings Commission Revenue and Revenue Refunding Bonds, Project Number 100. Proceeds from this bond issue will: (1) provide new money for \$110 million of projects authorized by the General Assembly from 2005 to 2010; (2) refund certain prior bonds at a \$17 million net present value savings; and (3) restructure approximately \$127 million of debt maturing in Fiscal Year (FY) 2012 for budgetary relief. The transaction priced on June 22 and closed on July 7, 2011. The all-in true interest cost was 3.68 percent. The bonds were sold on a negotiated basis with Citi serving as senior underwriter. Peck, Shaffer, and Williams served as bond counsel and Bank of New York Mellon is the trustee.

The second item was the approval of \$27,935,000 Murray State University General Receipts and General Receipts Refunding Bonds, Series A, B, and C. Proceeds from this bond issue will finance renovations to Elizabeth Hall and refund all of the university's outstanding Housing and Dining bonds. The bonds were sold on a competitive basis on June 22, 2011. The Series A and C bonds closed on July 12, and the Series B bonds closed on July 26, 2011. Baird purchased the Series A and C bonds and Hutchinson, Shockey, Erley, and Co. purchased the Series B bonds. The final maturity on the bonds is September 1, 2031, and the all-in true interest cost for the three series combined is 3.7 percent. The refunding component produced a present value savings of negative \$492,262. Hilliard Lyons served as financial advisor. Peck, Shaffer, and Williams served as bond counsel, and US Bank is the trustee.

The third item was the approval of \$5,090,000 of Morehead State University General Receipts Bonds, 2011 Series A. Proceeds from this bond issue will finance the renovation of East Mignon Residence Hall. The bonds were sold on a competitive basis on July 14 and closed on July 25, 2011. The final maturity on the bonds is November 1, 2030, with an all-in true interest cost of 3.97 percent. The bonds were purchased by Morgan Keegan. Hilliard Lyons served as financial advisor. Peck, Shaffer, and

Williams served as bond counsel and US Bank is the trustee.

Unbudgeted Capital Projects from the Finance and Administration Cabinet

Representative Glenn asked John Hicks, Deputy Director, Governor's Office of Policy Management, to present three items. Mr. Hicks said the first item was an unbudgeted capital project for the Department of Military Affairs (DMA) for the Weapons of Mass Destruction Building Parking Area Expansion at the Air Guard Base in Louisville. The project involves an approximately 2,800 square-foot expansion to an existing vehicle storage bay. The project scope is \$750,000 and will be paid entirely from federal funds.

In response to a question from Representative Wayne, Brian Simmons, Internal Policy Advisor, DMA, said that the Weapons of Mass Destruction Building deals with bio-terrorism.

In response to a question from Representative Wayne, Mr. Hicks explained that \$750,000 was the threshold below which the National Guard Bureau could make spending decisions without congressional action. Mr. Hicks noted that all three of the projects being submitted to the committee were included in DMA's capital plan.

Representative Wayne asked if the state procurement code has been followed for the DMA projects. Mr. Hicks responded affirmatively.

Senator Leeper made a motion to approve the project. The motion was seconded by Representative Rudy and passed unanimously by roll call vote.

The second item was an unbudgeted project for DMA for Modular Expansion at the Lexington National Guard Armory. The project would provide additional administrative supply and storage space for the fire brigade unit. The project scope is \$750,000 and will be paid entirely from federal funds.

Senator Leeper made a motion to approve the project. The motion was seconded by Senator Carpenter and passed unanimously by roll call vote.

The third item was an unbudgeted project for DMA to Construct CERF-P Facility at the Boone National Guard Center in Frankfort. The project involves constructing a 5,800 square-foot facility to house administrative, storage, and supply space for the Chemical, Biological, Radiological, and Nuclear Enhanced Response Force Package Unit at the center. The project scope is \$750,000 and will be paid entirely from federal funds.

Representative Rudy made a motion to approve the project. The motion was seconded by Senator Leeper and passed unanimously by roll call vote.

Kentucky Infrastructure Authority (KIA) Fund A Loan Increase

Representative Glenn asked Kasi White, Financial Analyst, KIA, to present a request for a loan increase to an outstanding Fund A loan. Ms. White said the City of Bowling Green is requesting a \$2,500,000 increase to its existing loan of \$51,735,960 to renovate and expand its wastewater treatment plant. The loan increase is necessary due to change orders and changes made to the project since its inception. The revised Fund A loan in the amount of \$54,235,960 will be provided at a 1 percent interest rate over a 20-year term. The estimated annual debt service payment on the total loan would be \$3,107,234. The loan increase was approved by the KIA executive director on July 29, 2011.

In response to a question from Representative Glenn, Ms. White explained that the loan increase was due to several change orders, primarily related to expansion of the plant's bio-solid handling facility. Ms. White said the city contributed some local funds to the project to offset the cost and that this should be the last increase for the project.

In response to a question from Representative Wayne, Ms. White explained that any scope increase greater than 10 percent of the original loan commitment approved by the KIA Board of Directors must be considered by the board. Scope increases below that threshold may be approved by the KIA Executive Director.

In response to a question from Representative Wayne, Ms. White said that the board approved the first \$8,428,600 loan increase for the project. The second increase is below 10 percent of the combined loan amounts. She explained that the executive director provides a status of funds summary to the board at each board meeting. The executive director's report notes any loan increases that had not been approved by the board.

In response to a question from Representative Wayne, Ms. White said that the project's construction should be complete by January 2012.

Senator Leeper made a motion to approve the project. The motion was seconded by Senator Carpenter and passed unanimously by roll call vote.

KIA Fund B Loan Increase

Ms. White said the Whitley County Water District is requesting an \$84,800 increase to its existing loan of \$848,000 to upgrade 83,200 linear feet of water lines to underserved areas of the county. The cost of the rehabilitation work was greater than expected due to a higher percentage of meter settings that required total replacement. The revised Fund B loan

in the amount of \$932,800 will be offered at a 0.6 percent interest rate over a 20-year term. The estimated annual debt service payment is \$51,430. The increase was approved by the executive director on July 18, 2011.

Senator Leeper made a motion to approve the project. The motion was seconded by Representative Wayne and passed unanimously by roll call vote.

KIA Fund B Loan

Ms. White said the Crittenden-Livingston Water District is requesting a new Fund B loan in the amount of \$300,000. The funds will be used to replace the existing meters in Crittenden County with radio-read meters, which will reduce the amount of time required to read the meters and reduce operation and maintenance costs. The meter replacement project will affect 3,400 customers, which is approximately half the customer base of the district. The loan will be offered at a 2 percent interest rate over a 20-year term. The estimated annual debt service payment is \$18,873. The loan was approved by the KIA Board at its August 4, 2011, meeting.

Representative Rudy made a motion to approve the project. The motion was seconded by Senator Leeper and passed unanimously by roll call vote.

KIA Coal and Tobacco Grants

Ms. White indicated various coal and tobacco development grants authorized by the General Assembly were included in members' folders. No further committee action was necessary.

School Bond Issues

Mr. Antle reported two school bond issues with School Facilities Construction Commission debt service participation. The first was for Beechwood Independent in an estimated amount of \$7.095 million. The second was for East Bernstadt Independent in an estimated amount of \$8.37 million.

Lease Report from the Finance and Administration Cabinet

Representative Glenn asked Charles Bush, Director, Division of Real Property, Finance and Administration Cabinet, to present a report of a lease modification under \$50,000 for the Cabinet for Health and Family Services in Franklin County (PR-3282). The lease modification involves the amortization of leasehold improvements, including the installation of mechanical key pads on two designated staff entrances and the conversion of three doors to exit-only doors. Two estimates were obtained for the work. The first estimate was \$2,572; the second estimate was \$4,598. The lower bid was selected. No committee action was necessary.

With there being no further business, Representative Glenn made

a motion to adjourn the meeting. The motion was seconded and the meeting adjourned at 2:35 p.m.

ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE

Minutes of the August Meeting
August 15, 2011

Call to Order and Roll Call

The August meeting of the Administrative Regulation Review Subcommittee was held on Monday, August 15, 2011, at 1:30 PM, in Room 149 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 Johnny Bell, Co-Chair; Senators David Givens, and Joey Pendleton; Representatives Robert R. Damron, Danny Ford, and Jimmie Lee.

Guests: Diana Barber, Becky Gilpatrick, Kentucky Higher Education Assistance Authority; Alicia Sneed, Education Professional Standards Board; Dinah Bevington, Personnel Cabinet; Jennifer Jones, Brian Thomas, Kentucky Retirement Systems; Brett Antle, DeVon Hankins, Tom Howard, Travis Powell, Finance and Administration Cabinet; Brian Bishop, Board of Dentistry; Karen Greenwell, Hartsel H. Stovall, Board of Barbering; Clint Quarles, Department of Agriculture; Abby Powell, Division of Water; Anthony Hatton, Lori Terry, Division of Waste Management; Rodney Ballard, Amy Barker, Jeff Burton, Kristie Willard, Department of Corrections; Ann D'Angelo, Doug Sutton, Tom Zawacki, Transportation Cabinet; Lisa K. Lang, James Maxson, Deanna Tackett, Kentucky Department of Education; Bob Elkins, Labor Cabinet; Kristi Redmon, Department of Workplace Standards; Sandy Chapman, Bill Nold, DJ Wasson, Department of Insurance; Greg Lamb, Susan Speckert, Tim West, Kentucky Horse Racing Commission; Dawn M. Bellis, Timothy R. House, Department of Housing, Buildings and Construction; Chandra Venettozzi, Cabinet for Health and Family Services; Chad Frizzel, Hickman County Jailer; Greg Pruitt, Hickman County Judge Executive; Norma Pruitt, Kentucky Great River Region Organization Inc.; Chris McCrane, Lewis County Detention Center Jailer; and Thomas Massie, Lewis County Judge Executive.

LRC Staff: Dave Nicholas, Emily Caudill, Donna Little, Sarah Amburgey, Emily Harkenrider, Karen Howard, Betsy Cupp, and Laura Napier.

The Administrative Regulation Review Subcommittee met on

Monday, August 15, 2011, and submits this report:

Administrative Regulations
Reviewed by the Subcommittee:
KENTUCKY HIGHER
EDUCATION ASSISTANCE
AUTHORITY: Division of Student
and Administrative Services: Kentucky
Loan Program

11 KAR 3:100. Administrative wage garnishment. Diana Barber, general counsel, and Becky Gilpatrick, director, student aid services, represented the authority.

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

Commonwealth Merit Scholarship Program

11 KAR 15:090. Kentucky Educational Excellence Scholarship (KEES) Program.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1, 3 through 6, 9, and 11 to comply with the drafting and formatting requirements of KRS Chapter 13A; (2) to amend Section 4 to align course requirements to the curriculum standards established in 704 KAR 3:305 by the Department of Education; and (3) to amend Section 6 to establish a new table for converting SAT scores to ACT scores for exams taken during or after the 2011-2012 academic year. Without objection, and with agreement of the agency, the amendments were approved.

EDUCATION PROFESSIONAL STANDARDS BOARD: Teaching Certificates

16 KAR 2:010. Kentucky teaching certificates. Alicia A. Sneed, director of legal services, represented the board.

In response to a question by Co-Chair Bowen, Ms. Sneed stated that the literacy program was managed by endorsement, rather than licensure. The literacy program did not require a master's degree; however, requirements were equally and in some cases more stringent than those for a master's degree.

A motion was made and seconded to approve the following amendments: to amend Sections 1, 2, 4, 5, and 8 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Certification Procedures

16 KAR 4:060. Certificate renewals and successful teaching experience.

A motion was made and

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

PERSONNEL CABINET:
Classified

101 KAR 2:095 & E. Classified service administrative regulations. Dinah Bevington, general counsel, represented the cabinet.

In response to a question by Senator Pendleton, Ms. Bevington stated that these ordinary administrative regulations were filed with accompanying emergency administrative regulations because the requirements needed to be in place when the Kentucky Human Resource Information System (KHRIS) went "live," which took place before these ordinary administrative regulations could become effective.

In response to questions by Senator Givens, Ms. Bevington stated that these administrative regulations conformed to state and federal requirements, including provisions pertaining to overtime pay and furlough matters.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (2) to amend Sections 1, 2, 6, 8, 9, and 11 to comply with the drafting requirements of KRS Chapter 13A; (3) to amend Section 8 to require that an organization submit the Kentucky Employees Charitable Campaign Requirements for Eligibility and Application if it wants to participate in the Kentucky Employees Charitable Campaign; and (4) to amend Section 11 to incorporate by reference the application form and a revised "Personnel Action Notification." Without objection, and with agreement of the agency, the amendments were approved.

101 KAR 2:102 & E. Classified leave administrative regulations.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 6, 8 through 11, and 13 to comply with the drafting and formatting requirements of KRS Chapter 13A; (2) to amend Section 8 to specify that an employee may request to use more than three (3) leave days following the loss of an immediate family member; and (3) to amend Section 13 to incorporate by reference a revised "Overtime Compensation Form." Without objection, and

with agreement of the agency, the amendments were approved.

Unclassified

101 KAR 3:015 & E. Leave administrative regulations for the unclassified service.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 6, 8 through 11, and 13 to comply with the drafting and formatting requirements of KRS Chapter 13A; (2) to amend Section 8 to specify that an employee may request to use more than three (3) leave days following the loss of an immediate family member; and (3) to amend Section 13 to incorporate by reference a revised "Overtime Compensation Form." Without objection, and with agreement of the agency, the amendments were approved.

FINANCE AND ADMINISTRATION CABINET: Kentucky Retirement Systems: General Rules

105 KAR 1:140. Employer's administrative duties. Jennifer Jones, interim general counsel, and Brian Thomas, staff attorney, represented the systems.

A motion was made and seconded to approve the following amendments: (1) to amend the TITLE and Sections 1 through 5 to comply with the drafting and formatting requirements of KRS Chapter 13A; (2) to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct citations; (3) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (4) to amend Sections 1(6) and 5 to delete provisions for an annual waiver from electronic reporting for which there did not appear to be statutory authority. Without objection, and with agreement of the agency, the amendments were approved.

105 KAR 1:190. Qualified domestic relations orders.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 2 through 7, 9 through 12, 14, 15, 18 through 21, and 24 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to replace the REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT because question (9), pertaining to tiering, was inadvertently omitted. Without objection, and with agreement of the agency, the amendments were approved.

Office of Financial Management: Underwriter and Bond Counsel Selection Process

200 KAR 21:010. Procedure for

prequalification of underwriters and bond counsel for state bond issues. Tom Howard, executive director, Office of Financial Management, and Travis Powell, deputy general counsel, represented the office.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph to add citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (3) to amend Sections 1, 2, 3, and 5 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

200 KAR 21:031. Repeal of 200 KAR 21:030.

GENERAL GOVERNMENT CABINET: Board of Dentistry: Board

201 KAR 8:008E. Repeal of 201 KAR 8:390. Brian K. Bishop, executive director, represented the board.

201 KAR 8:532 & E. Licensure of dentists.

In response to a question by Senator Givens, Mr. Bishop stated that 201 KAR 8:532 and 8:562 were not amended after comments because the commenter requested clarification regarding a national examination that had yet to be created. This administrative regulation will be amended for clarification after the national examination is created.

A motion was made and seconded to approve the following amendments: (1) to amend the titles of Sections 4 and 5 for clarity; and (2) to amend Section 7(2)(b) to make a grammatical correction. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 8:562 & E. Licensure of dental hygienists.

A motion was made and seconded to amend Sections 1 and 8 to correct a cross-reference citation. Without objection, and with agreement of the agency, the amendments were approved.

Board of Barbering: Board
201 KAR 14:015. Retaking of examination. Karen Greenwell, administrator, and Hartsel H. Stovall, chair, represented the board.

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

DEPARTMENT OF AGRICULTURE: Structural Pest

Control

302 KAR 29:061E. Temporary suspension of Category 8, public health, certification requirement. Clint Quarles, staff attorney, represented the department.

In response to a question by Senator Pendleton, Mr. Quarles stated that this administrative regulation targeted mosquito larvae in standing water. The emergency administrative regulation was put into place because, after the spring flooding, there were not enough licensed insect pesticide applicators to treat the mosquito problem. This administrative regulation temporarily suspended licensure requirements for insect pesticide applicators treating mosquito larvae in standing water.

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

401 KAR 8:020. Public and semipublic water systems; general provisions. Abby Powell, regulation coordinator, represented the division.

In response to a question by Co-Chair Bell, Ms. Powell stated that the changes to this administrative regulation did not affect bottled water facilities. New recordkeeping requirements were placed on the division, not the water supply facilities.

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

JUSTICE AND PUBLIC SAFETY CABINET: Department of Corrections: Class D and Class C Felons

501 KAR 2:020. Definitions for 501 KAR Chapter 2. Rodney Ballard, deputy commissioner; Amy Barker, assistant general counsel; and Jeff Burton, director, Division of Local Facilities, represented the department.

A motion was made and seconded to approve the following amendments: to amend Section 1 to update statutory citations. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 2:040. Waivers.
501 KAR 2:050. Transfer requests.

501 KAR 2:060. Procedures for housing of Class D and Class C felons.

A motion was made and seconded to approve the following amendments: (1) to amend Section 7(2) to clarify the types of information required for external movements; (2) to amend Section 12(3) to include sentencing credit for participation in an approved substance abuse program; (4) to amend the RELATES TO paragraph to include

additional relevant citations; (5) to amend Sections 4 and 12 to update statutory citations; and (6) to amend Sections 3, 7, 8, 12, and 13 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 2:070. Work release.

Jail Standards for Full-Service Facilities

501 KAR 3:010. Definitions for 501 KAR Chapter 3.

In response to a question by Senator Givens, Ms. Barker stated that this administrative regulation defined terms for clarification and for consistency with other agencies. The definitions for "telehealth" and "telemedicine" were not substantive.

A motion was made and seconded to approve the following amendments: to amend Section 1 to: (1) include definitions for "security vestibule" and "telehealth;" and (2) clarify existing definitions. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 3:020. Administration; management.

A motion was made and seconded to approve the following amendments: to amend the TITLE and Sections 1, 5, and 6 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 3:030. Fiscal management.

A motion was made and seconded to approve the following amendment: to amend Section 4(2)(c) to use the term "audit," rather than "examination." Without objection, and with agreement of the agency, the amendment was approved.

501 KAR 3:060. Security; control.

A motion was made and seconded to approve the following amendments: to amend Section 3(14)(h) to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 3:070. Safety; emergency procedures.

In response to a question by Representative Ford, Mr. Ballard stated that as of April 4, 2012, all institutions would be tobacco free.

In response to questions by Senator Pendleton, Mr. Ballard stated that facilities currently prohibited cigarettes, but not all tobacco products. Tobacco products, other than cigarettes, could be a health hazard to facility employees.

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

with agreement of the agency, the amendments were approved.

501 KAR 3:080. Sanitation; hygiene.

A motion was made and seconded to approve the following amendment: to amend Section 1(6)(b) for clarification. Without objection, and with agreement of the agency, the amendment was approved.

501 KAR 3:100. Food services.

A motion was made and seconded to approve the following amendments: to amend Section 1(3) to specify that if the jailer elects to serve only two (2) meals on a holiday, Saturday, or Sunday, more than sixteen (16) hours shall not elapse between any two (2) meals. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 3:110. Classification.

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

501 KAR 3:120. Admission; searches and release.

A motion was made and seconded to approve the following amendments: to amend Sections 2, 3, and 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 3:130. Prison programs; services.

In response to a question by Representative Ford, Ms. Barker stated that this administrative regulation established the same policies as the Department of Corrections policies. Mr. Burton stated that these policies did not restrict religious observance.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to update a citation; and (2) to amend Sections 1, 4, and 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 3:150. Hearings, procedures, disposition.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to include a reference to KRS Chapter 13B which governs administrative hearings; (2) to amend Sections 3, 5, 16, 20, 21, 24, 25, and 27 to conform to KRS Chapter 13B; and (3) to amend the TITLE; the NECESSITY, FUNCTION, AND CONFORMITY paragraph; and Sections 1 through 8, 10, 11, 14, 16 through 19, 22, 23, and 26 to update citations, for clarification, and to

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

501 KAR 3:160. Training.

A motion was made and seconded to approve the following amendments: to revise Sections 3 to 6 for clarification and to be in conformity with 501 KAR 7:150. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 3:170. Classifications.

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

Jail Standards for Restricted Custody Center Facilities

501 KAR 7:010. Definitions for 501 KAR Chapter 7.

A motion was made and seconded to approve the following amendments: to amend Section 1 to: (1) include a definition for “telehealth;” and (2) clarify existing definitions. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 7:020. Administration; management.

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

501 KAR 7:030. Fiscal management.

A motion was made and seconded to approve the following amendment: to amend Section 2(2)(b) to use the defined term. Without objection, and with agreement of the agency, the amendment was approved.

501 KAR 7:040. Personnel.

A motion was made and seconded to approve the following amendments: to amend Section 6 for clarification. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 7:060. Security; control.

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

501 KAR 7:070. Safety; emergency procedures.

A motion was made and seconded to approve the following amendments: to amend Sections 1 and 2 for clarification and to comply

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

501 KAR 7:080. Sanitation; hygiene.

A motion was made and seconded to approve the following amendments: to amend Section 1 for clarification. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 7:090. Medical services.

A motion was made and seconded to approve the following amendments: to amend Section 1 to: (1) use the term “telehealth;” rather than “telemedicine technology;” and (2) comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 7:100. Food services.

501 KAR 7:110. Classification.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 1 for clarification. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 7:120. Admission; searches and release.

A motion was made and seconded to approve the following amendments: (1) to amend Section 3 to be in conformity with 501 KAR 3:120; and (2) to amend Sections 2, 4, and 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 7:130. Prisoner programs; services.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to update a citation; and (2) to amend Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 7:150. Training.

A motion was made and seconded to approve the following amendments: to amend Section 2 for clarification. Without objection, and with agreement of the agency, the amendments were approved.

Jail Standards for Life Safety Facilities

501 KAR 13:010. Life safety issues.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to include a definition for “telehealth;” (2) to amend Section 8(4) to specify that if the jailer elects to serve only two

(2) meals on a holiday, Saturday, or Sunday, more than sixteen (16) hours shall not elapse between any two (2) meals; and (3) to amend Sections 1, 3, 6, and 8 for clarification and to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

TRANSPORTATION CABINET: Department of Vehicle Regulation: Division of Driver Licensing: Commercial Driver’s License

601 KAR 11:035. Waiver of skills test for military personnel. Ann D’Angelo, assistant general counsel, and Doug Sutton, assistant director, Division of Driver Licensing, represented the division.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Section 1 to insert statutory citations in lieu of citations to the Kentucky Acts; and (2) to amend Section 3 to update the form incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Kentucky Board of Education: Department of Education: Food Service Programs

702 KAR 6:110. Claim reimbursement for school and community nutrition programs. Lisa K. Lang, assistant general counsel, and Deanna Tackett, assistant director, School and Community Nutrition, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct statutory citations; (2) to amend Sections 1 through 4 to: (a) comply with the drafting and formatting requirements of KRS Chapter 13A; and (b) clarify the claims reimbursement process; and (3) to revise material incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

Department of Workforce Investment: Office of Employment and Training: Unemployment Insurance

787 KAR 1:090. Unemployed worker’s reporting requirements. James Maxson, attorney, represented the office.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 7 to comply with the drafting and formatting requirements of KRS Chapter 13A;

and (2) to amend Section 3 to clarify the system availability for filing claims online or by telephone. Without objection, and with agreement of the agency, the amendments were approved.

LABOR CABINET: Department of Workplace Standards: Division of Occupational Safety and Health Compliance: Division of Occupational Safety and Health Education and Training: Occupational Safety and Health

803 KAR 2:304. Exit routes and emergency planning. Bob Elkins, safety standards specialist, and Kristi Redmon, occupational safety and health standards specialist, represented the division.

A motion was made and seconded to approve the following amendments: (1) to amend the TITLE; the NECESSITY, FUNCTION, AND CONFORMITY paragraph; and Section 5 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to make a CONFORMING AMENDMENT to correct inconsistencies between the currently effective administrative regulation and the proposed administrative regulation filed by the agency. Without objection, and with agreement of the agency, the amendments were approved.

803 KAR 2:308. Personal protective equipment.

803 KAR 2:309. General environmental controls.

In response to a question by Co-Chair Bowen, Mr. Elkins stated that this administrative regulation provided for a seamless process, without undue burden for stakeholders.

A motion was made and seconded to approve the following amendment: to amend Section 2 for clarification. Without objection, and with agreement of the agency, the amendment was approved.

803 KAR 2:313. Materials handling and storage.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1(2) to cite to a statutory definition; and (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2 and 3 for clarification. Without objection, and with agreement of the agency, the amendments were approved.

803 KAR 2:319. Commercial diving operations.

803 KAR 2:320. Toxic and hazardous substances.

803 KAR 2:403. Occupational health and environmental controls.

803 KAR 2:407. Adoption of 29 C.F.R. Part 1926.250-252.

803 KAR 2:425. Toxic and hazardous substances.

A motion was made and seconded to approve the following amendments:

to amend Section 1(1) to make a CONFORMING AMENDMENT to correct inconsistencies between the currently effective administrative regulation and the proposed administrative regulation filed by the agency. Without objection, and with agreement of the agency, the amendments were approved.

803 KAR 2:500. Maritime employment.

803 KAR 2:505. Cranes and Derricks in construction.

A motion was made and seconded to approve the following amendments: to amend Section 3 to make a CONFORMING AMENDMENT to correct inconsistencies between the currently effective administrative regulation and the proposed administrative regulation filed by the agency. Without objection, and with agreement of the agency, the amendments were approved.

803 KAR 2:600. Occupational safety and health standards for agriculture.

PUBLIC PROTECTION CABINET: Department of Insurance: Division of Agent Licensing: Agents, Consultants, Solicitors and Adjusters

806 KAR 9:220. Continuing education. Sandy Chapman, acting director, represented the division.

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

Health and Life Division: Health Insurance Contracts

806 KAR 17:180. Standard health benefit plan. Bill Nold, director, represented the division.

In response to questions by Senator Givens, Mr. Nold stated that the Affordable Care Act and the Mental Health Parity Act both affected this administrative regulation. Co-pays for preventative care were eliminated, and certain policy limits, lifetime and annual, would gradually be removed. State law required a standard health benefit plan, and federal law required insurers to comply with certain guidelines. The division decided to include the federal changes in the standard health benefit plan during this revision, rather than waiting. Gradual removal of certain policy limits, lifetime and annual, would raise costs, but only for those plans that have existing limits. Elimination of co-pays for preventative care could lower costs because expensive illnesses could be prevented by early detection.

Division of Kentucky Access: Health Insurance Contracts

806 KAR 17:545. ICARE

program employer eligibility, application process, and requirements. D. J. Wasson, acting director, Division of Kentucky Access, represented the division.

A motion was made and seconded to approve the following amendment: to amend Section 10(1) to correct the date on the application form. Without objection, and with agreement of the agency, the amendment was approved.

Kentucky Horse Racing Commission: Thoroughbred Racing

810 KAR 1:005. Racing officials. Greg Lamb, supervisor of pari-mutuel wagering; Susan B. Speckert, general counsel; and Tim West, assistant general counsel, represented the commission.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1, 2, 3, 4, 5, and 8 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

810 KAR 1:009. Jockeys and apprentices.

A motion was made and seconded to approve the following amendment: to amend Section 17 to correct the name of a form incorporated by reference. Without objection, and with agreement of the agency, the amendment was approved.

810 KAR 1:012. Horses.

A motion was made and seconded to approve the following amendment: to amend Section 11(9) to correct a typographical error. Without objection, and with agreement of the agency, the amendment was approved.

810 KAR 1:014. Weights.

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

810 KAR 1:150. Licensing totalizator companies.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to add additional relevant citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 4 for clarification; and (3) to amend the TITLE and Sections 2, 3, 4, 7, 8, and 11 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the

amendments were approved.

Harness Racing

811 KAR 1:290. Licensing totalizator companies.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to add additional relevant citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 4 for clarification; and (3) to amend the TITLE and Sections 2, 3, 4, 7, 8, and 11 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Quarter Horse, Appaloosa, and Arabian Racing

811 KAR 2:200. Licensing totalizator companies.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to add additional relevant citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 4 for clarification; and (3) to amend the TITLE and Sections 2, 3, 4, 7, 8, and 11 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Department of Housing, Buildings and Construction: Division of Heating, Ventilation, and Air Conditioning: Heating, Ventilation, and Air Conditioning Licensing Requirements

815 KAR 8:030. Apprentice heating, ventilation, and air conditioning (HVAC) mechanic registration and certification requirements. Dawn M. Bellis, general counsel, and Timothy R. House, acting director, Division of Heating, Ventilation, and Air Conditioning, represented the division.

In response to a question by Senator Givens, Mr. House stated that many changes to continuing education requirements in the department were for the benefit of license holders and allowed some continuing education credits to count toward multiple licenses.

Senator Pendleton thanked Mr. House for his hard work for the agency and stated that Mr. House would be missed as he leaves the department.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (2) to amend Section 1 to comply with the drafting

and formatting requirements of KRS Chapter 13A; (3) to amend Section 2 for clarity; and (4) to amend Section 4 to update the form incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

CABINET FOR HEALTH AND FAMILY SERVICES: Office of Health Policy: Data Reporting and Public Use Data Sets

900 KAR 7:040. Release of public data sets for health care discharge data. Chandra Venettozzi, health data administrator, represented the office.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1, 2, 3, 5, and 6 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

The following administrative regulations were deferred to the September 13, 2011, meeting of the Subcommittee:

GENERAL GOVERNMENT CABINET: Board of Auctioneers: Board

201 KAR 3:045. Recordkeeping and accounting.

201 KAR 3:081. Repeal of 201 KAR 3:015 and 3:080.

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

Board of Physical Therapy: Board

201 KAR 22:045. Continued competency requirements and procedures.

201 KAR 22:053. Code of ethical standards and standards of practice for physical therapists and physical therapist assistants.

Board of Interpreters for the Deaf and Hard of Hearing: Board

201 KAR 39:010. Definitions.

201 KAR 39:030. Application; qualifications for licensure; and certification levels.

201 KAR 39:040. Fees.

201 KAR 39:050. Renewal of licenses and extension of temporary licenses.

201 KAR 39:060. Reinstatement of license subject to disciplinary action.

201 KAR 39:070. Application and qualifications for temporary licensure.

201 KAR 39:080. Reciprocity.

201 KAR 39:090. Continuing education requirements.

201 KAR 39:100. Complaint procedure.

201 KAR 39:120. Code of ethics.

Board of Licensure for Massage Therapy: Board

201 KAR 42:035. Application process, exam, and curriculum requirements.

Kentucky Applied Behavior Analysis Licensing Board: Board

201 KAR 43:040 & E. Code of ethical standards and standards of practice.

ENERGY AND ENVIRONMENT CABINET: Department for Environmental Protection: Division of Waste Management: Underground Storage Tanks

401 KAR 42:005. Definitions related to 401 KAR Chapter 42. Anthony Hatton, director; Bruce Scott, commissioner; and Lori Terry, underground storage tank specialist, represented the division.

In response to questions by Representative Ford, Mr. Hatton stated that some administrative regulations in this group package were the result of federal guidelines and others were an effort to streamline the process. The streamlining process began in 2006, and this was the second phase of that endeavor. During early vetting with stakeholders, environmental cleanup companies requested an increase in reimbursement rates based on increases in cleanup costs. If the underground storage tank qualifies, the Petroleum Storage Tank Environmental Assurance Fund (PSTEAF) covered cleanup costs for a property owner, including for a newly found tank.

In response to questions by Senator Pendleton, Mr. Hatton stated that administrative regulations in this group package would help small business owners with cleanup costs for underground storage tanks.

Senator Pendleton stated that an eight (8) percent increase in the reimbursement rate for cleanup could encourage stalling on removing sites from the cleanup list. Taxpayers should not have to pay an eight (8) percent "cost of living" adjustment while most industries did not receive any cost of living raise this year.

Representative Lee stated that underground storage tanks that did not pose a risk to human health or the environment were still costing the state significantly. In such cases, there should be a limit on what can be built on the site without financially damaging existing small businesses that have met the \$1,000,000 cleanup maximum established in the fund structure.

In response to questions by Senator Pendleton and Representative Lee, Mr. Scott stated that this administrative regulation group package resolved the concerns expressed. The package would close and clean up "stagnant" underground storage tank sites, without risk to human health or the environment.

In response to a question by Representative Damron, Mr. Hatton stated that there was a limit to the number

of contractors willing to perform clean up of underground storage tanks. If the proposed rate increase did not become effective, contractors dealing solely with underground storage tanks could delay cleanup. Contractors who performed broader cleanup services would probably not be affected. Mr. Scott stated that the fund was "upside down" in 2006, when the streamlining process began. The first streamlining phase corrected the fiscal problems with the fund. This second phase was intended to expedite cleanup and closure.

Senator Givens requested that the division follow up with historical information pertaining to the fund, including the viability and safety of the program, the number of sites added and closed each year, the average price per site to close, and potential savings if these administrative regulations become effective. Mr. Scott stated that the rate of new sites had slowed recently compared with the number of sites closed.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to comply with the drafting and formatting requirements of KRS Chapter 13A; (2) to delete Section 2; and (3) to amend the definition for "operator" for clarity. Without objection, and with agreement of the agency, the amendments were approved.

A motion was made and seconded to defer consideration of this group of administrative regulations as amended to the September meeting of the Subcommittee. Without objection, and with agreement of the agency, these administrative regulations as amended were deferred.

401 KAR 42:011. Scope of underground storage tank program.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph to add a citation; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to make a punctuation correction; and (3) to amend Section 1 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 42:020. UST systems: design, construction, installation, and registration.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to correct citations; and (2) to amend Sections 1, 3, 6, 7, 9, 10, 11, 12, 13, 15, and 16 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 42:030. UST system

general operating requirements.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to correct citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (3) to amend Sections 2, 3, 7, 10, 11, 12, 14, and 15 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 42:040. UST system release detection.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to correct citations; and (2) to amend Sections 1, 4, 5, 6, 7, 9, and 10 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 42:045. Delivery prohibition.

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

401 KAR 42:050. UST system release reporting, investigation, and confirmation.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph to add a statutory citation; and (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 4, 5, and 6 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 42:060. UST system release response and corrective action for UST systems containing petroleum or hazardous substances.

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

401 KAR 42:070. Out-of-service UST systems, temporary closure and permanent closure of UST systems, and change in service of UST systems.

A motion was made and seconded

to approve the following amendments: (1) to amend the RELATES TO paragraph to add statutory citations; and (2) to amend Sections 1, 2, 3, 5, 7, 8, 9, and 10 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 42:080. Classification of UST systems containing petroleum and listing of associated cleanup levels.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (2) to amend Sections 1, 3, and 4 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 42:090. Financial responsibility.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (2) to amend Sections 2, 11, 27, and 28 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 42:095. Lender liability.

In response to a question by Representative Ford, Ms. Terry stated that this administrative regulation added federal requirements to eliminate lender liability.

A motion was made and seconded to approve the following amendments: to amend Sections 3 through 5 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 42:200. Annual fee for underground storage tanks.

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

401 KAR 42:250. Petroleum storage tank environmental assurance fund reimbursement procedures.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity

for and function served by this administrative regulation, as required by KRS 13A.220; (2) to amend the TITLE and Sections 1 through 10, 12 through 16, and 18 through 20 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (3) to revise forms incorporated by reference for consistency with requirements in this administrative regulation. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 42:290. Ranking system.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1 through 4 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to amend Sections 2 and 3 to clarify requirements pertaining to the ranking of groundwater contamination. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 42:300. Third-party claims.

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

401 KAR 42:315. Repeal of 401 KAR 42:314.

401 KAR 42:316. Petroleum storage tank environmental assurance fund eligibility criteria for contracting companies and partnerships.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to correct statutory citations; and (2) to amend Sections 1 through 5 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 42:320. Hearings.

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

401 KAR 42:330. Small owners tank removal account.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1, 2, 4, 5, 6, and 7 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to revise a form incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 42:335. Financial audits.

A motion was made and seconded to approve the following amendments: to amend Section 4(3) to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 42:340. Laboratory certification.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (2) to amend Sections 1 through 6 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Solid Waste Facilities

401 KAR 47:205. Contents of the application for petroleum contaminated soil treatment facilities.

A motion was made and seconded to approve the following amendments: to amend the TITLE; the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs; and Sections 1, 2, 4, 5, 6, 8, and 9 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 47:207. Public information procedures for petroleum contaminated soil treatment facilities.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (2) to amend the TITLE and Sections 1 through 10 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Standards for Solid Waste Facilities

401 KAR 48:205. Technical requirements for petroleum contaminated soil treatment facilities.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct statutory citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (3) to amend the TITLE

and Sections 1 through 9 to: (a) comply with the drafting and formatting requirements of KRS Chapter 13A; and (b) make technical corrections. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 48:206. Petroleum contaminated soil treatment facility liner soil layer quality assurance and quality control.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraph to correct statutory citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (3) to amend the TITLE and Sections 1 and 3 through 7 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 48:207. Petroleum contaminated soil treatment facility liner geosynthetic quality assurance and quality control.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraph to correct statutory citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (3) to amend the TITLE and Sections 1 and 3 through 6 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 48:208. Petroleum contaminated soil treatment facility liner high-permeability layer quality assurance and quality control.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to correct statutory citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (3) to amend the TITLE and Sections 1 through 5 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

JUSTICE AND PUBLIC SAFETY CABINET: Department of Corrections: Jail Standards for Full-service Facilities

501 KAR 3:040. Personnel. Rodney Ballard, deputy commissioner; Amy Barker, assistant general counsel; and Jeff Burton, director, Division of Local Facilities, represented the department. Greg Pruitt, judge executive, Hickman County, and Thomas Massie, judge executive, Lewis County, appeared in opposition to this administrative regulation.

Judge Pruitt stated that Hickman County was among the smallest counties in Kentucky, with about 5,000 people. The state closed its jail facilities in Hickman County in 1991 and the county took its prisoners to Fulton County for detention over the next three (3) years. Following a feasibility study and based on a good relationship with the department, the county opened its own facility. Due to the cost of jail operations continuing to rise, the detention center expected to be in the “red” in 2012. Additionally, other fiscal matters were also causing jail cost increases for the county, including a twenty-five (25) percent reduction in income. Adding staff, as required by this administrative regulation, would further put pressure on strained county funds. Judge Pruitt requested that this administrative regulation be deferred or found deficient so that it could be tiered to provide for smaller counties.

Judge Massie stated that Lewis County had the same fiscal challenges as Hickman County with regard to the county jail. This administrative regulation would force Lewis County to add five (5) full-time employees at a facility that currently employs sixteen (16). The added burden could cause the facility to close. Judge Massie requested that this administrative regulation be amended to tier for smaller counties. He stated that minimum staffing requirements should be tied to the number of inmates, the size of the facility, and the size of the county. Having the requirements the same for all institutions was similar to having a minimum staffing requirement for all schools without regard to the number of students or size of the school.

Senator Pendleton, Senator Givens, and Representative Ford requested that the department amend this administrative regulation to establish tiering for smaller counties.

Mr. Ballard agreed to defer and revisit this administrative regulation regarding smaller counties; however, he stated that ninety-five (95) percent of staffing analyses demonstrated a need for more, not less, staffing at detention facilities, and a staffing analysis did not vitiate the minimum staffing requirements established by statute.

A motion was made and seconded to approve the following amendment: to amend Section 6 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and

with agreement of the agency, the amendment was approved.

A motion was made and seconded to defer consideration of this administrative regulation as amended to the September meeting of the Subcommittee. Without objection, and with agreement of the agency, this administrative regulation as amended was deferred.

501 KAR 3:050. Physical plant.

501 KAR 3:090. Medical services.

In response to questions by Senator Givens, Mr. Burton stated that telehealth and telemedicine was not currently available in jails; however, this administrative regulation would provide requirements if remote care became feasible. Involuntary commitments were handled in face-to-face examinations, and physicians had independent guidelines for those examinations.

Senator Givens stated that the department should look at limiting the scope of services and uses available for telehealth while implementing cost saving measures.

In response to questions by Co-Chair Bell, Ms. Barker stated that the only change to requirements pertaining to dispensation of medication was for medication dispensed upon prisoner release. After Co-Chair Bell described several accounts of prisoners whose medication was withheld, Mr. Burton stated that the medical staff, not the department, had the authority to dispense medications, generic or otherwise.

Co-Chair Bell stated that the problem arose mostly if a registered nurse, rather than a physician, was charged with decisions regarding prescription dispensation.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to use the term “telehealth” rather than “telemedicine technology;” (2) to amend the RELATES TO paragraph to include an additional relevant citation; and (3) to amend Sections 1 and 3 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

A motion was made and seconded to defer consideration of this administrative regulation as amended to the September meeting of the Subcommittee. Without objection, and with agreement of the agency, this administrative regulation as amended was deferred.

501 KAR 3:140. Prisoner rights.

Jail Standards for Restricted Custody Center Facilities

501 KAR 7:050. Physical plant.

501 KAR 7:140. Prisoner rights.

CABINET FOR HEALTH AND FAMILY SERVICES: Department for

Community Based Services: Division of Protection and Permanency: Child Welfare

922 KAR 1:420 (& E). Child fatality or near fatality investigations.

The Subcommittee adjourned at 3:30 p.m. until September 13, 2011.

MEDICAID OVERSIGHT AND ADVISORY COMMITTEE

August 22, 2011

Call to Order and Roll Call

The Medicaid Oversight and Advisory Committee meeting was held on Monday, August 22, 2011, at 10:00 AM, in Room 129 of the Capitol Annex. Senator Katie Kratz Stine, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Katie Kratz Stine, Co-Chair; Representative Jimmie Lee, Co-Chair; Senators Walter Blevins Jr., Tom Buford, Julie Denton, and Dan “Malano” Seum; Representatives Bob M. DeWeese, and Joni L. Jenkins.

Guest Legislators: Senate President David Williams, and Representative John Will Stacy.

Guests: Tim Pickerina for AirEvac; Greg Gwinnup and Russell Palk for Medimmune; Jeff Presser for PDAF; Gary Blalack for Glaxo Smith Kline; Eric Clark for the Kentucky Association of Health Care Facilities; Anne Hadreas for the Kentucky Equal Justice Center; Anne Joseph for Covering Kentucky Kids and Families; and Jodi Mitchell for Kentucky Voices for Health.

LRC Staff: Miriam Fordham, Jonathan Scott, and Cindy Smith.

Briefing on the Implementation of the Medicaid Managed Care Expansion

Janie Miller, Secretary, Cabinet for Health and Family Services and Neville Wise, Acting Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services discussed the Medicaid managed care expansion. Carrie Banahan, Executive Director, Office of Health Policy, Cabinet for Health and Family Services, Eric Friedlander, Deputy Secretary, Cabinet for Health and Family Services, and Don Speer, Executive Director, Office of Procurement Services, Finance and Administration Cabinet, were present to answer questions. Secretary Miller stated that the Medicaid plan had to address \$80.2 million in program management savings and the remaining budgeted shortfall of \$97.3 million. After the savings amounts, the expenditure reductions, and fees, the Medicaid budget for fiscal year (FY) 2012 was balanced with a state overage of \$0.2 million and an overage of all funds of \$0.7 million. The Passport contract was extended for one year

with 1.6 percent in rate reductions and budgetary savings. This provides a continuity of care for Medicaid recipients in Jefferson County and surrounding regions. Passport continues to deliver high quality care and high patient satisfaction.

The three managed care organizations (MCOs) are CoventryCares of Kentucky; Kentucky Spirit Health Plan; and WellCare of Kentucky. These MCOs will provide selected Medicaid covered benefits for selected Medicaid recipients for a fixed per member per month price. The contracts are for a three year term effective July 6, 2011. The commencement of the MCO services is scheduled for October 1, 2011. The contracts exclude Medicaid recipients in long-term care waivers and nursing homes. The contracts will reduce Medicaid expenditures and create within the MCOs the infrastructure to improve health care outcomes and quality of care. The patient protection contract provisions include grievance and appeals; direct state fair hearings; robust reporting requirements; an external quality review organization; quality assessment/performance improvement programs; network adequacy standards; and the choice of three MCOs. The MCO savings estimate for FY 2012 is \$289,346,272. The savings estimate for FY 2013-2014 is \$1.3 billion in total funds. In regard to the managed care organization oversight, there will be an administrative unit established; statutory accounting and financial analysis; contract monitoring; audit and accounting; medical management oversight; and data analysis. The current implement status includes daily communication and weekly meetings with key MCO staff and communication with external parties. Once implemented and stabilized, the expansion of managed care will favorably position Kentucky. The Implementation will allow Kentucky to focus on three key areas: better information on performance; improved quality initiatives; and effective reimbursement strategies.

In response to a question by Senator Denton, Secretary Miller said that the general policy is that the state does not dictate what rate the MCOs will negotiate with the providers. With pharmacy, the Cabinet is not specific on what MCOs pay to pharmacy providers, but there has to be an adequate number of pharmacists within reach of the members. Other provider types were dictated in the contract.

In response to a question by Senator Denton, Commissioner Wise said that pharmacy will be transferred to the MCOs at two points, one at the initial membership, and again at the beginning of October to catch others

recently issued.

In response to a question by Senator Denton, Commissioner Wise said that each MCO will have its own formulary.

In response to a question by Senator Denton, Commissioner Wise said that the Pharmacy and Therapeutics (P&T) Committee will probably have once per quarter meetings, and the meetings will be open to the public whenever staff from the Department for Medicaid Service participates.

In response to a question by Senator Denton, Carrie Banahan said that the formulary for CoventryCares has been approved, and the formularies for the other two MCOs will be available shortly.

In response to a question by Senator Denton, Secretary Miller said that the formularies will be available in the member packets when they are mailed, and on the website of the MCOs.

In response to a question by Senator Denton, Secretary Miller said the P&T committee meetings will be held in the Kentucky offices of the MCOs.

In response to a question by Senator Denton, Commissioner Wise said that the MCOs are transferring the prior authorizations to the plans and there will be no change in the basic Medicaid coverage. But there will be different prior authorization criteria.

In response to a question by Senator Denton, Secretary Miller said she is not aware of any discussion with the MCOs allowing certain drug classes to be protected so there would be no prior authorizations.

In response to a question by Senator Denton, Secretary Miller said that mail order drugs are not prohibited in the contract, but they are for maintenance only. And, they must be approved.

In response to a question by Senator Denton, Carrie Banahan said that all the provider contract application templates have been approved and most sub-contracts have been approved.

In response to a question by Senator Denton, Secretary Miller said that there is a contact number on every letter regarding the MCOs of whom to contact with questions.

In response to a question by Senator Denton, Secretary Miller said that primary care homes will be included in managed care.

In response to a question by Senator Denton, Secretary Miller said there are some carve-outs, such as school based services under the child's IEP Plan, the First Steps Program, and the HANDS program.

In response to a question by Senator Denton, Secretary Miller said the waiver for the groups that are not

covered (disabled kids, foster care, dual eligibles) was submitted to the Centers for Medicare and Medicaid Services (CMS) a few months ago and has been received and reviewed.

In response to a question by Senator Denton, Secretary Miller said the RFI is open for companies that provide managed care for long-term care, but the interested companies tend to be more interested in a region based area, rather than statewide.

In response to question by Senator Seum, Secretary Miller said the hospitals that have said they do not know how they are affected by the MCOs should have received letters regarding the contract process, and those letters have contact numbers on them for questions.

In response to a question by Senator Seum, Secretary Miller said there will be three MCOs available for the rest of the state, plus Passport, which makes the total number of MCOs four.

In response to a question by Senator Seum, Secretary Miller said that different billing rules are possible for each MCO.

In response to a question by Senator Seum, Secretary Miller said the Passport contract was up, and the contract has never been extended for more than one year at a time.

In response to a question by Representative DeWeese, Secretary Miller said there is a basis for matching the members to the MCOs. The matching gets them together, then the plans can compete. The members have an immediate opportunity to change plans on October 1. The plans will be capped at a membership of 55 percent unless a member chooses them.

In response to a question by Representative DeWeese, Secretary Miller said there are not a lot of paper claims, and almost everything is done digitally. So, not many jobs are affected. If there are jobs affected, a number of staff will be transferred to member services.

In response to a question by Representative Jenkins, Secretary Miller said that clients who are not content with the plan can change on October 1. Then there are a couple of times the plans can be changed after that date. After that time, changes are made annually.

In response to a question by Senator Stine, Secretary Miller said that high risk people are not necessarily transferred, but there is a transfer of money between one plan and another.

In response to a question by Senator Stine, Secretary Miller does not think the MCOs are allowed to pass on the risk.

In response to a question by Senator Stine, Secretary Miller said it is between the provider and the MCO as to how often provider reimbursement

can be changed.

In response to a question by Senator Stine, Secretary Miller said that the contracts are contingent on approval and the MCOs are contractually bound.

In response to a question by Senator Stine, Secretary Miller said she corresponded with the Medicaid Oversight and Advisory Committee before the meeting, and the Cabinet does not believe there is any reason to delay the October 1 commencement.

In response to a question by Senator Stine, Secretary Miller said the MCOs must get at least 20 percent membership to remain a viable company, and the maximum is 55 percent.

In response to a question by Senator Stine, Secretary Miller said the match is based on what is best for the member, and the choice is always honored. Less than 20 percent actually make a change, and there is not a huge change expected from the membership.

In response to a question from Representative Stacy, Secretary Miller said the billing to the state is what is paid through the contractual relationship. Eligibles are broken down by age and gender and payments will be made in advance of the month.

In response to a question from Representative Stacy, Secretary Miller said the billing forms are standardized and have been for some time.

In response to a question from Representative Stacy, Secretary Miller said all providers should be signed up by September 14.

In response to a question from Representative Stacy, Secretary Miller said the federal reporting is the same process as the state reporting.

In response to a question from Representative Stacy, Secretary Miller said that as of the week before, approximately 15 hospitals have signed on, out of the 109 general hospitals in Kentucky.

In response to a question from Representative Stacy, Secretary Miller said information was provided early to hospitals in medically underserved areas, and the numbers are robust and continuing to climb.

In response to a question from Representative Stacy, Secretary Miller said in the contract there are standards for miles and minutes, and all provider types have been looked at.

In response to a question from Representative Stacy, Secretary Miller said the numbers have been run to see if the members have access to providers, and the standards are reasonable.

In response to a question from Representative Stacy, Secretary Miller said assigning the members to the MCOs was just a way to get the

560,000 assigned, but the members can still choose.

In response to a question from Representative Stacy, Secretary Miller said there are about 15 percent of hospitals signed on, and the goal is to have all hospitals sign.

In response to a question from Representative Stacy, Secretary Miller said each company will have its own credentialing and enrollment standards.

In response to a question from Representative Stacy, Secretary Miller said the any willing provider statute is included in the RFP and the contract.

In response to a question from Senator Stine, Secretary Miller said that St. Elizabeth Hospital has signed on with one MCO and will be signing with a second shortly. The Children's Hospital of Cincinnati is being encouraged to sign as well.

In response to a question by Senator Blevins, Commissioner Wise said that the external quality review contract will be re-bid soon.

In response to a question by Senator Denton, Secretary Miller said the foster care children will come in with the waiver.

In response to a question by Senator Denton, Secretary Miller said that in regard to out of state kids, Commissioner Pat Wilson is developing a process to track those children and care plans will also be developed. Senator Denton noted that some Medicaid services are leveled and she does not want those kids caught in the middle.

In response to a question by Senator Denton, Secretary Miller said the contracts are the same with a few variations. The target date is still October 1, and the MCOs will be ready. The contracts call for managed care to be up and running by October 1. If two MCOs are ready, start up could be with those two and the third could come on board later, but members have already been matched with all three. If it seems like the MCOs will not be ready, the Cabinet will assess how close they are and how much more it would take to be on board by the target date.

In response to a question by Senator Denton, Secretary Miller said that so far the MCOs have met all the time frames and should be up and running by October 1.

In response to a question by Senator Denton, Secretary Miller said the establishment of medical homes for all patients would be best handled by the MCOs.

In response to a question by Senator Denton, Commissioner Wise said that Passport is still on a year-by-year contract. The federal government does raise concerns at every renewal about Passport being sole-sourced, and the Cabinet is waiting for feedback on the issue from CMS. Passport would

like to have a longer contract.

In response to a question by Senator Denton, Commissioner Wise said the rates have been actuarially certified.

In response to a question by Senator Denton, Secretary Miller said Passport was a not for profit organization. The three new MCOs are for profit. There are provisions in the contract that state the MCOs will have to show net pre-tax earnings and notify the state of the distributions if there is money left over.

In response to a question by Senator Denton, Mr. Speer said there seven companies that submitted bids.

In response to a question by Senator Stine, Mr. Speer, said that the procurement is handled through the Finance and Administration Cabinet, through an open procurement and the bid file contains all the documents which can all be seen under the open records requirements. The same policies are followed as through any regular procurement.

In response to a question by Senator Stine, Mr. Speer said that these MCO contracts do not go through the Government Contract Review Committee because the MCO contracts are not two year personal services contracts and have to go through a different process. The MCO contracts were done as a Master Agreement and longer than the two year period as allotted under the Contract Review standards.

In response to a question by Senator Stine, Secretary Miller said the Cabinet will have to talk to the federal government about the contractual agreement that has been set that would give the state additional payments back and whether or not those payments would have to be shared with the federal government.

In response to a question by Senator Stine, Secretary Miller said that providers at the local level work out the arrangements to provide services after hours.

In response to a question by Senator Stine, Secretary Miller said that the lock-in program has been around for years and is operated by Medicaid for individuals that have been identified with high usage.

In response to a question by Senator Stine, Secretary Miller said there is no interface between the KASPER system and the MMIS system.

Representatives of the three managed care organizations answered questions. On hand were Mike Minor, Chief Operating Officer, WellCare of Kentucky; Jesse Hunter, Executive Vice-President, Kentucky Spirit Health Plan; and Claudia Bjerre, Senior Vice President, Medicaid, CoventryCares of Kentucky; and Barbara Witte, CEO, CoventryCares of Kentucky.

In response to a question by Representative Stacy, Mr. Minor said WellCare would have to get the exact number of hospitals signed, but it is under 10. Ms. Bjerre said that CoventryCares has 57 hospitals with LOIs, and 6 with full contracts. Mr. Hunter said that Kentucky Spirit has 11 hospitals under contract, and over 40 that have LOIs.

In response to a question by Representative Stacy, Mr. Minor said WellCare's network of pharmacies is over 900, which includes some specialty pharmacies. He will report back on the number of independent pharmacies. Ms. Bjerre said she would have to get the number of pharmacies that Coventry has and report back to the committee. Mr. Hunter said that Kentucky Spirit is in active discussions about pharmacy, but he did not have the exact number with him.

In response to a question by Representative Stacy, Mr. Hunter said that Kentucky Spirit has about 2,000 primary care physicians (PCPs) under contract. Ms. Bjerre said that Coventry has 2,476 PCPs on LOI, and 769 under contract. Mr. Minor said that WellCare has 5,000 locations, with 1,100 PCPs and 1,400 specialists.

In response to a question by Representative Stacy, Mr. Minor said that WellCare has 75 active negotiations with hospitals, and WellCare would like to contract with all hospitals. Ms. Bjerre said the Coventry is in active negotiations with 63 of 89. Mr. Hunter said that Kentucky Spirit is negotiating with 43 hospitals.

In response to a question by Representative Stacy, Ms. Bjerre said the emphasis was on PCPs because of the assignment. Coventry has been actively engaged with all hospitals throughout the Commonwealth.

In response to a question by Representative Stacy, Mr. Minor said that WellCare has outreached to all the hospitals in Eastern Kentucky, and there is an agreement with one Eastern Kentucky hospital. Ms. Bjerre said that Coventry has 12 LOIs and two contracts with hospitals in Eastern Kentucky. Mr. Hunter said that Kentucky Spirit is in active negotiations in five hospitals in that region, but none is under contract.

In response to a question by Representative Stacy, Ms. Bjerre said that MEDCO does Coventry's contracting, and she will have to report back on the pharmacy numbers in Eastern Kentucky. Mr. Minor said he does not have WellCare's pharmacy numbers for that region.

In response to a question by Representative Stacy, Ms. Bjerre said that Coventry does business in eight states. Mr. Minor said that WellCare does business with 13 other states besides Kentucky.

In response to a question by

Representative Stacy, Mr. Minor said that WellCare has worked with the Cabinet to know who is providing the majority of services to Medicaid members to be sure that as care is transitioned, WellCare can manage and continue that care.

In response to a question by Representative Stacy, Mr. Hunter said that Kentucky Spirit owns its own pharmacy benefits manager (PBM) and that the Medicaid population is not a mail order group of individuals. Ms. Bjerre said it is the same situation for CoventryCares; and Mr. Minor said it is the same situation for WellCare.

In response to a question by Senator Stine, Mr. Minor said WellCare has finalized its contracts and has agreed to the rates with those providers.

In response to a question by Senator Denton, Ms. Bjerre said that she will find out if Coventry is rolling into a contract or using an existing contract. Mr. Hunter said that Kentucky Spirit has direct contracts. Mr. Minor said that with WellCare, pharmacies will be provided a reimbursement for Kentucky, and it will be the decision of the pharmacies if they want to take that reimbursement.

Senator Denton requested that all the MCOs send copies of their reimbursement fee schedules for dental and pharmacy, between generic and brand name, to staff to distribute to the members.

In response to a question by Senator Denton, Ms. Bjerre said that Coventry does not know what its PBMs will be doing in regard to RSV season, but it is a good point to look into. Mr. Minor said that WellCare will be able to identify individuals that have been in that program before.

In response to a question by Senator Denton, all three MCOs said their P&T Committees will meet quarterly.

In response to a question by Senator Denton, Mr. Hunter said that Kentucky Spirit is working on individual contract negotiations, and Kentucky Spirit wants to increase the amount of primary care utilization for each member through its medical home and do its best to make the providers whole. The KENPAC program was not included in the data book that was provided with the procurement process. Ms. Bjerre said that the \$4 was not included in the rates that were paid to them. Mr. Minor said that WellCare is working with primary care for different reimbursement methodologies.

In response to a question from Senator Denton, Mr. Hunter said that Kentucky Spirit is negotiating with independent pharmacies separately than chain pharmacies with different reimbursements and dispensing fees. Mr. Bjerre said that she believes that

Coventry has national contracts with chains, and she is assuming it will be separate from the independents. Mr. Minor said that WellCare has different agreements with independent pharmacies.

In response to a question by Senator Denton, Ms. Bjerre said that Coventry's formulary has been approved. Mr. Hunter said that the formulary for Kentucky Spirit is market specific, and Kentucky Spirit is awaiting the P&T Committee to modify the national form. Mr. Minor said that WellCare is in the final stages of its formulary.

In response to a question by Senator Denton, Mr. Hunter said that Kentucky Spirit will pay pharmacy with real time adjudication with real time payment. Ms. Bjerre said that Coventry pays the same way. Mr. Minor said that he has to check on that for WellCare.

In response to a question by Senator Denton, Ms. Bjerre said that Coventry's rates are tied to the Medicaid reimbursement. Mr. Minor said WellCare, for providers tied to the Medicaid fee schedule, will make updates with the notice WellCare is required to give. For pharmacy, the rates are based on MAC pricing, and it is updated as the new MAC pricing comes out. Mr. Hunter said it is the same for Kentucky Spirit.

In response to a question by Representative Stacy, all three MCOs said they do not know how pharmacy is handled in the Passport region.

In response to a question from President Williams, all three MCOs said there is no way to know how much of the Medicaid budget will be covered by the three different plans.

In response to a question from President Williams, Mr. Hunter said that Kentucky Spirit was the low cost bidder. And, Kentucky Spirit is confident and have a lot of experience in the rates, and the ability to perform on that basis. He does not believe it will be a high margin business for Kentucky Spirit and will possibly yield a pre-tax margin range of three to five percent. Administrative costs plus profit will be within the 10 percent total. Ms. Bjerre said that Coventry will be between six to seven percent, higher the first year, with little profit, if any. Mr. Minor said that WellCare, with administrative fees and profit, will be in the range of eight to eleven percent.

In response to a question by President Williams, Mr. Minor said the bid rates required the companies to fund administrative costs with minimal profit.

In response to a question by President Williams, Mr. Minor said WellCare is not offering any group less than 100 percent of the Medicaid rate. The savings will be with

utilization, care management, and care coordination.

In response to a question from President Williams, Mr. Minor said that there will be a shift in utilization, with the goal and the objective being additional primary care visits, additional coordination of care to services such as home health and specialty services. With that, there is a reduction in the number of expensive inpatient stays.

In response to a question from President Williams, Ms. Bjerre said on a fee-for-service basis, providers will be reimbursed for the services provided.

In response to a question from President Williams, Mr. Minor said the \$475 million less is the exchange between the cost for seeing specialists and primary care providers seeing more patients because of the preventive services, and better quality of care of the members. There will be fewer patients that end up in the hospital due to the care coordination. One of the goals of the program is a change in utilization.

In response to a question by President Williams, Secretary Miller said that the administrative fees come out of the \$1.3 million and that includes the total payment paid to the MCOs. The MCOs have to take their administrative costs out of what is paid to them, and are not given additional money.

In response to a question by President Williams, Secretary Miller said that the savings the Cabinet demonstrated would be the estimate of what the costs would have been if fee-for-service were continued on the benefit side, without adding the administrative cost. When that is added on the fee-for-service, the contracted rates are for the entire package. The MCOs have to take their administrative costs out of what was paid to them by the state.

In response to a question by President Williams, Secretary Miller said the savings of \$1.3 million over the 33 months were projected by actuaries and are very much in line with what the historic growth has been. The savings calculations are based on what the fee-for-service would be compared to the contract prices the state has contractually agreed to.

In response to a question by President Williams, Secretary Miller said she believes that the projections are good projections of what the expenditures would be assuming that appropriated dollars are made available to cover expenses. The program expenditures are what they are, and are driven by a number of different factors.

In response to a question by President Williams, Secretary Miller said the actuary projected that \$2.7

billion would be spent in 2012. With the MCO contracts in place, the projection would be \$2.3 billion.

In response to a question by President Williams, Secretary Miller said she does not know how much money will go out to the providers.

In response to a question by President Williams, Secretary Miller said it was difficult to project the amount that would have been in the budget at the end of the year. The Medicaid program pays out about \$70 million each week. A big portion of the \$53 million is in the supplemental rebates. Medicaid out performed on the amount of supplemental rebates being received. The impact of the cost containment was coming in at different times, in different ways. In a period of instability it is difficult to make projections. Medicaid rarely ends the program with nothing, but the ways the cost containment worked and the time frames outstripped the savings in some areas.

Adjournment

The meeting was adjourned at 2:30 p.m.

PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE

Minutes

August 16, 2011

Call to Order and Roll Call

The Program Review and Investigations Committee met on Tuesday, August 16, 2011, at 9:30 AM, in Room 131 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Representative Fitz Steele, Co-Chair; Senators Perry B. Clark, Vernie McGaha, Joey Pendleton, Dan “Malano” Seum, and Katie Kratz Stine; Representatives Dwight D. Butler, Leslie Combs, Terry Mills, David Osborne, Ruth Ann Palumbo, Rick Rand, and Arnold Simpson.

Legislative Guest: Representative Greg Stumbo.

Guests: Neville Wise, Acting Commissioner, Department for Medicaid Services; Eric Friedlander, Deputy Secretary, Cabinet for Health and Family Services. William Schmidt, Executive Director; Lloyd Vest, General Counsel; Michael Rodman, Assistant Executive Director; Kentucky Board of Medical Licensure. Van Ingram, Executive Director, Kentucky Office of Drug Control Policy.

LRC Staff: Greg Hager, Committee Staff Administrator; Rick Graycarek; Christopher Hall; Sarah Harp; Colleen Kennedy; Van Knowles; Lora Littleton; Jean Ann Myatt; Cindy Upton; Kris Harmon, Graduate Fellow; Stella Mountain,

Committee Assistant.

Senator Higdon asked for a moment of silence to remember Senator Carroll and his family with the passing of his son, Bradley.

Approve Minutes for July 14, 2011

Upon motion by Representative Osborne and second by Senator Seum, the minutes of the July 14, 2011 meeting were approved by voice vote, without objection.

Consideration of report Medicaid Management and Integrity: Update on Recommendations From Three Program Review Reports

Senator Higdon said that questions at the previous Medicaid Oversight and Advisory Committee meeting focused on a lack of communication with the managed care organizations. It was noted that the timetable for implementation was probably too aggressive. He asked if the cabinet had a response to that. Mr. Friedlander said that the target date for beginning managed care is October 1, 2011. He noted that it is not a date set in stone, but that the cabinet is being very aggressive in pursuing that date.

Senator Higdon asked if the Cabinet had looked at the cost to the Medicaid budget for a 90-day delay. Mr. Wise said there will be substantial savings in not delaying and that the October 1 target is reachable. Mr. Friedlander noted that the challenge is to ensure there is an adequate provider network so that the recipients receive the care that they need. Senator Higdon said that the conversion to Passport was not a smooth transition. The key is to educate recipients on the changes that will take place.

Senator Seum asked how physicians are responding to KenPAC [Kentucky Patient Access and Care] going away when managed care goes into place. Mr. Wise said that the patient management elements of KenPAC will still exist. The KenPAC model is what is becoming obsolete.

Senator Seum asked how doctors are responding to the upcoming change and how communication with the doctors is going. Mr. Wise said that the department is sending its second explanatory letter to all their providers and is encouraging them to participate with all three plans. The base Medicaid package is not changing; the change will be that each plan has some value-added elements.

Senator Seum noted that under KenPAC, doctors get a \$4 per month per patient reimbursement. He asked how that will change under the new system. Mr. Wise replied that most managed care organizations (MCOs) are not negotiating standing management fees with doctors, but the MCOs can still work out a reimbursement package with doctors.

In response to questions from Senator Seum, Mr. Wise said the cabinet hopes that the patients will continue to see the same provider. Each plan will assign a physician to each Medicaid member. Letters have already been sent to Medicaid patients notifying them about the change.

Senator Seum noted that some areas of the state have a shortage of Medicaid physician providers. He asked whether hospitals will be mandated to participate. Mr. Wise said that hospitals are not so mandated. The cabinet has a target of August 29 to know what providers are on board.

Senator Higdon noted that he received a letter from a physician stating that the loss of his KenPAC payment will cost him about \$6,800 per month. This shows that the medical community is concerned about KenPAC payments ending. It might not be profitable to keep doors open to Medicaid patients.

Senator Stine noted that this is one of the most important studies this committee has done. She referred to page 2 of the report, which says that one problem with the Medicaid system is the lack of written documentation of internal policies and procedures. She asked for elaboration on the progress and changes that have been made. Mr. Wise said that a lot of the procedures will be changing under managed care. The department plans to go a step deeper in its documentation of procedures. The contracts with the MCOs contain detailed reporting requirements. The department has extensively documented procedures set up for the managed care organization plans, but it is a work in progress. The department will write even more detailed procedures.

Senator Stine asked that the cabinet bring samples of those documented procedures to the upcoming Medicaid Oversight and Advisory Committee meeting. She again referred to the Medicaid report and asked what the cabinet has done to address return on investment. Mr. Wise said that each MCO has a cost effectiveness calculation. Medicaid has a clear contract that tells the cabinet what its projected expenses will be as it goes forward. MCO is a clear-cut model for studying cost effectiveness. The cabinet will be doing simulation models and estimates when entering into contracts with MCOs.

Senator Stine asked whether the cabinet has a mechanism to determine whether there are savings and whether care is satisfactory. Mr. Wise said savings are known up front. Savings are built into contracts and must be monitored to ensure they do not negatively affect care. Senator Stine noted that it is a delicate balance. MCOs should not be getting their cost savings by negatively affecting

the provider network. She asked what the department is doing to prevent this from happening. Mr. Wise said that provider participation is a factor the department always monitors. Each plan is somewhat in competition for members, so there is an incentive for each plan not to do anything to discourage providers from participating in its network. Mr. Friedlander noted that there are indicators in the contracts to ensure quality care.

Senator Stine noted that the Medicaid report states that there is no mechanism for recording unreported income or resources and there is no method to estimate them. She is concerned that there is no established way to determine eligibility related to income. Mr. Friedlander said that the Department for Community Based Services can best answer that. He believes the reference in the report is to a small part of the recipient population. The cabinet tries to examine income and resources using means testing. The computer system is antiquated. The cabinet needs more up-to-date systems to enable them to examine recipient eligibility. Mr. Wise commented that a federal stimulus bill limited tightening of eligibility. The prohibition of making a procedural change ended June 30, 2011 with the end of stimulus funding. Mr. Friedlander noted that the department has made a capital spending request for better equipment. Senator Stine asked him to elaborate on that in the upcoming Medicaid Oversight and Advisory Committee meeting.

Senator Stine asked whether the Kentucky Board of Medical Licensure (KBML) has used KASPER to investigate fraud and abuse by recipients. Mr. Friedlander deferred to KBML. Senator Stine asked the cabinet to obtain that information.

In response to a question from Senator Higdon regarding eligibility determination, Mr. Wise said that the cabinet is required by the federal Centers for Medicare and Medicaid Services to use the Social Security determination process.

Senator Pendleton expressed concern about the mental health portion of Medicaid. He hopes there will not be a downgrade of mental health institutions under the new system. MCOs are urging that contracts be signed, but hospitals do not know what their reimbursement rate will be. He is concerned about mental health issues and about care in rural areas, and concerned about those who have served in the Armed Forces and their families and the care they are going to receive that they need. Mr. Friedlander said that in the managed care system, behavioral health is part of the physical health system. The cabinet has talked with MCOs about that concern and will

be measuring quality of care. Senator Pendleton noted that for-profit MCOs have incentives to reduce costs, which may negatively impact services. Also, the impact on mental health care is more difficult to measure.

In response to questions from Senator McGaha, Mr. Wise said that the department will do expenditure simulations. The expenditure simulation is not a new technique, but the department has not done an actual expenditure simulation on Passport.

Senator McGaha noted that \$70 million was appropriated during the special session to get the department through the rest of the year. The result was a \$50 million plus carry-forward. Senator McGaha asked where that money came from. Mr. Wise said it is difficult to predict spending because it is hard to predict all outcomes. Medicaid measures spending at the end of the year. May and June turned out to be light care months. New recipients eligible for Medicaid tend to be less expensive than eligibles already instated. During the recession, the new eligibles do not have high health care needs because they have been getting medical health care before having to go on Medicaid.

In response to questions from Senator McGaha, Mr. Wise said that the department is using the extra \$50 million to pay the existing Medicaid bills as the system transition occurs. In June, the department began paying claims as soon as they were made and it was current with all payments as of June 30.

In response to a question from Senator McGaha, Mr. Wise said the department entered into a contract to examine Passport and its fiscal processes. The department will do an expenditure simulation for Passport.

In response to questions from Senator McGaha, Mr. Wise said that the department gets a weekly report from the MCOs on their enrollments to determine the MCOs' progress. The department also asks for samples of contracts. On August 29, the department will see whether provider networks are in place and that MCOs have primary care physicians and other providers enrolled. Mr. Wise said the MCOs report good progress and say they will make the deadline of August 29.

In response to a question from Senator Higdon, Mr. Wise said it is not possible to do a comparison of the cost of Passport recipients and the cost of MCO recipients because of the different way they are paid. The department will look at this in the study of Passport. Senator Higdon asked if the department looked at the average cost per recipient. Mr. Wise said it would not be an apples to apples comparison because Passport does not provide behavioral health care; the

MCOs will provide it.

Senator Seum expressed concern about the chain of command in the new Medicaid process. He referenced an August 14 letter from a physician asking whose job it was to inform his patient base of the new system and whether he is participating in it or not. Mr. Wise said the department is sending letters to recipients explaining all three plans.

In response to a question from Senator Seum, Mr. Wise said that the recipient would get a letter from the MCO noting if the physician has stopped participating in the system. MCOs are required to maintain updated provider directories that members can access online. A patient can follow his/her physician to another plan.

Upon motion by Representative Simpson and second by Senator Seum, the report Medicaid Management and Integrity: Update on Recommendations From Three Program Review Reports was adopted by roll call vote.

Overview of Prescription Drug Abuse

Representative Stumbo discussed the history of his concerns. In 2003, Senator Roeding and Representative Stumbo co-chaired a task force on using the KASPER system more efficiently. Task force recommendations were encompassed in KRS 218A.202. The main question was how to use KASPER to identify areas where overprescribing of controlled substances is taking place and to create a trend report. The concern was that only the Kentucky Board of Medical Licensure (KBML) should be able to investigate and police its own members. The task force agreed that that was a good practice.

Representative Stumbo referred to a recent letter that Norman Lawson from LRC staff wrote to KBML asking what the board had done in this regard. The response from KBML indicated that it had not followed the practice of using KASPER trend reports it had agreed to. He expressed his disappointment with KBML for not following through with its statutory authority to identify geographic areas in Kentucky that are overprescribing controlled substances. Copies of the minutes of the 2003 meeting and the annual report were distributed to the members. Representative Stumbo asked why KBML has not done anything about this and is not using the KASPER system. Mr. Rodman said that KBML wants the trend reports but has never received one from the Cabinet for Health and Family Services (CHFS). KBML has been told that there are legal reasons for not identifying those specific regions. Speaker Stumbo said the reports being asked for would just show a trend. Only KBML would then investigate specific physicians in that geographic

region.

Mr. Vest said that KBML met with CHFS on a regular basis after that statute was enacted. After shifting focus from movement of drugs to spikes within a particular area, CHFS said their legal staff did not think it was lawful to go to the level needed in order to request the appropriate KASPER reports. KBML wanted enough specificity to find out the specialties of physicians most representative of the trend. KBML has tried to be aggressive about this. The problem has been getting more information than just the geographic areas where overprescribing has taken place. KBML's understanding is that CHFS staff is trying to change the statute to authorize them to obtain the level of data needed.

Representative Stumbo said that CHFS does not have the expertise to review physicians' records to determine who is overprescribing. KBML has that expertise but has not used its statutory authority to do so. He asked that KBML please submit a comprehensive plan to the General Assembly.

Senator Higdon requested that KBML report to the Program Review and Investigations Committee at its December meeting.

Representative Combs noted that there had been a task force in January 2011 at which physicians had discussed this topic. At the time, she asked what the consequences would be if a physician was found to be overprescribing. The physicians noted that their licensures could be affected.

Representative Mills noted that the number one problem in Kentucky is drug abuse. He asked what KBML can do to encourage providers to use KASPER because fewer than one in three physicians accesses KASPER. Mr. Rodman replied that the board has published articles encouraging physicians to use KASPER. The board looks at use of KASPER when it investigates physicians. KBML also sponsors presentations around the state on using KASPER. Representative Mills noted that he thinks providers must become part of the solution to the drug problem. Anything to encourage the use of KASPER would be appreciated.

In response to questions from Senator Seum, Mr. Schmidt noted that in addition to KASPER checks, KBML opens an investigation of a physician upon a report by law enforcement. Mr. Rodman said that in the last 5 years, KBML investigated 174 cases and took some sort of action on 132 of those. He did not know how many licenses had been revoked. One possible action could be a letter of concern rather than a full investigation. Senator Seum asked that upon their return to the committee

in December, KBML provide a track record of physician investigations.

In response to questions from Senator McGaha, Mr. Rodman said that by looking at KASPER, the board can determine if a physician is not using the system if it is part of an investigation by law enforcement. It is a public record. Mr. Schmidt said that KBML can furnish a list of providers who do not participate in KASPER as soon as they are able to obtain it from CHFS. Speaker Stumbo said that every doctor can access KASPER but a reason not every doctor does so is because not all doctors prescribe narcotics.

In response to a question from Senator Higdon, Mr. Rodman said KBML has not used KASPER to perform internal audits or investigations into Medicaid. Senator Higdon said an internal audit would be useful.

In response to questions from Senator Higdon, Mr. Vest said he is not sure that the statute gives KBML authority to use KASPER to investigate abuse within the Medicaid system. Representative Stumbo said that the Kentucky statute gives Medicaid providers authority to utilize and access KASPER. No rampant use of Medicaid to obtain controlled substances had been found because it would be easy to be caught in that system. The main problem now is in-state providers rather than out-of-state providers. He noted that he thought the problem had been addressed in the statute. Senator Higdon said that he hoped the General Assembly can address the necessary issues in the statute during the next session so that KBML can be better utilized to solve this problem.

Van Ingram gave a presentation on Prescription Drug Abuse. Kentucky has been ground zero for the prescription drug epidemic. He cited statistics from the National Survey on Drug Use and Health that higher percentages of Kentuckians have used prescription drugs for nonmedical purposes and have used psychotherapeutics for nonmedical purposes than the national average. For all ages the percentage of persons using pain relievers for nonmedical use is among the highest in the US.

Kentucky's drug overdose deaths increased 164 percent from 1999 to 2004 and have increased since then. According to the Kentucky Medical Examiner's 2010 report, there were 674 cases of overdose deaths submitted for autopsy in Kentucky; 546 were ruled as accidental overdoses. According to Kentucky Office of Vital Statistics data, the numbers are considerably higher, with 978 deaths in 2009, 931 deaths in 2008, and 898 deaths in 2007. Mr. Ingram showed photos of young people who have died from overdoses.

KASPER is a prescription drug monitoring program, one of the best tools in the US to combat drug abuse. It is only being used to a fraction of its capability. The users of KASPER are 93 percent prescribers, 3 percent pharmacists, and 4 percent law enforcement. The concerns of abuse of the system have not happened.

In 2005, eKASPER, a Web-based version of the system, was launched, enabling the immediate generation of a report. The biggest problem is that data in many cases is about 7 days old. Many chain pharmacies report 24-hour batch data and the goal is to get everybody to do that in the near future.

Mr. Ingram showed several maps of Kentucky with controlled substances prescriptions by prescriber address and by patient address, which indicate that drug abuse is not confined to a specific region.

Thousands of Kentucky residents have been identified as patients of South Florida pain clinics. Florida has been the state with the highest numbers of oxycodone pills prescribed and dispensed. In 2009, the Florida legislature passed the Prescription Monitoring Law. The process has been delayed but the monitoring program should be online in 2012.

In June 2011, Florida passed pain clinic legislation and regulations. Florida has already seen pain clinics move from that state and Kentucky needs to make sure those pain clinics do not move to this state. Ohio also passed pain clinic legislation in 2011. In Kentucky's 2011 session, several pieces of legislation were proposed to combat the drug abuse problem and more needs to be done in this area.

Other states have implemented various strategies such as requiring accounts with monitoring systems by prescribers, defining pain clinics in statute, requiring licensing of pain clinics, requiring certain levels of study for pain practitioners, requiring continuing education credits, requiring pain clinics be physician owned, requiring pain clinic owners to be certified by one of two national boards, and requiring owners to have never had license denial or suspension based on inappropriate prescribing.

Recommendations from a study conducted by the University of Kentucky include requiring batch data reporting every 24 hours, increasing outreach and continuing education effort on the use of KASPER, requiring all controlled substances prescribers in Kentucky to have KASPER accounts, and requiring providers to review KASPER reports for all new patients requiring controlled substance prescriptions, with mandatory reviews of KASPER reports every 6 months when prescribing controlled substances for long-term use.

Legislation needs to be changed to allow KASPER to be able to do proactive reporting; presently, use of data is very limited. Somebody needs to look at the KASPER data on a regular basis. However, there is a fiscal note attached to such changes.

In response to a question from Representative Palumbo, Mr. Ingram said that he did not know what the two national boards are that Ohio pain clinic owners need to be certified by. He will get the information to her.

In response to a question from Representative Simpson, Mr. Ingram said there are several legitimate pain clinics in Kentucky. Their practices should not be hindered; the focus should be on the illegitimate clinics.

In response to questions from Representative Simpson, Mr. Ingram said that a patient might feel a family physician is not managing his or her pain effectively and that would prompt a visit to a pain clinic. Regarding recommended legislation, he is presently working on legislation with Senator Higdon. Senator Higdon noted that it is a complicated issue and should be taken up early in the next session.

Representative Stumbo pointed out that, in 2003, he and Senator Roeding had envisioned that such information as shown on slides in Mr. Ingram's presentation on geographic areas would trigger scrutiny by KBML. The intent of their legislation was that KBML would automatically begin a review on licensed physicians in areas with high prescriptions. All that information is available but nothing has been done with it. Mr. Ingram said that he believes some statutory changes are needed to allow CHFS to obtain more specific information.

Senator Higdon pointed out that the map seems to show that Marion County, in his district, has a high usage rate of prescription drugs.

Representative Combs noted that there are well-intended needs for pain clinics. The number one issue in her district is drug abuse. That is at the root of the other problems in Kentucky. She mentioned that another area of drug concern is the use of drugs by the elderly. They are being prescribed controlled substances and can end up abusing them unintentionally.

Mr. Ingram said that between 40 and 50 percent of opiate addicts became addicted through a legitimate need for the drugs for pain. Senator Clark reiterated that people become addicts after needing the drugs for pain. He referred to the slides of young people in Mr. Ingram's presentation who died as a result of addiction. He asked how they had first obtained the drugs. Mr. Ingram said he only knew about the two young women in his presentation, and that they first obtained the drugs from family and friends.

In response to questions from Representative Simpson, Mr. Ingram noted that the fear of addiction is lessened among today's youth because of the erroneous belief that drugs prescribed by a physician are automatically safe. His office has to overcome this misconception through public education. Drug abuse statistics in Eastern Kentucky have dropped due to educational efforts to the youth.

The meeting adjourned at 11:52 AM.

PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE

Minutes

September 8, 2011

Call to Order and Roll Call

The Program Review and Investigations Committee met on Thursday, September 8, 2011, at 10:00 AM, in Room 131 of the Capitol Annex. Representative Fitz Steele, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Representative Fitz Steele, Co-Chair; Senators Perry B. Clark, Vernie McGaha, John Schickel, Brandon Smith, and Katie Kratz Stine; Representatives Dwight D. Butler, Leslie Combs, Terry Mills, David Osborne, Rick Rand, and Arnold Simpson.

Guests: Crit Luallen, State Auditor; Brian Lykins, Executive Director of the Office of Technology and Special Audits; Auditor of Public Accounts. William Thielen, Interim Executive Director, Kentucky Retirement Systems.

LRC Staff: Greg Hager, Committee Staff Administrator; Rick Graycarek; Christopher Hall; Sarah Harp; Colleen Kennedy; Lora Littleton; Jean Ann Myatt; Cindy Upton; Kris Harmon, Graduate Fellow; Stella Mountain, Committee Assistant; Program Review and Investigations Committee Staff. Mike Clark, Emily Spurlock, LRC Staff Economists Office.

Approve Minutes for August 16, 2011

Upon motion by Senator McGaha and second by Representative Mills, the minutes of the August 16, 2011 meeting were approved by voice vote, without objection.

Staff Report: How School Construction Could Affect Employment in Kentucky.

Emily Spurlock presented the first part of the report. Staff were directed to study how renovating or replacing schools deemed "most in need" would impact the number of jobs in Kentucky. The current number of schools that are most in need cannot be determined. In 2010, the Kentucky Department of Education was authorized to hire

an independent firm to do a statewide review of the three worst categories of schools. That facility assessment is underway, and the results are scheduled to be released by November 30.

To evaluate activities in terms of job creation, three different types of jobs are considered. Direct jobs are the jobs directly attributable to the activity, such as jobs in the construction industry. Indirect jobs are from the inputs into the construction process, such as through purchasing building materials. Induced jobs result from the workers who are employed spending their wages on items such as food and health care.

Staff used the regional economic impact model REMI to estimate the effect of school construction on jobs in Kentucky. Staff collected detailed information on school construction projects from each of three districts. It appears that initial payments are primarily made to businesses inside Kentucky; details on spending beyond initial payments are unavailable. For the three projects, spending inside the county ranged from about 9 to 41 percent, and the amount spent outside the state ranged from 7 to about 15 percent.

The net impact of school construction on jobs is the difference between jobs created by allocating funds to school construction and jobs that would have been created if funds were allocated elsewhere. This takes into account that jobs and earnings will increase in the first year as construction occurs, but will decrease in future years as resources are allocated to repayment of the bond financing the project.

The analysis in the report is based on a representative school project of \$20 million with an assumed construction period of one year. The project is paid for by issuing a 20-year bond at 4.25 percent interest. The annual bond payment is \$1.546 million.

Staff considered three alternative sources of funds to repay the bond. The first alternative is higher taxes, which results in lower consumer spending by taxpayers. The annual decrease in consumer spending is equal to the \$1.546 million annual bond payment. In the first year of the 20-year period, the year the project is constructed, the net increase is 322 jobs. In the next 19 years, there is a decrease of about 12 jobs per year on average, which adds up to 228 jobs over the entire period. Over the 20-year period, there is a net gain of 94 jobs in Kentucky (322 minus 228). In the first year, the increase in jobs is primarily in the construction industry, followed by retail trade and professional and technical services. In the remaining years, job losses occur primarily in retail trade, and in health care and social assistance.

Net earnings increase more than \$12 million in the first year. The cumulative decrease in the future years is about \$8 million, so there is a \$4 million net gain in Kentucky earnings over the 20-year period (\$12 million minus \$8 million).

The second alternative is for the bond to be repaid by reallocating existing government funds. The job losses in the out years are greater than for the first alternative because state government spending is more likely to have a greater impact in Kentucky than consumer spending. Government spending is more likely to go directly to wages for state government employees. Consumers are more likely purchase goods produced out of state. The net increase in jobs in Kentucky in the first year is 299 jobs. In the following 19 years, there is a decrease of, on average, about 27 jobs per year for a total loss of 519 jobs. The net job loss is 220 jobs in Kentucky over the 20-year period (299 minus 519). As with the first alternative, the increase in jobs in the first year is primarily in the construction industry, retail trade, and professional and technical services. In the following years, jobs losses are concentrated in government. There is a net loss in Kentucky earnings over the 20-year period of \$11.3 million.

The third alternative assumes that the bond payments are made through a combination of higher taxes and reduced government spending in other areas. If 70 percent of the payment is met through higher taxes, and 30 percent is met through reducing other government spending, this produces a break-even point for jobs over the 20-year period. The jobs created in the first year are offset by the jobs lost during the payback period. Job gains and losses are distributed by industry similarly as with the previous alternatives. Although the net change in jobs in Kentucky over the 20-year period is zero, the net change in earnings is a loss of \$400,000.

It should be kept in mind that the job counts are not necessarily that many unique jobs. Jobs may be full or part time and do not necessarily last a full year. Jobs that occur in more than one year are counted in each year they occur. The job counts reported are for Kentucky only. A shift in spending from one sector to another may create or cost jobs in the state depending on how much of the input is produced in Kentucky. The impact may be different if the amount of construction were to be different. A large amount of school construction may impact prices of inputs and wages, which would increase the cost of the project. Kentucky firms may not be able to meet the needs of too many school construction projects at once, which could mean that more would need to be purchased from out of state, or more employees hired from

out of state. Construction activity would produce a positive effect in Kentucky regardless of what is built. Building something that is not valued by Kentucky residents could affect residents negatively if they must give up consumer spending or government services to pay for it.

Ms. Spurlock concluded by saying that while the report focused on jobs and earnings, other researchers have studied different potential benefits of a new school building. Results of studies on the relationship between school facilities and student outcomes vary, and it is unclear how strong that relationship is.

Mike Clark presented the second part of the report. As part of the school construction study, staff were directed to look at apprenticeship programs. For workers, apprenticeship programs provide classroom instruction, on-the-job training, income while training, and associate's degrees in some cases. For employers, such programs provide a way to develop a trained workforce and to lower wage costs while workers learn.

Programs registered with the Kentucky Labor Cabinet must meet requirements related to classroom time, work experience, and the ratio of apprentices to journeymen. Pay must be at least 40 percent of the journeyman wage, and wages are to increase based on progress. There are nonregistered programs but they are not required to provide information to the Labor Cabinet, so there is no information on them.

There are 149 registered programs in Kentucky. Of the more than 2,200 active apprentices in these programs, 83 percent are in construction. The number of new construction apprentices entering registered programs each year has declined, peaking at 886 in 2007 and decreasing to 396 in 2010. This coincides with the decline of construction jobs in Kentucky during the economic recession, a decrease of 20,900 jobs (24 percent) since December 2007.

In a typical year, more than one half of apprentices entering registered apprenticeship programs that year will leave the program.

Pre-apprenticeship training is not a formal apprenticeship. The focus is on recruiting potential construction workers and apprentices. Basic training is provided on job searching, the construction industry, and safety. The Kentuckiana Works Construction Pipeline program was created in part to help meet minority and gender hiring goals for construction of KFC Yum! Center. Several organizations participated in the program, which consisted of 120 hours of instruction over 5 weeks. Two other pre-apprenticeship programs were created by local workforce investment boards

(Green River, Northern Kentucky) in 2010 with funding from the American Recovery and Reinvestment Act. Both programs ended in 2011 when the federal funding ran out.

Certain school projects require contractors to pay prevailing wages. Prevailing wage is a minimum wage for public construction projects. The minimum base wage and fringe benefit vary by trade and location. Contractors may pay apprentices in registered programs a percentage of the prevailing wage based on the apprentice's wage schedule. This might be an incentive to hire apprentices, but this could be limited due to the lower skill level of apprentices. No data are available on the number of apprentices working on school construction projects.

Senator Higdon commented that it was enlightening to see consideration of the net effect, taking the job losses into account from when the cost of construction is paid back.

Senator Stine asked whether the effect of reduced government spending versus the effect of raising taxes on the private sector indicated that state government is the largest employer in Kentucky, and consequently whether increasing taxes would not harm an already weakened private sector. Mr. Clark said that the different effects from raising taxes or reducing other government spending are affected by what state government and consumers purchase. The reduction in government spending affects employment in Kentucky more negatively because state government spending is predominantly for employees. Consumer spending is more likely to be for goods made out of state.

Senator Stine asked if there is any indication that employers are using apprentices to avoid paying the full prevailing wage. Mr. Clark said that he could check to see if audits done by the Labor Cabinet would provide any information on this.

Senator Stine asked what is known about the number of unregistered and undocumented workers on prevailing wage projects. Mr. Clark said that he could check to see what information is available. In response to a question from Representative Mills, Mr. Clark said that information on prevailing wages for his area is publicly available and staff would get him this information. In response to a question from Representative Combs, Mr. Clark said that fringe benefits required under the prevailing wage law vary among classifications as wage rates do.

Representative Steele said that he wants members of the committee to get copies of the Parsons report to be released on November 30.

Upon motion by Representative Simpson and second by Representative Mills, the report How School Construction Could Affect

Employment in Kentucky was adopted by roll call vote.

Auditor Luallen summarized the Auditor of Public Accounts (APA) special audit of the Kentucky Retirement Systems (KRS) that was released on June 28. The audit makes 92 recommendations to strengthen Board of Trustees' oversight and governance of the agency. The audit did not identify any matters that appear to have impacted KRS's financial condition. The audit focused on the specific questions surrounding the use of placement agents at KRS, the internal audit process, and a broad review of board policies and governance issues.

Auditors saw no evidence of a "pay to play" scheme involving placement agents, of conflicts of interest that benefited KRS officials, or that KRS incurred additional costs through the use of placement agents. However, the audit points to several troubling aspects regarding the use of placement agents and the report was referred to the Securities and Exchange Commission, which has the authority to determine if further investigation is needed in Kentucky.

The audit found that the use of placement agents lacked transparency and may not have always been in the best interest of KRS. One placement agent had an unusually close working relationship with the former KRS chief investment officer and received a high percentage of the investment contracts. The involvement of this placement agent was not transparent to other investment staff, the investment committee, or the board.

The audit recommends that all information required by the Retirement Systems' Placement Agent Disclosure Policy be presented to the KRS Board of Trustees in a clear and transparent manner, that the Disclosure Statement for placement agents include political contributions made to Kentucky officials within the past two years, that the General Assembly consider requiring the registration of placement agents as executive agency lobbyists with the Executive Branch Ethics Commission, and importantly, that the investment committee of the board receive more detailed information on recommended investments.

Regarding the internal audit process at KRS, trustees had expressed concerns about the internal audit of placement agents, including inadequate communication, timeliness, and independence. State auditors found that there were inadequate procedures for conducting such a special internal audit. As a result, the internal audit had insufficient involvement from the board and resulted in confusion and suspicion among the trustees. The APA audit recommends that the KRS Audit Committee develop and approve

detailed procedures for special audits requested by management or external sources, and that the KRS Division of Internal Audit conduct all audit fieldwork in an independent manner separate from the influence of KRS management.

Auditor Luallen reviewed recommendations related to board governance and operational policies. The APA audit contains specific recommendations to strengthen policies governing budgeting, conflicts of interest, travel, spending, anonymous reporting of concerns, and consistency in the board selection process.

She elaborated on recommendations that would make the election and appointment process for the board more consistent and stronger. The qualifications for gubernatorial appointees to the board, as dictated by statute, help ensure that the board possesses the investment background needed to effectively oversee KRS. However, elected trustees have no qualification requirements. The audit recommends that the same disclosure requirements and application process be followed for both elected and appointed board members. At a minimum, applicants should be required to detail how their specific qualifications prepare them to be an effective trustee, and both types of trustee applicants should authorize a background check. Such information should be available to the governor for the appointed positions, and to the trustees before their decision on the final nominees for election of new trustees.

Although the purpose of this special audit was not to examine KRS financial statements or investment performance, the report includes a detailed background section on the history and financial viability of the retirement system.

One overarching concern is that the long-term viability of the retirement system has been dramatically impacted by the state's consistent underfunding of its employer contributions since 2003. The reforms passed in 2008 legislative session will be helpful to the future viability of the system.

On August 29, APA received the 60-day letter required from KRS that advises of its response to the audit's recommendations. Its response agrees to implement 50 or the 54 recommendations (KRS grouped the recommendations differently than in the original report). Three recommendations have been deferred until the November board meeting, and KRS is continuing to study one recommendation.

Representative Rand asked what share of the KRS board is elected. Auditor Luallen said that the board is made up of three members

appointed by the governor, two members elected by KERS [Kentucky Employees Retirement System] members and retirees, two members elected by CERS [County Employees Retirement System] members and retirees, one member elected by state police members and retirees, and the Secretary of the Personnel Cabinet. For elected members, the board makes decisions as to which names go forward to be voted on. There are requirements for the gubernatorial appointees but not the elected members. The report recommended that there be transparency for how the experience of elected board nominees qualifies them for the board. She noted that KRS has the most critical fiduciary responsibility of any board in the state.

Representative Rand said that the qualification of elected members is critical because they make up a majority of board members. In response to a question from him, Auditor Luallen said that there are no specific standards that elected members must meet.

Senator Higdon directed staff to distribute to committee members the 24-page background section from the auditor's report on KRS.

Senator Higdon asked if travel expenses were recorded as budget items or as part of investment costs. Mr. Lykens said they were recorded as budget items under administrative expenses. Auditor Luallen added that information on travel expenses should be provided to the investment committee so that this could be considered as part of investment decisions.

Representative Mills asked what the mechanism is for following up on recommendations. Auditor Luallen said that the 60-day response is all that is required by statute. The office will continue to monitor the status of the recommendations for KRS; her sense was that compliance was good. She noted her office has a good relationship with the current leadership at KRS.

Representative Simpson asked that the supplemental minutes of the November KRS board meeting be provided to the committee. Mr. Thielen said that this would be done.

Representative Simpson commended Auditor Luallen and her staff for the work on this and other reports. Representative Steele echoed his comments.

The meeting was adjourned at 11:27 AM.

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE Minutes

September 7, 2011

Call to Order and Roll Call

The meeting of the Tobacco Settlement Agreement Fund Oversight

Committee was held on Wednesday, September 7, 2011, at 10:00 AM, in Room 129 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 Wilson Stone, Co-Chair; Senators Carroll Gibson, David Givens, Vernie McGaha, and Joey Pendleton; Representatives Royce W. Adams, James R. Comer Jr., Tom McKee, Fred Nesler, and Tommy Turner.

Guests: Joel Neaveill, Angela Blank, Jennifer Hudnall, and Christi Marksbury, Governor's Office of Agriculture Policy; Debby Milton and Lane Gould, Kentucky Infrastructure Authority.

LRC Staff: Lowell Atchley, Stefan Kasacavage, and Kelly Blevins.

The August 3, 2011, minutes were approved, without objection, by voice vote, upon motion by Senator Vernie McGaha and second by Senator Joey Pendleton.

Prior to receiving the monthly report from the Governor's Office of Agricultural Policy, committee members discussed the plight of the dairy industry in Kentucky and the need for economic incentives or legislation that would be beneficial for the dairy industry.

Governor's Office of Agricultural Policy

Mr. Joel Neaveill, Chief of Staff, Governor's Office of Agricultural Policy (GOAP) presented that agency's report of project funding decisions made by the Agricultural Development Board (ADB) in its previous meeting in the absence of Mr. Roger Thomas, Executive Director.

Mr. Neaveill reviewed funding under the County Agricultural Improvement and Deceased Farm Animal Disposal Assistance programs from the previous month.

ADB-approved projects presented for review included: Gallrein Farms Inc., Shelby County, which received \$150,000 in agricultural development funds to expand a retail and greenhouse operation; Nelson County Fiscal Court, \$30,000 to help buy a truck that will be used in the county's dead livestock removal program; Owen County 4-H Club Council, \$20,000 to sponsor a youth livestock cost-share program; and Wolfe County Fiscal Court, \$350,000 in agricultural development funds to help develop a United States Department of Agriculture-certified meat processing facility and retail distributorship. Mr. Neaveill detailed reasons the board denied funding for two projects, Franklin-Simpson Industrial Authority, which sought \$15,000 in agricultural development funds to create an entrepreneurial resource center, and Destiny Health

Trends Network, which requested \$150,000 to help develop an agriculture-related television series.

Co-chair Hornback indicated the Gallrein project would benefit the community, particularly farmers who supply farm products to the company.

Responding to Co-chair Stone, Mr. Neaveill said he would mention a suggestion to the board that stronger financial security be required for cost reimbursement grant recipients, should they fail to refund pro-rated grant amounts. Gallrein received a cost reimbursement grant. Co-chair Hornback said he recalled the Department of Labor took a lien on property involved in forgivable loan situations.

The Wolfe County project prompted several questions and comments. Responding at various times to Co-chair Hornback, Senator Pendleton, Senator Givens, Representative McKee, and Senator McGaha, Mr. Neaveill commented on the environmental permitting

timetable, the status of acquisition of additional funding, how the meat processing will be approached, sources for the livestock that will be processed at the plant, the regional impact of the project, the development of the business plan, market surveys, and multicounty involvement in the project.

One of the projects denied funding, Destiny Health Trends Network, prompted additional discussion as well. Mr. Neaveill responded to questions and comments from Co-chair Hornback, Senators Givens and Pendleton, and Representatives Adams, McKee, and Stone, about the need for the agriculture industry to explain itself to the public via the media, the status of a GOAP plan to develop a public relations, marketing, and communications plan on agriculture and the caution that should be exercised in the development of the plan, the involvement of the private sector in funding development of an agriculture public relations plan, and

assistance from other state agencies.

Prompted by questions from Senator Givens, the committee discussed with Mr. Neaveill the status of the planned Kentucky Agriculture Heritage Center. According to the discussion, the board of directors for the proposed center is looking for a new site for the museum, with word that an intended donation of 50 acres for the museum in Mercer County will not materialize. Mr. Neaveill indicated that a \$10 million bond issuance, to be repaid with future tobacco settlement funds, is still in place. Members talked about the potential location for the museum, with Senator Pendleton suggesting that a site near Frankfort would be ideal because the state capital also is the locale for several historic buildings and sites.

Kentucky Infrastructure Authority

The committee received a report Ms. Debby Milton, a Financial Analyst with the Kentucky Infrastructure Authority, who updated the panel on

that agency's use of tobacco settlement funds for rural water and wastewater projects.

In her remarks to the committee, Ms. Milton discussed KIA loan programs, grant amounts, how tobacco settlement funds are used, and examples of unique projects in the state.

Ms. Milton also discussed future funding needs in light of project rankings undertaken in regions of the state.

Senators Pendleton, Givens and Hornback, and Representatives Stone and McKee commented on the work that KIA is doing to expedite planning and funding for the rural water and wastewater projects. The legislators talked about the importance of the tobacco settlement funds in the utility extensions.

Documents distributed during the committee meeting are available with meeting materials in the LRC Library. The meeting adjourned at approximately noon.

2012 Prefiled Bills

BR 8 - Representative Melvin B. Henley (06/29/11)

AN ACT relating to taxation.

Amend KRS 132.020 to reflect the most recent tax rate for real property, provide that all tangible personal property owned by a veterans' organization exempt from income taxation under 501(c)(19) of the Internal Revenue Code shall be taxed at \$0.001 upon each \$100 of value, and make other technical changes for ease of reading; amend KRS 132.200 to exempt from local taxation all tangible personal property owned by a veterans' organization that has qualified for exemption for income taxation under 501(c)(19) of the Internal Revenue Code and the property is directly used in the organization's exempt activities; amend KRS 139.495 to exempt from sales and use tax sales of tangible personal property, digital property, or services to a veterans' organization that has qualified for exemption under 501(c)(19) of the Internal Revenue Code if the tangible personal property, digital property, or service is used in the organization's exempt activities, and exempts from sales and use tax sales of tangible personal property by the organization; EFFECTIVE August 1, 2012, and January 1, 2013.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Appropriations and Revenue

BR 9 - Representative Sannie Overly (06/23/11)

AN ACT relating to judicial sales.

Amend KRS 426.200 and 426.520 to require that in judicially ordered land sales that any appraisals of the land made pursuant to the court ordered sale process be publically available prior to the sale of the land.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Judiciary

BR 18 - Representative Carl Rollins II (08/12/11)

AN ACT relating to safety inspections for official vehicles.

Create a new section of KRS Chapter 186 to require an annual safety inspection for vehicles owned or leased by the state, public postsecondary institutions, local governments, boards of education, ambulance services organized by units of government within the state, and volunteer fire department vehicles; require that the inspection be done by a mechanic with A S E certification; require affected entities to present

proof of inspection before December 31, 2013, and annually thereafter; require the Transportation Cabinet to promulgate administrative regulations regarding inspection standards and out-of-service criteria for publicly owned vehicles; grant Transportation Cabinet the authority to suspend the registration for any vehicle which does not pass inspection or for which proof of inspection is not provided; provide for no fee to reinstate a registration on a vehicle whose registration was suspended under the provisions of this section; Amend KRS 186.065, 186.060, and 181.061 to conform.

(Prefiled by the sponsor(s).)

BR 19 - Senator Tom Buford (07/07/11)

AN ACT relating to the employment of persons with criminal records in long-term care facilities, nursing facilities, and assisted living communities.

Amend KRS 216.789 to prohibit employment by a long-term care facility, nursing facility, or an assisted living community of all persons convicted of a felony offense related to theft; abuse or sale of illegal drugs; abuse, neglect, or exploitation of an adult; or a sexual crime.

(Prefiled by the sponsor(s).)

BR 22 - Representative Melvin B. Henley (05/18/11)

AN ACT relating to out-of-state durable medical equipment providers.

Create a new Section of KRS Chapter 216B to require the Cabinet for Health and Family Services to promulgate an administrative regulation requiring a provider of durable medical equipment located in another state to maintain an office or place of business in Kentucky if that state requires durable medical equipment providers with a principal place of business in Kentucky to maintain an office or place of business within that state.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Health and Welfare

BR 30 - Representative Joni L. Jenkins (05/27/11)

AN ACT relating to crimes and punishments.

Amend KRS 508.025, relating to third degree assault, to include an assault on an operator or passenger of a taxi, bus, or other passenger vehicle for hire within that offense; amend

KRS 508.050 and 525.060, relating to menacing and disorderly conduct, to increase the penalty for those offenses if the offense is committed against an operator or passenger of a taxi, bus, or other passenger vehicle for hire.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Judiciary

BR 31 - Representative Ron Crimm (06/17/11)

AN ACT relating to the promotion of organ and tissue donation.

Create a new section of KRS Chapter 141 to establish the employers' organ and bone marrow donation tax credit; amend KRS 141.0205 to provide the ordering of the credit; declare short title to be the Living Organ and Bone Marrow Donor Assistance Act.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Appropriations and Revenue

BR 46 - Representative Joseph M. Fischer (09/14/11)

AN ACT relating to property tax.

Amend KRS 132.010 to change the definition of "compensating tax rate", and to add definitions for "Four (4%) rate", and "Taxing district"; amend KRS 132.017 and 132.0225 to conform; amend KRS 132.023 to require all taxing districts to calculate separate real and personal property tax rates; amend KRS 68.245, 157.440, 160.470, 210.480, 212.755, 65.125, 67.934, 67.938, 67A.850, 67C.125, 67C.147, 78.530, 132.012, 132.028, and 342.240 to conform; create a new section of KRS Chapter 173 to require the Department of Libraries and Archives to calculate tax rates for library taxing districts; repeal KRS 132.018, 132.024, 132.025, 132.029, 68.248 and 160.473; provide that the Act applies beginning January 1, 2013.

(Prefiled by the sponsor(s).)

BR 48 - Representative Ron Crimm (07/29/11)

AN ACT relating to naming of public properties.

Create a new section of KRS Chapter 2 to set forth the criteria for the naming of public property owned, maintained, operated, utilized, or leased by the state or any of its

political subdivisions, including school districts; amend KRS 177.074 to conform.

(Prefiled by the sponsor(s).)

BR 63 - Representative Lonnie Napier (07/05/11)

AN ACT relating to eligibility for public assistance.

Amend KRS 205.200 to require the Cabinet for Health and Family Services (CHFS) to implement a substance abuse screening program for applicants and recipients of public assistance; permit the CHFS to design the program and utilize testing of blood or urine or other reliable methods of substance abuse detection; state conditions under which an adult person is ineligible for public assistance; permit substance abuse testing to occur only when a caseworker suspects substance abuse at the initial interview or at any other occasion when the caseworker comes to suspect that the recipient is abusing controlled substances; require the CHFS to promulgate regulations governing the program and testing including requirements that applicants pay for all substance abuse screening costs and receive a later reimbursement if the test is passed; grant the right to additional screenings for applicants that fail a test; require both parents in two-parent families to comply with screening requirements; require that an individual who fails a test receive a list of licensed substance abuse treatment providers in his or her area; require passage of a drug test before receiving benefits; permit parents or guardians who fail a test to designate another individual to receive benefits for the parent's minor children; require designated individuals to pass substance abuse screenings; create a 60-day grace period to enter a treatment program after the initial positive test; require individuals to pay for a test at the end of the 60-day grace period, and provide that, if they pass that test they must pass two additional randomized testings during the next 24 months, or if an individual tests positive for a controlled substance after the 60-day grace period, they must show evidence of having entered a substance abuse treatment program within 14 days, during which time, benefits may be suspended and only be payable for the benefit of any children in that recipient's home.

(Prefiled by the sponsor(s).)

BR 75 - Representative Carl Rollins II (08/25/11)

AN ACT relating to educator evaluation.

Amend KRS 156.557 to require the Kentucky Board of Education to establish a statewide system of evaluation for all certified personnel; require the Department of Education, in partnership with professional organizations, to develop the system prior to the 2013-2014 school year; require the board to establish the weights to be applied to each performance criteria; delete three-phase alternative evaluation plan; allow waiver of evaluation plan under certain conditions.

(Prefiled by the sponsor(s).)

BR 76 - Representative Carl Rollins II (08/10/11)

AN ACT relating to districts of innovation.

Create a new section of KRS Chapter 156 to define "district of innovation" and related terms; authorize the Kentucky Board of Education to approve districts of innovation, not to exceed five (5) districts per year; limit initial approval and subsequent renewals to five year periods; direct the board to promulgate administrative regulations to prescribe the conditions and procedures to be used by a local board of education to be approved as a district of innovation; specify what the administrative regulations shall address; create a new section of KRS Chapter 160 to describe the requirements for a district to be an applicant as a district of innovation; prescribe the statutory requirements with which schools of innovation within districts of innovation must comply; require 70% of eligible employees in a school to vote in favor of becoming a school of innovation before the school is eligible to be a participant; describe the conditions under which a school may be exempt from KRS 160.345 or sections thereof; and identify areas in which districts may request approval of practices that are different than current statutory requirements.

(Prefiled by the sponsor(s).)

BR 84 - Representative Brent Yonts (07/12/11)

AN ACT relating to career and technical education, making an appropriation therefor, and declaring an emergency.

Amend KRS 158.812 to express legislative goals for career and technical education; amend KRS 158.810 to define terms related to career and technical education; create a new section to KRS Chapter 156 to require the Department of Education to issue core content standards, assess student progress, and develop new courses relevant to college and career readiness; create a new section to KRS Chapter 158 providing for the creation and use of evidence-based models assessing the needs of at-risk students; create a new section of KRS Chapter 157 to define terms related to career and technical education and to establish a career and technical education accessibility fund; amend KRS 158.814 to address unmet needs for career and technical education; amend KRS 158.816 to add criteria to the assessment of technical education students; amend KRS 18A.010 to exempt technology center employees from the count of full-time executive branch employees; EMERGENCY.

(Prefiled by the sponsor(s).)

BR 85 - Representative Brent Yonts (07/29/11)

AN ACT relating to a high school technology diploma.

Amend KRS 156.160 to require the Kentucky Board of Education to promulgate administrative regulations for a high school technology diploma; amend KRS 158.7603, 158.140, and 313.040 to conform.

(Prefiled by the sponsor(s).)

BR 87 - Senator Denise Harper Angel (07/28/11)

AN ACT relating to fingerprint background checks of long-term care employees.

Create a new section of KRS Chapter 209 to define terms and require that adult institutional or community-based long-term care service providers conduct a fingerprint check before hiring an applicant.

(Prefiled by the sponsor(s).)

BR 88 - Representative Jim DeCesare (07/07/11)

A RESOLUTION requesting the President of the United States and the Attorney General of the United States to abandon plans to try Waad Ramadan Alwan and Mohanad Shareef Hammadi in federal court in Bowling Green, Kentucky and to transfer them to the detention facility at Guantanamo,

Cuba for trial by military tribunal.

Urge the President of the United States and the Attorney General of the United States to move the trial of two terrorism suspects from the federal court in Bowling Green, Kentucky to a U.S. Military Tribunal at the Guantanamo, Cuba detention facility.

(Prefiled by the sponsor(s).)

BR 108 - Representative Melvin B. Henley (07/27/11)

AN ACT relating to children.

Amend KRS 72.992 relating to failing to report a death to increase penalty to a Class D felony if the deceased is a child eight years of age or younger; create a new section of KRS Chapter 17 to require a parent, guardian, or person exercising custody and control of a child eight years of age or younger to report to law enforcement or a 911 public safety answering point within twenty-four hours after the child has been discovered missing; amend KRS 17.990 to make failure to report a missing child within the specified time period a Class D felony.

(Prefiled by the sponsor(s).)

BR 111 - Representative Richard Henderson, Representative Larry Clark, Representative Dennis Horlander, Representative Dennis Keene (07/08/11)

AN ACT relating to children.

Create a new section of KRS Chapter 17 to require a parent, guardian, or person exercising custody and control of a child twelve years of age or younger to report to law enforcement or a 911 public safety answering point within twelve hours after the child has been discovered missing; amend KRS 17.990 to make failure to report a missing child within the specified time period a Class D felony; name the act "Caylee's Law."

(Prefiled by the sponsor(s).)

BR 112 - Senator John Schickel (08/25/11)

A RESOLUTION adjourning the Senate in honor and loving memory of Thomas O'Daniel.

Adjourn in loving memory and honor of Thomas O'Daniel.

(Prefiled by the sponsor(s).)

BR 119 - Senator Denise Harper Angel (07/11/11)

AN ACT relating to children.

Create a new section of KRS Chapter 17 to require a parent, guardian, or person exercising custody and control of a child twelve years of age or younger to report to law enforcement or a 911 public safety answering point within twelve hours after the child has been discovered missing; amend KRS 17.990 to make failure to report a missing child within the specified time period a Class D felony; name the act "Caylee's Law."

(Prefiled by the sponsor(s).)

BR 120 - Representative Ron Crimm (07/29/11)

AN ACT relating to qualifications for military service.

Amend KRS 211.760 to require tattoo facilities to conspicuously display a notice in a prominent place easily seen by patrons; set minimum dimensions of notice sign at 11 by 14 inches with 1 inch letters; direct the cabinet to supply the sign to the tattoo facilities; require the notice to warn that any tattoo on the neck, forearm, or lower leg automatically disqualifies the wearer from military service in the United States Armed Forces.

(Prefiled by the sponsor(s).)

BR 121 - Representative Ron Crimm (07/29/11)

AN ACT relating to the gross revenues and excise tax fund and declaring an emergency.

Amend KRS 136.650 to increase the hold harmless amount for fiscal year 2012-2013 and every fiscal year thereafter; amend KRS 136.654 to require the Department of Revenue to determine if it is necessary for a participating political subdivision to certify its total tax receipt; EMERGENCY.

(Prefiled by the sponsor(s).)

BR 122 - Representative Ron Crimm (07/29/11)

AN ACT relating to traffic control devices.

Create a new section of KRS Chapter 189 to require local governments that have installed speed bumps or speed humps on a roadway under its jurisdiction to denote the speed bumps or speed humps using a road sign or paint them so that they are clearly visible to persons traveling the roadway.

(Prefiled by the sponsor(s).)

BR 123 - Representative Ron Crimm (07/29/11)

AN ACT relating to domestic relations.

Amend KRS 403.200, relating to temporary orders, to permit a court to provide for wage assignment and automatic electronic transfer of funds for payment of spousal maintenance; set forth restrictions.

(Prefiled by the sponsor(s).)

BR 131 - Senator John Schickel (08/25/11)

A RESOLUTION adjourning the Senate in honor and loving memory of Willie Mathis, Jr.

Adjourn in loving memory and honor of Willie Mathis, Jr.

(Prefiled by the sponsor(s).)

BR 132 - Senator John Schickel (08/25/11)

A RESOLUTION adjourning the Senate in honor and loving memory of Margaret B. Deters.

Adjourn in loving memory and honor of Margaret B. Deters.

(Prefiled by the sponsor(s).)

BR 135 - Representative Alecia Webb-Edgington (09/06/11)

AN ACT relating to special license plates.

Amend KRS 186.162 to establish a Gold Star Sibling special license plate and set forth required fees; provide Disabled Veterans license plates at no charge to veterans with a 50% or greater service-connected disability; amend KRS 186.166 to provide for perpetual production of the Gold Star Sibling special license plates; amend KRS 186.164 to require the Transportation Cabinet to promulgate regulations outlining documentation required to receive a Gold Star Sibling special license plate; limit eligibility for a Gold Star Sibling special license plate to siblings of service members whose mothers are eligible for membership in the Gold Star Mothers of America; delay effective date until January 1, 2013.

(Prefiled by the sponsor(s).)

BR 136 - Representative Alecia Webb-Edgington (09/06/11)

AN ACT relating to the duty to report a dead body.

Amend KRS 72.020 relating to reporting of deaths to require

reporting of knowledge of a death as well as possession of a dead body as reportable and add the Department of Kentucky State Police as an agency to which the report may be made; amend KRS 72.990 relating to penalties to add interfering with a peace officer in a death investigation as an offense and increase the penalty for failure to report or interfering with a coroner or peace officer to a Class D felony.

(Prefiled by the sponsor(s).)

BR 137 - Representative Terry Mills (07/28/11)

AN ACT relating to school buses.

Create a new section of KRS Chapter 189 to allow a local school board to sell advertising on school buses; prohibit certain types of advertising; identify annual reporting requirements.

(Prefiled by the sponsor(s).)

BR 154 - Representative Richard Henderson (09/19/11)

AN ACT relating to the Veterans' Personal Loan Program and making an appropriation therefor.

Appropriate \$5 million during fiscal year 2012-2013 from the General Fund for the Veterans' Personal Loan Program.

(Prefiled by the sponsor(s).)

BR 158 - Representative Tom Burch (08/18/11)

AN ACT relating to the accreditation of health departments and making an appropriation therefor.

Create a new section of to create the Kentucky Commission on Public Health within the Public Health Leadership Institute at the University of Kentucky under KRS Chapter 164; establish membership and duties of the commission including that all health departments achieve national accreditation and maintain accreditation by the national Public Health Accreditation Board, by December 31, 2020; require the commission to submit an annual report; appropriate \$500,000 to operate the commission.

(Prefiled by the sponsor(s).)

BR 159 - Senator Jack Westwood (08/11/11)

AN ACT relating to career and technical education, making an

appropriation therefor, and declaring an emergency.

Amend KRS 158.812 to express legislative goals for career and technical education; amend KRS 158.810 to define terms related to career and technical education; create a new section of KRS Chapter 156 to require the Department of Education to issue core content standards, assess student progress, and develop new courses relevant to college and career readiness; create a new section of KRS Chapter 158 providing for the creation and use of evidence-based models assessing the needs of at-risk students; create a new section of KRS Chapter 157 to define terms related to career and technical education and to establish a career and technical education accessibility fund; amend KRS 158.814 to address unmet needs for career and technical education; amend KRS 158.816 to add criteria to the assessment of technical education students; amend KRS 18A.010 to exempt technology center employees from the count of full-time executive branch employees; EMERGENCY.
(Prefiled by the sponsor(s).)

BR 165 - Senator Denise Harper Angel (08/12/11)

AN ACT relating to school collection of data on body mass index, height, and weight.
Amend KRS 156.160 to require the Kentucky Board of Education to promulgate administrative regulations to include the body mass index (BMI) percentile, height, and weight on preventative health care examination forms; require the data to be submitted to the Department of Education in a manner approved by the board that does not identify any individual student; require the department to share data only with the Cabinet for Health and Family Services; require that any use of the data abide by HIPPA privacy rules.
(Prefiled by the sponsor(s).)

BR 175 - Senator John Schickel (09/07/11)

AN ACT relating to the sale of alcoholic beverages at restaurants.
Amend KRS 241.010 to specify that restaurants must receive at least fifty percent of their food and beverage income from the sale of food.
(Prefiled by the sponsor(s).)

BR 189 - Representative Michael J. Nemes (09/07/11) AN ACT proposing to create a new section of the Constitution of Kentucky and to amend Section 226 of the Constitution of Kentucky relating to gaming.
Propose to create a new section of the Constitution of Kentucky and to amend Section 226 of the Constitution of Kentucky to authorize the General Assembly to provide a means whereby the sense of the people of any county may be taken as to whether casinos, including the operation of gaming at horse racing tracks, will be permitted in the county; submit to the voters for ratification or rejection; include ballot language.
(Prefiled by the sponsor(s).)

BR 197 - Representative Kevin Sinnette (08/31/11)

AN ACT relating to utility franchises.
Amend KRS 96.010 to prohibit bidders for city utility franchises from recovering the franchise fee from ratepayers through fees or surcharges on their bills.
(Prefiled by the sponsor(s).)

BR 209 - Representative Kevin Sinnette (08/31/11)

AN ACT relating to motor vehicle personal injury reparation benefits.
Amend KRS 304.39-241 to authorize an insured to direct the payment of motor vehicle reparation benefits for medical expenses arising from a covered loss to a health benefit plan, Medicaid, Medicare, a Medicare supplement provider, or any other provider that has paid related medical expenses.
(Prefiled by the sponsor(s).)

BR 211 - Representative Jim Wayne (09/09/11)

AN ACT relating to public financing for judicial campaigns.
Create new sections of KRS Chapter 118A to establish the clean judicial elections fund; define terms; establish fund to distribute transfers to certified judicial candidates; provide that the Kentucky Registry of Election Finance administer the fund and promulgate necessary administrative regulations; designate that moneys in the fund be invested in accordance with administrative regulations developed by the State Investment

Commission; require the registry to publish information about campaign expenditures in the judicial campaigns of the previous year; establish requirements to be designated a certified judicial candidate and gain access to the fund; provide guidelines for distribution of funds to certified judicial candidates; direct that judicial review of any final action of the registry be expedited by the court; provide for a civil penalty up to \$10,000 for an actual violation of these provisions, and a Class D felony for any knowing violation of these provisions; provide that a person entitled to a state tax refund may designate on their income tax return an amount to be credited to the fund; permit the Supreme Court to require members of the Kentucky Bar Association to submit an annual fixed amount not to exceed \$25 to be dedicated to the clean judicial elections fund; EFFECTIVE January 1, 2012.
(Prefiled by the sponsor(s).)

BR 246 - Representative Michael J. Nemes (09/07/11)

AN ACT relating to the provision for and control of casino gaming and making an appropriation therefor.
Establish KRS Chapter 239 and create new sections to define “authorizing county or counties,” “casino,” “commission,” “county legislative body,” “department,” “electronic gaming device,” “full casino,” “gross gaming revenue,” “handle,” “licensee,” and “limited casino”; create the Kentucky Gaming Commission, assign powers and duties to the commission; establish executive director position; make commission, the executive director, and employees subject to executive branch code of ethics; require county election to authorize licensing of casino within county; require sheriff to advertise local option election for gaming; provide for procedures on local option elections for gaming not held on primary and regular election days; require the county board of elections to certify the results; establish commission as agency to solicit bids for casino gaming licenses and provide criteria for advertising the bid; establish procedure for evaluating bids for full casinos; provide bidding rights for racing associations; specify licensing requirements for full casinos, manufacturers, and suppliers; prohibit selling, leasing, or otherwise furnishing gaming supplies without a license; provide the option of limited

casinos for racing associations; specify licensing requirements for limited casinos; prohibit any one under 21 years of age from placing a wager at a casino or being permitted access to a casino; provide for occupational licenses; grant the commission authority to initiate disciplinary action; provide grievance procedure; exempt licensed gaming devices from federal restrictions; grant the commission the authority to define and limit permissible games; provide for the exclusion of certain persons from casinos; require the commission to develop programs for education and treatment of problem gamblers; define “cheat” and provide penalties for cheating; amend KRS 15.380 to establish gaming commission employees as peace officers; create a new section of KRS Chapter 138 to establish a wagering and an admissions tax; amend KRS 243.500 to exempt licensed casino gaming; amend KRS 243.505 to include licensed casino gaming; amend KRS 372.005 to include KRS Chapter 239; amend KRS 525.090 to exempt casino gaming; amend KRS 528.010 to gaming licensed under KRS Chapter 239; amend KRS 528.020 to exempt gambling devices operated under KRS Chapter 239; amend KRS 528.070 to exempt licensed gambling activity; amend KRS 528.080 to exempt those with a license issued under KRS Chapter 239; amend KRS Chapter 528.100 to exempt authorized casino gaming.
(Prefiled by the sponsor(s).)

BRs by Sponsor
* - denotes primary sponsorship of BRs

Senate

Buford, Tom
BR19*
Harper Angel, Denise
BR87*, 119*, 165*
Schickel, John
BR112*, 131*, 132*
BR175*
Westwood, Jack
BR159*

House

Burch, Tom
BR158*
Clark, Larry
BR111
Crimm, Ron
BR31*, 48*, 120*, 121*, 122*, 123*
DeCesare, Jim

BR88* Fischer, Joseph M. BR46* Henderson, Richard BR111*, 154* Henley, Melvin B. BR8*, 22*, 108* Horlander, Dennis BR111 Jenkins, Joni L. BR30* Keene, Dennis BR111 Mills, Terry BR137* Napier, Lonnie BR63* Nemes, Michael J. BR189*, 246* Overly, Sannie BR9* Rollins II, Carl BR18*, 75*, 76* Sinnette, Kevin BR197*, 209* Wayne, Jim BR211* Webb-Edgington, Alecia BR135*, 136* Yonts, Brent BR84*, 85*	Education, Finance Education, Higher Education, Vocational Effective Dates, Delayed Effective Dates, Emergency Elections and Voting Emergency Medical Services Firefighters and Fire Departments Gambling General Assembly Health and Medical Services Highways, Streets, and Bridges Hospitals and Nursing Homes Insurance Insurance, Health Insurance, Motor Vehicle Judges and Court Commissioners Legislative Research Commission Libraries Licensing Loans and Credit Local Government Medicaid Memorials Military Affairs and Civil Defense Motor Carriers Motor Vehicles Notices Nurses Parks and Shrines Peace Officers and Law Enforcement Pharmacists Physicians and Practitioners Police, City and County Police, State Poverty Public Assistance Public Buildings and Grounds Public Health Public Medical Assistance Public Records and Reports Public Utilities Racing Real Estate Sales Secretary of State Sheriffs Small Business State Agencies State Symbols and Emblems Taxation Taxation, Income--Corporate Taxation, Income--Individual Taxation, Property Taxation, Sales and Use Teachers Technical Corrections Tourism Traffic Safety Transportation Unified Local Governments United States Universities and Colleges Veterans' Affairs Wines and Wineries	<u>Administrative Regulations and Proceedings</u> Casino gaming - BR246 Kentucky Board of Education, districts of innovation, implementation - BR76 Board of Education, high school technology diploma, requirements for - BR85 Board of Education, personnel evaluation system - BR75 <u>Advertising</u> School buses, commercial advertising on - BR137 buses, restrictions on advertising - BR137 <u>Aged Persons and Aging</u> Felony offenders, prohibition of employment of - BR19 Long term care employment applicants, fingerprint checks - BR87 <u>Alcoholic Beverages</u> Restaurants, retail drink license requirement - BR175 <u>Amusements and Recreation</u> Casino gaming, provisions for - BR246 Casinos and gaming at horse racing tracks, constitutional amendment to let county voters decide - BR189 <u>Appropriations</u> Share of casino admissions tax to county - BR246 Veterans Personal Loan Program, provide funding for - BR154 <u>Attorneys</u> Motor vehicle reparation benefits, authority to direct payment - BR209 <u>Campaign Finance</u> Public financing for judicial campaigns, program for - BR211 <u>Children and Minors</u> Body mass index, preventative health care examination forms, require on - BR165 Education programs, career and technical education - BR84; BR159 Failure to report missing child - BR111; BR119	Report of dead child, increased penalty, report of missing child, creation of offense - BR108 <u>Cities</u> Property tax, amend application of HB 44 provisions - BR46 Utilities, franchise bidder, prohibition on recovering franchise fee through fee or surcharge - BR197 Vehicles owned by, mandatory inspections of - BR18 <u>Civil Actions</u> Maintenance orders for spouses, availability of automatic payment methods - BR123 <u>Civil Rights</u> Public assistance, substance abuse screening - BR63 <u>Consolidated Local Governments</u> Casinos and gaming at horse racing tracks, constitutional amendment to let county voters decide - BR189 Local option election for casino gaming - BR246 <u>Constitution, Ky.</u> Casinos and gaming at horse racing tracks, constitutional amendment to let county voters decide - BR189 <u>Coroners</u> Report of dead child, increased penalty, report of missing child, creation of offense - BR108 Reporting of death, add State Police, increase penalty to felony - BR136 <u>Counties</u> Casinos and gaming at horse racing tracks, constitutional amendment to let county voters decide - BR189 Local option election for casino gaming - BR246 Property tax, amend application of HB 44 provisions - BR46 Public financing for campaigns, program for - BR211 Vehicles owned by, mandatory inspections of - BR18 <u>Counties, Urban</u> Casinos and gaming at horse racing tracks, constitutional amendment to let county voters decide - BR189 Local option election for casino
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Report of dead child, increased penalty, report of missing child, creation of offense - BR108	buses, commercial advertising on - BR137	<u>Emergency Medical Services</u> Naming of public properties, emergency medical service system - BR48	Full and limited casino gaming, licensing of - BR246
Reporting of death, add State Police, increase penalty to felony - BR136	buses, restrictions on advertising - BR137	<u>Firefighters and Fire Departments</u> Fire Department vehicles, mandatory inspections of - BR18	Gaming suppliers and manufacturers, licensing of - BR246
<u>Criminal Procedure</u> Failure to report missing child - BR111; BR119	vehicles, mandatory inspection of - BR18	<u>Gambling</u> Casino gaming, provisions for - BR246	Registered tattoo facilities, military disqualification notice to be posted
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Public transportation, offenses against user or operator of - BR30

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Durable, medical equipment providers, instate office requirement, parity with other states - BR22

Physicians and Practitioners

Durable medical equipment providers, instate office requirement, parity with other states - BR22

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Failure to report missing child - BR111; BR119

Public property, naming in honor of individual or group - BR48

Report of dead child, increased penalty, report of missing child, creation of offense - BR108

Reporting of death, add State Police, increase penalty to felony - BR136

Police, State

Failure to report missing child - BR111; BR119

Naming in honor of individual or group - BR48

Report of dead child, increased penalty, report of missing child, creation of offense - BR108

Reporting of death, add State Police, increase penalty to felony - BR136

Poverty

Public assistance, substance abuse screening - BR63

Public Assistance

Eligibility for benefits, substance abuse screening - BR63

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Naming in honor of individual or group - BR48

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Kentucky Commission on Public Health, creation of the - BR158
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Report of dead child, increased penalty, report of missing child, creation of offense - BR108

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Cities, franchise bidder, prohibition on recovering franchise fee through fee or surcharge - BR197

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Real estate, sale under judicial process, appraisal of - BR9

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Casinos and gaming at horse racing tracks, constitutional amendment to let county voters decide - BR189

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Real estate, sale under judicial process, appraisal of - BR9

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Restaurants, retail drink license requirement - BR175

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Board of Education, body mass index, require inclusion of - BR165

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Kentucky

Board of Education, high school technology diploma, requirements for - BR85

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technical education accessibility fund, creation of - BR84; BR159
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Department of Education, standards for technical education, implementation of - BR84; BR159
Vehicles owned by, mandatory inspections of - BR18

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Casino admissions, taxation of - BR246

Gross gaming revenue, taxation of - BR246
revenues and excise tax fund, hold harmless amount, increase - BR121

Local property tax, amend application of HB 44 provisions - BR46

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Property tax, veterans' organization, tangible personal property, rate - BR8

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Taxation, Income--Corporate

Organ donation, tax credit established for promotion of - BR31

Taxation, Income--Individual

Organ donation, tax credit established for promotion of - BR31

Public financing for judicial campaigns, tax refund designation for - BR211

Taxation, Property

Local, amend application of HB 44 provisions - BR46

Veterans' organization, tangible personal property, rate - BR8

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Veterans' organization, tangible personal property, digital property, services, exempt - BR8

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School buildings, naming in honor of - BR48

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rates - BR8

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Casinos and gaming at horse racing tracks, constitutional amendment to let county voters decide - BR189

Traffic Safety

Publicly owned vehicles, mandatory inspections of - BR18
Speed bumps, local government requirements for - BR122

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Public transportation, offenses against user or operator of - BR30
Publicly owned vehicles, mandatory inspections of - BR18
Speed bumps, local government requirements for - BR122

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United States

Move federal terrorism trial from Bowling Green, Kentucky to the Guantanamo detention facility - BR88

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School buildings, naming of - BR48

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Disabled veteran license plates, no charge for 50% service-connected disability - BR135
Gold Star Sibling special license plate, establishment - BR135
Public property, naming in honor of - BR48
Veterans’ organization, property tax, sales tax, exempt - BR8
Veterans Personal Loan Program, provide funding for - BR154

Wines and Wineries

Restaurants, retail drink license requirement - BR175

JANUARY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3 (1)	4 (2)	5 (3)	6 *HR 49 Posting required for prefiled House Bills (4)	7
8	9 (5)	10 (6)	11 (7)	12 (8)	13 (9)	14
15	16 Martin Luther King, Jr. Day HOLIDAY	17 (10)	18 (11)	19 (12)	20 (13)	21
22	23 (14)	24 (15)	25 (16)	26 (17)	27 (18)	28
29	30 (19)	31 (20)				

FEBRUARY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 (21)	2 (22)	3 (23)	4
5	6 (24)	7 (25)	8 (26)	9 (27)	10 (28)	11
12	13 (29)	14 (30)	15 (31)	16 (32)	17 Last Day for Bill Requests (33)	18
19	20 Presidents’ Day HOLIDAY	21 (34)	22 (35)	23 (36)	24 (37)	25
26	27 Last Day for New House Bills (38)	28 (39)	29 Last Day for New Senate Bills (40)			

MARCH

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 (41)	2 (42)	3
4	5 (43)	6 (44)	7 (45)	8 (46)	9 (47)	10
11	12 (48)	13 (49)	14 (50)	15 (51)	16 (52)	17
18	19 (53)	20 (54)	21 (55)	22 (56)	23 (57)	24
25	26 Concurrence Only (58)	27 Concurrence Only (59)	VETO	VETO	VETO	VETO

APRIL

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	VETO	VETO	VETO	VETO	VETO	VETO
8	9 SINE DIE (60)					
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

2012
Regular
Session
Calendar

* () denotes legislative day



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