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RECORD

Hemp field toured by Ag committee members

by Rebecca Hanchett
LRC Public Information

A morning stroll through Kentucky's first legal industrial hemp crop in almost 80 years led to discussion about the plant's Kentucky future at a state legislative meeting on Sept. 5.

Members of the General Assembly's Interim Joint Committee on Agriculture were accompanied by University of Kentucky agriculture experts at the industrial hemp field, located on UK's research property off Ironworks Pike in Fayette County. The hemp plot—one of five university-based pilot research plots in the Kentucky—was planted after the passage of 2013 Senate Bill 50 (sponsored by the Agriculture Committee's co-chair Sen. Paul Hornback, R-Shelbyville and Senate Majority Caucus Chair Sen. Dan Seum, R-Louisville) and the 2014 U.S. Farm Bill, which allows industrial hemp production for research and development only in certain states.

Kentucky farmer Andy Graves told lawmakers later at the committee's meeting at the E.S. Good Barn on UK's central campus that, "for this group to say they visited a hemp field is really nice." Graves explained that hemp can also be quite profitable should it be legalized for commercial production, like it is in Canada.

The Alberta (Canada) Agriculture and Rural Development agency reports that estimated gross revenue for Canada's hemp seed produc-



tion in 2011 translated "to estimated gross revenue of between \$30.75 million and \$34.17 million" or between \$990 and \$1,100 per acre.

Graves said Kentucky is working "in a positive direction" toward getting the infrastructure needed for commercial industrial hemp growth here, adding that growth of hemp seed in the Commonwealth is "very viable."

Hemp's profitability is its fiber and its seed, which Graves said is used to make both hemp oil

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Lawmakers see P3s at work in West Kentucky

by Jim Hannah
LRC Public Information

State legislators convened at the new \$39.5 million Owensboro Convention Center to hear how government can partner with private entities to promote development and economic growth.

"Thank you for allowing me to present what I believe to be a case study in what a public-private partnership, known as a P3, can contribute on a local, regional and state level," said Owensboro banker Darrell Higginbotham at the combined meeting of the interim joint committees on state government and local government held on Aug. 27.

"I'm most pleased to be presenting today from a beautiful and inspiring Owensboro Convention Center. Many believe this facility wouldn't exist today without the success of a local P3."

Sen. Joe Bowen, R-Owensboro, co-chair of both committees, said it was impressive to see how a P3 jumpstarted the revitalization of Owensboro's riverfront. To the east of the 169,000-square-foot convention center is a new Hampton Inn and Suites, and to the west

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Hemp, from page 1

and hemp seed cake – the latter which he said is very high in protein and used in both human and animal feed.

According to some statistics, 75 percent of the seed produced in Canada is exported to the U.S. today.

Before hearing from several UK Agriculture officials, UK President Dr. Eli Capilouto spoke to the committee about the university's successes and needs for the future—including what he explained as the need for a multidisciplinary research building. Without one, Dr. Capilouto said UK is “saying no to too many (opportunities).”

Co-Chair Hornback responded from an agriculture standpoint, saying “it’s not just about production agriculture anymore” but that “it’s about research and development.”

His comments were followed by those of fellow Committee Co-Chair Rep. Tom McKee, D-Cynthiana. “We appreciate your commitment to agriculture (in Kentucky),” McKee told the university head.

P3s, from page 1

a Holiday Inn is being built.

Bowen said legislation to streamline the process of creating P3s will likely be introduced in the 2015 regular session to make what Owensboro did easier to duplicate throughout the state.

Office of Financial Management Executive Director Ryan Barrow testified that a key nuance is that P3s open up a new source of financing through the equity markets but that they are more expensive than municipal bonds. (Municipal bonds traditionally are considered low risk and come with tax breaks.)

That said, Barrow added that P3s are a “great tool in the toolbox” when looking for additional sources of financing.

Office of Procurement Services Executive Director Don Speer said Kentucky is in the midst of funding two high profile public works projects through P3s – the expansion of

Regulators seek ‘level playing field’ for ride-sharing and taxicabs

by Jim Hannah
LRC Public Information

Kentucky is writing emergency regulations to govern popular ride-sharing applications that taxicab companies say put them at a competitive disadvantage.

“Once we heard of these companies moving into ... Kentucky, we met internally and had some concerns,” Department of Vehicle Regulation Commissioner Rodney Kuhl told members of the Interim Joint Committee on Transportation on Sept. 2 in Frankfort. “We just wanted to look for a level playing field for all of the parties involved.”

Kuhl said
he hopes to
enact
emergency
regulations by
early
October.

Ride-sharing apps, dubbed taxicab transportation network companies (TTNC) by regulators, are businesses that use smart phone apps to connect passengers with drivers who use their personal vehicles to provide for-hire transportation services.

The most popular ride-sharing apps in the nation, Uber and Lyft, have been available since spring in Lexington, Louisville, and Northern Kentucky.

Kuhl said he hopes to enact emergency regulations by early October while permanent administrative regulations are being drafted by the department. He said the goal is to require TTCNs to adhere to the same safety regulations that taxicab company executives say drive up their operating costs.

Those requirements include obtaining commercial insurance, passing vehicle inspections, conducting criminal background checks on drivers and making sure those drivers haven’t racked up numerous traffic citations.

Rep. David Floyd, R-Bardstown, said TTNCs do seem to provide a valuable service, especially in the areas where there is a lot of traffic that could be going to a single destination.

“It seems like a pretty smart way to do it, but I also understand why you would want to be care-

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high-speed Internet service and the construction of a state office building in Frankfort.

Kentucky currently doesn’t have sufficient statewide high-speed connectivity, said Speer. (The state ranks 47th in the nation as it relates to the average broadband speed.) The state has asked companies to bid on designing, building and managing the proposed next generation information highway. Speer said the twist is that the company who wins the bid will also have to finance the difference in what the project costs and what the government is contributing.

In the case of the Frankfort office building, the state would enter into a lease-purchase agreement with the builder.

“P3s are obviously a very hot topic,” said Speer. “We wouldn’t be here today if it wasn’t a hot topic, but it is something the state ... has been doing for some time.”

After hearing a portion of the presentation,

Bowen said there were probably a lot more P3s in Kentucky than legislators realized.

Some disadvantages to P3s, according to Barrow and Speer, include placing critical public assets in the hands of the private sector and deterring the risk of the financial deal to government entities.

One P3 to go wrong was Chicago’s leasing of its parking meters to a company, Barrow said. The city sold the meters \$1 billion under their value, parking rates skyrocketed and the city lost a \$61 million lawsuit over the whole matter.

In Austin, Texas, a highway was leased to a private toll operator for 50 years. Barrows said the operator then defaulted on \$686 million in bank debt.

Now the state might elect to toll other roads to help pay the debt.

Cigarette hike, smoking bans advised in Kentucky lung cancer fight, panel told

by Rebecca Hanchett
LRC Public Information

The head of UK's Markey Cancer Center says his agency supports an increase in the state cigarette tax and a statewide smoking ban as part of its effort to significantly reduce cancer deaths in the Commonwealth.

Dr. B. Mark Evers, MD, the head of the Markey Cancer Center at the University of Kentucky, recommended that state lawmakers support both initiatives when he spoke on Sept. 3 before the state legislative Tobacco Settlement Agreement Fund Oversight Committee.

"We are highly supportive, and we hope that you will be supportive as well, of (these) initiatives that we think will improve the overall health of Kentuckians," he told lawmakers.

Lung cancer alone accounts for about 35 percent of Kentucky cancer deaths.

Stating that Kentucky is now first nationally in overall cancer mortality and first in incidence rates of cancer in all sites (i.e., lung, breast, pancreas, etc.), Evers said raising the cost of cigarettes and a statewide smoking ban could help cut

Kentucky cancer deaths by 50 percent—his agency's goal over the next five years.

Kentucky has the 12th lowest cigarette excise tax and the highest percentage of cigarette use by adults in the U.S., Evers said, adding that there is an indirect relationship between excise tax and smoking rates in various states. The smoke-free goal is something Evers said he'd like for Kentucky to have in place by the time Markey competes for renewal of its National Cancer Institute designation.

"Both of these agenda items would certainly improve the health of all Kentuckians," he said.

Both initiatives directly factor into a new strategic plan at Markey Cancer Center which



Sen. Dennis Parrett, D-Elizabethtown, at left, and Rep. Ryan Quarles, R-Georgetown, discuss testimony at the Sept. 3 meeting.

Evers and his colleagues have named "Conquering Cancer in the Commonwealth." The plan is focused on "major cancer killers" in the Bluegrass State—including lung, head and neck, colorectal, breast, and cervical cancer.

Lung cancer alone accounts for about 35 percent of Kentucky cancer deaths, said Evers. That compares to about 28 percent of deaths caused by lung cancer nationally.

The CDC estimates more than 28 percent of adult Kentuckians smoke and approximately 8,000 Kentucky adults die each year from smoking-related illnesses, said Evers. The greatest incidence of tobacco-related cancers is in Eastern Kentucky, he said.

Pointing out that the state's smoking rate continuing to hover around 28 percent as it has for several years, State Rep. Mike Denham, D-Maysville, asked Evers what progress is being made in smoking cessation. Evers said significantly more Kentuckians are covered by smoke-free policies locally, and he is "enthusiastic" about an increased effort in Appalachia toward smoking cessation.

When asked what it will take to move the percentage of Kentucky smokers to less than

10 percent, Evers recommended three things: increasing the cigarette excise tax, a statewide smoking ban, and instituting lung cancer screening projects like those in place at UK and the University of Louisville.

"Those three things are really going to help drive down those numbers," he said.

Dr. Don Miller, MD, the head of the Brown Cancer Center at the University of Louisville, and Evers work together as leaders of the Kentucky Lung Cancer Research Program, a program funded through the Lung Cancer Research Fund established by the 2000 Kentucky General Assembly. Miller said the funding provided by the General Assembly has a major impact on cancer research.

"I don't think we had any idea (then) of the impact that this program would have on both institutions. And we've gone, I think, at both institutions from having essentially no lung cancer research to having very robust research programs that make a difference for people in this commonwealth," said Miller.

Committee Co-Chair Sen. Paul Hornback, R-Shelbyville, asked both researchers what UK and UL are doing on gene manipulation. "I think maybe down in Texas—maybe Houston—they are doing some work on that," said Hornback. "Is that the way we're going, maybe?"

Miller said his researchers are "very interested in genomics" and mutations affecting cancer.

He told Hornback that a group of scientists at UL has discovered how to "switch genes off," so they are able to take genes that have been activated, that are mutated and turned on, that are causing cancer and use the switch sequence in those genes to flip the switch off." He said those treatments will be tested in trials in the next year or so.

"We believe that has great potential," said Miller.

The Kentucky Lung Cancer Research Program receives funding from Kentucky's share of a 1998 settlement between 46 states and the nation's largest tobacco companies. That settlement allows states to recoup Medicaid dollars spent on smoking-related illnesses, including lung cancer.

Ride-sharing, from page 2

ful of how it is implemented and ran,” he said.

Sen. Ernie Harris, R-Prospect, said TTNCs are based on an evolving technology that is “changing the whole taxi industry.” He said he welcomed testimony on TTNCs as a way to educate legislators on the new business model.

Kuhl explained how TTNCs worked to a committee comprised of legislators who admitted to never using a ride-sharing app.

Kuhl said a person downloads a ride-sharing app to their smart phone and provides the company with information including placing a credit card on file. A person looking for a ride then sends a request via the app that searches for a driver in the area.

“In other words, Uber and Lyft cannot be hailed from a corner or side street,” said Kuhl. “They have to request rides from the app on their smart phones.”

The Uber app, for example, displays a picture of the driver, make and model of the car, its license plate number and real-time location. No cash is exchanged and the passenger approves the ride and the fare is charged to the passenger’s credit card on file. Quality control is maintained through an online rating system of drivers.

As with many taxicab drivers, TTNC drivers are independent contractors.

Procarent President Steve Coston, operator of Yellow Cab Co. in Louisville and Lexington, testified that the emergency regulations are a step in ensuring a fair marketplace.

He said there will always be a place for the traditional taxicabs.

“We still have the telephone,” said Coston. “We don’t discriminate. You don’t have to have the financial means of a smart phone or credit card in order to hail a cab. And we still take cash.”

State lawmakers listen to NKY’s concerns

by Jim Hannah
LRC Public Information

COVINGTON – State legislators need to help stop Cincinnati from continuing to poach jobs, businesses and development dollars from Northern Kentucky.

That’s the message delivered to members of the Interim Joint Committee on Appropriations and Revenue, who gathered on Aug. 28 at the Northern Kentucky Convention Center.

“We have lost jobs and population to Cincinnati which is clearly on an upswing due to that city’s investment in Class-A office product, urban housing ... and much more,” said Catalytic Fund Executive Director Jeanne Schroer. “There is evidence we are losing our competitive position relative to Cincinnati. We need comparable investment on this side of the river.”

The Catalytic Fund is a privately funded, nonprofit providing financing for real estate developments in Northern Kentucky’s urban cities of Ludlow, Covington, Newport, Bellevue and Dayton.

“Most of you know we did a remarkable job at transforming a very depressed area publicly called Cincinnati’s stepchild to a center of economic activity,” said Schroer, referring to the redevelopment of Covington’s and Newport’s riverfronts more than a decade ago. “However, since 2005, that momentum stalled and we have simply not finished the job.”

Schroer said the fund’s \$10 million simply can’t compete with the \$100 million the equivalent fund has in Cincinnati. She asked the lawmakers to sweeten historic tax breaks, pass land bank legislation, and provide money to innovation districts.

Schroer said land banks are public or community-owned entities created to acquire, manage, maintain and repurpose vacant and abandoned properties.

Northern Kentucky lawyer Thomas Prewitt said innovation districts are an emerging redevelopment tool. It’s a neighborhood where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators and accelerators. They are also physically compact, transit-accessible and technically-wired and offer mixed-use housing, office, and retail.

Rep. Mike Denham, D-Maysville, asked if one of Northern Kentucky’s major competitive disadvantages was the tax incentives offered by Ohio.

Schroer said that was a weakness.

“Our Northern Kentucky cities are very small,” she said. “We are competing with Cincinnati which is a very large municipal entity. If they want to subsidize a project and write a \$1 million check, they have the resources to do it.”

Sen. Chris McDaniel, R-Taylor Mill, asked about the impact of pharmaceutical services firm OmniCare’s decision to move its headquarter – and nearly 500 jobs – to Cincinnati from Covington in 2012.

“I truly don’t think OmniCare would have even entertained that move had they not seen all of that investment and everything going on (in Cincinnati),” said Schroer. “I am told many companies are specifically attracted to Cincinnati because of that investment. Their employees want to work in that kind of vibrant environment.”

Nielsen Holdings also relocated about 500 employees to Cincinnati from Covington in 2012.

“Ohio has proven to be a very, very aggressive neighbor to our north when it comes to ... stealing our businesses out of the urban core,” said McDaniel.

Rep. Diane St. Onge, R-Lakeside Park, said she was “so tired of jobs moving across the river.”

Northern Kentucky Convention Center CEO Gretchen Landrum said she is losing business to Cincinnati too.

“Organizations want to be here, but when they can’t, they look to the next closest facility which is the Duke Energy Center in downtown Cincinnati,” she said. “I’m here today to ask you for your help to stop this loss.”

She requested \$3 million to study expansion plans. The center is surrounded by federal land convention center operators have the opportunity to purchase.

Harold Dull, general manager of Newport on the Levee, asked legislators for an extension on the tax incentive his development receives.

“The sales tax rebate ... is the only incentive Newport on the Levee can use to compete with the mountains of cash being thrown at these developments across the river (in Cincinnati)...” he said.

2014

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INTERIM JOINT COMMITTEE ON AGRICULTURE

Minutes of the 3rd Meeting
of the 2014 Interim
August 21, 2014

Call to Order and Roll Call

The 3rd meeting of the Interim Joint Committee on Agriculture was held on Thursday, August 21, 2014, at 10:00 AM, in the VIP Room, Kentucky State Fair, Louisville, Kentucky. Representative Tom McKee, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Tom McKee, Co-Chair; Senators Walter Blevins Jr., Stan Humphries, Dennis Parrett, Dorsey Ridley, Damon Thayer, and Robin L. Webb; Representatives Lynn Bechler, Jim DeCesare, Mike Denham, Myron Dossett, Derrick Graham, Richard Heath, James Kay, Kim King, Martha Jane King, Michael Meredith, Suzanne Miles, Terry Mills, David Osborne, Sannie Overly, Ryan Quarles, Tom Riner, Bart Rowland, Steven Rudy, Jonathan Shell.

Guests: Speaker of the House, Representative Greg Stumbo; Speaker Pro Tem, Representative Larry Clark; Majority Floor Leader, Rocky Adkins; Minority Whip, Representative John “Bam” Carney; Representative Dwight Butler; Kentucky State Fair Board members; Clifford “Rip” Rippetoe, President and CEO, Kentucky State Fair Board; Louisville Mayor, Greg Fischer; Heather French-Henry, Commissioner of Kentucky Veterans Affairs and Ramsey Carpenter, Miss Kentucky 2014.

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

The July 9, 2014 minutes were approved by voice vote, without objection, upon motion of Representative Steven Rudy and second by Representative Ryan Quarles.

Louisville/Jefferson County Farm to Table and other Food Market Programs

Louisville/Jefferson County Mayor, Greg Fischer, talked about the Farm to Table and other food market programs. Demand for locally grown food products is steadily increasing and is greater than what can be grown and sold. There are plans to build a processing center in order to take advantage of locally grown products. Louisville is part of the Bourbon Trail, which has had a positive economic

impact on the community.

Report of the Kentucky State Fair Board

Clifford “Rip” Rippetoe, President and CEO, stated that entries for 2014 State Fair totaled 57,600. The board has issued an RFP for renovations to the downtown Convention Center, but there are no funds to raze the old Cardinal Stadium. Negotiations to build a hotel across from Gate 1 are continuing. A Master Plan study for the campus will be conducted to determine the future needs of the Fairgrounds. Over 300 events are held each year between the Fairgrounds and the Convention Center, creating an enormous economic impact. It is imperative to the financial well-being of the Fairgrounds and the Convention Center to retain the North American International Livestock Shows and the Farm Machinery Show.

In response to Representative Terry Mills, Mr. Rippetoe stated that the re-opening of Kentucky Kingdom has brought great energy to the grounds. The owners of Kentucky Kingdom and the Fair Board are working together, which is beneficial to both.

In response to Representative Bechler, Chairman McKee said that issues surrounding the comment on the Waters of the United States will be discussed at the October meeting.

Chairman McKee invited Heather French-Henry to make a few comments on her role as the Commissioner of the Kentucky Department of Veterans Affairs.

There being no further business, the meeting was adjourned.

INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Minutes of the 3rd Meeting
of the 2014 Interim

August 21, 2014

Call to Order and Roll Call

The 3rd meeting of the Interim Joint Committee on Economic Development and Tourism was held on Thursday, August 21, 2014, at 2:00 PM, at the Kentucky Center for the Performing Arts, Louisville. The meeting was a joint meeting with the Interim Joint Committee on Labor and Industry. Senator Alice Forgy Kerr, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Alice Forgy Kerr, Co-Chair; Senator Julian M. Carroll, Jimmy Higdon, Dennis Parrett, and Mike Wilson; Representatives Julie Raque Adams, Lynn Bechler, Kevin D. Bratcher, Larry Clark, Leslie Combs, Tim Couch, Mike Denham, Bob M. DeWeese, Jeffery Donohue, Mike Harmon, Richard Heath, Dennis Horlander, Thomas Kerr, Kim King, Martha Jane King, Tom McKee, Terry Mills, David Osborne, Ruth Ann Palumbo, John Short, Arnold Simpson, John Will Stacy, Russell Webber, and Jill York.

Guests: Kim Baker, President, The Kentucky Center for the Performing Arts; Kent Oyler, President and Chief Executive Officer, Sarah Davasher-Wisdom, Vice President, Government Affairs and Collaboration, and James Reddish, Vice President, Economic and Workforce Development, Greater Louisville, Inc.; and Dr. Neville Pinto, Dean, Speed School of Engineering, University of Louisville.

LRC Staff: John Buckner, Louis DiBiase, and Dawn Johnson.

Approval of Minutes

A motion by Senator Parrett and second by Representative Mills to approve the minutes of the July 17 meeting carried by voice vote.

The Kentucky Center for the Performing Arts

Kim Baker, President of The Kentucky Center for the Performing Arts, welcomed members to the center. She said that the center had recently been ranked 26th in the world, seeing more than half of a million people a year. She gave an overview of The Kentucky Center Governor's School for the Arts, which is sponsored by the center with support and sponsorship with state funds. She expressed appreciation for state funds, which helped to provide a new roof for the center and also appropriations to increase the number of children able to attend The Kentucky Center Governor's School for the Arts.

Greater Louisville, Inc

Kent Oyler, President and CEO of Greater Louisville, Inc. (GLI), summarized the vision of GLI and how its goal is to advance the Greater Louisville region through job and wealth creation. GLI is a member-led business leadership organization that is present in 26 counties across Kentucky and Indiana with 1,900 paid members who employ 219,000 people. GLI implements economic development programs that boost job creation, supports laws and policies that create a business friendly environment, and provides programs, products, and events that increase profits and lower costs for the Metro Chamber members and their companies.

Sarah Davasher-Wisdom, Vice President

of Government Affairs and Collaboration for Greater Louisville, Inc, highlighted GLI's plans for the public policy committees and the policies the company has supported in recent years. GLI has shown support for and advocated tax credits for angel investors, tax reform initiatives, and the local option sales tax. GLI has created an Indiana issues committee to better represent its members. GLI is creating committees for local, state, and federal issues.

James Reddish, Vice President of Economic Development and Workforce for Greater Louisville, Inc, described GLI's history and also some of the past regional economic development efforts with which it has been involved. Over the 15 years that GLI has been in existence, it has taken on 1,200 projects that have collectively generated 74,000 new jobs and \$8.2 billion in new capital investments, including companies such as UPS, Ford Motor Company, and General Electric. More recently, GLI was involved with the Bluegrass Economic Advancement Movement (BEAM) and partnered with the Brookings Institute on a collaborative plan for economic growth in the region by getting a better understanding of businesses and industries that will thrive in the region and what economic forces help promote or stifle growth within the regional economy.

Some other programs resulting from GLI partnerships are Ford Next Generation Learning, where some high schools in Jefferson County were transformed into career themed high schools and the Degrees at Work program in conjunction with the Lumina Foundation, which helps to provide resources to businesses that want to assist their incumbent workers who want to pursue post-secondary education. GLI has assisted with Kentuckiana Works, which opened the Kentucky Manufacturing Career Center and Greater Louisville International Professionals and plans to open Where Opportunity Knox soon.

In response to a question from Representative Adams, Ms. Davasher-Wisdom stated that the newly established Indiana issues committee will study Indiana's tax structure. Mr. Reddish said that, when taking into account companies that may want to relocate to the area, the overall tax burden has to be contemplated instead of specific taxes, such as personal taxes, which may detour not necessarily the business as a whole but the business executives and other employees. When analyzing other states, comprehensive tax reform is a signal of progression. States that make bold moves with tax reform often show indicators of economic growth.

Replying to a question from Representative Short, Ms. Davasher-Wisdom said that GLI

has not taken a stance on whether minimum wage should be raised. However, GLI has sent questionnaires to members to see how they feel about the issue. Mr. Reddish said that very few of the companies that GLI directly works with would be affected by a minimum wage increase because most pay above the proposed minimum wage. He did not feel comfortable addressing the effect of the minimum wage increase on the retail industry due to the lack of experience from an economic development and membership standpoint. Addressing a question from Senator Carroll, Mr. Oyler said that The Kentucky Center is a hub for cultural and economic development, hosting various events and enhancing the retail and restaurant community in downtown Louisville. Senator Carroll said that businesses choose their location based on educational and social or cultural opportunities. The Kentucky Center assists in fulfilling the social and cultural criterion.

In response to a question from Senator Carroll, Mr. Oyler stated that, although the YUM Center has become competition for other large cities, the original goal of 174 events per year must be met for it to be more profitable. The YUM Center has brought development to the downtown Louisville area, including the impending Omni hotel and retail development. Mr. Reddish said that, while GLI does not deal in retail, the increase of better paying jobs that move into the area will result in more disposable income, which will lead to economic success.

Answering a question posed by Representative Denham, Mr. Oyler described how GLI elects its directors, saying that they are chosen by an executive committee. The process is being reassessed and may be changed because governance is critical, especially with GLI starting to cross state lines.

Responding to Representative Donohue, Mr. Reddish said that Texas, Florida, North Carolina, South Carolina, and the southeast region of the country in general would be good examples for Kentucky to mirror in regards to different segments of tax reform and economic development.

Institute for Product Realization: Connecting Education, Research, and Job Creation

Dr. Neville Pinto, Dean of the University of Louisville J.B. Speed School of Engineering, testified about the Institute for Product Realization project, made possible with state funds and support from Representative Clark. The Cabinet for Economic Development, Greater Louisville, Inc., and the mayors' offices of Louisville and Lexington, through the BEAM initiative, have

assisted with the project. The focus is to create an institution to assist in growing the manufacturing industry in Kentucky on a long-term basis.

Dean Pinto compared the institute to an ecosystem, which in order to prosper would require collaboration with co-located industries, strong support from the University of Louisville, through human potential and research capabilities, and a global co-creation. He described the four areas that are going to support the Institute for Product Realization which include research and education, a launch pad, a co-creation platform, and a micro-factory. Through the Institute for Product Realization, an internet based group composed of people from around the world will formulate ideas and designs for products. The product will then be built at the micro-factory, located in Louisville, and once built consumers will test it, either physically or virtually, and determine if they would buy the product by giving direct feedback. If the feedback is positive, then the product will be manufactured through a launch pad. By connecting to consumers immediately through the internet, the cycle time between the primary idea and the manufacturing of the final product will be much more rapid.

Dean Pinto, in response to a question from Senator Kerr, stated that, through the J.B. Speed School of Engineering's admissions office, students are recruited from across the state. There are programs that target children as early as elementary school.

Answering a question from Representative Bechler, Dean Pinto said that the students enrolled in the J.B. Speed School of Engineering comprise about 10 percent of the University of Louisville, and about 77 to 78 percent of first year students go on to their second year, while others change their major. Between 50 to 60 percent of students complete the engineering program from start to finish.

Representative Clark pointed out some enhancements to the University of Louisville over the years and commended Dean Pinto for his work.

Replying to a question from Senator Kerr, Dean Pinto gave examples of how the J.B. Speed School of Engineering is trying to keep students engaged. The school is opening an office to advise and connect with the students as individuals.

Other Business

Co-Chair Kerr provided a list of upcoming committee meetings:

September 10 (Wednesday), Kentucky Dam Village, Labor and Industry Committee Meeting at the Labor Management Conference, 10:30 am (CT), 11:30 am (ET)

September 18, Shaker Village, Economic

Development and Tourism Committee meeting, 1:00 pm

There being no further business, the meeting adjourned at 3:36 pm.

INTERIM JOINT COMMITTEE ON EDUCATION

Minutes of the 3rd Meeting of the 2014 Interim

August 11, 2014

Call to Order and Roll Call

The 3rd meeting of the Interim Joint Committee on Education was held on Monday, August 11, 2014, at 1:00 PM, in Room 154 of the Capitol Annex. Representative Derrick Graham, Co-Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Derrick Graham, Co-Chair; Senators Jared Carpenter, David P. Givens, Denise Harper Angel, Stan Humphries, Alice Forgy Kerr, Gerald A. Neal, and Reginald Thomas; Representatives Regina Bunch, Hubert Collins, Leslie Combs, Jeffery Donohue, C.B. Embry Jr., Kelly Flood, Richard Heath, James Kay, Brian Linder, Donna Mayfield, Reginald Meeks, Charles Miller, Ruth Ann Palumbo, Marie Rader, Jody Richards, Tom Riner, Bart Rowland, Rita Smart, and Wilson Stone.

Legislative Guest: Representative Arnold Simpson.

Guests: Wayne Young, Kentucky Association of School Administrators; and Clyde Caudill, Kentucky Association of School Administrators.

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

Approval of the July 14, 2014, Minutes

Upon motion from Representative Hubert Collins, seconded by Representative Wilson Stone, the July 14, 2014, minutes were approved by voice vote.

Reports from Subcommittee Meetings

Representative Reginald Meeks reported that the Subcommittee on Postsecondary Education discuss student success initiatives, programs, metrics, and need-based student aid and college affordability. Senator Stan Humphries reported that the Subcommittee on Elementary and Secondary Education heard presentations from the Kentucky Department of Education (KDE) on the Summer Food Service Program and the National School Lunch Program.

Priority Schools

Kelly Foster, Associate Commissioner, Office of Next Generations and Districts, KDE, said there are three cohorts of priority schools

and there are 39 priority schools in Kentucky. KDE's annual priority schools report will not be completed until school report cards come out in late September but preliminary information indicates that 21 of the 30 priority high schools are expected to achieve their college and career ready delivery targets.

Ms. Foster explained hub schools and said the purpose of each hub school is to capture their own best or promising practices and connect with other schools within their region. Hub schools are a lab of support and center of learning activity for both students and adults. During the 2013-2014 school year, the hub schools were visited by 625 representatives of 89 schools and districts. Some of the hub schools' professional learning topics were career and technical education, pathway/program improvement, Professional Growth and Effectiveness System (PGES), communication for capacity building, response to intervention, monitoring student data for gap closure, professional learning communities, and data analysis.

Ms. Foster explained the diagnostic review and said it is a performance driven system that focuses on conditions and processes within a district that impact student performance and organizational effectiveness. The diagnostic review is carried out by a team of highly qualified evaluators who examine adherence and commitment to the research aligned with AdvancED standards and indicators. There were 19 diagnostic reviews conducted in the spring of 2014 and of the 19 reviewed schools, 13 were found to be making progress through this comprehensive process.

In response to Chairman Derrick Graham's question regarding schools regaining leadership capacity, Ms. Foster said most school districts that have priority schools do not have capable leadership to help lead a turnaround in those priority schools. Therefore, KDE assigns education recovery staff to the priority schools to help move the schools out of priority status and to regain their own leadership.

In response to Representative Kelly Flood's question regarding PGES and data analysis, Ms. Foster said PGES is an effectiveness system to help evaluate teachers, and each district uses data to see how students are performing and puts strategies in place to help close gaps in different subject areas.

In response to Chairman Derrick Graham's questions regarding priority schools and strategies used to get out of priority school status, Ms. Foster said Kentucky has a wide variety of priority schools located in different settings all over the state, and KDE focuses on the individual

needs of the students and teachers in the priority school to help develop a plan for the school. KDE completes quarterly reports with all priority schools to help track data within each school.

In response to Senator David Givens's question regarding common factors of priority schools not making progress through the comprehensive process, Ms. Foster said leadership is the main factor for not making progress, and KDE gives the recommendation to each school regarding the principal's capacity for leading a turnaround.

In response to Chairman Derrick Graham's question regarding criteria used for making progress in priority schools besides test scores, Ms. Foster said parent and student surveys are used along with observations of the schools climate, leadership, and sustainability.

Representative Jeffery Donohue said Fairdale High School, located in his district, has developed a Principal's Cabinet that meets once a month to discuss issues going on within the school. The meetings have empowered the teachers and students of the school and gives ownership in regards to what has been accomplished and needs to be accomplished.

In response to Senator Alice Forgy Kerr's question regarding KDE meeting with students' parents, Ms. Foster said during the diagnostic review process, KDE does not visit homes, but every parent of a child in the school receives a survey to fill out.

In response to Chairman Derrick Graham's question regarding surveys, Ms. Foster said the surveys are conducted through AdvancED and are available in hard copy and electronically.

In response to Representative Reginald Meeks question regarding accessing information related to Jefferson County schools, Ms. Foster said KDE has school report cards for every school available on their website and a comprehensive report that has information available on all 39 priority schools in Kentucky.

Districts of Innovation

David Cook, Director, Division of Innovation and Partner Engagement, KDE, said House Bill 37, enacted by the General Assembly in 2012, created space for local school districts to create new approaches to education by applying to the State Board of Education to be a district of innovation. The first cohort of districts of innovation was four out of 16 applicants and the second cohort was three districts out of four applicants. The application process is one that measures each application against a rubric and is not a competition between schools.

Mr. Cook said there were 26 applications for waivers of statute and administrative regulations

contained in the applications of the three selected districts in cohort two. Of the 26 applications, 13 waivers were approved, five waivers were denied, and eight waivers were partially approved. The 13 waivers that were approved were in the areas of graduation requirements, class size, calendar, new technical schools, governance, and extended employment for teachers. The five waivers that were denied were in the areas of certification, career and technical education, and assessment and accountability. The eight waivers that were partially approved were in the areas of funding and assessment and accountability.

Mr. Cook said applications for the third cohort are due on or before October 31, 2014. Cohort 1 districts will receive their first on-site visit in the spring of 2015 to document progress made.

In response to Representative Wilson Stone's questions regarding a scoring rubric, Mr. Cook said there are eight sections to the scoring rubric that are scored and then added together.

Representative Wilson Stone said it is critical for school districts to understand the scoring rubric and how to apply to become a district of innovation.

In response to Chairman Derrick Graham's question regarding districts of innovation applications and rubrics, Mr. Cook said KDE does extensive work with districts that were chosen and districts that were not. KDE sends each district a document that provides information in the areas of the rubric that the district was unsuccessful in and what could be done to help make the district more successful.

In response to Representative Reginald Meeks question regarding schools of innovation data in Jefferson County, Mr. Cook said he does not have any data with him and Jefferson County's plan includes its priority schools and a Jefferson County school of innovation competition. He said it is important to look at districts of innovation as a whole instead of just a district.

In response to Chairman Derrick Graham's questions regarding a set of standards KDE uses when evaluating schools of innovation and what happens if a district of innovation is not showing improvement, Mr. Cook said KDE uses a section of the progress monitoring document that is universal to all districts, and KDE also designs specific rubrics for each of the schools' needs. If the district is not showing improvement, KDE can recommend probation, and if no progress is made after the probation, the waiver request will be voided and the district of innovation status will be removed from that school.

In response to Senator Gerald Neal's question regarding limitations on schools that can

apply for districts of innovation, Mr. Cook said neither the law nor regulation sets a limit on how many schools can apply. For a school to apply, 70 percent of the schools teaching staff must approve the application before it is sent to the Kentucky Board of Education for final approval.

Senator Gerald Neal stated if used properly, the districts of innovation legislation can be a very positive and powerful tool for Kentucky.

In response to Representative Charlie Miller's questions regarding changes in guidelines to schools in Jefferson County because of middle school students moving to high schools, Terry Holliday, Commissioner, KDE, said if middle school students are moved to a high school, the high school will receive two different report cards for the high school and the middle school. The guidelines would not change.

Representative Charlie Miller said that Dr. Holliday and KDE are doing a great job in Jefferson County.

Chairman Derrick Graham said Dr. Donna Hargens, Superintendent, Jefferson County Public Schools, is doing a great job and has made every effort to work with KDE to address the needs of students in Jefferson County.

Senator Givens said if it was not for the charter school discussion, there would not be districts of innovation. There is still a need for discussion regarding charter schools. The system now in place is not allowing struggling schools to change quickly enough to benefit students.

Chairman Derrick Graham said he does not support funding for charter schools because it would cut funding for public schools.

Comprehensive Transition and Postsecondary Program: Improving Educational Opportunity for Students with Intellectual Disabilities

Harold Kleinert, Ed.D., Executive Director, Human Development Institute, University of Kentucky, said research has shown enhanced career outcomes for students with intellectual disabilities who attend college. In 2010, 27 colleges and universities were awarded postsecondary Transition Programs for Students with Intellectual Disabilities (TPSID) grants. This is funded by the US Office of Postsecondary Education to help students with intellectual disabilities achieve their individualized academic and career goals.

Dr. Kleinert said the US Higher Education Opportunities Act of 2008 provided funding for TPSID and provided carve-out program for students with intellectual disabilities called Comprehensive Transition Programs (CTPs). The TPSID grant also allowed Kentucky universities to consider a statewide focus for higher education

for students with intellectual disabilities. CTPs are typically for two years, including four semesters at six hours per semester. Depending upon student needs, a course can be audited or for credit.

Dr. Kleinert said House Bill 45 (2013) provided for the first time Kentucky Educational Excellence Scholarship (KEES) funds for students who receive an alternate diploma, if the student enrolls in a Kentucky college or university with a US Department of Education approved CTP. The projected total KEES funds that will be accessed this year for students with intellectual disabilities is \$7,000. KEES funding for students with intellectual disabilities is based upon attending college part-time and can be applied to eight semesters. Funding amount of \$250 per semester represents a mid-range scholarship award for a part-time student.

In video testimony, Alexis Cane, a student at Murray State University, said she has enjoyed her experiences as a student at Murray State University and thanked the legislators for making KEES funds available for students with intellectual disabilities.

Claire Mineer, a graduate of West Jessamine High School, said the CTP has been a great opportunity for her. This program has given her the opportunity to take classes at a postsecondary institution, work on assignments, make friends, and follow her dreams of working with children.

In response to Representative Kelly Flood's question regarding what Ms. Mineer is studying, Ms. Mineer said she loves to be around young kids and wants to mentor young kids once she achieves her degree.

In response to Representative Wilson Stone's question regarding legislation to increase KEES money, Dr. Kleinert said House Bill 45 (2013) set the amount at \$250 for a part-time student per semester and that amount needs to be increased to \$500.

Review of Administrative Regulations

There was no action taken by the committee on 704 KAR 3:346 or 704 KAR 3:370.

Review of Executive Orders 2014-460 and 2014-559

There was no action taken by the committee on the executive orders.

There being no further business, the meeting adjourned at 2:55 p.m.

INTERIM JOINT COMMITTEE ON EDUCATION Subcommittee on Elementary and Secondary Education Minutes of the 1st Meeting

of the 2014 Interim

August 11, 2014

Call to Order and Roll Call

The 1st meeting of the Subcommittee on Elementary and Secondary Education of the Interim Joint Committee on Education was held on Monday, August 11, 2014, at 10:00 AM, in Room 129 of the Capitol Annex. Senator Stan Humphries, Co-Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stan Humphries, Co-Chair; Representative Wilson Stone, Co-Chair; Representatives Hubert Collins, Jeffery Donohue, Brian Linder, Rick G. Nelson, and Marie Rader.

Guests: Deeanna Tackett, Kentucky Department of Education; Sue Bartenfield, Kentucky Department of Education; Cathy Gallagher, Kentucky Department of Education; Valerie Crouch, Kentucky Department of Education; Jenny Fuller, Kentucky Department of Education; Mike Sullivan, Kentucky Department of Education; Clyde Caudill, Kentucky Association of School Administrators.

LRC Staff: Jo Carole Ellis, Janet Stevens, and Daniel Clark.

School Nutrition: New Federal Requirements and Initiatives for Feeding Our Students

Cathy Gallagher, Division of School and Community Nutrition, Kentucky Department of Education (KDE), said the Summer Food Service Program (SFSP) provides free, nutritious meals and snacks to help children in low-income areas get the nutrition needed to learn, play, and grow throughout the summer months when they are out of school. Research has consistently shown that good nutrition is essential for learning in school. The SFSP provides an opportunity to continue a child's physical and social development while providing nutritious meals during long vacation periods from school.

Ms. Gallagher said the SFSP is a federal program that allows state agencies to administer the program at the state level. State agencies provide training and monitoring to approved sponsors. Sponsors provide free meals to a group of children at a central site, such as a school or a community center. The sponsors receive payments from the United States Department of Agriculture (USDA), through state agencies, for the meals that they serve.

Ms. Gallagher said the most common site for the SFSP is an open site. An open site is a site where any child can come eat and these sites are generally located in low-income areas where at least half of the children come from families with income at or below the Federal poverty level,

making them eligible for free and reduced-price school meals. Another type of open site is mobile sites. Mobile sites use vehicles to deliver meals on routes to children who cannot get to other feeding sites. Enrolled sites, the third option, provide free meals to children enrolled in an activity program at a site where at least half of them are eligible for free and reduced-price meals.

Ms. Gallagher said children who are 18 and under are eligible to receive free meals and snacks through SFSP. Meals and snacks are also available to persons over the age 18 who have physical and or mental disabilities and who are still enrolled in school programs. At most sites, children receive either one or two reimbursable meals each day. Camps and sites that primarily serve migrant children may be approved to serve up to three meals to each child, each day.

In response to Representative Rick Nelson's question regarding reimbursement rates, Ms. Gallagher said reimbursement rates for the SFSP are a little more than the regular school lunch program, and it is not a goal for schools who participate in the SFSP to make profits even though some do.

In response to Representative Hubert Collins' questions regarding the mobile units, deliveries, and food portion size, Ms. Gallagher said schools have to furnish their own mobile unit to use in the summer, and the sponsors usually prepare the food in their own facility or the food is purchased from a vendor. Also, there is a general meal pattern that the SFSP follows regarding portion size that is the same for every child.

Representative Wilson Stone stated he has observed the SFSP in his local school district and was impressed with the caution used with not routinely feeding adults.

In response to Representative Wilson Stone's question regarding SFSP participation rates in rural areas compared to urban areas, Ms. Gallagher said participation rates in the rural areas are lower due to the challenges of trying to get the food and the children in the same place.

In response to Chairman Stan Humphries question regarding a timetable for the SFSP, Ms. Gallagher said sponsors can continue the SFSP until the National School Lunch Program (NSLP) starts, but most sponsors end the SFSP before the school year begins.

National School Lunch Program

Sue Bartenfield, Division of School and Community Nutrition, KDE, said the USDA administers the NSLP. The program is a federally assisted meal program operating in over 100,000 public and non-profit private schools and residential child care institutions across the

Unites States. In Kentucky, school districts and independent schools that choose to take part in the lunch program get cash subsidies and foods from the USDA for each meal served. In return, schools must serve lunches that meet federal requirements, and schools must offer free or reduced price lunches to eligible children.

Ms. Bartenfield said in fiscal year 2012-2013 the federal budget appropriated Kentucky \$183,295,376 for the NSLP. At that time, 100 percent of Kentucky schools participated in the program. On a typical school day, 493,896 of the total children participating in Kentucky received free or reduced-price lunches. Children from families with incomes at or below 130 percent of the poverty level are eligible for free meals and children from families with incomes between 130 percent and 185 percent of the poverty level are eligible for reduced-price meals. Afterschool snacks are provided to children on the same income eligibility basis as school meals.

Ms. Bartenfield said the Community Eligibility Option allows schools with high numbers of low-income children to offer free breakfast and lunch to all students without collecting school meal applications or tracking eligibility in the cafeteria. This option increases participation by children in the school meal programs, while schools reduce labor costs and increase their federal revenues. Any school can use this option when 40 percent or more of students are certified for free meals without a paper application based on having a qualified status such as foster care, Head Start, homeless, migrant, or living in households that receive food stamps or Temporary Assistance for Needy Families cash assistance. The Community Eligibility Option has been available in Kentucky since the start of the 2011-2012 school year.

Ms. Bartenfield said The Healthy, Hunger-Free Kids Act of 2010 required the USDA to establish nutrition standards for all foods and beverages sold in schools. The current meal pattern increases the availability of fruits, vegetables, and whole grains in the school menu. The meal pattern's dietary specifications set specific calorie limits to ensure age-appropriate meals for grades K-5, 6-8, and 9-12. Other meal enhancements include gradual reductions in the sodium content of the meals. While school lunches must meet federal meal requirements, decisions about what specific foods to serve and how they are prepared are made by local school food authorities. These standards apply to all foods sold on the school campus during the school day.

Ms. Bartenfield said no foods or beverages may be sold on the school campus during the school day that does not meet the USDA

standards. This also includes fundraisers held during the school day. All foods that meet the regulatory standards may be sold on the school campus 30 minutes after lunch until 30 minutes after the school day ended. These standards would not apply to items sold during non-school hours, weekends, or off-campus fundraising events.

Ms. Bartenfield explained monitoring and compliance regarding the NSLP. She said the first violation will result in a fine of no less than one week's revenue from the sale of the competitive food. Subsequent violations result in a fine of not less than one month's revenue, and five or more violations within a six month period result in a six-month ban on competitive foods sales at the violating school. Revenue collected as a result of the fines shall be transferred to the food service fund of the local school district. If violations have occurred, technical assistance and corrective action plans will be required.

In response to Representative Rick Nelson's questions regarding meal patterns and local farmers selling food to local schools, Ms. Bartenfield said children are learning portion control and healthy eating habits for life with the new meal patterns. Also, a lot of school districts have their own gardens and greenhouses that produce food for the schools but it would be hard for local farmers to produce food for the schools because the growing season is not long enough.

In response to Representative Hubert Collins's questions regarding sodium restrictions and what teachers can eat, Ms. Bartenfield said ketchup and mustard can be offered but the nutritional and calorie standards must be met, and there are no restrictions on what the teachers can eat.

Representative Brian Linder stated he was disappointed in the attendance at the meeting because of how important NSLP is to Kentucky's children.

In response to Representative Brian Linder's question regarding federal standards, Ms. Bartenfield said the new federal nutrition standards are less stringent now compared to when they were initially introduced.

Representative Wilson Stone said the NSLP is a wonderful program for many children across the state and farmers would love to produce food for schools all year but cannot due to the winter months.

In response to Chairman Stan Humphries' question regarding fines at Augusta Independent, Hiren Desai, Associate Commissioner, KDE, said Augusta Independent repeatedly failed to produce records, which is a violation of the federal guidelines. Augusta Independent was disallowed meal reimbursement for a month

because of the repeated violations based on the lack of meal production records. Mr. Desai said the USDA recently agreed to allow KDE to revise the scoring matrix used to determine the meal violation penalties, and the Augusta Independent fine will be reduced.

In response to Chairman Stan Humphries's questions regarding bake sales of homemade goods and who checks the bake sales to see if they meet federal guidelines, Ms. Bartenfield said anything that does not meet the federal nutritional standards cannot be sold during the school day. KDE encourages fundraisers that are not food related. KDE has found some violations at schools regarding bake sales, but most of the time leaves the judgment to the school on whether the foods meet federal guidelines.

In response to Representative Hubert Collins's question regarding penalties for not following federal guidelines, Mr. Desai said school children are still served meals even though the school has not followed the federal guidelines, and the only thing that is disallowed is the funding to the school.

In response to Representative Brian Linder's question regarding the matrix used by KDE, Mr. Desai said the matrix was developed by KDE and has been in place for about 10 years.

In response to Chairman Stan Humphries's question regarding the availability of federal money being used for the NSLP, Mr. Desai said historically USDA funding has always been significant, and the concept of funds to help feed kids has never been in question.

With no further business before the committee, the meeting adjourned at 11:18 a.m.

SPECIAL SUBCOMMITTEE ON ENERGY

Minutes of the 3rd Meeting of the 2014 Interim

August 15, 2014

Call to Order and Roll Call

The 3rd meeting of the Special Subcommittee on Energy was held on Friday, August 15, 2014, at 10:00 AM, in Room 171 of the Capitol Annex. Senator Jared Carpenter, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jared Carpenter, Co-Chair; Senators Joe Bowen, Ernie Harris, Ray S. Jones II, Bob Leeper, and Brandon Smith; Representatives Rocky Adkins, Dwight D. Butler, Hubert Collins, Leslie Combs, Tim Couch, Jim Gooch Jr., Keith Hall, Martha Jane King, Tanya Pullin, Tom Riner, John Short, Kevin Sinnette, John Will Stacy, Fitz Steele, and Brent Yonts.

Guests: Dr. Len Peters, Secretary, Energy and Environment Cabinet and Mr. John Lyons, Assistant Secretary for Climate Policy, Energy and Environment Cabinet.

LRC Staff: Janine Coy-Geeslin, Stefan Kasacavage, and Kelly Blevins.

The July 18, 2014 minutes were approved by voice vote, without objection, upon motion of Representative Hubert Collins and seconded by Representative Keith Hall.

Kentucky's Energy and Environment Landscape

Dr. Len Peters, Secretary, Energy and Environment Cabinet, presented a brief history of Kentucky's coal markets and greenhouse gas (GHG) regulation. Secretary Peters stated that he was hoping that the US Environmental Protection Agency (EPA) would provide flexibility on compliance options and timeframes for GHG rules. The proposed existing source rule appears to give Kentucky some flexibility. However, an adequate compliance plan will still be a challenge for Kentucky.

After an in-depth study with input from utilities and utility experts, Dr. Peters said the cabinet found boiler efficiency gains on individual coal units would not likely be a significant compliance option for GHG rules. Carbon capture and storage research and development were funded by the General Assembly a few years ago, and that work is continuing. Recently, there was a ribbon cutting ceremony for a carbon capture pilot project at the E.W. Brown Generating Station of LGE/KU.

Dr. Peters talked about the legislative and legal history of GHG policies. Kentucky's electric generating portfolio is already changing, even without new regulations. He discussed how to moderate electricity price increases because of the impact on Kentucky manufacturing.

Since the late 1990s, there have been dozens of GHG-related bills introduced in Congress. The most noteworthy were the McCain-Lieberman Stewardship Act (2003); the Lieberman-Warner Climate Security Act (2008); and the Waxman-Markey American Clean Energy and Security Act (2009). Only the Waxman-Markey bill passed one house. EPA's proposed rule for existing electric generating units and the proposed rule for new construction power plants represent the most significant energy and environmental policy in the past 40 years. Dr. Peters emphasized that it is a very profound change in the direction of energy and environment policy and is only rivaled by the Clean Air Acts in the late 1960s and early 1970s. Regardless of the outcomes of any legal challenges to EPA proposed rules 111(b) and 111(d), many utilities are making plans as though

carbon constraints are inevitable.

CAA section 111(b) is the rule for new emission sources, and section 111(d) is for existing power plants. Both rules 111(b) and 111(d) must be considered together. Rule 111(b) sets limits for natural gas-fired power plants at 1,000 pounds of CO₂ per mega watt per hour (lbsCO₂/MWh) and for coal-fired power plants at 1,100 lbsCO₂/MWh. Today, coal-fired power plants with existing controls operate between 2,000 and 2,100 lbsCO₂/MWh, and natural gas-fired power plants operate around 800 lbsCO₂/MWh. EPA retains more authority with Rule 111(b). The states just adopt the rule. The Kentucky Energy and Environment Cabinet (EEC) has submitted comments on Rule 111(b).

The proposed rule 111(d) for existing sources was issued June 2, 2014, and establishes state-specific CO₂ intensities. Every state is treated a little differently under the proposal and provides multiple pathways for compliance. States will establish implementation plans by working with stakeholders and legislatures to get those plans in place. Ultimately, EPA will have to approve any plans submitted for compliance with rule 111(d).

Court actions regarding GHG emissions control started in 2007 with a U.S. Supreme Court ruling in *Massachusetts v. EPA*. There was an "endangerment" finding relative to CO₂, a GHG light duty vehicle ruling, and a GHG tailoring ruling. In 2012, a U.S. Court of Appeals upheld EPA's actions with respect to all three rulings. On June 23, 2014, the U.S. Supreme Court upheld EPA's authority to regulate GHGs under the Clean Air Act.

Dr. Peters stated that this is a global issue and that the impact on all 50 states is not equal. There may be some disagreement among scientists on certain details. However, none of them disagree that CO₂ is a GHG, and the higher the concentration in the atmosphere, the more radiated heat from Earth is trapped. Some refer to this as the greenhouse effect. Nationally and internationally, public opinion polls are showing support for actions to limit GHG emissions. Polls show citizens expect some action with regard to GHG. Dr. Peters wanted to make clear that talking about climate change should neither be equated with accepting certain proposed solutions nor be perceived as being anti-coal. The cabinet is looking for the best solution for Kentucky.

Dr. Peters talked about the history of GHGs, going back to 1859 when British scientist, John Tyndall considered CO₂ a heat-trapping gas. In the late 1890s, a Swedish Nobel-prize winning physicist in Chemistry, Svante Arrhenius did some very detailed calculations and predicted

that if the heat-trapping CO₂ were to double, then the Earth's mean temperature would rise about 5 degrees Celsius. He estimated that this rise would take 2,000 to 3,000 years. About a decade later, he revised the time period to one or two centuries. In the 1950s, Charles Keeling, an American scientist, started gathering CO₂ data on Mauna Loa, Hawaii. Some scientists consider this the best CO₂ data available.

Dr. Peters reported that when he began teaching atmospheric pollution/pollution control in the early 1970s, the concentration of CO₂ was 330 parts per million, and when he stopped teaching in 2000, the concentration of CO₂ had increased to 370 parts per million. In 1987, EPA created a scientific panel of individuals from major universities and other federal agencies. Dr. Peters and numerous others were asked to meet and discuss these issues, including what they needed to do in terms of assembling data.

Climate change indicators come from a variety of sources. Examples are arctic sea ice, global surface temperature, and sea level. Dr. Peters said all of the indicators do present evidence of climate change. How much of the change is man-made is a contentious subject. Dr. Peters stated that he saw a report from some Australian scientists which concluded that 2/3 of glacier melting is due to man-made activities.

May 9, 2014, was the deadline for comments on the proposed rule for new sources, CAA Section 111(b). In June, EPA issued a proposed rule for existing sources, and the deadline for comments is October 16, 2014. Dr. Peters said the cabinet is working hard to put together meaningful and relevant comments that will address concerns as well as points of agreement. The final rule for new sources should be issued shortly before the rule for existing sources. Dr. Peters thinks that the final rule for existing sources will be issued about June 3, 2015, so that states can begin working on an implementation plan for the next year. This is a difficult timeline for states. Dr. Peters said that states had more flexibility and more time to implement plans dealing with sulfur dioxide and nitrogen dioxide which are far less complicated issues.

Dr. Peters said that the cabinet's comments on Section 111(b) new sources stressed that carbon capture and storage (CCS) is not commercially ready. The technology for extracting CO₂ out of the flue gas stream is feasible but is not an economically viable option. The cabinet is still working on issues of appropriate storage. The cabinet contends that CCS cannot be used as a system for emission reduction because it is not yet commercially available. The second issue that appears in the cabinet's comments is that the rule

inappropriately sets energy policy and constitutes a significant energy action. EEC's argument is that EPA does not have authority to set energy policy. EEC recommended an alternative standard of 1700 lbsCO₂/MWh because super-critical and ultra-supercritical coal combustion can get to that number. EEC also has some concerns about properly considering costs and benefits.

Dr. Peters discussed the proposed rule for Section 111(d). Emission targets vary among the states. Forty nine of the 50 states have different targets or regulations. Vermont has no carbon emitting power plants. Kentucky's proposed statewide fleet standard between 2020 and 2029 is 1844 lbsCO₂/MWh. Currently, Kentucky is at 2100 lbsCO₂/MWh. The final goal to be achieved by 2030 is 1763 lbsCO₂/MWh. Kentucky received the second lowest standard in terms of carbon intensity and some contend that the state should be happy with that standard. Dr. Peters stated that EEC is not happy because it is not Kentucky has the flexibility needed. The rule allows a range of options for compliance including multi-state approaches and energy efficiency gains. It provides for fuel switching to natural gas, nuclear, or renewables. EEC argued strongly that energy efficiency should be included in the range of options for compliance. EEC believes that the rule, as currently stated, would not strand recently installed environmental controls.

Prior to the GHG regulations, a mercury and air toxic (MATS) regulation was beginning to be implemented. By 2020, EEC believes average fleet emissions will be approximately 1,890 lbsCO₂/MWh which is only two and one-half percent higher than the proposed average of 1,844 lbsCO₂/MWh. The reduction will occur as a result of the MATS regulation not because of the GHG regulations. Dr. Peters stated that EEC wants to make sure Kentucky gets credit for those reductions. In 2020, it is estimated that 78 percent of Kentucky's projected electricity generation will come from coal, 19 percent from natural gas, two and one-half percent from hydro, and one-half percent from biomass.

Dr. Peters reported that Kentucky is seeing older coal power plants being closed. The average age of coal-fired plants in Kentucky is 43 years. In the United States, the average age of coal plants before retirement is 60 to 65 years. Kentucky has an aging coal fleet, so section 111(b) for new sources is of great concern for Kentucky.

Concerns about section 111(d) rule raise many difficult questions. EPA estimates that plants can get up to six percent boiler efficiency by fine tuning with fans and turbine blades. These estimates are based on a report from Sargent and Lundy study that some people have said was

inaccurate. Sargent and Lundy does a lot of work with electric utilities. Dr. Peters stated that over twenty stakeholder meetings have been held and more are scheduled. Meeting participants have been included utilities, environmental groups, the Kentucky Association of Manufacturing, and the Kentucky Chamber of Commerce. Utilities believe that the best possible efficiency improvement at the source is three percent. They believe that six percent is not feasible.

Engineers are concerned with the transition from rate-based to mass emissions-based compliance. There are complex multi-state issues including issues surrounding the role of independent system operators (ISOs) and regional transmission operators (RTOs). Kentucky has four RTO organizations which differ significantly: PJM Interconnection LLC, Midcontinent Independent System Operators, Tennessee Valley Authority, and LGE-KU. This presents complexities which do not arise in states that have only one type. The proposed regulation is unclear on which utility should get credit for renewable energy if it is sold out of state. Section 111(d) involves power where it is generated and not where it is consumed.

Dr. Peters said it is critical for Kentucky to improve energy efficiency because this reduces the amount and impact of CO₂. All of Kentucky's energy efficiency programs are partnerships. Kentucky Home Performance is EEC's partnership with Kentucky Housing Corporation. HowSmart On-Bill Financing is a method for financing home energy improvements. It is a partnership with the Mountain Association for Community Economic Development. EE Modular Buildings is a modular efficiency program in which EEC partners with Southern Tier and Kentucky Highlands Investment Corporation. EEC is also working with the University of Kentucky on its Energy Efficiency Awareness and Action Program.

Dr. Peters informed the committee that EEC is educating Kentucky citizens in many ways. In the commercial area, EEC has a Local Government Energy Retrofit Program working with the Department for Local Government. EEC is working with the Kentucky School Boards Association on the Kentucky School Energy Managers Program. When Governor Beshear took office, the program had twelve schools that were Energy Star. Today, Kentucky has 256 Energy Star schools. EEC is also working with the Governor's Office of Agricultural Policy in the On-Farm Efficiency and Production program. EEC has an Integrated Live Energy Management program in partnership with Fayette County public schools. Low cost loans for state affiliated

buildings are offered through the Kentucky Green Bank program. The Kentucky Finance and Administration Cabinet administers this program and the Commonwealth Energy Management and System Control System.

On the industrial side of energy efficiency initiatives, EEC recently started a combined heat and power program with the Kentucky Association of Manufacturers, universities, utilities, and environmental groups. There are also programs with individual corporations. Through TVA settlement funds, EEC has funded a major mechanical system upgrade at the LORD Corporation in Bowling Green, Kentucky. EEC offers the Industrial Energy Efficiency Services program in partnership with the University of Louisville.

Dr. Peters finished up with a picture of where Kentucky is currently with respect to the proposed GHG rules and what happens next. The Section 111(d) proposal needs considerable clarification. EEC is asking questions of EPA and talking to Kentucky stakeholders about their interpretation of certain parts of the rule. EPA is the only entity that can provide the clarification needed. By 2030, 25 percent of existing coal-burning facilities will be retired. By 2040, between 55 percent and 60 percent of those facilities will be retired. Reducing the impact on rates will require that utilities have options and the ability to diversify their energy portfolios. Kentucky's economy could be severely compromised if ways to moderate price increases cannot be found.

Representative Couch questioned the importance of climate change to American citizens and the polls mentioned by Dr. Peters at the beginning of the meeting. Dr. Peters agreed that there are very few polls that rank GHG control high among respondents' concerns and stated that it will always be jobs and the economy at the top. Dr. Peters said that the polls show many people believe that there should be some GHG emission control. Representative Couch stated that he had not seen polls with that type of question but would like to see them, and Dr. Peters said he would provide them.

Dr. Peters further stated that there are multiple factors affecting the coal industry in the United States. Kentucky cannot ignore the impact of natural gas prices, the new and existing environmental regulations, and the cost of coal.

In response to Representative Riner's statement that the economic and national security of the United States could be compromised by retiring coal fired plants, Dr. Peters said Kentucky's economy is probably impacted more than any other state because of its large manufacturing base. For that reason, the

national economy could be compromised as well. However, some states see benefits from the pressure on utilities to diversify their fuel sources. Iowa is the central point for a major wind turbine industry. Kentucky's largest concern is how rising rates will impact manufacturing industries and the 220,000 jobs there. Dr. Peters said he is not sure where China and Germany are going in terms of energy sources. In response to Representative Riner's question about national security implications of the proposed GHG regulations, Dr. Peters said military leaders are saying that having appropriate control of GHGs could be necessary to mitigate environmental impacts in developing countries. However, Dr. Peters stated that he was not a national security expert.

Senator Smith asked Dr. Peters if the Special Subcommittee on Energy or the General Assembly would get an opportunity to review EEC's comments and response to EPA. Dr. Peters said the Governor will be reviewing the comments, and draft comments will be shared with many stakeholders. Draft comments will not be available until mid September. EEC will make an effort to share the comments or an outline of the comments with the Committee, but there is limited time to respond.

Representative Steele asked Dr. Peters where the United States ranked in GHG emissions compared to the rest of the world. Dr. Peters said that, until recently, the United States was the highest because per capita energy use was the highest. In the last few years, China has become the leader in GHG emissions because of its population.

Representative Adkins stated that the impact of regulations on Kentucky has meant direct and indirect job losses in Appalachia and will mean higher electricity prices. Representative Adkins stated that reliability of the electric grid is the real issue for energy and wants to know if it will be part of EEC's comments to EPA. Dr. Peters responded that Kentucky's energy policy should be an all-of-the-above strategy for base load electricity which would include coal, natural gas, and nuclear. He stated that eliminating one of those from the energy portfolio is not good national policy and creates national security and national reliability problems. Dr. Peters stated the Science Advisory Board for EPA is setting up a group of economists to consider cost/benefit analysis of the proposed regulations. Talina Matthews will be a Kentucky voice on that board. Dr. Peters agrees that reliability is the biggest energy concern and will be part of the comments to EPA.

Representative Gooch expressed concern

that the federal government is making decisions without regard to the rest of the world. Representative Gooch also mentioned the language of HB 338 (2014 regular session) on primacy. Dr. Peters stated that putting together a plan that has minimal impact on electricity rates within the new regulatory constraints will be a challenge. Dr. Peters further stated that it is important to put together a plan that EPA will approve because EPA will implement its own plan if the state plan is not approved.

There being no further business, the meeting was adjourned.

INTERIM JOINT COMMITTEE ON JUDICIARY

Minutes of the 2nd Meeting of the 2014 Interim

August 1, 2014

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Judiciary was held on Friday, August 1, 2014, at 10:00 AM, in Paducah. Representative John Tilley, Co-Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Whitney Westerfield, Co-Chair; Representative John Tilley, Co-Chair; Senators Perry B. Clark, Sara Beth Gregory, Dan "Malano" Seum, and Robin L. Webb; Representatives Johnny Bell, Joseph M. Fischer, Joni L. Jenkins, Thomas Kerr, Mary Lou Marzian, Reginald Meeks, Suzanne Miles, Darryl T. Owens, Ryan Quarles, Tom Riner, Steven Rudy, Gerald Watkins, and Brent Yonts.

Guests: Tandee Ogburn, Senator Gerald Neal, Representative David Floyd, Secretary J. Michael Brown, Rev. Dr. Marian Taylor, Jason Hall, Dr. Mark Coppenger, Father Pat Delahanty, Ben Griffith, Katherine Nichols, Ed Monahan, Ernie Lewis, G.L. Ovey, and Dr. Allen Ault.

LRC Staff: Jon Grate, Matt Trebelhorn, Dallas Hurley, Alice Lyon, and Matthew Doane.

Volunteers of America: Addiction Recovery Programs

Tandee Ogburn, Director of Community Engagement at the Volunteers of America (VOA), discussed the various drug treatment programs her organization provides, focusing on Freedom House, a long-term residential drug treatment program designed specifically for pregnant women suffering from substance abuse disorders. Women at Freedom House stay there through their pregnancy and up to nine weeks after their child is born. About 85 healthy infants have been born to women in the Freedom House program since its inception in the mid 1990s. Researchers

at the University of Louisville calculated that the Freedom House program resulted in \$21 million in savings to the state and charitable organizations.

Responding to a question from Representative Tilley, Ms. Ogburn said that VOA receives almost all of its funding through private fundraising efforts. Responding to a question from Representative Riner, Ms. Ogburn said that the total annual operating budget for Freedom House is about \$300,000. Representative Meeks asked Ms. Ogburn for a list of treatment center locations and whether there has been an assessment of need in the state or Jefferson County for services provided by Freedom House. Ms. Ogburn said that there was only one Freedom House location (South Shelby Street in Louisville) and that she was unaware of any assessment of need. Responding to a question from Senator Westerfield, Ms. Ogburn said that there are 10 treatment slots for the 40 women seeking treatment.

Legislative Perspectives on Capital Punishment

Senator Neal said that his views on capital punishment have changed over the years for a variety of reasons that include racial and socio-economic disparities in imposition of the sentence, exonerations using DNA technology, and the cost of housing death row inmates while they appeal their sentences. Senator Neal stated that the United States is the last of the western industrialized nations to still impose the death penalty, which undermines the credibility of the American justice system. He said that all humans are entitled to "a right of redemption."

Representative Floyd said that his opposition to the death penalty began after he learned that since 1976 over 100 former death row inmates have been exonerated through advances in DNA technology. He said that there is no amount of risk of executing an innocent person that is acceptable to him, and he spoke about conflicting moral justifications for capital punishment in the Old and New Testaments of the Bible.

Execution Status in Kentucky and Cost

Secretary J. Michael Brown said that there are 33 inmates on death row in the Commonwealth, with 32 male inmates housed in the Kentucky State Penitentiary in Eddyville and one female inmate housed in the Kentucky Correctional Institution for Women in Pewee Valley. Inmates convicted before 1998 have the option to choose either electrocution or lethal injection, while inmates convicted after 1998 can only be put to death by lethal injection. A Franklin Circuit Court injunction prevents executions in the Commonwealth.

Responding to a question posed by Representative Watkins, Secretary Brown stated that there are four African American inmates on death row. Responding to a question from Representative Meeks, Secretary Brown stated that Kentucky's three-drug protocol, which utilized sodium thiopental, pancuronium bromide, and potassium chloride, was upheld by the U.S. Supreme Court. The Department of Corrections (DOC) has been unable to obtain sodium thiopental since the Supreme Court decision because the manufacturer of the drug refuses to sell it to customers that use it to execute people. Secretary Brown said that the DOC had voluntarily surrendered its remaining supplies of sodium thiopental to the Drug Enforcement Agency (DEA) in 2011. Secretary Brown explained that Kentucky's death penalty protocol regulations have been amended to include a one-drug protocol, using either sodium thiopental or pentobarbital, and an alternative two-drug protocol, using midazolam and hydromorphone.

Secretary Brown said that the cost of maintaining Kentucky's death row at the Kentucky State Penitentiary is roughly \$150,000 annually, or about \$5,000 more per death row inmate than housing an ordinary prisoner. Secretary Brown said that an execution costs less than \$80,000, but that does not include the cost of inmate appeals and court appearances.

Faith-based Perspectives on Capital Punishment

Rev. Dr. Marian Taylor, Executive Director of the Kentucky Council of Churches, said that the council represents 800,000 Kentucky Christians who are united in their opposition to the death penalty on various moral grounds. He addressed the need for redemption and restorative justice in society, which cannot occur with the imposition of the death penalty.

Jason Hall, the Executive Director of the Catholic Conference of Kentucky, provided the Roman Catholic Church's perspective on capital punishment. Mr. Hall stated that humans are created in God's image and endowed with dignity that must be protected. Catholics see it as the role of Church to protect the dignity of every individual by opposing capital punishment.

Responding to question from Representative Fischer, Mr. Hall stated that, according to the Roman Catholic Church, there were no circumstances that could justify the imposition of the death penalty. Representative Fischer asked Mr. Hall what had changed the Roman Catholic Church's position on capital punishment in the last 25 years. Mr. Hall stated that the advent of maximum security prisons that can effectively protect the public from dangerous individuals and

uncontroverted evidence of wrongful convictions and executions had contributed to a change in the Church's support for the imposition of the death penalty.

Dr. Mark Coppenger, a professor from the Southern Baptist Theological Seminary, quoted Charles Hodge, C.S. Lewis, and Bishop Joseph Butler, all of whom supported the death penalty. Dr. Coppenger stated that the Roman Catholic Church did not oppose the imposition of the death penalty for over 1,900 years. He said that a person could be anti-abortion and pro-capital punishment without being hypocritical. Addressing concerns about botched executions, Dr. Coppenger stated that comparing the suffering of executed murderers to that of murder victims is "a little bit overwrought." Dr. Coppenger said that the imposition of the death penalty is about justice, not expediency or cost.

Crime Victim Perspectives on Capital Punishment

Rev. Father Patrick Delahanty, Chair of the Kentucky Coalition to Abolish the Death Penalty (KCADP), provided quotes and anecdotes from various members of KCADP who support the repeal of the death penalty. Responding to a question from Representative Bell, Rev. Delahanty said that, despite a limited number of aggravating circumstances that would allow a jury to sentence a defendant to death, the imposition of the death penalty is imperfect because it is a system implemented by humans who are fallible.

Ben Griffith, a KCADP member, recounted the murder of his brother, Chris Griffith, in Missouri. The man responsible for Chris Griffith's murder was executed over the objections of Mr. Griffith and his parents. He and his parents had felt like they had been victimized again by the execution of his brother's killer. Sentencing a murderer to life without parole was far less stressful on the families of crime victims because there would usually not be a long appeals process. He said that the money that a state could save by eliminating the death penalty as a sentencing option could be used to treat the trauma experienced by crime victims' surviving family members.

Katherine Nichols, a representative from Kentuckians' Voice for Crime Victims (KVCV), said that the death penalty should only be retained for the most heinous crimes. She explained the extent to which the murder of a family member constantly affects the daily lives of surviving family members. Ms. Nichols recounted the traumatic day that she discovered the murdered body of her brother in his own home and the pain it continues to cause her and her family.

Legal Perspectives on Capital Punishment

Ernie Lewis, of the Kentucky Association of Criminal Defense Lawyers (KACDL), gave a broad overview of U.S. Supreme Court death penalty jurisprudence. Citing the Court's decision in *Gregg v. Georgia*, Mr. Lewis explained that guided discretion statutes were upheld by the U.S. Supreme Court as a way to minimize the risk of arbitrary capital sentencing. The American Law Institute (ALI) created the concept of guided discretion for jury instructions in capital cases, but has since abandoned such efforts. Ed Monahan, Kentucky's Public Advocate, stated that the General Assembly should either fix Kentucky's current death penalty statutes using the recommendations from the American Bar Association, or eliminate the death penalty altogether because the system is rife with error, waste, and abuse.

G.L. Ovey, Commonwealth's Attorney for the 56th Judicial District, said the question that the General Assembly should be asking is not whether the death penalty either deters crime or is cost effective, but whether the death penalty is a just and proper sentence. He recounted the story of man he had prosecuted for the murder of three children and the rape and attempted murder of their mother. He said the death penalty should be retained as a sentencing option.

Executions and Institutional Stress

Dr. Allen Ault, Dean of Criminal Justice Studies at Eastern Kentucky University, said that he had murdered five men as an agent of the state. Correctional officers who participate in executions often suffer from substance abuse and other mental health disorders. Responding to a comment by Representative Fischer, Dr. Ault said that the studies from Emory University and University of Colorado at Denver that claim to show that capital punishment has a deterrent effect on violent crime had flawed methodology. He said that all death row inmates that he had known were not deterred by the possibility of the death penalty as a sentencing option.

There being no further action, the meeting was adjourned.

INTERIM JOINT COMMITTEE ON LABOR AND INDUSTRY

Minutes of the 3rd Meeting of the 2014 Interim

August 21, 2014

The 3rd meeting of the Interim Joint Committee on Labor and Industry was held on Thursday, August 21, 2014, at 2:00 PM, in Whitney Hall, at The Kentucky Center for the Performing Arts, Louisville, Kentucky. The

meeting was a joint meeting with the Interim Joint Committee on Economic Development and Tourism. Senator Alice Forgy Kerr, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Alice Forgy Kerr, Co-Chair; Senators Julian M. Carroll, Jimmy Higdon, Dennis Parrett, and Mike Wilson; Representatives Lynn Bechler, Regina Bunch, Denver Butler, Jeffery Donohue, Jeff Greer, Dennis Horlander, Joni L. Jenkins, Thomas Kerr, Mary Lou Marzian, Terry Mills, and Jim Stewart III.

Guests: Kim Baker, President, The Kentucky Center for the Performing Arts; Kent Oyler, President and CEO, Greater Louisville, Inc; Sarah Davasher-Wisdom, Vice President, Government Affairs and Collaboration, Greater Louisville, Inc; James Reddish, Vice President, Economic and Workforce Development, Greater Louisville, Inc; Dr. Neville Pinto, Dean, University of Louisville J.B. Speed School of Engineering.

LRC Staff: Carla Montgomery, Matt Ross, Adanna Hydes, and Sasche Allen.

Approval of Minutes

A motion by Representative Jenkins and second by Representative Greer to approve the minutes of the July 17 meeting carried by voice vote.

The Kentucky Center for the Performing Arts

Kim Baker, President of The Kentucky Center for the Performing Arts, welcomed members to the center. She said that the center had recently been ranked 26th in the world, seeing more than half of a million people a year. She gave an overview of The Kentucky Center Governor's School for the Arts, which is sponsored by the center with support and sponsorship with state funds. She expressed appreciation for state funds, which helped to provide a new roof for the center and also appropriations to increase the number of children able to attend The Kentucky Center Governor's School for the Arts.

Greater Louisville, Inc

Kent Oyler, President and CEO of Greater Louisville, Inc. (GLI), summarized the vision of GLI and how its goal is to advance the Greater Louisville region through job and wealth creation. GLI is a member-led business leadership organization that is present in 26 counties across Kentucky and Indiana with 1,900 paid members who employ 219,000 people. GLI implements economic development programs that boost job creation, supports laws and policies that create a business friendly environment, and provides

programs, products, and events that increase profits and lower costs for the Metro Chamber members and their companies.

Sarah Davasher-Wisdom, Vice President of Government Affairs and Collaboration for Greater Louisville, Inc, highlighted GLI's plans for the public policy committees and the policies the company has supported in recent years. GLI has shown support for and advocated tax credits for angel investors, tax reform initiatives, and the local option sales tax. GLI has created an Indiana issues committee to better represent its members. GLI is creating committees for local, state, and federal issues.

James Reddish, Vice President of Economic Development and Workforce for Greater Louisville, Inc, described GLI's history and also some of the past regional economic development efforts with which it has been involved. Over the 15 years that GLI has been in existence, it has taken on 1,200 projects that have collectively generated 74,000 new jobs and \$8.2 billion in new capital investments, including companies such as UPS, Ford Motor Company, and General Electric. More recently, GLI was involved with the Bluegrass Economic Advancement Movement (BEAM) and partnered with the Brookings Institute on a collaborative plan for economic growth in the region by getting a better understanding of businesses and industries that will thrive in the region and what economic forces help promote or stifle growth within the regional economy.

Some other programs resulting from GLI partnerships are Ford Next Generation Learning, where some high schools in Jefferson County were transformed into career themed high schools and the Degrees at Work program in conjunction with the Lumina Foundation, which helps to provide resources to businesses that want to assist their incumbent workers who want to pursue post-secondary education. GLI has assisted with Kentuckiana Works, which opened the Kentucky Manufacturing Career Center and Greater Louisville International Professionals and plans to open Where Opportunity Knox soon.

In response to a question from Representative Adams, Ms. Davasher-Wisdom stated that the newly established Indiana issues committee will study Indiana's tax structure. Mr. Reddish said that, when taking into account companies that may want to relocate to the area, the overall tax burden has to be contemplated instead of specific taxes, such as personal taxes, which may detour not necessarily the business as a whole but the business executives and other employees. When analyzing other states, comprehensive tax reform is a signal of progression. States that make bold

moves with tax reform often show indicators of economic growth.

Replying to a question from Representative Short, Ms. Davasher-Wisdom said that GLI has not taken a stance on whether minimum wage should be raised. However, GLI has sent questionnaires to members to see how they feel about the issue. Mr. Reddish said that very few of the companies that GLI directly works with would be affected by a minimum wage increase because most pay above the proposed minimum wage. He did not feel comfortable addressing the effect of the minimum wage increase on the retail industry due to the lack of experience from an economic development and membership standpoint.

Addressing a question from Senator Carroll, Mr. Oyler said that The Kentucky Center is a hub for cultural and economic development, hosting various events and enhancing the retail and restaurant community in downtown Louisville. Senator Carroll said that businesses choose their location based on educational and social or cultural opportunities. The Kentucky Center assists in fulfilling the social and cultural criterion.

In response to a question from Senator Carroll, Mr. Oyler stated that, although the YUM Center has become competition for other large cities, the original goal of 174 events per year must be met for it to be more profitable. The YUM Center has brought development to the downtown Louisville area, including the impending Omni hotel and retail development. Mr. Reddish said that, while GLI does not deal in retail, the increase of better paying jobs that move into the area will result in more disposable income, which will lead to economic success.

Answering a question posed by Representative Denham, Mr. Oyler described how GLI elects its directors, saying that they are chosen by an executive committee. The process is being reassessed and may be changed because governance is critical, especially with GLI starting to cross state lines.

Responding to Representative Donohue, Mr. Reddish said that Texas, Florida, North Carolina, South Carolina, and the southeast region of the country in general would be good examples for Kentucky to mirror in regards to different segments of tax reform and economic development.

Institute for Product Realization: Connecting Education, Research, and Job Creation

Dr. Neville Pinto, Dean of the University of Louisville J.B. Speed School of Engineering, testified about the Institute for Product Realization

project, made possible with state funds and support from Representative Clark. The Cabinet for Economic Development, Greater Louisville, Inc., and the mayors' offices of Louisville and Lexington, through the BEAM initiative, have assisted with the project. The focus is to create an institution to assist in growing the manufacturing industry in Kentucky on a long-term basis.

Dean Pinto compared the institute to an ecosystem, which in order to prosper would require collaboration with co-located industries, strong support from the University of Louisville, through human potential and research capabilities, and a global co-creation. He described the four areas that are going to support the Institute for Product Realization which include research and education, a launch pad, a co-creation platform, and a micro-factory. Through the Institute for Product Realization, an internet based group composed of people from around the world will formulate ideas and designs for products. The product will then be built at the micro-factory, located in Louisville, and once built consumers will test it, either physically or virtually, and determine if they would buy the product by giving direct feedback. If the feedback is positive, then the product will be manufactured through a launch pad. By connecting to consumers immediately through the internet, the cycle time between the primary idea and the manufacturing of the final product will be much more rapid.

Dean Pinto, in response to a question from Senator Kerr, stated that, through the J.B. Speed School of Engineering's admissions office, students are recruited from across the state. There are programs that target children as early as elementary school.

Answering a question from Representative Bechler, Dean Pinto said that the students enrolled in the J.B. Speed School of Engineering comprise about 10 percent of the University of Louisville, and about 77 to 78 percent of first year students go on to their second year, while others change their major. Between 50 to 60 percent of students complete the engineering program from start to finish.

Representative Clark pointed out some enhancements to the University of Louisville over the years and commended Dean Pinto for his work.

Replying to a question from Senator Kerr, Dean Pinto gave examples of how the J.B. Speed School of Engineering is trying to keep students engaged. The school is opening an office to advise and connect with the students as individuals.

Other Business

Co-Chair Kerr provided a list of upcoming committee meetings:

September 10
(Wednesday), Kentucky Dam Village,
Labor and Industry Committee Meeting
at the Labor Management Conference,
10:30 am (CT), 11:30 am (ET)

September 18, Shaker Village,
Economic Development and Tourism
Committee meeting, 1:00 pm

There being no further business, the meeting
adjourned at 3:36 pm.

INTERIM JOINT COMMITTEE ON LICENSING AND OCCUPATIONS

Minutes of the 3rd Meeting of the 2014 Interim

August 12, 2014

Call to Order and Roll Call

The 3rd meeting of the Interim Joint Committee on Licensing and Occupations was held on Tuesday, August 12, 2014, at 1:30 PM, Kentucky Eagle Inc., 2440 Innovation Drive, Lexington KY 40511. Senator John Schickel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator John Schickel, Co-Chair; Senators Tom Buford, Julian M. Carroll, Denise Harper Angel, Christian McDaniel, Morgan McGarvey, R.J. Palmer II, and Damon Thayer; Representatives Julie Raque Adams; Tom Burch, Adam Koenig, Charles Miller, Brad Montell, David Osborne, Ruth Ann Palumbo, Sal Santoro, Arnold Simpson, and Susan Westrom.

Guests: Ann Bakhaus, Owner, Kentucky Eagle, Inc.; Representative Steve Riggs, Representative Julie Raque Adams; Pat Dorsey, Kentucky Roofing Contractors Association; Bob Weiss, Home Builders Association of Kentucky; James Kegley, President, Brian Miller, Home Builders of Northern Kentucky; Daniel "DH" Harrison, co-owner, Country Boy Brewing.

LRC Staff: Tom Hewlett, Bryce Amburgey, Jasmine Williams, Michel Sanderson, and Susan Cunningham.

Approval of minutes for the July 11, 2014 meeting

A motion to approve the minutes from the July 11, 2014 meeting was made by Representative Burch and seconded by Representative Palumbo. The motion carried by voice vote.

Ann Bakhaus, owner of Kentucky Eagle distributing company, said her father started the company in 1948 as a 100,000 case operation. The company distributes over five million cases, being the largest Anheuser Busch wholesale distributor in the state. The legislature has been helpful to the industry in Kentucky.

Malt Beverages Awarded as Prizes

Senator Morgan McGarvey said his bill during the 2014 regular session would have created a special malt beverage temporary license for auctions, specifically charitable auctions. Similar legislation will be introduced in the 2015 session. There is already a temporary license for charitable auctions of distilled spirits and wine. The charitable malt beverage license would comply with all the existing regulations. Additionally, the malt beverages would be warm and could not be consumed on the premises. The malt beverages must be awarded to someone over the age of 21. The Department of Alcoholic Beverage Control is in favor of this legislation.

Licensure of Roofing Contractors

Representative Steve Riggs said that during the 2014 legislative session he sponsored a bill concerning licensure of roofing contractors that passed the House but not the Senate. The roofing industry came to the legislature and asked for legislation to protect consumers from "storm chasers," who come into the state after a catastrophic event to take advantage of the situation. The number of complaints received at the Attorney General's office and the Better Business Bureau has been increasing, tripling since 2011. There have been lawsuits, tracking down businesses that did the work is difficult because they are often from out-of-state. Many other states license the roofing industry. The Department of Housing, Buildings and Construction could manage a licensing database with existing personnel. There are protocols for plumbing or heating, mandating licensing and insurance. For roofing, which could cost a home owner \$7,000 to \$10,000, there are no such requirements. The Home Builders Association has asked that new homes be exempt, and this exemption was included the legislation.

In response to a question from Senator Buford, Representative Riggs said that criminal background checks would be done by the department on persons applying for licensure as a roofing contractor.

Senator Buford also commented that the time to apply for a permit to repair a storm-damaged roof should be extended more than the next business day. Additionally, if there is cause for litigation it should be in court of jurisdiction where the violation occurred, rather than Franklin Circuit Court.

Representative Julie Raque Adams commented that this legislation is not a government overreach since the industry itself came to legislators asking for the license.

Bob Weiss, Kentucky Home Builders Association, said his association objected to

the permit fee. The fee was just a fee for which they received nothing. It did not provide any inspections. Members feel that if they pay a fee there should be an inspection performed and not a per job permit fee.

Brian Miller, Northern Kentucky Home Builders Association, told the committee that his association was not in favor of the legislation. The association has a built-in network that provides assistance for homeowners after a natural disaster to avoid out-of-town businesses coming in and contracting for work. There is also concern that smaller businesses will have an extra burden if the bill passed.

James Kegley, President of the Northern Kentucky Home Builders Association, said the bill contains burdensome requirements, such as time spent with additional paperwork, continuing education, and extra fees. Also, all counties do not have local inspectors. Enforcement of the existing building code throughout the entire state would be a better effort than creating new categories of licensure.

Kentucky Proud Cider

Daniel “DH” Harrison, co-owner and General Manager of Country Boy Brewing, started the company two and a half years ago. The company has grown from zero employees to 13, and increased production from 500 barrels to 6,500 barrels this year. The company’s two year projection is for 10,000 barrels of product.

Country Boy just opened an operation to sell beer in West Virginia. However, cider sales are not permitted in that state.

Microbrewers in Kentucky are grateful to have the support of the committee for changing the classification of cider from wine to a malt beverage. Cider is the fastest growing segment in the craft beer industry in America. Nationally, cider production has tripled in the last three years. Country Boy Brewing Company has partnered with Evans Orchard, in Scott County, to source apples to begin making Kentucky Proud Cider. A sterilized container is taken to the orchard where the apples are crushed and the juice is transferred directly into the container. At the brewery a minimal amount of ingredients is added to handle bacteria that may still be present. There are no other chemicals added. The cider is fermented using Kentucky yeast.

Kentucky Eagle is the only distributor for County Boy cider. The brewery has seven malt beverage distributors in total including distributors in Indiana, Tennessee and now West Virginia. The cider is sold only at the brewery. There are two varieties, sweet and tart, with sweet cider being the most popular. The company has invested more than \$100,000 in

cider infrastructure and tanks, and has hired three additional employees since cider was legalized.

In response to a question from Senator Schickel, Mr. Harrison said that the brewery has added four tanks for cider only. Tomorrow the company will begin canning beer that has previously been draft only. A bottling line for cider is planned for 2015 production. The demographic for cider is the 21 to 35 age range.

Senator Schickel said that the next meeting will be Friday, September 12, at 10:00 AM at Keeneland.

There being no further business, the meeting was adjourned at 2:14 PM.

INTERIM JOINT COMMITTEE ON LOCAL GOVERNMENT

Minutes of the 2nd Meeting of the 2014 Interim

August 27, 2014

Call to Order and Roll Call

The second meeting of the Interim Joint Committee on Local Government was held on Wednesday, August 27, 2014, at 10:00 AM, in West Ballroom E of the Owensboro Convention Center in Owensboro, Kentucky. The meeting was held jointly with the Interim Joint Committee on State Government. Senator Joe Bowen, Co-Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Joe Bowen, Co-Chair; Representative Steve Riggs, Co-Chair; Senators Ernie Harris, Christian McDaniell, Morgan McGarvey, Albert Robinson, Dan “Malano” Seum, Damon Thayer, and Reginald Thomas; Representatives Ron Crimm, Brian Linder, Michael Meredith, Jody Richards, Jonathan Shell, Arnold Simpson, and Jim Wayne.

Guests: Representative Jim Gooch; Don Speer and Ryan Barrow, Finance and Administration Cabinet; Darrell Higginbotham, Independence Bank, Owensboro; Joyce Gruenewald, Malcolm Bryant Corporation; John Morton, Hampton Inn & Suites Downtown Owensboro/Waterfront; Al Mattingly, Daviess County Judge/Executive; and Ron Payne, Mayor, City of Owensboro.

LRC Staff: Mark Mitchell, John Ryan, and Peggy Sciantarelli.

Approval of Minutes

A motion to approve the minutes of the June 25 meeting was seconded and passed without objection.

Creating a Successful Public-Private Partnership

Representing the Finance and

Administration Cabinet, Don Speer, Executive Director, Office of Procurement Services, and Ryan Barrow, Executive Director, Office of Financial Management, discussed public-private partnerships (P3s).

Mr. Speer and Mr. Barrow said that P3s are business relationships between government agencies and the private sector that provide new sources of project delivery and funding for public needs. P3s are typically used for transportation, housing, medical, and economic development projects and are predominantly procured through competitive bidding in a multi-phase process. Risk and success are shared, and transparency to the public is important. P3 contracts that include funding have an element of non-recourse financing, with the risk often on the private sector. Typically, new sources of equity financing by the private sector are more expensive than a traditional state bond transaction.

P3 projects are not new to Kentucky. The “Next Generation KY Information Highway” is a P3 project in the procurement process. The Commonwealth does not have sufficient or affordable statewide high-speed connectivity. Kentucky ranks 47th nationally in average broadband speed. An RFP has been issued for a vendor to design, build, and manage a new high-speed network and provide funding to bridge the gap between actual cost of the project and the amount provided by state and federal government. Another P3 project is for construction of a new office building in Frankfort under a lease/purchase arrangement approved by the legislature. The private sector will finance, construct, and operate the new building under a long term lease. At the end of the lease term, the Commonwealth will own the building. Private prisons, the state fuel testing lab, and Medicaid managed care are examples of other P3 projects.

A chief advantage of a P3 is the ability to assign risk to the private sector. P3s may accelerate project development, streamline strategies, and create jobs. They provide new sources of funding, and project timing and costs may be more certain and condensed. There also are disadvantages in that they involve complex negotiations and high transaction costs. Risks to the public entity may be difficult to determine. The private sector controls critical assets, and detailed termination arrangements may be necessary.

Mr. Speer and Mr. Barrow cited examples of P3 projects in other states that involved challenges. Chicago privatized its parking meters under a long-term lease with Morgan Stanley but sold its meters \$1 billion under their value. Rates escalated, and the city lost a \$61 million lawsuit

filed by Morgan Stanley for street closures. A 2006 Indiana toll road project—a Spanish-Australian joint venture involving a 75-year lease—led to a heavy increase in tolls because traffic was less than projected. After Texas entered into a 50-year lease with private toll operator Cintra for State Highway 130, the highway did not attract enough traffic, and Cintra defaulted on its \$686 million in bank debt. They said P3s are a great tool but it is important to assess the risk and financing. Although P3s provide flexibility and a quicker delivery method, the requirement for additional approvals and processes may diminish the advantages.

In response to a question from Senator Bowen, Mr. Speer said the Finance and Administration Cabinet does not view P3s as cumbersome and is able to move forward with them under existing provisions of the procurement code and current law. He said he could not address local government or Transportation Cabinet issues because they may have different needs.

Senator Thomas discussed the use of public-private partnerships in his legislative district that enabled the University of Kentucky to construct new dormitories under a long-term lease arrangement.

Referring to the problematic P3 projects in Chicago and Indiana, Representative Yonts questioned whether there are adequate safeguards in the negotiation process. Mr. Barrow said contracts are complicated, predicated on feasibility studies and the best information available. It is difficult to predict the future. Contracts include safeguards such as termination provisions, but it may not be possible to build in enough safeguards. There will be problems if utilization is low or revenue is insufficient to maintain the project. When asked by Representative Yonts, Mr. Barrow said that protections against bankruptcy are built into contracts to the extent possible, but contractual provisions relating to project financing cannot account for the unknown.

Answering questions from Senator Seum, Mr. Barrow said that generally taxpayers would not be liable if the private entity fails to meet its obligations, but there may be a level of moral obligation and the likelihood of legislative action to address the problem. Financing or bonding of projects can be done several ways: shared, executed entirely by the private sector, or funded by the state through traditional bonding. Mr. Speer said that whether prevailing wage would apply to a P3 project would depend on the individual project and its location.

There was additional discussion of Chicago's poorly structured parking meter P3,

which Senator McDaniel said was apparently used to improve cash flow and address structural imbalances in the city's operating budget. Mr. Barrow said his understanding is that the one-time revenue source from that P3 transaction was used to plug budgetary gaps. It was also directed in part toward the pension fund, infrastructure, and some long-term investment.

Representative Riggs said it was not the P3 concept that failed in the Chicago parking meter fiasco, but rather that the contract was poorly written and lacked necessary safeguards. He supports the P3 concept but stressed the importance of competitive bidding in the procurement process. Safeguards add to the complexity of a contract but also make it work. Inclusion of too many safeguards, though, may give the impression that risk is too high and may make it more difficult to create a partnership.

Responding to Representative Owens, Mr. Barrow said contracts must include termination arrangements to deal with situations if things do not go as planned. Negotiation of those provisions requires substantial due diligence. The reason for making a contract long term is generally to reduce risk for the parties involved.

Responding to Representative Wayne Mr. Speer said he cannot think of any occasion when a contract had been awarded without competitive bidding. If that were to occur, it would be an exception. The cabinet's default position is to require competitive bidding. He believes the procurement code is working successfully and needs no improvement or additional statutory safeguards.

Darrell Higginbotham, Daviess County President of Independence Bank, Joyce Gruenewald, Customer Relations Manager, Malcolm Bryant Corporation, and John Morton, General Manager, Hampton Inn and Suites Downtown Owensboro/Waterfront discussed how public-private partnerships have benefited the Owensboro area.

Mr. Higginbotham said Independence Bank is a \$1.4 billion financial institution serving nine counties in western Kentucky, with Daviess County being the largest market. He has been president since 2005, served as chairman of the Greater Owensboro Economic Development Corporation (EDC) from January 2008 through June 2010, and currently serves on the EDC board and as chairman of the Greater Owensboro Chamber of Commerce.

Mr. Higginbotham described the timetable that led to the revitalization of downtown Owensboro. It was accomplished by combining local resources, commitment, and leadership to successfully create P3s. The Owensboro

convention center facility would not exist without the success of a local P3. Around 2005, Owensboro was awarded \$40 million in federal assistance to stabilize and protect the downtown riverfront. With a new riverfront on the horizon, local government and economic development leadership used the opportunity to investigate a downtown revitalization plan. EDC selected the nationally recognized firm, Gateway Printing Group of Austin TX, to develop the plan, and the public and private sectors partnered to fund it. This initial public-private partnership led to multiple P3s. EDC was not the only organization to contribute. The Public Life Foundation of Owensboro played a critical role in educating the community and seeking public input. Multiple meetings and forums were held. The top priority emanating from those discussions was to transform downtown. Overwhelming community participation and enthusiasm throughout the plan development propelled local government leaders and organizations like EDC and the Greater Owensboro Chamber of Commerce to fully invest in seeing the plan through. The Gateway Plan was released in November 2008. Although there were news reports of dire economic forecasts during much of the plan development, the city commission passed an insurance premium tax in February 2009 with only one dissenting vote. Commitment to the plan was buoyed by the community's involvement and support and endorsements by the EDC, the Chamber, and the private sector. The Daviess County Fiscal Court was a critical partner and a significant financial investor, contributing \$20 million for the construction of the convention center. The partnership and communication between city and county government was essential.

The economic recession was still having significant impact when the Gateway Plan needed private investment. Malcolm Bryant, a local developer and entrepreneur, had previously been selected to develop the hotel through an RFP process. During this time, the city acquired the former Executive Inn property, approximately 17 acres strategically located downtown. The city invested \$1.6 million toward the purchase of a state office building. The city's investment and desire to control important real estate were invaluable in creating P3s. Malcolm Bryant worked with Independence Bank as a financial partner to fund the construction of a \$20 million state-of-the-art 150-room convention center hotel, at a time when some financial institutions had a moratorium on hospitality lending. The convention center was the cornerstone of the Gateway Plan since there could be no convention center without a new hotel.

A new market tax credit was identified as the most feasible financing structure, but it also became the greatest challenge. The complexity of the structure led to unanticipated legal and professional fees and time-consuming delays. The city of Owensboro, Malcolm Bryant Corporation, and Independence Bank were able to overcome significant hurdles to create a P3 for construction of the Hampton Inn and Suites Waterfront. Many credit this P3 as a stimulus to additional private investment and P3 creations. Joe Berry, Vice President of EDC, said it paved the way for the current Holiday Inn/Boardwalk project. Additional private investment has been announced, and more is anticipated. No state funds have been allocated in the construction of these projects.

Mr. Higginbotham said P3s can provide significant economic opportunity, especially when developed locally. Owensboro has demonstrated that successful P3s can lead to additional economic development. Streamlined business-friendly structures are needed, since complexities and cost could be a deterrent and make P3 formation difficult. He advised creating a framework in which decisions and control are at the local level. Local governments must work together with a joint commitment and engage the community early and often. Opportunities such as a local option sales tax can provide the means to fund projects and potentially create significant economic stimulus. Owensboro's success was driven by a local entrepreneur, a local bank, and local government. The economic opportunity and promise overshadowed the risk and challenges of such a major endeavor. With a business-friendly P3 structure, local decision making, and funding options like a local option sales tax, other communities across the Commonwealth can replicate Owensboro's success.

Ms. Gruenewald testified for Malcolm Bryant, owner of the Malcolm Bryant Corporation. She said ground was broken for the Hampton Inn and Suites and the convention center on March 13, 2012. These dual projects were the necessary links in the success of the downtown revitalization project. A strong foundation is of paramount importance to any building, and in the case of the Hampton Inn and Owensboro convention center, it was important to cement the public-private partnership with trust. It was evident that the residents of Owensboro were supportive of the Hampton Inn project, and the city favored the projects because they could advance the riverfront. The public entrusted the company to finance and build a quality hotel. By developing partnerships with private sector entities, government can offer improvements at

minimal cost to taxpayers. Creative government leaders understand that partnering with private entities can improve operations and services without increasing taxes.

There were times when a more streamlined approach would have been preferred in working with public officials on the Hampton Inn project. Communication and planning can become cumbersome. The private community is usually more flexible in decision making, and the public side also needs flexibility. The private side can authorize one or two people to make decisions; the public side should strive for this also. Efficiency is a major driver in the creation of a successful P3. Bureaucracy is the enemy of entrepreneurship in that it stifles creativity and burdens the process. The public side needs an entrepreneurial spirit.

Early success of the venture has surpassed projections, and both the company and the community have benefited. Communication with the local community, trust in the partners, and simplicity in the process contributed to the success of the Hampton Inn and convention center projects. With cooperation of public and private interests, there should be many further partnership opportunities for business development in Owensboro in the housing, restaurant, retail, and entertainment industries. A key reason for the hotel's success can be attributed to hotel manager John Morton and his management team.

Mr. Horton said more than 75,000 people attended over 123 events during the first 155 days of the convention center's operation. Global Spectrum, the convention center's management company, is bringing convention business back to the city. The center generated over 2,400 hotel room nights in the first six months. The two facilities need each other in order to prosper, and they are accomplishing exactly what was planned. The city and the private sector agreed that a high level of quality had to be achieved. Building a 150-room downtown hotel without an excellent convention center would not have been practical or feasible. Management of the convention center by General Manager Dean Dennis and staff has been superb. Business is coming from Indiana, Ohio, Illinois, and other states. Several state conventions have returned to Owensboro.

Hampton Inn and Suites is privately funded and run locally. It is a lead hotel, designed with solar generating capabilities and state-of-the-art energy efficient measures. It is dependent upon the public for some amenities. The airport has been expanded, the downtown continues to be revitalized, and soon there will be a Bluegrass museum. Many new people are visiting Owensboro and Kentucky for the first time due

to the combined efforts of the public and private sectors.

The Convention and Visitors Bureau, headed by Shannon Wetzel, reported receipts of \$49,255 in April and \$56,130 in May from the three percent hotel tax. The Bureau had never before taken in more than \$50,000 in a single month. Convention business and tourism is driving the increased revenue. Mr. Horton said this public-private partnership is working and he is pleased to be part of it. He commended the mayor, county judge/executive, Malcolm Bryant, and everyone involved for a job well done. He thanked Senator Bowen for his commitment to the state and city.

Senator Bowen said that a Holiday Inn is under construction on the west side of the convention center. He commended Matt Hayden, owner of Envision Contractors, and Glenn Higdon, CEO of LinGate, a company that develops and manages hotel properties, for their efforts to anchor the other side of the convention center with a new hotel that to enhance Owensboro's tourism business.

Area Local Government Issues

County Judge/Executive Al Mattingly said Owensboro is proud of what has been accomplished locally and regionally. The downtown has been transformed, and local government is being run like a business, keeping tax rates and service fees as low as possible. He supports the local option sales tax proposed by the LIFT (Local Investments for Transformation) Coalition. Revenue generated by the tax would be dedicated to funding specific projects chosen by a community-wide, citizen-driven process, and the tax would end when the projects are paid off. The LIFT process represents the essence of democracy because it would give local governments another option to pay for capital projects while involving local citizens in a democratic process. A similar initiative, Decision 2002, occurred in Owensboro in 1997. The city proposed a 50 percent increase in the occupational tax to fund needed capital improvement projects. An increase of .33 percent was proposed for public safety and drainage and a .17 percent increase for parks and other amenities. The initiative involved an unofficial vote by citizens on the tax increase. Nearly 50 percent of the unofficial ballots were returned, with 53 percent in favor of the increase for public safety projects. The .33 percent tax increase paid for projects wanted by the citizens and was rolled back at the end of five years. He urged the legislators to look favorably on LIFT legislation when it is again proposed to the General Assembly.

Judge Mattingly discussed KRS 91A.392, which was amended in 2000 to allow counties

containing second class cities to add a special two percent transient room tax to finance fine arts centers. All money collected from the tax must be applied toward retirement of the bond indebtedness. In 2003, Daviess County issued a \$2.27 million 25-year bond for work at the Riverpark Center and the Owensboro Museum of Fine Arts. By 2011, over \$1 million had accrued in excess of the bond requirement. Through an agreement with the city of Owensboro, excess money was used to retire the bonded debt on the Riverpark Center building, thus meeting the statute's requirement. Excess revenues are increasing again due mainly to the increase in tourism and refinancing of original bonds. Only Louisville, McCracken County, Boyd County, Warren County, and Daviess County have enacted the tax allowed by statute. Judge Mattingly asked that the General Assembly consider changing the law to permit excess money collected from the room tax to be used for projects without having to incur new debt. Daviess County projects that could benefit from this money include replacement of an elevator at the art museum, maintenance and renovation of a historic theater, and many other projects that meet the law's intent and would promote tourism. The fiscal court does not want to incur new debt. It has lowered county debt nearly 20 percent in the past four years.

Judge Mattingly discussed the need to rehabilitate historic buildings in Daviess County to comply with current building standards and the international energy code. The cost of meeting those requirements can be prohibitive, and it can be cheaper to tear down a building and build a new one. Without compromising safety, allowances should be made for remodeling older buildings. He said the General Assembly should look at some form of relief from regulations. Larry Conder, a local developer, knows firsthand the extra cost these regulations add to historic building rehabilitation. He may provide additional information after the meeting.

Owensboro Mayor Ron Payne said that what has happened in the city is phenomenal. In 2013, Owensboro was one of only 10 cities in the United States designated an All-American city by the National Civic League. The downtown and riverfront have been revitalized. The new development includes hotels, the convention center, restaurants, retail stores, the Boardwalk office building, condominiums, sidewalk and street renovation, a \$400 million state-of-the-art hospital, ice rink, National Guard armory, and highway improvements. The International Bluegrass Music Center and a new indoor tennis facility are under construction, and there are plans for a new senior center. The city is working

with Owensboro's second largest employer, U. S. Bank Mortgage, to construct new office buildings in the Airpark. All of this activity has occurred within the last six years and was made possible through public-private partnerships. Mayor Payne played a video highlighting the new development.

After taking office, the mayor proposed doubling the insurance tax from four percent to eight percent to generate \$60 million for downtown improvements. The county partnered by doubling its tax to create an additional \$20 million. This was during the recession, but the Chamber of Commerce, the newspaper, and the economic development community were supportive. Because of the recession, costs would be down but jobs would be created. The private sector invested a similar amount in downtown revitalization. Malcolm Bryant, Matt Hayden, Jack Wells, and Larry and Rosemary Conder were some of the local developers and investors who helped revitalize by contributing substantial dollars.

Mayor Payne expressed appreciation for inclusion of funding in the state budget for Phase II of the Owensboro Community and Technical College's Advanced Technology Center. The city and county have each committed \$1 million toward the project. He hopes the legislature will consider giving Owensboro the ability to levy both a restaurant tax and a local option sales tax. With respect to the sales tax, however, he prefers an optional public vote. Elected officials are sometimes forced to make decisions that are not popular with the public; for example, he believes the insurance tax increase that helped begin the downtown redevelopment would not have passed if put to vote.

Representative Graham applauded the beauty of the riverfront development and complimented Owensboro for what it has accomplished through the leadership of its elected officials and members of the community and of Daviess County's representatives in the General Assembly. He is glad that Owensboro is showcasing its revitalization by hosting meetings of legislative committees. The Interim Joint Committee on Education, which he chairs, will meet at the convention center in October. He commended the city and county government for working together. He favors granting Owensboro the right to implement a local option sales tax.

Representative Miles, who represents Daviess County's House District 7, said that development of the riverfront, which was partially financed with federal funds, is a perfect example of how government can be an enabler and catalyst for great things to happen. Smothers

Park and other parts of the revitalized riverfront are sources of local pride and have contributed to successful development in other areas of downtown. She called attention to the coal barges passing by on the Ohio River and emphasized the vital role of the coal industry and river in the county's economic development.

Senator Thayer congratulated Mayor Payne and everyone involved in Owensboro's successful renaissance. He spoke about the importance of western Kentucky coal in meeting the energy needs of the state and the nation and the importance of Kentucky's inland waterways in meeting those needs.

Representative Wayne thanked Mayor Payne and Judge Mattingly for their leadership but cautioned that a local option sales tax could possibly be regressive. He said its use would need to be carefully assessed for its impact on lower income citizens. Judge Mattingly said that he views the local option sales tax as progressive because those who can afford to buy more would be paying more in sales tax. He thanked Representative Wayne for his comments and assured him that they will be considered by the committee that is promoting the sales tax.

Mayor Payne said he once worked in Tulsa, Oklahoma, where each year a LIFT project is proposed to voters, to be funded by a one cent sales tax. The program is called "a penny for progress" and was the impetus for the Decision 2002 initiative in Owensboro. He repeated his desire that the legislature consider giving Owensboro the ability to implement a local option sales tax.

Closing Comments and Adjournment

Representative Yonts thanked Owensboro city and county officials and community leaders for their good work and for the opportunity to meet in the convention center. He said his home of Muhlenberg County is engaged in a renaissance, though on a smaller scale than Owensboro.

Senator Bowen thanked his colleagues for coming to Owensboro. He said he and Daviess County's other representatives in the General Assembly are team players and realize that what is good across the Commonwealth is good for Owensboro and Daviess County. He expressed appreciation to the Owensboro residents who were present.

There being no further business, the meeting was adjourned at 11:53 a.m.

INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT Minutes of the 3rd Meeting

of the 2014 Interim

August 7, 2014

Call to Order and Roll Call

The 3rd meeting of the Interim Joint Committee on Natural Resources and Environment was held on Thursday, August 7, 2014, at 1:00 PM, in Room 149 of the Capitol Annex. Senator Jared Carpenter, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jared Carpenter, Co-Chair; Representative Jim Gooch Jr., Co-Chair; Senators Joe Bowen, Chris Girdler, Johnny Ray Turner, and Whitney Westerfield; Representatives Hubert Collins, Tim Couch, Keith Hall, Stan Lee, Reginald Meeks, Tim Moore, Marie Rader, John Short, Jim Stewart III, and Jill York.

Guests: Commissioner Greg Johnson and Ron Brooks, Kentucky Department for Fish and Wildlife Resources; Commissioner Elaine Walker, Department of Parks.

LRC Staff: Tanya Monsanto, Stefan Kasacavage, and Kelly Blevins.

A quorum was not established, and the minutes from the prior meeting were not approved.

Promotion of Natural Resources through Parks, Adventure Tourism, and Ecotourism

Commissioner Elaine Walker, Kentucky Department of Parks (PARKS), and Commissioner Greg Johnson, Commissioner of the Kentucky Department of Fish and Wildlife Resources (KDFWR), testified. Commissioner Walker discussed the interagency cooperation between PARKS and the KDFWR to promote the state's natural resources. PARKS was established in 1924 to celebrate the natural beauty of the state, and tracts in PARKS should have great natural beauty or historical importance. PARKS protects natural, cultural, and historic treasures of the state. Commissioner Walker described various activities that can be found around the state such as horseback riding, mountain biking, repelling, rock climbing, wild caving, survival programs and extreme sports, walking and hiking trails, canoeing and kayaking, and wildlife viewing. Family adventure quests, bird watching opportunities, and archery tournaments are also available. Commissioner Walker announced the opening of a new 3-D archery range. She described an orienteering program offered through PARKS with permanent courses at Carter Caves, Rough River, E.P. Tom Sawyer, Taylorsville Lake, Big Bone, and Barren River. There is also an activity called geocaching and there are caches at most state parks.

In terms of activity with the KDFWR, PARKS houses a bear expert at Kingdom Come

State Park, works with fishing tournaments, and promotes conferences, including ones that bring outdoor writers to the state. Public response is growing and there has been a positive response from younger parks enthusiasts.

Commissioner Johnson expressed support for PARKS, saying he wants to leverage KDFWR's resources to make Kentucky the destination of choice. There are great opportunities in Kentucky's state parks. KDFWR is participating in discussions to offer hunting and fishing licenses through state parks or perhaps establish a kiosk for licenses. KDFWR is also interested in a number of other projects to help promote adventure tourism in Kentucky including establishing an elk viewing center in eastern Kentucky, creating fishing and hunting packages at state parks, and possibly undertaking a hatchery project at Lake Cumberland below Wolf Creek dam to create a world class 1 ½-mile long trout stream. The hatchery proposal may include establishing a weekend package for trout fishing.

In response to a question about whether the State Parks Foundation Board is active, Commissioner Walker replied that it is and that Mollie Caldwell was hired as President of the Foundation. The Foundation has been active in promoting and supporting "friend-groups" with the state park system.

In response to a question on whether the school calendar affects state parks, Commissioner Walker replied that it does. PARKS had problems getting lifeguards, and the earlier start dates have affected attendance at parks across the state.

In response to a question about whether there are financial issues affecting state parks, the commissioner responded that the General Assembly and the Beshear Administration have helped the state parks system during this past budget cycle. There is an additional \$5.5 million to spread across the 17 resort parks. There are new facilities and new golf courses, conference centers, and pro shops, but there is no additional revenue to operate them. The impact on facilities maintenance has been substantial during the economic downturn. PARKS is concentrating on health and safety issues and guest experience. Salaries for staff have increased by three to five percent this year.

In response to a question about deferred maintenance at PARKS and whether this impacts the state park system, Commissioner Walker responded that it did.

One legislator commented that the school calendar is a major deterrent to tourism at state parks, and he thanked Commissioner Walker for her work at Burnside Island and Commissioner

Johnson for responding to concerns that prompted Senate Bill 66.

In response to a legislator's remarks regarding Carter Caves, Grayson Lake, Greenbo Lake, and the orienteering event called the "Flying Pig," Commissioner Walker mentioned that Greenbo Lake has a pilot project for scuba diving.

One legislator remarked on the value of adventure tourism and its positive impact on Livingston, Kentucky.

One legislator remarked on how clean the water at Paintsville Lake is and how much interest there has been in the campground there. In response to a question regarding the length of the two new trailheads established in the area under the rails to trails program, Commissioner Walker responded that they will be 36 miles long in total.

In response to praise for the new open door policy at KDFWR and a comment that more elk permits should be made available to residents of the eastern Kentucky counties where the elk live, Commissioner Johnson replied that the elk program has matured and that there are new challenges compared to when the program first began. KDFWR hosted an elk summit three weeks ago, and will produce an elk 2025 report that will list the elk program objectives going forward. KDFWR is also reviewing how to amend regulations to increase availability of permits to the residents of eastern Kentucky.

Commissioner Johnson committed to work with the legislators during the interim as opposed to being visible primarily during annual sessions of the General Assembly. He noted that KDFWR is nationally recognized as a successful program due in large part to its partnerships and collaborations. In 1972, there was no elk herd, but current projections put the number of elk at 10,000. The deer herd in 1972 was at 30,000, but currently there are close to one million deer in the state. Kentucky is now recognized as the top state in the nation for deer hunting by Outdoor Life Magazine and Kentucky Field and Stream Magazine. He explained that the turkey population in 1972 was less than one thousand, with most of that population located at Land Between the Lakes, but currently the turkey population is over 240,000, and they are found in every county. There were no fish hatcheries in 1972, and now there are three fish hatcheries that stock more than four million fish annually, and the program is in need of expansion. Commissioner Johnson referenced the KDFWR conservation camp successes as well as the video production staff, which has earned two Emmy Awards for their work. Commissioner Johnson explained that

his priorities as commissioner would be properly managing the state's resources, being sportsman-centric, and providing memorable experiences.

In response to a question regarding Asian carp, Commissioner Johnson remarked that KDFWR is working to contain the Asian carp population. He noted that Kentucky sport anglers are very interested in bow fishing these large fish. Mr. Ron Brooks, KDFWR Department of Fisheries, spoke about the market for Asian carp. KDFWR is establishing two programs that would help facilitate the creation of the market for Asian carp and aid in the removal of the species.

Update from Department of Fisheries on Catfish Regulation

Mr. Brooks explained administrative regulations that address the overfishing of the Ohio River and the dwindling number of trophy catfish. Trophy catfishing is a catch and release program that generates a great deal of revenue. The trophy catfish, mostly caught from the Ohio River, are purchased from commercial fishermen. After KDFWR collected data from 2011 to 2012 regarding trophy catfish numbers in the Ohio River, an administrative regulation was proposed that limited sport and commercial fishermen to one flathead and one blue catfish over thirty-five inches and one channel catfish over thirty inches, river-wide. The administrative regulation was passed in June 2014, but a legal injunction was placed on it before it could take effect. A hearing was set for July, but an agreement was reached to not pursue any further legal delays and to allow it to go into effect on December 1, 2014. Research efforts, along with those of Indiana and Illinois, will be ongoing for the next five years to continue to collect data.

Mr. David Wicker, KDFWR General Counsel, noted that this is an issue not only for the trophy catfish, but for the health of the population. Commissioner Johnson explained that a trophy catfish would be anywhere from 15 to 25 years old.

There being no further business, the meeting was adjourned.

INTERIM JOINT COMMITTEE ON STATE GOVERNMENT

Minutes of the 2nd Meeting of the 2014 Interim August 27, 2014

Call to Order and Roll Call

The second meeting of the Interim Joint Committee on State Government was held on Wednesday, August 27, 2014, at 10:00 AM (CDT), in Owensboro, KY, at the Owensboro Convention Center. The meeting was a joint meeting with the

Interim Joint Committee on Local Government. Senator Joe Bowen, Co-Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Joe Bowen, Co-Chair; Representative Brent Yonts, Co-Chair; Senators Ernie Harris, Christian McDaniel, Morgan McGarvey, Albert Robinson, Dan "Malano" Seum, Damon Thayer, and Reginald Thomas; Representatives Dwight Butler, Jim Glenn, Derrick Graham, Mike Harmon, Kenny Imes, James Kay, Martha Jane King, Jimmie Lee, Mary Lou Marzian, David Meade, Suzanne Miles, Brad Montell, Darryl Owens, Tom Riner, Steven Rudy, Diane St. Onge, Tommy Thompson, John Tilley, Ken Upchurch, and Jim Wayne.

Guests: Representative Jim Gooch; Don Speer and Ryan Barrow, Finance and Administration Cabinet; Darrell Higginbotham, Independence Bank, Owensboro; Joyce Gruenewald, Malcolm Bryant Corporation; John Morton, Hampton Inn & Suites Downtown Owensboro/Waterfront; Al Mattingly, Daviess County Judge/Executive; and Ron Payne, Mayor, City of Owensboro.

LRC Staff: Alisha Miller, Karen Powell, Terrance Sullivan, and Peggy Sciantarelli.

Approval of Minutes

A motion to approve the minutes of the June 25 meeting was seconded and passed without objection.

Creating a Successful Public-Private Partnership

Representing the Finance and Administration Cabinet, Don Speer, Executive Director, Office of Procurement Services, and Ryan Barrow, Executive Director, Office of Financial Management, discussed public-private partnerships (P3s).

Mr. Speer and Mr. Barrow said that P3s are business relationships between government agencies and the private sector that provide new sources of project delivery and funding for public needs. P3s are typically used for transportation, housing, medical, and economic development projects and are predominantly procured through competitive bidding in a multi-phase process. Risk and success are shared, and transparency to the public is important. P3 contracts that include funding have an element of non-recourse financing, with the risk often on the private sector. Typically, new sources of equity financing by the private sector are more expensive than a traditional state bond transaction.

P3 projects are not new to Kentucky. The "Next Generation KY Information Highway" is a P3 project in the procurement process. The Commonwealth does not have sufficient or

affordable statewide high-speed connectivity. Kentucky ranks 47th nationally in average broadband speed. An RFP has been issued for a vendor to design, build, and manage a new high-speed network and provide funding to bridge the gap between actual cost of the project and the amount provided by state and federal government. Another P3 project is for construction of a new office building in Frankfort under a lease/purchase arrangement approved by the legislature. The private sector will finance, construct, and operate the new building under a long term lease. At the end of the lease term, the Commonwealth will own the building. Private prisons, the state fuel testing lab, and Medicaid managed care are examples of other P3 projects.

A chief advantage of a P3 is the ability to assign risk to the private sector. P3s may accelerate project development, streamline strategies, and create jobs. They provide new sources of funding, and project timing and costs may be more certain and condensed. There also are disadvantages in that they involve complex negotiations and high transaction costs. Risks to the public entity may be difficult to determine. The private sector controls critical assets, and detailed termination arrangements may be necessary.

Mr. Speer and Mr. Barrow cited examples of P3 projects in other states that involved challenges. Chicago privatized its parking meters under a long-term lease with Morgan Stanley but sold its meters \$1 billion under their value. Rates escalated, and the city lost a \$61 million lawsuit filed by Morgan Stanley for street closures. A 2006 Indiana toll road project—a Spanish-Australian joint venture involving a 75-year lease—led to a heavy increase in tolls because traffic was less than projected. After Texas entered into a 50-year lease with private toll operator Cintra for State Highway 130, the highway did not attract enough traffic, and Cintra defaulted on its \$686 million in bank debt. They said P3s are a great tool but it is important to assess the risk and financing. Although P3s provide flexibility and a quicker delivery method, the requirement for additional approvals and processes may diminish the advantages.

In response to a question from Senator Bowen, Mr. Speer said the Finance and Administration Cabinet does not view P3s as cumbersome and is able to move forward with them under existing provisions of the procurement code and current law. He said he could not address local government or Transportation Cabinet issues because they may have different needs.

Senator Thomas discussed the use of public-private partnerships in his legislative

district that enabled the University of Kentucky to construct new dormitories under a long-term lease arrangement.

Referring to the problematic P3 projects in Chicago and Indiana, Representative Yonts questioned whether there are adequate safeguards in the negotiation process. Mr. Barrow said contracts are complicated, predicated on feasibility studies and the best information available. It is difficult to predict the future. Contracts include safeguards such as termination provisions, but it may not be possible to build in enough safeguards. There will be problems if utilization is low or revenue is insufficient to maintain the project. When asked by Representative Yonts, Mr. Barrow said that protections against bankruptcy are built into contracts to the extent possible, but contractual provisions relating to project financing cannot account for the unknown.

Answering questions from Senator Seum, Mr. Barrow said that generally taxpayers would not be liable if the private entity fails to meet its obligations, but there may be a level of moral obligation and the likelihood of legislative action to address the problem. Financing or bonding of projects can be done several ways: shared, executed entirely by the private sector, or funded by the state through traditional bonding. Mr. Speer said that whether prevailing wage would apply to a P3 project would depend on the individual project and its location.

There was additional discussion of Chicago's poorly structured parking meter P3, which Senator McDaniel said was apparently used to improve cash flow and address structural imbalances in the city's operating budget. Mr. Barrow said his understanding is that the one-time revenue source from that P3 transaction was used to plug budgetary gaps. It was also directed in part toward the pension fund, infrastructure, and some long-term investment.

Representative Riggs said it was not the P3 concept that failed in the Chicago parking meter fiasco, but rather that the contract was poorly written and lacked necessary safeguards. He supports the P3 concept but stressed the importance of competitive bidding in the procurement process. Safeguards add to the complexity of a contract but also make it work. Inclusion of too many safeguards, though, may give the impression that risk is too high and may make it more difficult to create a partnership.

Responding to Representative Owens, Mr. Barrow said contracts must include termination arrangements to deal with situations if things do not go as planned. Negotiation of those provisions requires substantial due diligence. The reason

for making a contract long term is generally to reduce risk for the parties involved.

Responding to Representative Wayne Mr. Speer said he cannot think of any occasion when a contract had been awarded without competitive bidding. If that were to occur, it would be an exception. The cabinet's default position is to require competitive bidding. He believes the procurement code is working successfully and needs no improvement or additional statutory safeguards.

Darrell Higginbotham, Daviess County President of Independence Bank, Joyce Gruenewald, Customer Relations Manager, Malcolm Bryant Corporation, and John Morton, General Manager, Hampton Inn and Suites Downtown Owensboro/Waterfront discussed how public-private partnerships have benefited the Owensboro area.

Mr. Higginbotham said Independence Bank is a \$1.4 billion financial institution serving nine counties in western Kentucky, with Daviess County being the largest market. He has been president since 2005, served as chairman of the Greater Owensboro Economic Development Corporation (EDC) from January 2008 through June 2010, and currently serves on the EDC board and as chairman of the Greater Owensboro Chamber of Commerce.

Mr. Higginbotham described the timetable that led to the revitalization of downtown Owensboro. It was accomplished by combining local resources, commitment, and leadership to successfully create P3s. The Owensboro convention center facility would not exist without the success of a local P3. Around 2005, Owensboro was awarded \$40 million in federal assistance to stabilize and protect the downtown riverfront. With a new riverfront on the horizon, local government and economic development leadership used the opportunity to investigate a downtown revitalization plan. EDC selected the nationally recognized firm, Gateway Printing Group of Austin TX, to develop the plan, and the public and private sectors partnered to fund it. This initial public-private partnership led to multiple P3s. EDC was not the only organization to contribute. The Public Life Foundation of Owensboro played a critical role in educating the community and seeking public input. Multiple meetings and forums were held. The top priority emanating from those discussions was to transform downtown. Overwhelming community participation and enthusiasm throughout the plan development propelled local government leaders and organizations like EDC and the Greater Owensboro Chamber of Commerce to fully invest in seeing the plan through. The Gateway Plan

was released in November 2008. Although there were news reports of dire economic forecasts during much of the plan development, the city commission passed an insurance premium tax in February 2009 with only one dissenting vote. Commitment to the plan was buoyed by the community's involvement and support and endorsements by the EDC, the Chamber, and the private sector. The Daviess County Fiscal Court was a critical partner and a significant financial investor, contributing \$20 million for the construction of the convention center. The partnership and communication between city and county government was essential.

The economic recession was still having significant impact when the Gateway Plan needed private investment. Malcolm Bryant, a local developer and entrepreneur, had previously been selected to develop the hotel through an RFP process. During this time, the city acquired the former Executive Inn property, approximately 17 acres strategically located downtown. The city invested \$1.6 million toward the purchase of a state office building. The city's investment and desire to control important real estate were invaluable in creating P3s. Malcolm Bryant worked with Independence Bank as a financial partner to fund the construction of a \$20 million state-of-the-art 150-room convention center hotel, at a time when some financial institutions had a moratorium on hospitality lending. The convention center was the cornerstone of the Gateway Plan since there could be no convention center without a new hotel.

A new market tax credit was identified as the most feasible financing structure, but it also became the greatest challenge. The complexity of the structure led to unanticipated legal and professional fees and time-consuming delays. The city of Owensboro, Malcolm Bryant Corporation, and Independence Bank were able to overcome significant hurdles to create a P3 for construction of the Hampton Inn and Suites Waterfront. Many credit this P3 as a stimulus to additional private investment and P3 creations. Joe Berry, Vice President of EDC, said it paved the way for the current Holiday Inn/Boardwalk project. Additional private investment has been announced, and more is anticipated. No state funds have been allocated in the construction of these projects.

Mr. Higginbotham said P3s can provide significant economic opportunity, especially when developed locally. Owensboro has demonstrated that successful P3s can lead to additional economic development. Streamlined business-friendly structures are needed, since complexities and cost could be a deterrent and

make P3 formation difficult. He advised creating a framework in which decisions and control are at the local level. Local governments must work together with a joint commitment and engage the community early and often. Opportunities such as a local option sales tax can provide the means to fund projects and potentially create significant economic stimulus. Owensboro's success was driven by a local entrepreneur, a local bank, and local government. The economic opportunity and promise overshadowed the risk and challenges of such a major endeavor. With a business-friendly P3 structure, local decision making, and funding options like a local option sales tax, other communities across the Commonwealth can replicate Owensboro's success.

Ms. Gruenewald testified for Malcolm Bryant, owner of the Malcolm Bryant Corporation. She said ground was broken for the Hampton Inn and Suites and the convention center on March 13, 2012. These dual projects were the necessary links in the success of the downtown revitalization project. A strong foundation is of paramount importance to any building, and in the case of the Hampton Inn and Owensboro convention center, it was important to cement the public-private partnership with trust. It was evident that the residents of Owensboro were supportive of the Hampton Inn project, and the city favored the projects because they could advance the riverfront. The public entrusted the company to finance and build a quality hotel. By developing partnerships with private sector entities, government can offer improvements at minimal cost to taxpayers. Creative government leaders understand that partnering with private entities can improve operations and services without increasing taxes.

There were times when a more streamlined approach would have been preferred in working with public officials on the Hampton Inn project. Communication and planning can become cumbersome. The private community is usually more flexible in decision making, and the public side also needs flexibility. The private side can authorize one or two people to make decisions; the public side should strive for this also. Efficiency is a major driver in the creation of a successful P3. Bureaucracy is the enemy of entrepreneurship in that it stifles creativity and burdens the process. The public side needs an entrepreneurial spirit.

Early success of the venture has surpassed projections, and both the company and the community have benefited. Communication with the local community, trust in the partners, and simplicity in the process contributed to the success of the Hampton Inn and convention center projects. With cooperation of public

and private interests, there should be many further partnership opportunities for business development in Owensboro in the housing, restaurant, retail, and entertainment industries. A key reason for the hotel's success can be attributed to hotel manager John Morton and his management team.

Mr. Horton said more than 75,000 people attended over 123 events during the first 155 days of the convention center's operation. Global Spectrum, the convention center's management company, is bringing convention business back to the city. The center generated over 2,400 hotel room nights in the first six months. The two facilities need each other in order to prosper, and they are accomplishing exactly what was planned. The city and the private sector agreed that a high level of quality had to be achieved. Building a 150-room downtown hotel without an excellent convention center would not have been practical or feasible. Management of the convention center by General Manager Dean Dennis and staff has been superb. Business is coming from Indiana, Ohio, Illinois, and other states. Several state conventions have returned to Owensboro.

Hampton Inn and Suites is privately funded and run locally. It is a lead hotel, designed with solar generating capabilities and state-of-the-art energy efficient measures. It is dependent upon the public for some amenities. The airport has been expanded, the downtown continues to be revitalized, and soon there will be a Bluegrass museum. Many new people are visiting Owensboro and Kentucky for the first time due to the combined efforts of the public and private sectors.

The Convention and Visitors Bureau, headed by Shannon Wetzel, reported receipts of \$49,255 in April and \$56,130 in May from the three percent hotel tax. The Bureau had never before taken in more than \$50,000 in a single month. Convention business and tourism is driving the increased revenue. Mr. Horton said this public-private partnership is working and he is pleased to be part of it. He commended the mayor, county judge/executive, Malcolm Bryant, and everyone involved for a job well done. He thanked Senator Bowen for his commitment to the state and city.

Senator Bowen said that a Holiday Inn is under construction on the west side of the convention center. He commended Matt Hayden, owner of Envision Contractors, and Glenn Higdon, CEO of LinGate, a company that develops and manages hotel properties, for their efforts to anchor the other side of the convention center with a new hotel that to enhance Owensboro's tourism business.

Area Local Government Issues

County Judge/Executive Al Mattingly said Owensboro is proud of what has been accomplished locally and regionally. The downtown has been transformed, and local government is being run like a business, keeping tax rates and service fees as low as possible. He supports the local option sales tax proposed by the LIFT (Local Investments for Transformation) Coalition. Revenue generated by the tax would be dedicated to funding specific projects chosen by a community-wide, citizen-driven process, and the tax would end when the projects are paid off. The LIFT process represents the essence of democracy because it would give local governments another option to pay for capital projects while involving local citizens in a democratic process. A similar initiative, Decision 2002, occurred in Owensboro in 1997. The city proposed a 50 percent increase in the occupational tax to fund needed capital improvement projects. An increase of .33 percent was proposed for public safety and drainage and a .17 percent increase for parks and other amenities. The initiative involved an unofficial vote by citizens on the tax increase. Nearly 50 percent of the unofficial ballots were returned, with 53 percent in favor of the increase for public safety projects. The .33 percent tax increase paid for projects wanted by the citizens and was rolled back at the end of five years. He urged the legislators to look favorably on LIFT legislation when it is again proposed to the General Assembly.

Judge Mattingly discussed KRS 91A.392, which was amended in 2000 to allow counties containing second class cities to add a special two percent transient room tax to finance fine arts centers. All money collected from the tax must be applied toward retirement of the bond indebtedness. In 2003, Daviess County issued a \$2.27 million 25-year bond for work at the Riverpark Center and the Owensboro Museum of Fine Arts. By 2011, over \$1 million had accrued in excess of the bond requirement. Through an agreement with the city of Owensboro, excess money was used to retire the bonded debt on the Riverpark Center building, thus meeting the statute's requirement. Excess revenues are increasing again due mainly to the increase in tourism and refinancing of original bonds. Only Louisville, McCracken County, Boyd County, Warren County, and Daviess County have enacted the tax allowed by statute. Judge Mattingly asked that the General Assembly consider changing the law to permit excess money collected from the room tax to be used for projects without having to incur new debt. Daviess County projects that could benefit from this money include replacement of an elevator at the art museum,

maintenance and renovation of a historic theater, and many other projects that meet the law's intent and would promote tourism. The fiscal court does not want to incur new debt. It has lowered county debt nearly 20 percent in the past four years.

Judge Mattingly discussed the need to rehabilitate historic buildings in Daviess County to comply with current building standards and the international energy code. The cost of meeting those requirements can be prohibitive, and it can be cheaper to tear down a building and build a new one. Without compromising safety, allowances should be made for remodeling older buildings. He said the General Assembly should look at some form of relief from regulations. Larry Conder, a local developer, knows firsthand the extra cost these regulations add to historic building rehabilitation. He may provide additional information after the meeting.

Owensboro Mayor Ron Payne said that what has happened in the city is phenomenal. In 2013, Owensboro was one of only 10 cities in the United States designated an All-American city by the National Civic League. The downtown and riverfront have been revitalized. The new development includes hotels, the convention center, restaurants, retail stores, the Boardwalk office building, condominiums, sidewalk and street renovation, a \$400 million state-of-the-art hospital, ice rink, National Guard armory, and highway improvements. The International Bluegrass Music Center and a new indoor tennis facility are under construction, and there are plans for a new senior center. The city is working with Owensboro's second largest employer, U. S. Bank Mortgage, to construct new office buildings in the Airpark. All of this activity has occurred within the last six years and was made possible through public-private partnerships. Mayor Payne played a video highlighting the new development.

After taking office, the mayor proposed doubling the insurance tax from four percent to eight percent to generate \$60 million for downtown improvements. The county partnered by doubling its tax to create an additional \$20 million. This was during the recession, but the Chamber of Commerce, the newspaper, and the economic development community were supportive. Because of the recession, costs would be down but jobs would be created. The private sector invested a similar amount in downtown revitalization. Malcolm Bryant, Matt Hayden, Jack Wells, and Larry and Rosemary Conder were some of the local developers and investors who helped revitalize by contributing substantial dollars.

Mayor Payne expressed appreciation for

inclusion of funding in the state budget for Phase II of the Owensboro Community and Technical College's Advanced Technology Center. The city and county have each committed \$1 million toward the project. He hopes the legislature will consider giving Owensboro the ability to levy both a restaurant tax and a local option sales tax. With respect to the sales tax, however, he prefers an optional public vote. Elected officials are sometimes forced to make decisions that are not popular with the public; for example, he believes the insurance tax increase that helped begin the downtown redevelopment would not have passed if put to vote.

Representative Graham applauded the beauty of the riverfront development and complimented Owensboro for what it has accomplished through the leadership of its elected officials and members of the community and of Daviess County's representatives in the General Assembly. He is glad that Owensboro is showcasing its revitalization by hosting meetings of legislative committees. The Interim Joint Committee on Education, which he chairs, will meet at the convention center in October. He commended the city and county government for working together. He favors granting Owensboro the right to implement a local option sales tax.

Representative Miles, who represents Daviess County's House District 7, said that development of the riverfront, which was partially financed with federal funds, is a perfect example of how government can be an enabler and catalyst for great things to happen. Smothers Park and other parts of the revitalized riverfront are sources of local pride and have contributed to successful development in other areas of downtown. She called attention to the coal barges passing by on the Ohio River and emphasized the vital role of the coal industry and river in the county's economic development.

Senator Thayer congratulated Mayor Payne and everyone involved in Owensboro's successful renaissance. He spoke about the importance of western Kentucky coal in meeting the energy needs of the state and the nation and the importance of Kentucky's inland waterways in meeting those needs.

Representative Wayne thanked Mayor Payne and Judge Mattingly for their leadership but cautioned that a local option sales tax could possibly be regressive. He said its use would need to be carefully assessed for its impact on lower income citizens. Judge Mattingly said that he views the local option sales tax as progressive because those who can afford to buy more would be paying more in sales tax. He thanked Representative Wayne for his comments and

assured him that they will be considered by the committee that is promoting the sales tax.

Mayor Payne said he once worked in Tulsa, Oklahoma, where each year a LIFT project is proposed to voters, to be funded by a one cent sales tax. The program is called "a penny for progress" and was the impetus for the Decision 2002 initiative in Owensboro. He repeated his desire that the legislature consider giving Owensboro the ability to implement a local option sales tax.

Closing Comments and Adjournment

Representative Yonts thanked Owensboro city and county officials and community leaders for their good work and for the opportunity to meet in the convention center. He said his home of Muhlenberg County is engaged in a renaissance, though on a smaller scale than Owensboro.

Senator Bowen thanked his colleagues for coming to Owensboro. He said he and Daviess County's other representatives in the General Assembly are team players and realize that what is good across the Commonwealth is good for Owensboro and Daviess County. He expressed appreciation to the Owensboro residents who were present.

There being no further business, the meeting was adjourned at 11:53 a.m.

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

Minutes of the 2nd Meeting of the 2014 Interim

August 14, 2014

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Veterans, Military Affairs, and Public Protection was held on Thursday, August 14, 2014, at 1:00 PM, in Room 154 of the Capitol Annex. Representative Tanya Pullin, Chair, called the meeting to order, and the secretary called the roll.

Members: Representative Tanya Pullin, Co-Chair; Senators Perry B. Clark, Carroll Gibson, Ernie Harris, Christian McDaniel, Dennis Parrett, Albert Robinson, Reginald Thomas, and Whitney Westerfield; Representatives Johnny Bell, Dwight D. Butler, Larry Clark, Leslie Combs, Tim Couch, Will Coursey, Ron Crimm, Myron Dossett, David Floyd, Jim Glenn, Kenny Imes, Martha Jane King, Jimmie Lee, Donna Mayfield, David Meade, Terry Mills, Tim Moore, Tom Riner, Rita Smart, and Russell Webber.

Guests: Bobby Reynolds, Chairman, Larry Arnett, Vice Chairman, and Carlos Pugh, Legislative Liaison, Joint Executive Council of

Veterans' Organizations; Tara Klute, General Manager, Pretrial Services, and Connie Neal, General Manager, Drug Court, Administrative Office of the Courts; Heather French Henry, Commissioner, Margaret Plattner, Deputy Commissioner, Mark Bowman, Office of Kentucky Veterans Centers Director, Jeff Acob, Cemetery Director, and Paul Hartless, Field Operations Director, Kentucky Department of Veterans' Affairs; David Thompson, Executive Director, Kentucky Commission on Military Affairs; Steve Bullard, Department of Military Affairs.

LRC Staff: Erica Warren, Kristopher Shera, Jessica Causey, and Rhonda Schierer.

Chair Pullin called for a motion to adopt the July 2014 meeting minutes. A motion and second were made and the minutes were adopted.

Joint Executive Council of Veterans' Organizations Annual Update

Bobby Reynolds discussed the JECVO meetings throughout the year, invited legislators to attend the meetings, and invited legislators attend the legislative dinner that JECVO provides at the beginning of the Regular Session to voice and hear concerns.

Larry Arnett testified about the Kentucky veterans' nursing homes. There are several reasons for the large number of empty beds. JECVO has coordinated and communicated with KDVA on opportunities to partner to improve problems among the nursing homes. JECVO is working with KDVA and VSOs to approach a trend line that is better for filling empty beds. They have considered opening nursing home admission to spouses. JECVO is meeting in September to explore admitting nonveterans and potential ramifications. Other states have designated a percentage of beds to nonveterans.

In response to a question from Senator Robinson, Mr. Arnett stated that JECVO would have a conservative approach to the initiative of allowing nonveterans into the nursing homes.

In response to a question from Representative Floyd, Mr. Arnett stated that nonveterans would have to pay full price for their stays in the nursing homes if they have the ability to pay. Medicaid or Medicare may pay for the stays if nonveterans are eligible. Nonveterans would not be eligible for the per diem and other resources that the VA provides for veterans.

Carlos Pugh stated that last year an additional \$100,000 was designated for the state honor guard program. There are only 13 or 14 WWII veterans in the Lexington, Frankfort, and Louisville area, and only 4 or 5 Pearl Harbor survivors in Kentucky. JECVO works with 23 organizations that volunteer to help the

veterans. There have been 918 volunteers who worked 79,190 hours. Material donations equate \$670,714 and they have 30 van drivers, 64 patient escorts to help patients in wheelchairs to get to doctor appointments, and 86 honor guard volunteers. He stated that young volunteers are needed because many of current volunteers are aging and becoming unable to volunteer. JECVO works diligently to take food and games to the 40 veterans who reside in the homeless shelter in Lexington. Mr. Pugh said that JECVO will have three possible issues to come before the committee for support in November.

Veterans in the Criminal Justice System

Tara Klute discussed veterans interacting with the judicial system and the Administrative Office of the Courts. Since 2010, AOC has identified over 25,000 veterans who have been arrested and charged with a crime. The pretrial service officers ask three questions to determine if a veteran is eligible for services: whether the person has prior or current military service; whether the person is a veteran; and whether the person has been in combat. By asking all three questions, AOC is more likely to capture a person who is potentially a veteran and eligible for services. After getting the information, AOC asks permission to provide the information to the Veterans Justice Outreach Coordinators (CVJOs). AOC has some misdemeanor and low level felony diversion programs throughout the state.

Connie Neal spoke discussed AOC's Department of Drug Court. AOC has identified areas with high concentration levels of veterans in the criminal justice system to initiate the veterans' treatment court program, and she provided a handout that gave an overview of the county programs in operation. The current programs are in Campbell, Hardin, and Jefferson counties. Christian and Fayette counties have started pilot programs using drug court funding until they can get federal funding. Northern Kentucky is a tier one program that is a fully funded veterans' treatment court.

In response to a question from Senator Westerfield, Ms. Neal stated that Tennessee is implementing a veterans' drug court without cost to the state, but there is more expense to the veteran. Funding for the programs in Kentucky means AOC can take veterans who have a high level of benefit and veterans who may have received something other than an honorable discharge and pay for their treatment services in other areas. The funding also pays for drug testing for veterans.

In response to a question from Representative Smart, Ms. Neal stated that the

18 month program targets veterans with felony level offenses, and most veterans have charges at the misdemeanor level. Areas chosen for the programs are those with a higher concentration level of veterans with felony offenses. AOC is developing a tier two program to help veterans with lower level offences.

In response to a question from Representative Bell, Ms. Neal stated that the tier two program benefit communities needing help with veterans who have PTSD, drug addiction, and other issues. The goal is to take the model throughout the state to provide access to a veteran's docket or a veterans' treatment court for every veteran. Statewide drug courts must take a systematic approach to each area to assess need.

Jamie Watts and Sonny Hatfield presented a PowerPoint presentation on the US Department of Veterans Affairs Veteran's Justice Outreach. Mr. Hatfield stated that the VA's system-wide effort is to ensure access to services for veteran population at risk for homelessness, substance abuse, mental illness, and physical health problems. He described the Sequential Intercept Model. There are 300 law enforcement officers in Kentucky who have been trained to work with PTSD, TBI, and the veteran/military culture since 2011. All VJOs will know where to find a veteran in any county. There are six VJOs that cover the entire state. The VJOs receive a list of veterans each day, and there are currently between 475 – 500 veterans on the list. The VJOs are referred to as the Veterans Advocacy Gathering Group. These services are not part of the 18 month Veterans Treatment Court program.

In response to a question from Chair Pullin, Mr. Hatfield stated that the number one role of the VJOs is to identify unenrolled veterans and link them to the VA.

Kentucky Department of Veterans' Affairs Annual Update

Heather French Henry, Margaret Plattner, Mark Bowman, Jeff Acob, and Paul Hartless gave a PowerPoint presentation for the KDVA annual update to include homeless veterans, services, veterans' homes, field operations, cemeteries, and news. Commissioner Henry said that Pat McKiernan is Kentucky's Homeless Veteran Outreach Coordinator. The two homeless veterans programs are Lexington's Leestown Campus Homeless Veterans Shelter and Louisville's Interlink Counseling Services.

In response to a question from Senator Thomas, Commissioner Henry stated that there are 18,638 WWII veterans living in Kentucky.

Margaret Plattner testified about other services that have no line-item funding but where it is possible to partner and collaborate with other

agencies. The Veterans' Trust Fund has given \$120,000 to the Kentucky Transportation Cabinet over the last few years for a non-emergency Medicaid transportation program with a veterans component. Veterans who previously did not have transportation service to the VA hospital may have them because of this program, which serves those with low income and who are disabled or veterans who do not have transportation.

Services also include mental health. KDVA is partnering with the federal VA to expand telemental health services, particularly in rural areas and at a facility in Corbin. Community mental health centers are providing space and the VA is providing the telemental health equipment and staffing. This approach allows veterans who live in the area to stay in their homes instead of traveling to Lexington, Kentucky. The department is looking into other areas of the state for partnership. Working with the Department of Behavioral Health, KDVA has established a veteran peer network in Louisville, Lexington, and Northern Kentucky. KDVA is looking to bring stronger mental health services to the veterans' nursing homes and will be meeting with the VA in September to discuss the possibilities. Ms. Plattner stated that an interagency work group meets regularly to determine ways to reduce the unemployment rate among veterans. The veterans unemployment rate in Kentucky is 7.2 percent. KDVA has partnered with the US Chamber of Commerce to host job fairs in Lexington and Louisville. The trust fund has also given money to host several job fairs, and Morehead University hosted an expo in Ashland.

Mark Bowman testified about Kentucky veterans' nursing homes. Thompson-Hood Veterans Center in Wilmore has beds for 285 veterans and has 261 residents. The Eastern Kentucky Veterans Center in Hazard has 116 residents and stays at full capacity. The Western Kentucky Veterans Center in Hanson has 108 residents and has reopened a wing to improve access and admissions. There are 438 beds total in the nursing homes, and 78 beds are available. The available beds are mostly due to the vacancies in the Western Kentucky home. The Radcliff Veterans Center is scheduled to open in the fall of 2015.

In response to a question from Representative Lee, Mr. Bowman stated that he has a software system that allows KDVA to find the length of stay for each veteran. He will provide the information the committee members.

Paul Hartless testified about field operations. KDVA has 1,862 new applicants, has received 824 new claims, and has issued 88 tuition waivers

this year. In the last year, field operation has submitted fully developed claims in two-thirds of the cases, helping veterans and dependents receive benefits in a more timely manner. KDVA is working with the VA's appeals branch to create a fully developed appeal form.

Jeff Acob testified about the Kentucky veterans cemeteries, providing statistics on the Veterans Cemetery West, Veterans Cemetery Central, Veterans Cemetery North, and Veterans Cemetery Northeast. There is no residency requirement, and veterans from other states buried in the Kentucky cemeteries. The next cemetery site is Veterans Cemetery Southeast; the project is progressing.

Supplemental Programmatic Environmental Assessment

Col. (Ret.) David Thompson gave a PowerPoint presentation on the Army's Supplemental Programmatic Environmental Assessment (SPEA) process. The nation's reductions in Army strength impacted Fort Campbell and Fort Knox. There is about a one percent decrease in head count at Fort Campbell and a 42 percent decrease in the active component force at Fort Knox. Fort Campbell is being considered for an additional maximum cut of 16,000 soldiers and Fort Knox for a 7,600 cut, which is inclusive of the 3,500 who have already been cut. Approximately 8,500 letters have been sent to the Army on behalf of the installations. He encouraged all levels of elected officials to tell the Army about the importance of the installations. The combined economic impact of the loss at Fort Knox and Fort Campbell is \$6 billion.

Chair Pullin suggested that the committee prepare a resolution. Mr. Thompson stated that a resolution would be needed by August 25, 2014. A motion and second to adopt the resolution urging the Department of the Army to avoid further cuts at Fort Knox and Fort Campbell was made. The resolution was adopted.

In response to a question from Senator Westerfield, Col. Thompson stated that the economic impact affects many more areas than is listed in the census.

In response to a question from Senator Thomas, Col. Thompson stated that there is no impact on the Blue Grass Army Depot or any other depot because they are in a different category and not part of the SPEA project.

Other Business

There being no further business, the meeting was adjourned.

CAPITAL PLANNING ADVISORY BOARD

Minutes of the 2nd Meeting of the 2014 Calendar

August 12, 2014

Call to Order and Roll Call

The second meeting of the Capital Planning Advisory Board was held on Tuesday, August 12, 2014, at 9:00 AM, at the Administrative Office of the Courts building in Frankfort, Kentucky. Representative Terry Mills, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stan Humphries, Co-Chair; Representative Terry Mills, Co-Chair; Senator Whitney Westerfield, Representative Tom Riner; Charles Byers, Laurie Dudgeon, Carole Henderson, John Hicks, Sherron Jackson, Mary Lassiter, James Link, Mark Overstreet, and Katie Shepherd.

Guests: Van Knowles, Shane Stevens, and Joel Thomas, Program Review and Investigations Committee staff, Legislative Research Commission; Glenn Thomas, Director, Division of Information Technology Governance, and Mike Hayden, Communications Division Director, Commonwealth Office of Technology; Steve Rucker, Deputy Secretary, Corey Buckman, Legislative Liaison and Kentucky Business One Stop Portal (KyBOS) Executive Branch Coordinator, Finance and Administration Cabinet; and Noel Caldwell, Executive Director, KyBOS, Secretary of State's Office.

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

Approval of Minutes

Chairman Mills said it was necessary to reapprove the minutes of the September 24, 2013 meeting due to the lack of a quorum at the May meeting. A motion to approve the minutes of the September 24, 2013, and the May 27, 2014 meetings was made by Senator Humphries, seconded by Ms. Lassiter, and approved by voice vote.

Chairman Mills announced that Carol Palmore has resigned as a member of the board due to personal obligations. Ms. Palmore was appointed in April 2011.

Welcome and Comments

Laurie Dudgeon, Director, Administrative Office of the Courts (AOC), welcomed board members and guests. She discussed the acquisition and renovation of AOC's new building, noting that it was acquired through a \$5 million lease-purchase agreement in 2011, and renovated at a cost of \$6 million.

Information Item

One information item was included in members' folders regarding the University of Kentucky Construct Student Dining Facility

project. This \$35 million project involves a public private partnership (P3) with Aramark, whereby the company will provide 100 percent equity to improve, expand, and potentially manage UK dining. The project has been included in the university's last three capital plan submissions to the board. No action was required.

Instructions for the 2016-2022 Capital Plans

A motion to approve the *Instructions for the 2016-2022 Capital Plans* was made by Ms. Dudgeon, seconded by Ms. Lassiter, and approved by roll call vote. The motion included the authorization for staff to make technical and editing changes as needed. This item was presented and approved at the board's May 27 meeting, but required reapproval due to the lack of a quorum in May.

Legislative Research Commission Program Review and Investigations Committee Staff – Information Technology Study

Van Knowles, Shane Stevens, and Joel Thomas briefed members on a study of the state's information technology (IT) resources. The Program Review and Investigations Committee voted in December 2013 to study whether technology used by state government agencies is appropriate and up-to-date. State agency leaders and technology managers will be surveyed via questionnaires and interviews. As part of the study, staff sent board members a questionnaire seeking their opinions on the capital planning and budgeting process for IT projects. Chairman Mills urged the members to complete and return the questionnaire as soon as possible. The responses will be shared with the board at a later date.

Relative to a question from Senator Westerfield, Mr. Knowles said the responses to the survey will be compiled by staff and presented at the November 2014 Program Review and Investigations Committee meeting.

In response to another question from Senator Westerfield, Mr. Knowles said with the exception of certain state agencies, such as the Kentucky Retirement Systems, the Commonwealth Office of Technology (COT) is consolidating Executive Branch information technology functions in accordance with an Executive Order issued in October 2012.

Mr. Jackson asked how the results of the study will compliment the information technology report and recommendations the board receives from COT during the capital planning period. Mr. Knowles said any recommendations for improvements to the planning and budgeting process will be included in the final report.

Relative to additional questions from Mr.

Jackson, Mr. Knowles said the study does not include a review of the adequateness of the current capital project thresholds. Postsecondary institutions other than the Council on Postsecondary Education were not included in the survey process. The inclusion of the institutions would have expanded the scope beyond what the staff could manage.

In response to a question from Chairman Mills, Mr. Knowles said the study does not include a method to assess the public perception of state government information technology and its usefulness and appropriateness.

Chairman Mills said Program Review staff may be invited to a future board meeting to discuss the results of the completed study.

Capital Projects - Finance and Administration Cabinet - Next Generation Kentucky Information Highway

Steve Rucker and Mike Hayden discussed the Next Generation Kentucky Information Highway (NG-KIH) project. Phase I was authorized in the 2014-16 Executive Budget (HB 235) with \$70 million in federal, state, and other funding. This phase will develop an integrated, dark fiber optical network consisting of about 3,000 miles of fiber infrastructure statewide. Estimated to cost about \$100 million, the project will incorporate the current and best available technology at a speed of up to 100 gigabits per second. As the project moves forward, Eastern Kentucky will be a priority area.

In response to a question from Senator Westerfield, Mr. Hayden said geography and population are key components affecting the availability and cost of Internet in Kentucky.

Relative to a question from Senator Westerfield, Mr. Hayden said the average nationwide cost for 20 Mbps Internet is about \$75. Mbps refers to the download speed of an Internet service connection.

Senator Westerfield asked if this network will be the sole Internet service provider upon completion of the project. Mr. Rucker said the project is a middle mile open access network, and multiple entities will be able to utilize the network and provide services to users.

In response to questions from Ms. Lassiter, Mr. Rucker said "dark fiber" refers to fiber cable that has been laid but not in use. Telecommunications equipment attached to each end of the fiber cable provides connectivity to a site and determines Internet speed. Telephone carriers provide between 6-15 Mbps, and cable companies advertise up to 50 Mbps. The capabilities continue to grow, but the limiting factors have been the last mile component pieces and some of the transport middle mile costs and

efficiencies. It is anticipated that this project will address some of those costs and efficiencies.

Relative to a question from Senator Humphries, Mr. Rucker said this project has two associated solicitations, one for private partners to provide investment, engineering, design, construction, and build, and another for a stand-alone investment partner. As many as 22 companies have shown interest in participating in the project, which is scheduled for completion in April 2016.

Mr. Hicks said this is a unique, statewide capital IT project involving the entirety of state government and the postsecondary institutions. Kentucky is deficient in dark fiber, and this project will expand the size and speed of the network.

In response to a question from Ms. Dudgeon, Mr. Rucker said the telecommunications equipment is included in this project for government entities. For other entities that want to join the open access network, they must provide their own telecommunications equipment.

In response to another question from Ms. Dudgeon, Mr. Rucker said states with adequate fiber optic cable have received federal money/grants to fund these projects.

In response to a question from Chairman Mills, Mr. Rucker said the fiber optic cable laid in Eastern Kentucky will be supported by utility poles. In Western Kentucky, the fiber optic cable will be buried and/or supported by poles.

In response to a question from Chairman Mills regarding the redundancy of the network, Mr. Rucker said that, if there is an interruption in service, the communications will re-route in another direction. The federal Public Safety Network, which is in the early stages of development, may be available for use.

Capital Projects – Secretary of State - Kentucky Business One Stop Portal

Mr. Caldwell and Ms. Buckman updated members on the progress of the Kentucky Business One Stop Portal (KyBOS) project. The project is a result of Senate Bill 8, 2011 Kentucky General Assembly. The goal of the Portal is to provide a single, unified entry point for business owners to access and complete state services and requirements in relation to the creation or operation of a business in Kentucky.

Chairman Mills asked if there is a timeline for implementation of Phase 2. Ms. Buckman said staff is working with various state agencies to develop the requirements for this phase, and a timeline should be available soon.

In response to questions from Chairman Mills, Mr. Caldwell said staff plans to meet with the Commission on Small Business Advocacy at

its next meeting to address the recommendations and concerns the Commission noted over a year ago. The KyBOS Office has received feedback from the business community regarding the use of the Portal, and as a result, some of those recommendations are being incorporated into the development of the Portal.

Mr. Buyers asked if there are plans to expand KyBOS for citizen use. Ms. Buckman said an enterprise-wide e-pay system is being developed, and there has been discussion about a long-term vision for a citizen portal. Mr. Caldwell said the tools being purchased for KyBOS today may facilitate citizen use in the future.

Next Meeting

Chairman Mills said the board will meet October 24, 2014, at Western Kentucky University in Bowling Green.

Adjournment

With there being no further business, a motion to adjourn the meeting was made. The motion was seconded, and the meeting adjourned at 10:49 AM. A tour of the facility followed the meeting.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE Minutes

August 19, 2014

Call to Order and Roll Call

The Capital Projects and Bond Oversight Committee meeting was held on Tuesday, August 19, 2014, at 1:00 p.m., in Room 169 of the Capitol Annex. Senator Chris Girdler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

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

Guests: Mr. David Martin, Director of Contract Administration and Procurement Services, University of Louisville (UofL); Ms. Cori Bibelhauser, Contract Administrator, UofL; Mr. John Hicks, Deputy State Budget Director; and Mr. Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Josh Nacey and Angela Offerman.

Approval of Minutes

Senator Carroll moved to approve the minutes of the July 15, 2014, meeting. The motion was seconded by Representative Rudy and approved by voice vote.

Information Item

Mr. Josh Nacey, Committee Staff Administrator presented a notice of

advertisement for leased space from the Finance and Administration Cabinet for the Department of Corrections in Fayette County.

Project Report from the University of Louisville (UofL)

Mr. David Martin, Director of Contract Administration and Procurement Services, UofL, presented a new lease with Jewish Hospital and St. Mary's Healthcare, Inc., for 9,107 square feet (sq ft) of clinical space for the Department of Family and Geriatric Medicine. The department has been at the location since 2005; however, the university reported it as a new lease because the rental rate increased to \$18.24 per sq ft for an annual cost of \$166,112. The lease will expire December 31, 2015.

In response to questions from Representative Wayne, Mr. Martin said the property is owned by the UofL Foundation and leased to Jewish Hospital. The foundation has increased the rental rate to Jewish Hospital, which has resulted in an increased rental rate to the department, who is subleasing from Jewish Hospital.

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

Project Report from the Finance and Administration Cabinet

Mr. John Hicks, Deputy State Budget Director, presented a new unbudgeted capital project, Kentucky Statewide Longitudinal Database System Data Quality Upgrade project, from the Education and Workforce Development Cabinet. The \$636,000 project was 100 percent federally funded by the U.S. Department of Labor Workforce Data Quality Initiative grant.

Senator Carroll made a motion to approve the new capital project. The motion was seconded by Representative Wayne and approved by roll call vote.

Reports from the Office of Financial Management (OFM)

Mr. Ryan Barrow, Executive Director, OFM, presented follow-up reports on three previously approved bond issues. The first report was for \$27,460,000 Morehead State University General Receipts Refunding Bonds, 2014 Series A and Series B, which will finance the current refunding of some outstanding bonds and the associated costs of issuance.

The competitive transactions closed June 25, 2014, with a net present value savings of 7.363 percent and 3.744 percent, respectively. No action was required.

The second report was for \$88,145,000 University of Kentucky General Receipts Refunding Bonds, 2014 Series D, which will

finance the partial advance refunding of some outstanding bonds and the associated costs of issuance.

The competitive transactions closed June 26, 2014, with a net present value savings of 9.46 percent. No action was required.

The third report was for \$61,445,000 Kentucky Housing Corporation Single Family Housing Revenue Bonds, 2014 Series A, which will finance the refunding of some outstanding bonds. The costs of issuance were paid by the corporation.

The negotiated transaction interest rate was 3.143 percent. No action was required.

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

Mr. Barrow reported three school bond issues with SFCC debt service participation with a total par amount of \$4,340,000. The state portion of the annual debt service payment was \$172,609 and the local contribution was \$143,616. The bond issues did not involve a tax increase.

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

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

Mr. Nacey said three local bond issues were reported to the committee. The bond issues were 100 percent locally funded and do not involve new tax increases. No action was required.

With there being no further business, the meeting was adjourned at 1:12 p.m.

ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE Minutes of the August Meeting

August 7, 2014

Call to Order and Roll Call

The August meeting of the Administrative Regulation Review Subcommittee was held on Thursday, August 7, 2014, at 1:00 PM, in Room 154 of the Capitol Annex. Representative Mary Lou Marzian, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Ernie Harris, Co-Chair; Representative Mary Lou Marzian, Co-Chair; Senators Perry B. Clark, Sara Beth Gregory, and Alice Forgy Kerr; Representatives Jimmie Lee, and Tommy Turner.

Guests: Sherman Nave, Gina Richey, Department of Revenue; Brian Judy, Board of Registration for Professional Geologists; Denise Logsdon, Jeremy Reed, Board of Licensure for Massage Therapy; Matt James, Board of Licensed

Diabetes Educators; Karen Waldrop, Department of Fish and Wildlife Resources; Dana Todd, Justice and Public Safety Cabinet; Frederick Higdon, Stephanie Stumbo, Department of Alcoholic Beverage Control; Jack Coleman, Dennis Rodgers, Department of Housing, Buildings and Construction; Stephanie Brammer-Barnes, Vonja Grabeel, Stephanie Hold, Jill Lee, Diona Mullins, Maryellen Mynear, Stuart Owen, Allison Taylor, Cabinet for Health and Family Services.

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

The Administrative Regulation Review Subcommittee met on Thursday, August 7, 2014, and submits this report:

Administrative Regulations Reviewed by the Subcommittee:

FINANCE AND ADMINISTRATION CABINET: Department of Revenue: Office of Income Taxation: Income Tax; General Administration

103 KAR 15:180 & E. Kentucky new markets development program tax credit. Sherman Nave, director, and Regina Ritchey, section supervisor, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1, 2, 6, and 8 to comply with the drafting requirements of KRS Chapter 13A; and (2) to amend Section 2 to correct the name of the division. Without objection, and with agreement of the agency, the amendments were approved.

GENERAL GOVERNMENT CABINET: Board of Registration for Professional Geologists: Board

201 KAR 31:100. Administrative subpoena. Brian Judy, assistant attorney general, represented the board.

In response to a question by Co-Chair Harris, Mr. Judy stated that a geologist involved in or charged with a crime was subject to board subpoena pursuant to this administrative regulation, and the action was triggered by a complaint.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to make technical corrections; and (2) to amend Section 1 and 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board of Licensure for Massage Therapy: Board

201 KAR 42:035. Application process,

exam, and curriculum requirements. Denise Logsdon, chair, and Jeremy W. Reed, assistant attorney general, represented the board.

In response to a question by Senator Clark, Ms. Logsdon stated that this administrative regulation required an interview for each applicant with a criminal history, except for traffic violations. For consistency, each committee followed a standard interview selection process. There have been approximately two (2) to three (3) interviews monthly, and the interview committee usually met the week prior to the monthly board meeting.

In response to questions by Co-Chair Harris, Ms. Logsdon stated that the board had statutory authority to interview applicants with a felony or misdemeanor history because the board was statutorily obligated to protect the public regarding massage therapy. Massage therapy involved situations in which the public was especially vulnerable, and the board needed to be able to thoroughly assess the character of each licensee in order to fulfill the charge of public protection. Even the investigation of violations pertaining to drug paraphernalia was necessary to ensure that licensees were not working while under the influence. The board was confident that this administrative regulation established adequate requirements regarding breast massage to clarify the proper context for the procedure.

Co-Chair Marzian stated that, because massage therapy was a growing industry, it was important that these administrative regulations be as rigorous as possible.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to correct a statutory citation; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (3) to amend Sections 1, 2, 3, 5, and 6 to comply with the drafting and formatting requirements of KRS Chapter 13A; (4) to amend Section 4 to clarify that: (a) the board's purpose for the interview of applicants with a criminal history is to assess the applicant's qualifications pursuant to KRS 309.358(3) and 335B.040 relating to good moral character; and (b) the interview shall be conducted pursuant to KRS 309.362(1)(b); (5) to revise the material incorporated by reference to: (a) correct administrative regulation citations; (b) add the statutory citations relating to the board's statutory authority to consider criminal convictions; and (c) comply with the drafting requirements of KRS Chapter 13A; and (6) to revise the REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT to correct an agency response. Without objection, and with agreement of

the agency, the amendments were approved.

201 KAR 42:040. Renewal.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to correct a statutory citation; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (3) to amend Sections 1, 3, and 7 to comply with the drafting requirements of KRS Chapter 13A; (4) to amend Section 1 to clarify the board's purpose of the interview for renewal applicants with a criminal history or who have been disciplined by another board; (5) to revise the REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT to correct an agency response; and (6) to revise the material incorporated by reference to: (a) add statutory citations relating to the board's authority to consider criminal history and discipline by other boards; and (b) comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 42:060. Code of ethics and standards of practice for massage therapists.

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; (3) to amend Section 2 to comply with the drafting requirements of KRS Chapter 13A; and (4) to revise the REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT to correct an agency response. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 42:080. Programs of massage therapy instruction.

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; (3) to amend Sections 1 through 5 and the material incorporated by reference to comply with the drafting and formatting requirements of KRS Chapter 13A; (4) to amend Section 3 to: (a) add what information shall be required to be submitted with the Application for a Certificate

of Good Standing of a Massage Therapy Training Program Renewal Long Form; (b) clarify that the Application for a Certificate of Good Standing of a Massage Therapy Training Program Renewal Short Form may include documentation of added listed items if these have changed since the program's initial application or last renewal; (c) require that each Short Form shall include updated information on student completion, examination pass rates, licensure rates, and placement rates; and (d) clarify what the applicant's submission of documentation with the Short Form may include; and (5) to revise the REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT to correct an agency response. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 42:110. Continuing education requirements.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 3, 10, and 11 and the material incorporated by reference to comply with the drafting and formatting requirements of KRS Chapter 13A; (2) to amend Section 5 to add a deadline for the submission of a preapproval request for a continuing education course; (3) to revise the REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT to correct an agency response; and (4) to revise the summary of material incorporated by reference to correct an administrative regulation citation. Without objection, and with agreement of the agency, the amendments were approved.

Board of Licensed Diabetes Educators: Board

201 KAR 45:110. Supervision and work experience. Matt James, assistant attorney general, represented the board.

Senator Kerr stated that, when the authorizing legislation for these administrative regulations was under consideration by the General Assembly, the diabetes educator groups predicted there would be 250 educators. Kentucky now has over 500 educators, and other states are following Kentucky's lead.

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 2 and 4 to comply with the drafting requirements of KRS Chapter 13A; (3) to amend the Application for Licensure to correct a statutory citation; and (4) to revise the REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT to correct an agency response. Without objection, and with agreement

of the agency, the amendments were approved.

201 KAR 45:120. Renewal, reinstatement, and inactive status.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph to add a statutory citation; (2) to amend Sections 1, 2, and 5 to comply with the drafting requirements of KRS Chapter 13A; (3) to update the Apprentice Renewal Application form to: (a) correct a statutory citation; and (b) comply with the drafting and formatting requirements of KRS Chapter 13A; and (4) to revise the REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT to correct an agency response. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 45:170. Application procedures.

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; (3) to amend Sections 1, 3, and 4 to comply with the drafting requirements of KRS Chapter 13A; (4) to amend Section 1 to add a cross reference to the Application for Licensure Form, DE-01 incorporated by reference in 201 KAR 45:110; (5) to amend Section 3 to add that an applicant for an apprentice diabetes educator permit shall include the Supervised Work Experience Report, Form DE-05 incorporated by reference in 201 KAR 45:110 because this form is required to be submitted with the permit application; (6) to amend Section 4 to delete the Application for Licensure that is already incorporated in an existing administrative regulation; (7) to update the Application for Apprentice Diabetes Educator Permit to: (a) add a cross reference to 201 KAR 45:110; and (b) comply with the drafting and formatting requirements of KRS Chapter 13A; and (8) to revise the REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT to correct an agency response. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 45:180. Diabetes education courses.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct statutory citations; (2) to amend Sections 2 and 3 to add and incorporate

by reference the Application for a KBLDE Board Approved Course, Form DE-07; (3) to amend Section 2 to add what information shall accompany the application form; (4) to update the material incorporated by reference to comply with the drafting and formatting requirements of KRS Chapter 13A; and (5) to revise the REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT to correct an agency response. Without objection, and with agreement of the agency, the amendments were approved.

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

301 KAR 2:178. Deer hunting on Wildlife Management Areas, state parks, other public lands, and federally controlled areas. Karen Waldrop, wildlife division director, represented the department.

JUSTICE AND PUBLIC SAFETY CABINET: Office of the Secretary: Telecommunicators

500 KAR 4:011. Repeal of 500 KAR Chapter 4. Dana Todd, assistant general counsel, represented the cabinet.

Department of Criminal Justice Training: General Traffic

503 KAR 3:005. Definitions.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to add additional relevant 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 Section 1 for clarity and to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

503 KAR 3:010. Basic law enforcement training course recruit conduct requirements; procedures and penalties.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1 and 2 for clarity; (2) to amend Sections 3 and 6 to update statutory citations; and (3) to amend Sections 4, 6, 8, 9, and 10 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

503 KAR 3:040. Telecommunications (Public Safety Dispatch) Academy trainee requirements; misconduct; penalties; discipline procedures.

In response to questions by Co-Chair Harris,

Ms. Todd stated that jewelry was regulated for uniformity and clarity with other, longer training programs in which trainees live on campus and wear uniforms. Simple, minimal jewelry was permitted.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph and Section 6 to update statutory citations; and (2) to amend Sections 1, 4, 6, 8, 9, and 12 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

503 KAR 3:110. Certified Court Security Officers academy trainee requirements; misconduct; penalties; discipline procedures.

A motion was made and seconded to approve the following amendments: (1) to amend Section 6 to: (a) update a statutory citation; and (b) clarify exceptions to the requirement that a trainee must reside on campus; and (2) to amend Sections 1, 4, 6, 8, 9, and 10 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

PUBLIC PROTECTION CABINET: Department of Alcoholic Beverage Control: Malt Beverage Equipment, Supplies and Service

804 KAR 11:040. Growlers. Frederick Higdon, commissioner, and Stephanie Stumbo, malt beverage administrator, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1 through 3 to comply with the drafting requirements of KRS Chapter 13A; and (2) to amend Section 3 to: (a) clarify that the cleaning and sanitizing requirements do not apply to a new growler that is being filled for the first time; (b) clarify the temperature requirements for manual washing in a three (3) compartment sink; and (c) delete the numerical limitations for malt beverage taps and tubes. Without objection, and with agreement of the agency, the amendments were approved.

Department of Housing, Buildings and Construction: Division of Plumbing: Plumbing

815 KAR 20:040. Vehicle identification. Jack Coleman, deputy commissioner, and Dennis Rodgers, field operations manager, represented the division.

In response to questions by Co-Chair Harris, Mr. Rodgers stated that these administrative regulation were primarily changes to comply with federal mandates. These administrative regulations were not in response to federal OSHA regulations.

A motion was made and seconded to approve

the following amendment: to amend Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendment was approved.

815 KAR 20:050. Installation permits.

815 KAR 20:060. Quality and weight of materials.

815 KAR 20:070. Plumbing fixtures.

815 KAR 20:090. Soil, waste, and vent systems.

815 KAR 20:130. House sewers and storm water piping; methods of installation.

815 KAR 20:191. Minimum fixture requirements.

A motion was made and seconded to approve the following amendment: to amend Section 18 to insert a statutory citation. Without objection, and with agreement of the agency, the amendment was approved.

CABINET FOR HEALTH AND FAMILY SERVICES: Office of Health Policy: Certificate of Need

900 KAR 6:030. Certificate of need expenditure minimums. Diona Mullins, policy advisor, represented the cabinet.

In response to a question by Co-Chair Harris, Ms. Mullins stated that the cabinet chose the price index used in this administrative regulation through a U.S. Department of Commerce calculation.

900 KAR 6:125. Certificate of need annual surveys.

Department for Public Health: Controlled Substances

902 KAR 55:045. Exempt prescription products. Stephanie Hold, director of audits and investigations, and Maryellen Mynear, inspector general, represented the cabinet.

In response to questions by Co-Chair Harris, Ms. Hold stated that these requirements were amended due to a conflict between the federal and Kentucky list of exemptions. Drugs on the exemption list do not have addiction concerns or are present in such minute amounts to lower the risk of addiction. The cabinet would continue to track and monitor dosages.

902 KAR 55:090. Exempt anabolic steroid products.

Division of Public Health Protection and Safety: Radon

902 KAR 95:040. Radon Contractor Certification Program. Vonia Grabeel, facilities supervisor, and Allyson Taylor, policy advisor, represented the cabinet.

Co-Chair Marzian stated that this was a good move forward to support past legislation on this subject.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to include additional relevant citations; (2) to amend Sections 1 and 2 to delete provisions that conflicted with or repeated statutory provisions; (3) to amend Section 3 to delete the registration fees for the installation of mitigation systems as the fees are not expressly authorized by KRS Chapter 211; and (4) to amend Sections 1 through 7 and 12 for clarity and to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Department for Medicaid Services: Commissioner's Office: Payment and Services

907 KAR 3:111. Repeal of 907 KAR 3:110. Stuart Owen, regulation coordinator, represented the department.

The following administrative regulations were deferred to the September 12, 2014 meeting of the Subcommittee:

GENERAL GOVERNMENT CABINET: Kentucky Real Estate Commission: Commission

201 KAR 11:011. Definitions for 201 KAR Chapter 11.

201 KAR 11:105. Advertising listed property; advertising public information about specific property; when consent and authorization of owner or principal broker is required.

201 KAR 11:121. Improper conduct.

TRANSPORTATION CABINET: Kentucky Bicycle and Bikeways Commission: Motorcycle and Bicycle Safety

601 KAR 14:020. Bicycle Safety standards.

Department of Highways: Division of Maintenance: Billboards

603 KAR 10:001. Definitions.

603 KAR 10:010. Static advertising devices.

603 KAR 10:020. Electronic advertising devices.

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

EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Commission on Proprietary Education: Commission

791 KAR 1:035. Student protection fund.

791 KAR 1:050. Application for license for commercial driver license training school.

791 KAR 1:060. Application for renewal of license for commercial driver license training school.

791 KAR 1:070. Commercial driver license training school instructor and agent application and renewal procedures.

791 KAR 1:091. Repeal of 791 KAR 1:090.

ENERGY AND ENVIRONMENT
CABINET: Public Service Commission: Utilities
807 KAR 5:069. Filing requirements and
procedures for federally funded construction
project of a water association, a water district, or
a combined water, gas, or sewer district.

807 KAR 5:120. Applications for certificate
of public convenience and necessity for certain
electric transmission lines.

CABINET FOR HEALTH AND FAMILY
SERVICES: Department for Public Health:
Division of Maternal and Child Health: Kentucky
Early Intervention System

902 KAR 30:001. Definitions for 902 KAR
Chapter 30.

Department for Medicaid Services: Division
of Policy and Operations: Hospital Service
Coverage and Reimbursement

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

The Subcommittee adjourned at 1:45 p.m.
until September 12, 2014 at 1 p.m.

GOVERNMENT CONTRACT REVIEW COMMITTEE

Committee Minutes

August 12, 2014

Call to Order and Roll Call

The Government Contract Review
Committee met on Tuesday, August 12, 2014, at
10:00 AM, in Room 131 of the Capitol Annex.
Representative Dennis Horlander, Chair, called
the meeting to order, and the secretary called the
roll.

Present were:

Members: Senator Sara Beth Gregory, Co-
Chair; Representative Dennis Horlander, Co-
Chair; Senators Paul Hornback and Christian
McDaniel; Representatives Brad Montell and
Brent Yonts.

Guests: Brenn Combs, Stephen Castle, Don
Speer, Stacy Woodrum, Neville Wise, Karen
Sams, Paul Royce, Bill Harris, Murray Clark,
Steve Byars, Beth Jurek, Wendy Morris, Tony
Zipple, Brigett Stacy, Charlie Harmon, and
Donna Tackett.

LRC Staff: Kim Eisner, Daniel Carter, and
Jennifer Wilson.

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

A motion was made by Representative
Yonts to consider as reviewed the Personal
Service Contract List, with exception of those
items selected for further review by members of
the committee. Senator Gregory seconded the

motion, which passed without objection.

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

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

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

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

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

ARTS COUNCIL:

Mt. Auburn Associates Incorporated,
1500000297.

ATTORNEY GENERAL, OFFICE OF THE:

Dolt, Thompson, Shepherd & Kinney, PSC,
1400003637; Charles J. Rickert, 1400003660.

DEPARTMENT FOR BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES:

Reach of Louisville Incorporated,
1400001124; Nirbhay N. Singh, 1400001390;
Crown Services Incorporated, 1400001625;
Guardian Angel Staffing Agency, 1400001626;
The Chyron Group, LLC, 1400001668;
Labor Relations Alternatives Incorporated,
1400003461; Dietary Consultants Incorporated,
1400003655.

DEPARTMENT FOR MEDICAID SERVICES:

PricewaterhouseCoopers, 1400003780.

DEPARTMENT FOR PUBLIC HEALTH:

Heartland Cares Incorporated, 1400003540;
AIDS Volunteers Incorporated, 1400003750.

EASTERN KENTUCKY UNIVERSITY:

Bentz, Whaley, Flessner, 16-034.

EDUCATION, DEPARTMENT OF:

One Plus Services, 1400003770; Donna A.
Meyer, 1500000285.

FAIR BOARD:

David H. Snowden, 1400000846; Mountjoy
Chilton Medley LLP, 1500000062.

FINANCE AND ADMINISTRATION CABINET:

Arbitrage Compliance Specialists
Incorporated, 1500000247; American Municipal
Tax-Exempt Compliance Corporation,
1500000315; Blue & Company, LLC,
1500000323.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING:

Staggs and Fisher Consulting Engineers
Incorporated, 1400003765; Myers Jolly
Architects, 1400003766.

FISH & WILDLIFE, DEPARTMENT OF:
AMEC Environment & Infrastructure
Incorporated, 1400003508.

INFRASTRUCTURE AUTHORITY:

Amanda L. Yeary, 1500000067.

JUVENILE JUSTICE, DEPARTMENT OF:

Michelle Hunter, 1500000088; Angela
Jessie, 1500000089.

KENTUCKY BOARD OF LICENSURE FOR MASSAGE THERAPY:

Scanlan Associates, LLC, 1500000004.

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM:

Southwestern College, 616.

KY RACING COMMISSION:

Gaming Laboratories International,
1500000326.

MOREHEAD STATE UNIVERSITY:

Steve Hinds, 15-046; E-Learning
Connections Incorporated, 15-047; Carson
Consulting & Training Incorporated, 15-048.

MURRAY STATE UNIVERSITY:

McClain Dewees, PLLC, 002-15; Carrithers
Law Office, PLLC, 003-15; Maguire Associates,
016-15.

NORTHERN KENTUCKY UNIVERSITY:

Marsh USA Incorporated, 2014-579-
1; GBBN Architects, 2014-634-1; Witt/
Kieffer, 2014-654-1; Alt & Witzig Engineering
Incorporated, 2014-670.

STATE POLICE, DEPARTMENT OF:

Paul Oldham, 1400003490; Deron Berthold,
1400003491; David Decker, 1400003492; Joseph
R. Johnson, 1400003493; Donald L. Perry,
1400003494; William P. Baker, 1400003495;
Robert G. Massie, 1400003496; John L. Pratt,
1400003497; Jerry Bailey, 1400003498;
Kevin B. Guier, 1400003499; Steve Thomas,
1400003500; Samuel R. Little, 1400003501;
Michael Carnahan, 1500000168.

TRANSPORTATION CABINET:

Property Service Group Southeast
Incorporated, 1400001337; Matt Chapman,

1400001340; Stantec Consulting Services Incorporated, 1500000024; Thelen Associates Incorporated, 1500000038; ICA Engineering Incorporated F/k/a Florence & Hutcheson Incorporated, 1500000049; Horn and Associates Incorporated, 1500000054; Corradino Group, 1500000055; Parsons Brinckerhoff Incorporated, 1500000056; Stantec Consulting Services Incorporated, 1500000057; Cultural Resource Analysts Incorporated, 1500000058; CDM Smith Incorporated, 1500000059; URS Corporation, 1500000075; Integrated Engineering, 1500000077; ICA Engineering Incorporated f/k/a Florence & Hutcheson Incorporated, 1500000091; Stantec Consulting Services Incorporated, 1500000096; Thelen Associates Incorporated, 1500000098; Terracon Consultants Incorporated, 1500000099; T H E Engineers Incorporated, 1500000101; QK4, 1500000187; HMB Professional Engineers Incorporated, 1500000216; Palmer Engineering Company, 1500000221; HDR Engineering Incorporated, 1500000224; Strand Associates Incorporated, 1500000230; H. W. Lochner Consulting Incorporated, 1500000231; HMB Professional Engineers Incorporated, 1500000232; Palmer Engineering Company, 1500000238; Strand Associates Incorporated, 1500000240; QK4, 1500000241; Vaughn & Melton Consulting Engineers (Kentucky) Incorporated, 1500000242; H W Lochner Consulting Incorporated, 1500000243; Lynn Imaging, 1500000264; HMB Professional Engineers Incorporated, 1500000294; Stantec Consulting Services Incorporated, 1500000295; WMB Incorporated, 1500000296; Stantec Consulting Services Incorporated, 1500000298; Bureau Veritas Company, 1500000299; American Engineers Incorporated, 1500000305; Infrastructure Engineers Incorporated, 1500000313.

TREASURER, OFFICE OF THE KENTUCKY STATE:

Discovery Audit Services, LLC, 1400003437; Treasury Services Group, LLC, 1400003439.

UNIVERSITY OF KENTUCKY:

GBBN, A151070; CMTA Incorporated, A151080; Brandsetter Carroll Incorporated, A151090; PricewaterhouseCoopers, LLP, K15-163; Robertson & Associates d/b/a The Colonnade Group, K15-165; Central Kentucky Interpreter Referral, K15-167; Tadarro L. Richardson, MD, K15-168; Marshall Medical Management, LLC, K15-172; Mitchen Incorporated, K15-176; FBS Consulting, K15-177.

UNIVERSITY OF LOUISVILLE:

HBSA Incorporated, 15-077.

VETERANS AFFAIRS, DEPARTMENT

OF:

Multi, 1400002476.

WESTERN KENTUCKY UNIVERSITY:

Multi, PS141624; McDonald Transit Associates Incorporated, PS141625; LiveHealthier Incorporated, PS141627.

WORKFORCE INVESTMENT, OFFICE

OF:

Maher & Maher, 1500000103.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS

WERE REVIEWED WITHOUT OBJECTION:

CABINET FOR HEALTH AND FAMILY SERVICES:

Thomas J. Hellmann, Attorney-at-Law, PLLC, 1400000265; Susan Gormley Tipton, 1400000266-1.

CORRECTIONS, DEPARTMENT OF:

Catholic Charities Incorporated, 1400002888.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION:

Stantec Consulting Services Incorporated, 0600002006; Stantec Consulting Services Incorporated, 1100002226; Kenvirons Incorporated, 1100002227; Tetra Tech Incorporated, 1100002229.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING:

HDR Engineering Incorporated, 1000000939; BFMJ Incorporated, 1200002456; Third Rock Consultants, LLC, 1200003126; EOP Architects, PSC, 1300001016; EOP Architects, PSC, 1300001967; Thelen Associates Incorporated, 1400000717; EOP Architects, PSC, 1400000960; Paladin Incorporated, 1400001412; Omni Architects, C-05256615.

MEDICAL LICENSURE, BOARD OF:

Multi, 1400002582.

MURRAY STATE UNIVERSITY:

Buck Consultants, 004-15.

PERSONNEL BOARD:

Brenda Dinkins Allen, 1400003679.

PERSONNEL-OFFICE OF THE SECRETARY:

Mercer Investment Consulting Incorporated, 1400001762.

TRANSPORTATION CABINET:

Michael Baker Jr. Incorporated, 0700004078; E A Partners, PLC, 0900012421; HMB Professional Engineers Incorporated, 1300001320; Stantec Consulting Services Incorporated, 1300002846; HMB Professional Engineers Incorporated, 1300003153; Palmer Engineering Company, 1400000572; E A Partners, PLC, C-99005249-5.

WESTERN KENTUCKY UNIVERSITY:

Multi, PS141511.

THE FOLLOWING MEMORANDA OF AGREEMENTS

WERE REVIEWED WITHOUT OBJECTION:

AGRICULTURE, DEPARTMENT OF:

Kentucky Association of Food Banks Incorporated, 1500000249.

DEPARTMENT FOR AGING &

INDEPENDENT LIVING:

Green River Area Development District, 1400003845.

DEPARTMENT FOR BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES:

Lake Cumberland Mental Health Mental Retardation Board d/b/a The Adanta Group, 1400000863; Bluegrass Regional Mental Health Mental Retardation, 1400000865; University of Kentucky, 1400000867; University of Kentucky, 1400000868; University of Kentucky Research Foundation, 1400000869; Kentucky Medical Services Foundation Incorporated, 1400000870; Kentucky River Community Care, 1400000871; Kentucky Department of Corrections, 1400000880; Kentucky Housing Corporation, 1400000882; New Beginnings Bluegrass Incorporated, 1400000883; Division of Mental Health, 1400000887; Louisville/Jefferson County Metro Government, 1400000889; Pennyroyal Mental Health, 1400000890; Green River Regional Mental Health Mental Retardation Board d/b/a Rivervalley Behavior, 1400000973; University of Kentucky Research Foundation, 1400000994; Office of Vocational Rehabilitation, 1400000995; University of Kentucky Research Foundation, 1400001035; NAMI Kentucky, 1400001275; Kentucky Partnership for Families and Children Incorporated, 1400001307; People Advocating Recovery, 1400001371; University of Kentucky Research Foundation, 1400002885.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION:

University of Kentucky Medical, 1400003838.

DEPARTMENT OF ENERGY DEVELOPMENT AND INDEPENDENCE:

Western Kentucky University Research Foundation Incorporated, 1400003259; University of Kentucky Research Foundation, 1400003261; University of Kentucky Research Foundation, 1400003262; University of Kentucky Research Foundation, 1400003263.

EARLY CHILDHOOD ADVISORY COUNCIL:

Kenton County Public Library, 1500000100.

EDUCATION, DEPARTMENT OF:

Adair County Board of Education,

1400001837; Ballard County Board of Education, 1400001838; Barren County Board of Education, 1400001839; Bourbon County Board of Education, 1400001841; Boyd County Board of Education, 1400001842; Bullitt County Board of Education, 1400001843; Campbellsville Independent Board of Education, 1400001845; Caverna Independent Board of Education, 1400001848; Christian County Board of Education, 1400001849; Cloverport Independent Board of Education, 1400001850; Corbin Independent Board of Education, 1400001851; Covington Independent Board of Education, 1400001852; Cumberland County Board of Education, 1400001854; Fayette County Treasurer Board of Education, 1400001855; Glasgow Independent Board of Education, 1400001860; Grayson County Board of Education, 1400001861; Greenup County Board of Education, 1400001862; Hancock County Board of Education, 1400001863; Harlan County Board of Education, 1400001864; Henderson County Board of Education, 1400001865; Hickman County Board of Education, 1400001866; Jackson Independent Board of Education, 1400001867; Jenkins Independent Board of Education, 1400001868; Knott County Board of Education, 1400001869; Leslie County Board of Education, 1400001871; Letcher County Board of Education, 1400001872; Lincoln County Board of Education, 1400001873; Livingston County Board of Education, 1400001874; Lyon County Board of Education, 1400001875; McCracken County Board of Education, 1400001876; Metcalf County Board of Education, 1400001877; Monroe County Board of Education, 1400001878; Morgan County Board of Education, 1400001879; Nelson County Board of Education, 1400001880; Newport Independent Board of Education, 1400001881; Paducah Independent Board of Education, 1400001882; Pulaski County Board of Education, 1400001883; Taylor County Board of Education, 1400001884; Wayne County Board of Education, 1400001886; Whitley County Board of Education, 1400001887; Wolfe County Board of Education, 1400001888; Woodford County Board of Education, 1400001889; Boys and Girls Club Incorporated, 1400001890; Hazard Perry County Development Center d/b/a New Beginnings Child, 1400001892; Kenton County YMCA, 1400001893; Lighthouse Promise Incorporated, 1400001894; Lotts Creek Community School, 1400001895; RC Durr YMCA, 1400001897; YMCA of Greater Cincinnati, 1400001899; Department for Medicaid Services, 1400002881; Ashland Independent Board of Education, 1400002927; Bullitt County Board of Education,

1400002950; Campbell County Board of Education, 1400002973; Crittenden County Board of Education, 1400003010; Elizabethtown Independent Board of Education, 1400003014; Henderson County Board of Education, 1400003092; Jefferson County Board of Education, 1400003112; Jenkins Independent Board of Education, 1400003115; Lee County Board of Education, 1400003133; Marion County Board of Education, 1400003164; Martin County Board of Education, 1400003168; Eastern Kentucky University, 1400003202; Pike County Board of Education, 1400003216; Pikeville Independent Board of Education, 1400003217; Scott County Board of Education, 1400003228; Shelby County Board of Education, 1400003230; Wolfe County Board of Education, 1400003247; Morehead State University, 1400003307; Green River Regional Education, 1400003620; Morehead State University, 1400003725; Trustees of Indiana University, 1400003727; Western Kentucky University Research Foundation Incorporated, 1400003730; Eastern Kentucky University, 1400003740; Fayette County Board of Education, 1400003743; Taylor County Board of Education, 1400003747; Southern Regional Education Board, 1400003773; KCTCS, 1400003776; West Kentucky Education Cooperative Special Education, 1400003807; Ballard County Board of Education, 1500000016; Bath County Board of Education, 1500000017; Bowling Green Independent Board of Education, 1500000018; Boyd County Board of Education, 1500000019; Carter County Board of Education, 1500000020; Covington Independent Board of Education, 1500000021; Edmonson County Board of Education, 1500000023; Fayette County Treasurer Board of Education, 1500000025; Fleming County Board of Education, 1500000026; Franklin County Board of Education, 1500000028; Simpson County Board of Education, 1500000029; Grant County Board of Education, 1500000030; Grayson County Board of Education, 1500000031; Kenton County Board of Education, 1500000037; Livingston County Board of Education, 1500000040; Marshall County Board of Education, 1500000042; McCreary County Board of Education, 1500000043; Muhlenberg County Board of Education, 1500000044; Newport Independent Board of Education, 1500000045; Scott County Board of Education, 1500000048; Trigg County Board of Education, 1500000050; Western Kentucky University Research Foundation Incorporated, 1500000051; Union County Board of Education, 1500000052; Central Kentucky Educational Cooperative, 1500000061; Fleming County

Board of Education, 1500000068; Madisonville Community College, 1500000073; Hardin County Board of Education, 1500000078; The Partnership for Successful Schools, 1500000090; Christian County Board of Education, 1500000121; Covington Independent Board of Education, 1500000122; Greenup County Board of Education, 1500000130; Henderson County Board of Education, 1500000132; Newport Independent Board of Education, 1500000134; Pike County Board of Education, 1500000136; Kentucky Educational Development Corporation, 1500000288; Kentucky Educational Development Corporation, 1500000290; New Teacher Center, 1500000307.

FISH & WILDLIFE, DEPARTMENT OF:

University of Louisville Research Foundation, 1400002939; University of Tennessee, 1400003058; University of Louisville Stream Institute Civil & Environmental Engineering, 1400003090; University of Louisville Stream Institute Civil & Environmental Engineering, 1400003626.

HORSE PARK, KENTUCKY:

Georgetown Scott County Parks and Recreation, 1400002031.

INFRASTRUCTURE AUTHORITY:

Barren River Area Development District, 1400003762; Gateway Area Development District, 1500000145; Green River Area Development, 1500000153; Kentuckiana Regional Planning & Development Agency, 1500000154; Kentucky River Area Development, 1500000156; Lake Cumberland Area District, 1500000157; Lincoln Trail Area Development District, 1500000158; Northern Kentucky Area Development District, 1500000159; Purchase Area Development District, 1500000161; Fivco Area Development District, 1500000169.

JUSTICE CABINET:

University of Kentucky College of Law, 1400003470; Northern Kentucky University, 1400003656; University of Louisville, 1400003657.

KY STATE NATURE PRESERVES COMMISSION:

Southern Conservation Corporation, 1400000274.

MILITARY AFFAIRS, DEPARTMENT OF:

Multi, 1400002606; Taylorsville City of (for Hazard Mitigation Only), 1400003467; Multi, 1400003744; Kentucky National Guard Memorial Fund, Inc., 1400003842.

OFFICE OF INSPECTOR GENERAL:

Kentucky State Police, 1500000002; Office of Employment and Training, 1500000005.

OFFICE OF THE GOVERNOR,

DEPARTMENT FOR LOCAL GOVERNMENT:

Louisville Metro Government, 1400001806; City of Springfield, 1400003254; City of Earlington, 1400003336; City of Pineville, 1400003468; Harlan County Fiscal Court, 1500000009; Ravenna City of PA, 1500000010; City of Adairville, 1500000012; City of Booneville, 1500000014; City of Morehead, 1500000015; Boone County Fiscal Court, 1500000069; City of West Liberty, 1500000070; Livingston County Fiscal Court, 1500000071; Rowan County Fiscal Court, 1500000072; Fleming County Fiscal Court, 1500000095; Barren River Area Development District, 1500000110; Bluegrass Area Development District, 1500000150; City of Maysville, 1500000172; Cumberland Valley Area Development District, 1500000177; Gateway Area Development District, 1500000178; Green River Area Development District, 1500000186; Kentucky River Area Development District, 1500000188; Kenton County Fiscal Court, 1500000193; City of Kuttawa, 1500000197; FIVCO Area Development District, 1500000200; City of Hopkinsville, 1500000201; Kentuckiana Regional Planning & Development Agency, 1500000206; Lake Cumberland Area Development District, 1500000208; Henderson County Fiscal Court, 1500000210; Lincoln Trail Area Development District, 1500000211; Northern Kentucky Area Development District, 1500000215; City of Campbellsville, 1500000219; Pennyriple Area Development District, 1500000220; Purchase Area Development District, 1500000222; Magoffin County Fiscal Court, 1500000223; Appalachian Artisan Center of Kentucky Incorporated, 1500000236; Graves County Fiscal Court, 1500000309; Henderson County Fiscal Court, 1500000316; Wayne County Fiscal Court, 1500000338; Christian County Fiscal Court, 1500000345.

STATE POLICE, DEPARTMENT OF:

Kentucky Medical Service, 1400002828.

WORKFORCE INVESTMENT, OFFICE

OF:

Center for Accessible Living, 1400003672.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS

WERE REVIEWED WITHOUT

OBJECTION:

AGRICULTURE, DEPARTMENT OF:

Multi, 1300001595.

EDUCATION, DEPARTMENT OF:

Bethune Institute, 1300000067; Boys & Girls Club of Greater Cincinnati, 1300000074; Crittenden County Board of Education, 1300000089; Floyd County Board of Education, 1300000094; Harlan County Board of

Education, 1300000103; Hazard Perry County Community MNS Development Center d/b/a New Beginnings, 1300000105; Jefferson County Board of Education, 1300000112; Wayne County Board of Education, 1300000121; Lee County Board of Education, 1300000124; Lincoln County Board of Education, 1300000146; Lyon County Board of Education, 1300000149; McCracken County Board of Education, 1300000151; Owensboro Independent Board of Education, 1300000161; Pleasant Green Baptist Church, 1300000165; Pulaski County Board of Education, 1300000167; Russell County Board of Education, 1300000170; Washington County Board of Education, 1300000176; Woodford County Board of Education, 1300000179; Paducah Independent Board of Education, 1300001623; Todd County Board of Education, 1300001625; Campbellsville Independent Board of Education, 1400002655; Pike County Board of Education, 1400003216.

JULY 2014 DEFERRED ITEM

CORRECTIONS, DEPARTMENT OF

Correct Care Solutions, LLC, 1400002555. Brenn Combs, Stephen Castle, and Don Speer discussed the contract with the committee. A motion was made by Senator Hornback to consider the contract as reviewed. Representative Yonts seconded the motion, which passed without objection.

THE FOLLOWING PERSONAL SERVICE CONTRACTS

WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR AGING & INDEPENDENT LIVING:

Roy W. Hunter, CPA, 1400003843. Stacy Woodrum discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Senator McDaniel seconded the motion, which passed.

DEPARTMENT FOR MEDICAID SERVICES:

Aon Consulting, 1400002459. Neville Wise discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Senator McDaniel seconded the motion, which passed.

DEPARTMENT FOR PUBLIC HEALTH:

Volunteers of America of Kentucky Incorporated, 1400003541. Karen Sams and Paul Royce discussed the contract with the committee. A motion was made by Representative Montell to consider the contract as reviewed. Representative Yonts seconded the motion, which passed.

UNIVERSITY OF KENTUCKY:

Witt Kieffer, K15-164; Witt/Kieffer, K15-

166. Bill Harris, Murray Clark, and Steve Byars discussed the contracts with the committee. A motion was made by Senator Gregory to consider the contracts as reviewed. Representative Yonts seconded the motion, which passed.

UNIVERSITY OF KENTUCKY:

Murer Consultants Incorporated, K15-169; Pitts Management Associates Incorporated, K15-170; Divurgent, LLC, K15-171; SG-2, LLC, K15-173; Deloitte Consulting, K15-174; Truven Health Analytics, K15-175. Bill Harris, Murray Clark, and Steve Byars discussed the contracts with the committee. A motion was made by Senator Gregory to consider the contracts as reviewed. Representative Yonts seconded the motion, which passed.

THE FOLLOWING MEMORANDUM OF AGREEMENTS

WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES:

Seven Counties Services, 1400000866. Beth Jurek and Wendy Morris discussed the contract with the committee. A motion was made by Senator McDaniel to consider the contract as reviewed. Representative Yonts seconded the motion, which passed.

DEPARTMENT FOR BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES:

Seven Counties Services, 1400000927. Beth Jurek, Wendy Morris, and Tony Zipple discussed the contract with the committee. A motion was made by Senator McDaniel to consider the contract as reviewed. Representative Yonts seconded the motion, which passed.

EDUCATION, DEPARTMENT OF:

Berea Independent Board of Education, 1400001840; Fulton County Board of Education, 1400001858; Fulton Independent Board of Education, 1400001859; Save the Children, 1400001898. Charlie Harmon, Donna Tackett, and Brigett Stacy discussed the contracts with the committee. A motion was made by Representative Montell to consider the contracts as reviewed. Representative Yonts seconded the motion, which passed.

UNIVERSITY OF KENTUCKY:

Jessamine County Board of Education, MOA-005-15. Bill Harris, Murray Clark, and Steve Byars discussed the contract with the committee. A motion was made by Representative Montell to consider the contract as reviewed. Representative Yonts seconded the motion, which passed.

THE FOLLOWING MEMORANDUM

**OF AGREEMENT AMENDMENTS WERE
SELECTED FOR FURTHER REVIEW:**

EDUCATION, DEPARTMENT OF:

Save the Children, 1300000172. Charlie Harmon, Donna Tackett, and Brigett Stacy discussed the contract with the committee. A motion was made by Representative Montell to consider the contract as reviewed. Representative Yonts seconded the motion, which passed.

**THE FOLLOWING MEMORANDUM
OF AGREEMENT FOR \$50K AND UNDER
WAS SELECTED FOR FURTHER REVIEW:**

**MILITARY AFFAIRS, DEPARTMENT
OF:**

Seven Counties Services Incorporated, 1400002091. Beth Jurek and Wendy Morris discussed the contract with the committee. A motion was made by Senator McDaniel to consider the contract as reviewed. Representative Yonts seconded the motion, which passed.

EXEMPTION REQUEST:

**EDUCATION AND
WORKFORCE DEVELOPMENT CABINET:**

The Education and Workforce Development Cabinet, Office of Vocational Rehabilitation requested an exemption pertaining to the biennial requirement GCRC Policy Statement 99-4 for federal grant agreements. A motion was made by Representative Yonts to grant the request to September 30, 2016. Senator McDaniel seconded the motion, which passed without objection.

With no further business before the committee, the meeting adjourned at 11:16 a.m.

**GOVERNMENT CONTRACT
REVIEW COMMITTEE**

Committee Minutes

September 8, 2014

Call to Order and Roll Call

The 3rd meeting of the Government Contract Review Committee was held on Monday, September 8, 2014, at 10:00 AM, in Room 149 of the Capitol Annex. Senator Sara Beth Gregory, Chair, called the meeting to order, and the secretary called the roll.

Present were:

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

Guests: Kathy Burke, Stephanie Craycraft, Matt McKinley, Charlie Harmon, Laura Arnold, Lee Lewis, Robin Chandler, and Phillip Shepherd.

LRC Staff: Kim Eisner, Daniel Carter, and Jennifer Wilson.

A motion was made by Representative

Yonts to approve Minutes of the August 2014, meeting of the committee. Representative Montell seconded the motion, which passed without objection.

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

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

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

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

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

ACCOUNTANCY, BOARD OF:

Stiles Carter and Associates, 1500000237.

**ADMINISTRATIVE OFFICE OF THE
COURTS:**

Adams Stepner Woltermann and Dusing, PLLC, 1500000407.

**AUDITOR OF PUBLIC ACCOUNTS,
OFFICE OF THE:**

Kem Duguid and Associates, PSC, 1500000434.

**CABINET FOR HEALTH AND FAMILY
SERVICES:**

Frost Brown Todd, LLC, 1400003653; Conliffe Sandmann and Sullivan, 1400003654.

CORRECTIONS, DEPARTMENT OF:

Ross and Company, PLLC, 1500000363.

DENTISTRY, BOARD OF:

Brian Fingerson RPH, Inc., 1500000256; George Ted Georgacopoulos, 1500000258.

**DEPARTMENT FOR BEHAVIORAL
HEALTH, DEVELOPMENTAL AND
INTELLECTUAL DISABILITIES:**

Multi, 1400000876; Res Care, Inc., 1400000878; Kentucky Alliance Boys and Girls Club, 1400000888; Crown Services,

Inc., 1400000978; Tri-State Podiatric Medical Services, PSC, 1400000981; Med Care Pharmacy, LLC, 1400001008; Steve Sparks, Ph.D., 1400001038; AMS Temporaries, Inc., 1400001623; Guardian Healthcare Providers, 1400001627; NurseStaffing Group Kentucky, LLC, 1400001628; Dennis Buchholtz and Associates, Ph.D., 1400002971; Crown Services, Inc., 1400003028; Crown Services, Inc., 1400003260; Gilbert Barbee Moore McIlvoy, 1400003304; Susan Mudd, 1400003629; Theracare Alliance, 1400003680; Hilaree M. Needy, 1400003703; Crown Services, Inc., 1400003774; Theracare Alliance, 1400003775; Pennyrile Radiology, 1400003777; Timothy S. Allen, M.D., PLLC, 1400003778; Beth A. Johnson, 1400003794; Margaret Smedley, 1400003795; Jennie Stuart Medical Center, 1400003804; Pharmacy Systems, Inc., 1400003806; Rescare Incorporated, 1400003819; Guardian Healthcare Providers, 1400003835; Dr. Prakash Shah, 1500000063.

**DEPARTMENT FOR ENVIRONMENTAL
PROTECTION:**

Resolution, Inc., 1500000394.

DEPARTMENT FOR PUBLIC HEALTH:

Volunteers of America of Kentucky, Inc., 1500000383; AIDS Volunteers, Inc., 1500000391; Volunteers of America of Kentucky Incorporated, 1500000393.

EASTERN KENTUCKY UNIVERSITY:

MMLK, Inc., 16-052; Green Dot, etc., Inc., 16-055.

EDUCATION, DEPARTMENT OF:

Hands on Therapy, PSC, 1500000308.

**FINANCE AND ADMINISTRATION
CABINET:**

AVM, L.P., 1500000398.

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

Tate Hill Jacobs Architect, Inc., 1400003721.

**JUVENILE JUSTICE, DEPARTMENT
OF:**

Jessica Johnson, 1500000427.

**KENTUCKY COMMUNITY &
TECHNICAL COLLEGE SYSTEM:**

Center for Occupational Research and Development, PS-627; Commonwealth Economics, PS-628.

KY RACING COMMISSION:

LGC Science, Inc., 1400003669.

**MILITARY AFFAIRS, DEPARTMENT
OF:**

Rhonda Robinson, 1500000455.

MOREHEAD STATE UNIVERSITY:

Performance Resource Partners, LLC, 15-050; Kentucky Science and Technology Corporation, 15-051.

NORTHERN KENTUCKY UNIVERSITY:
Debbie Bowles, 2013-613-1; Isaacson Miller, Inc., 2014-675.

OFFICE OF HOMELAND SECURITY:
Goldberg Simpson, LLC, 1500000163.

OFFICE OF INSPECTOR GENERAL:
MPRO, 1500000060.

PERSONNEL BOARD:
Allen Law Office, 1500000234.

TRANSPORTATION CABINET:
Jason L. Cox, 1400001785; Bluegrass Valuation Group, LLC, 1500000180; Bluegrass Valuation Group, LLC, 1500000181; Bluegrass Valuation Group, LLC, 1500000183; Bluegrass Valuation Group, LLC, 1500000185; URS Corporation, 1500000282; ICA Engineering, Inc. f/k/a Florence & Hutcheson, Inc., 1500000336; Stantec Consulting Services, Inc., 1500000430; DLZ Kentucky, Inc., 1500000432; GRW Engineers, Inc., 1500000438; ICA Engineering, Inc. f/k/a Florence & Hutcheson, Inc., 1500000441; QK4, 1500000522; Municipal Engineering Company, 1500000523.

UNIVERSITY OF KENTUCKY:
MediRevv, Inc., 15-178; Jacobson and Associates, LLC, 15-179; BKD, LLP, 15-180; Medicaid Eligibility and Denial Solutions, 15-181; UASI - United Audit Systems, Inc., 15-182; Blue & Company, LLC, 15-183; PriceWaterhouseCoopers, LLP, 15-184; Dentons US, LLP, 15-185; Stengel Hill Architecture, A151110.

VETERANS AFFAIRS, DEPARTMENT OF:

Premier Integrity Solutions, 1400002860.
WESTERN KENTUCKY UNIVERSITY:
Learning Curve Educational Consulting, 141518; Public Media Company, 141520; THP Limited, Inc., 141628; Ross Tarrant Architects, 141629; RPM Transportation Consultant, 141630.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

DEPARTMENT FOR PUBLIC HEALTH:
Heartland Cares Incorporated, 1400003540; Volunteers of America of Kentucky Incorporated, 1400003541.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING:

Ross Tarrant Architects Inc., 1200001550; HMB Professional Engineers, Inc., 1200002582; URS Energy and Construction, Inc., 1300001891; Paladin, Inc., 1400001416.

MEDICAL LICENSURE, BOARD OF:
Multi, 1400002582.
PERSONNEL-OFFICE OF THE SECRETARY:

Multi, 1400001998.
STATE POLICE, DEPARTMENT OF:
Deron Berthold, 1400003491; Robert G. Massie, 1400003496.

TRANSPORTATION CABINET:
ICA Engineering, Inc. f/k/a Florence & Hutcheson, Inc., 1000002447; HDR Engineering Incorporated, 1100002338; CDM Smith, Inc., 1200003586; Stantec Consulting Services, Inc., 1200003647; ICA Engineering, Inc. f/k/a Florence & Hutcheson, Inc., 1200003769; Stantec Consulting Services, Inc., 1200003823; Horn and Associates, Inc., 1200003833; Thelen Associates, Inc., 1200003846; J M Crawford and Associates, Inc., 1300000071; Stantec Consulting Services, Inc., 1300000073; ICA Engineering, Inc. f/k/a Florence & Hutcheson, Inc., 1300000366; Stantec Consulting Services, Inc., 1300000367; Terracon Consultants, Inc., 1300000368; Gresham Smith and Partners, 1300001306; American Engineers, Inc., 1300002023; Johnson Depp and Quisenberry, 1400000586; Berkley Appraisal Company, 1400001333; QK4, 1400001951; Berkley Appraisal Company, 1400002832; Berkley Appraisal Corporation, 1400002851; Berkley Appraisal Company, 1400002961; GRW Engineers, Inc., 1500000438; Quest Engineering, Inc., C-03117944-1.

TREASURER, OFFICE OF THE KENTUCKY STATE:

Xerox State & Local Solutions, Inc., 1400003350; Verus Financial, LLC, 1400003354; Audit Services, U.S., LLC, 1400003373; Hertz Herson & Company, LLP, 1400003435; Kelmar Associates, LLC, 1400003438; Treasury Services Group, LLC, 1400003439.

UNIVERSITY OF KENTUCKY:
Omni Architects, A131080; Moody Nolan, A141080; Omni Architects, A141210.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS:

National Center for State Courts, 1500000410.

ARTS COUNCIL:
Marshall County Arts Commission, 1500000353.

ATTORNEY GENERAL, OFFICE OF THE:

Kentucky Association of Child Advocacy Centers, 1500000268.

COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS:

River Valley Behavioral Health, 1500000300.

DEPARTMENT FOR AGING &

INDEPENDENT LIVING:

Nursing Home Ombudsman Agency of the Bluegrass, Inc., 1500000435.

DEPARTMENT FOR BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES:

Chestnut Health Systems, Inc., 1400002831; Case Western Reserve University, 1400003688.

DEPARTMENT FOR COMMUNITY BASED SERVICES:

Specialized Alternatives for Families & Youth of Kentucky, 1500000279.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION:

Kentucky Waterways Alliance Incorporated, 1500000366.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES:

Homeless and Housing, 1400003292; Ohio Valley Education Cooperative, 1400003295; Berea College, 1400003302; Kentucky Coalition Against Domestic Violence, Inc., 1400003309; Project Unite, 1400003312; Green River Area Development District, 1400003316; Jefferson County Board of Education, 1400003345; Green River Area Development District, 1400003346; Northern KY Community Action, 1400003348; Barren County Board of Education, 1400003349; Kentucky YMCA Youth Associates, 1400003846.

DEPARTMENT FOR NATURAL RESOURCES:

Multi, 1500000065.
DEPARTMENT FOR PUBLIC HEALTH:
University of Kentucky Research Foundation, 1500000392.

EDUCATION PROFESSIONAL STANDARDS BOARD:

Danville Independent Board of Education, 1500000461.

EDUCATION, DEPARTMENT OF:
Campbell County Board of Education, 1400001844; Carroll County Board of Education, 1400001846; Crittenden County Board of Education, 1400001853; Floyd County Board of Education, 1400001857; Todd County Board of Education, 1400001885; Boys & Girls Club of Greater Cincinnati, 1400001891; Pleasant Green Baptist Church, 1400001896; Laurel County Board of Education, 1400003131; University of Wisconsin Madison, 1400003339; KASE, 1400003644; Department of Corrections, 1400003785; Barren County Board of Education, 1500000066; Eastern Kentucky University, 1500000074; Fayette County Board of Education, 1500000127; Kentucky Science and Technology Corporation, 1500000204; NKU Research Foundation, 1500000280; NKU Research

Foundation, 1500000287; Pulaski County Board of Education, 1500000329; University of Louisville Research Foundation, 1500000371; Western Kentucky University, 1500000373; University of Kentucky, 1500000374; Murray State University, 1500000375; University of Kentucky Research Foundation, 1500000409.

FISH & WILDLIFE, DEPARTMENT OF:

Mississippi State University, 1400003463.

INFRASTRUCTURE AUTHORITY:

Pennyrile Area Development District, 1500000160; Buffalo Trace Area Development District, 1500000486.

MILITARY AFFAIRS, DEPARTMENT OF:

Multi, 1400003222.

OFFICE OF THE GOVERNOR,

DEPARTMENT FOR LOCAL GOVERNMENT:

Big Sandy Area Development District, 1500000114; Buffalo Trace Area Development District, 1500000152; Monroe County Fiscal Court, 1500000314; Magoffin County Fiscal Court, 1500000344; Daviess County Fiscal Court, 1500000348; City of Benton, 1500000362; Magoffin County Fiscal Court, 1500000364; City of Campbellsville, 1500000465; Bullitt County Fiscal Court, 1500000467.

POST SECONDARY EDUCATION, COUNCIL ON:

Southern Regional Education Board, 1400002070; ACT, 1500000304.

TRANSPORTATION CABINET:

Kosair Children's Hospital, 1500000196; Kentucky Association of Chiefs of Police, 1500000301; Kentucky Association of Chiefs of Police, 1500000306; Kentucky Association of Chiefs of Police, 1500000311; Kentucky Association of Chiefs of Police, 1500000312.

TRAVEL, DEPARTMENT OF:

Bluegrass Sports Commission, Inc., 1500000289.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

AGRICULTURE, DEPARTMENT OF:

Multi, 1300001593; Multi, 1300001595.

DEPARTMENT FOR BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES:

Four Rivers Behavioral Health, 1400000851; Pennyroyal Mental Health, 1400000852; Lifeskills, Inc., 1400000854; Communicare, Inc., 1400000855; Northern Kentucky Regional Mental Health Mental Retardation Board, 1400000857; Comprehend, Inc., 1400000858; Mountain Comp Care Center, 1400000860; Cumberland River Mental Health Mental Retardation Board, Inc., 1400000862;

Lake Cumberland Mental Health Mental Retardation Board d/b/a The Adanta Group, 1400000863; University of Kentucky Research Foundation, 1400001035.

EDUCATION, DEPARTMENT OF:

Somerset Independent, 1300000173; Adair County Board of Education, 1400001094; Campbellsville Independent Board of Education, 1400001096; Eminence Independent Board of Education, 1400001098; Garrard County Board of Education, 1400001100; Clinton County Board of Education, 1400001105; Lincoln County Board of Education, 1400001108; Livingston County Board of Education, 1400001115; Barren County Board of Education, 1400001118; Bethune Institute, 1400001268; Kentucky Valley Education, 1400002827; Eastern Kentucky University, 1400002916.

INFRASTRUCTURE AUTHORITY:

Letcher County Fiscal Court, 0900012845; Letcher County Fiscal Court, 0900012856; Breathitt County WD, 1300001301; Breathitt County WD, 1300001303; Perry County Fiscal Court, 1300001502; Jackson County Fiscal Court, 1400000626.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES:

Supplemental Health Care, 1400001629. Kathy Burke and Stephanie Craycraft discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed.

DEPARTMENT FOR PUBLIC HEALTH:

URS Corporation, 1400001198. Matt McKinley discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

TRANSPORTATION CABINET:

Northrop Grumman Commercial Systems, Inc., 0700005206; Tunnel Management, Inc., 1000002437. A motion was made by Senator Gregory to consider the contracts as reviewed. Representative Crenshaw seconded the motion, which passed.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE SELECTED FOR FURTHER REVIEW:

EDUCATION, DEPARTMENT OF:

Allen County Board of Education, 1500000011; Christian County Board of Education, 1500000022; Lewis County Board of Education, 1500000027; Henderson County Board of Education, 1500000032; Jefferson County Board of Education, 1500000033; Jessamine County Board of Education, 1500000035; Johnson County Board of Education, 1500000036; Lawrence County Board of Education, 1500000039; Magoffin County Board of Education, 1500000041; Powell County Board of Education, 1500000047. Charlie Harmon, Laura Arnold, and Lee Lewis discussed the contracts with the committee. A motion was made by Representative Montell to consider the contracts as reviewed. Representative Crenshaw seconded the motion, which passed.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE SELECTED FOR FURTHER REVIEW:

EDUCATION, DEPARTMENT OF:

Southern Regional Education Board, 1500000179; Southern Regional Education Board, 1500000184. Charlie Harmon, Robin Chandler, and Phillip Shepherd discussed the contracts with the committee. A motion was made by Representative Yonts to consider the contracts as reviewed. Representative Montell seconded the motion, which passed.

EDUCATION, DEPARTMENT OF:

Kentucky Center for the Arts, 1500000245. Charlie Harmon, Robin Chandler, and Phillip Shepherd discussed the contract with the committee. A motion was made by Senator Gregory to consider the contract as reviewed. Representative Yonts seconded the motion, which passed.

EXEMPTION REQUEST:

ENERGY AND ENVIRONMENT CABINET, DIVISION OF WATER:

The Energy and Environment Cabinet, Division of Water, requested an exemption from two year contracting restrictions for Nonpoint Source 319H Grant Program MOAs and PSCs. A motion was made by Representative Yonts to grant the request to September 30, 2018. Representative Crenshaw seconded the motion, which passed without objection.

ENERGY AND ENVIRONMENT CABINET, DIVISION OF WATER:

The Energy and Environment Cabinet, Division of Water, requested an exemption from two year contracting restrictions for the Map Modernization Management Support and Risk Mapping Grant. A motion was made by Representative Yonts to grant the request to

September 30, 2018. Representative Montell seconded the motion, which passed without objection.

ENERGY AND
ENVIRONMENT CABINET, DIVISION OF
CONSERVATION:

The Energy and Environment Cabinet, Division of Conservation, requested an exemption from two year contracting restrictions for Nonpoint Source 319H Grant Program MOAs and PSCs. A motion was made by Representative Yonts to grant the request to September 30, 2018. Representative Crenshaw seconded the motion, which passed without objection.

With no further business before the committee, the meeting adjourned at 10:52 a.m.

2015 Prefiled Bills

BR 7 - Representative Kelly Flood (05/30/14)

AN ACT relating to public benefit corporations.

Amend KRS 14A.3-010, 271B.1-400, 271B.2-020, 271B.6-260, 271B.7-400, 271B.8-300, 271B.13-020, and 271B.16-210, and create a new section of Subtitle 11 of KRS Chapter 271B to establish public benefit corporations.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Judiciary

BR 11 - Representative Diane St. Onge (06/04/14)

AN ACT relating to drone surveillance.

Create a new section of KRS Chapter 500 to define "drone"; prohibit a law enforcement agency from using a drone to gather evidence or other information; provide exceptions; prohibit use of evidence obtained in violation; provide that the Act may be cited as the "Citizens' Freedom from Unwarranted Surveillance Act."

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Judiciary

BR 14 - Representative Diane St. Onge (06/04/14)

AN ACT relating to preserving the right of Kentuckians to own and use firearms.

Create new sections of KRS Chapter 237 to declare legislative intent; invalidate and nullify all federal laws and regulations restricting ownership or possession of firearms; direct the General Assembly to take all appropriate action to safeguard Kentuckian's rights to possess firearms in accordance with the second Amendment to the Constitution of the United States and Section 1 of the Constitution of Kentucky; amend KRS 527.040 to add persons who have been dishonorably discharged from the Armed Forces of the United States and persons illegally or unlawfully in the United States to the list of persons who shall not possess firearms.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Judiciary

ciary

BR 19 - Senator Gerald A. Neal (07/16/14)

AN ACT relating to the abolition of the death penalty.

Create a new section of KRS Chapter 532 to abolish the death penalty and replace it with life imprisonment without parole for inmates presently sentenced to death; amend various sections of the Kentucky Revised Statutes to eliminate the term "capital offense" and replace it with Class A felony; amend KRS 532.030, relating to authorized dispositions for felony offenses, to permit imprisonment for life without parole and imprisonment for life without parole for 25 years for offenses formerly denominated as capital offenses; amend KRS 533.010, relating to probation, to prohibit probation for a person sentenced to life without parole or life without parole for 25 years; amend KRS 640.040, relating to penalties for juveniles convicted of felony offenses, to authorize imprisonment for life without benefit of parole for 25 years, but not life imprisonment without benefit of parole, for a Class A felony which was formerly a capital offense; repeal various statutes relating to imposition of the death penalty.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Judiciary

BR 20 - Senator Gerald A. Neal (07/16/14)

A CONCURRENT RESOLUTION establishing the Task Force on the Costs of the Death Penalty in Kentucky.

Establish a task force to study the costs of administering the death penalty in Kentucky; establish membership of task force; provide that the task force is to study the costs to the state and local governments related to administering the death penalty in all phases of the criminal justice system and the number and outcomes of death-eligible cases; require the task force to submit a report to the Legislative Research Commission by December 1, 2015.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Judiciary

BR 21 - Senator Gerald A. Neal (07/16/14)

AN ACT proposing an amendment to Section 145 of the Constitution of Kentucky relating to persons entitled to vote.

Propose to amend Section 145 of the Constitution of Kentucky to allow persons convicted of a felony, other than felonies designated by the General Assembly, the right to ; submit to the voters for ratification or rejection.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Judiciary

BR 22 - Senator Gerald A. Neal (07/16/14)

AN ACT relating to offender reentry.

Amend various sections in KRS Chapter 335B relating to employment and licensure of persons convicted of crime to narrow the class of offenses to which the chapter applies; add consideration of the passage of time since the commission of the offense to the criteria considered in making licensure decisions; delete language relating to a hiring or licensing authority's subjective view of an ex-offender's rehabilitation; require a connection between the offense and the licensure category before a licensure denial is issued; repeal, reenact, and amend KRS 335B.060 to exempt peace officers and other law enforcement personnel as well as licensure categories preempted by federal law; repeal KRS 335B.040, relating to denial of license on ground of abuse of good moral character.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Judiciary

BR 30 - Representative Diane St. Onge (07/02/14)

AN ACT relating to the valuation of motor vehicles for property tax purposes.

Amend KRS 132.485 to clarify that the "rough trade-in" value or "clean trade-in" value shall not be used to determine the standard value of a motor vehicle.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Transportation

BR 31 - Representative Diane St. Onge (07/11/14)

AN ACT relating to individual income tax.

Create a new section of KRS Chapter 141 to allow an extension of time for filing a refund claim for an individual who: received an

airline payment amount and transferred any portion of the amount to an IRA according to Section 1106 of the federal FAA Modernization and Reform Act of 2012, Public Law 112-95; filed an amended return with the Internal Revenue Service excluding the airline payment amount from federal gross income, received a refund of the federal income tax based upon the amended return and filed an amended return with the Department of Revenue requesting a refund, was denied a refund of Kentucky income tax based on KRS 134.580, and received a refund of the federal income tax based upon an amended return filed; require certain documentation to be filed with the amended return; allow the amended return to be resubmitted on or before December 30, 2015.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Appropriations and Revenue

BR 34 - Representative Stan Lee (08/05/14)

AN ACT relating to interscholastic extracurricular activities.

Create a new section of KRS Chapter 158 to authorize participation in a public school interscholastic extracurricular activity by a private school student when the private school does not offer the interscholastic extracurricular activity; establish criteria for participation therein.

(Prefiled by the sponsor(s).)

BR 35 - Senator Reginald Thomas (06/25/14)

AN ACT relating to oaths.

Amend KRS 6.072 to require witnesses appearing before a committee to take an oath prior to giving testimony.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on State Government

BR 36 - Senator Reginald Thomas (07/08/14)

AN ACT relating to general principles of justification.

Create a new section of KRS Chapter 503 to incorporate the "no duty to retreat" provisions elsewhere in the chapter; amend KRS 503.050, 503.055, 503.070, and 503.080 to require a reasonable belief that defensive force is necessary before it is justified; change the term "great bodily harm" to "serious physical injury" as used throughout the Penal Code; amend KRS 503.060 to require an initial aggressor to retreat before the use of force can be rejustified; prepal KRS 503.120.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Judiciary

BR 37 - Senator Reginald Thomas (09/12/14)

AN ACT relating to deferred deposit transactions.

Amend KRS 286.9-010, relating to deferred deposit transactions, to define "annual percentage rate," "consideration," and "interest"; amend KRS 286.9-100 to delete the service fee of \$15 per \$100 loan and establish a tiered maximum annual percentage rate based on the face amount of the deferred deposit check; provide that making a deferred deposit transaction in violation of the maximum interest provisions is an unfair, false, misleading and deceptive practice in violation of the Consumer Protection Act and subject to its rights and remedies; prohibit a licensee from engaging in deceptive practices to evade the requirements of Subtitle 9 of KRS Chapter 286; amend KRS 286.9-102 to require a licensee to conspicuously display interest charges for services; create a new section of Subtitle 9 of KRS Chapter 286 to provide that knowing violation of the maximum allowable interest rate provisions shall be deemed a forfeiture of the entire interest for the transaction and that the person who paid the interest, or his or her legal representative, may recover twice the amount paid in any action against the lender if commenced within two years of the deferred deposit transaction.

(Prefiled by the sponsor(s).)

BR 40 - Representative Thomas Kerr (07/10/14)

AN ACT relating to grandparent visitation rights.

Repeal and reenact KRS 405.021 to grant visitation to grandparents if it is in the child's best interest based on listed factors.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Judiciary

BR 56 - Senator John Schickel (07/02/14)

AN ACT relating to trafficking in heroin.

Amend KRS 218A.1412 to require that persons who violate that section by trafficking in heroin be charged as Class C felons for the first offense and to require that those persons serve at least 50% of the sentence imposed for the violation before being released on probation or

parole.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Judiciary

BR 57 - Senator John Schickel (07/03/14)

AN ACT relating to school funding.

Amend KRS 157.310 to clarify the intention of the General Assembly that no mandate be placed

on the public schools without program funding to carry out the mandate; require legislation relating to the public schools that includes a fiscal note pursuant to KRS 6.955 or a state mandate pursuant to KRS 6.965 to include provision for funding that is adequate for compliance with the mandate; clarify that no school district shall be compelled to comply with mandated enactments of the General Assembly that do not provide adequate funding.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Education

BR 58 - Representative Brent Yonts (07/31/14)

AN ACT relating to the transfer of academic credit.

Amend KRS 164.2951 to require the Council on Postsecondary Education to implement a dual credit course policy; amend KRS 164.583 to require acceptance of articulated credit courses at all public colleges and universities.

(Prefiled by the sponsor(s).)

BR 64 - Representative Kim King (08/21/14)

AN ACT relating to sex offender registrants.

Amend KRS 17.545 to prohibit sex offender registrants from being present on the grounds of a publically owned playground without advance written permission.

(Prefiled by the sponsor(s).)

BR 65 - Representative Kim King (08/21/14)

AN ACT relating to legislative procedures for state fiscal measures.

Create a new section of KRS Chapter 6 to require roll call votes on any appropriation or revenue-raising measure voted upon in the Senate or House or a committee thereof; require identification of appropriation or revenue measures as state fiscal measures by the director of the Legislative Research Commission, or

upon a determination by the Senate or House or a committee of either; require separate votes for appropriations or revenue measures; require committees to vote on appropriation and revenue measures by roll call votes.

(Prefiled by the sponsor(s).)

BR 66 - Representative Kim King (08/21/14)

AN ACT relating to foreign law.

Create new sections of KRS Chapter 454 to establish legislative intent that the rights of an individual afforded under the Constitutions of the Commonwealth and the United States take precedence over the application of any foreign law in any judicial or quasi-judicial proceeding; define specific terms; strictly construe waivers of constitutional rights; provide exceptions for corporate entities; prohibit choice of venue outside of the Commonwealth or United States to preserve the constitutional rights of the person against whom enforcement is sought.

(Prefiled by the sponsor(s).)

BR 67 - Representative Kim King (08/21/14)

AN ACT relating to school notification of persons authorized to contact or remove a child.

Create a new section of KRS Chapter 620 to require the Cabinet for Health and Family Services, if the cabinet is granted custody of a dependent, neglected, or abused child, to notify the school in which the child is enrolled of persons authorized to contact the child or remove the child from school grounds.

(Prefiled by the sponsor(s).)

BR 68 - Representative Kim King (08/21/14)

AN ACT proposing an amendment to Section 42 of the Constitution of Kentucky relating to compensation for members of the General Assembly.

Propose to amend Section 42 of the Constitution of Kentucky to prohibit members of the General Assembly from receiving legislative pay for a special session that has been called by the Governor because the General Assembly adjourned without passing a state budget; submit to the voters with ballot question.

(Prefiled by the sponsor(s).)

BR 69 - Representative Thomas Kerr (07/15/14)

AN ACT relating to the inheritance tax.
Amend KRS 140.070 to redefine class

A beneficiaries to include daughters-in-law and sons-in-law for purposes of the inheritance tax; provide that the amendment applies to estates of decedents dying on or after July 1, 2015.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Appropriations and Revenue

BR 70 - Representative Hubert Collins (08/05/14)

AN ACT relating to the disposal of vehicles forfeited to law enforcement agencies.

Amend KRS 218A.420, regarding the disposition of forfeited property, to clarify that any vehicle forfeited which is contaminated with methamphetamine shall not be used, resold, or salvaged for parts, but shall instead be destroyed or salvaged for scrap metal; clarify that determination of methamphetamine contamination is made by law enforcement agencies; clarify that the presence of prepackaged materials or other products or precursors not subject to extraction shall not qualify a vehicle as being contaminated.

(Prefiled by the sponsor(s).)

BR 71 - Representative Hubert Collins (08/05/14)

AN ACT relating to the valuation of motor vehicles for property tax purposes.
Amend KRS 132.485 to clarify the standards for appraising the value of motor vehicles that are 20 years old or older for property tax purposes, by providing that no vehicle of said age shall be presumed to have been maintained or restored to either the original factory condition or any otherwise classic condition, and also by establishing the standard value of said vehicles; provide that the Act shall apply to motor vehicles assessed on or after January 1, 2016.

(Prefiled by the sponsor(s).)

BR 79 - Representative Rocky Adkins (07/22/14)

A CONCURRENT RESOLUTION honoring the aviation and aerospace industry upon being the top industry exporter in the Commonwealth, and requesting an evaluation of the aviation infrastructure and the industry's current employment and total economic impact upon the Commonwealth.

Honor the aviation and aerospace industry upon being the top industry exporter in the Commonwealth; request the Transportation Cabinet and the Cabinet for Economic Develop-

ment to evaluate and report on the aviation infrastructure, the industry's current employment, and the total economic impact on the Commonwealth.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Economic Development and Tourism

BR 80 - Senator Jimmy Higdon (07/22/14)

AN ACT relating to the safety of minors and declaring an emergency.

Create a new section of KRS Chapter 411 to provide civil immunity for damaging a vehicle to a person who enters a vehicle with the good faith belief that a minor is in imminent danger of harm if not removed from the vehicle; encourage Transportation Cabinet to implement education on children left in vehicles; EMERGENCY.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Judiciary

BR 82 - Senator Reginald Thomas (08/18/14)

AN ACT relating to education.

Amend KRS 157.200 to provide that programs for special education students extend through the school year in which they reach their 22nd birthday; amend KRS 159.990 to conform.

(Prefiled by the sponsor(s).)

BR 84 - Representative Darryl T. Owens (08/08/14)

AN ACT proposing an amendment to Section 145 of the Constitution of Kentucky relating to persons entitled to vote.

Propose to amend Section 145 of the Constitution of Kentucky to restructure the voting restrictions contained therein relating to felons and persons with mental disabilities; submit to the voters for ratification or rejection.

(Prefiled by the sponsor(s).)

BR 85 - Senator Christian McDaniel (09/08/14)

AN ACT relating to the disclosure of public retirement information.

Amend KRS 61.661, 161.585, and 21.540 to require the Kentucky Retirement Systems, Kentucky Teachers' Retirement System, Legislators' Retirement Plan, and the Judicial Retirement Plan to disclose upon request the retirement benefit information of current and former members of the General Assembly

including their name, status, and projected or actual retirement benefit payments.

(Prefiled by the sponsor(s).)

BR 90 - Senator Gerald A. Neal (07/16/14)

AN ACT proposing an amendment to Section 145 of the Constitution of Kentucky relating to persons entitled to vote.

Propose to amend Section 145 of the Constitution of Kentucky to allow persons convicted of a felony other than treason, intentional killing, a sex crime, or bribery the right to vote after expiration of probation, final discharge from parole, or maximum expiration of sentence; submit to the voters for ratification or rejection.

(Prefiled by the sponsor(s).)

To: Interim Joint Committee on Judiciary

BR 96 - Representative Thomas Kerr (08/25/14)

AN ACT relating to stalking.

Amend KRS 403.720 to include stalking in the definition of "domestic violence and abuse," thereby allowing protective orders to be issued.

(Prefiled by the sponsor(s).)

BR 97 - Representative Thomas Kerr (09/09/14)

AN ACT relating to public school standards.

Create a new section to KRS Chapter 158 to prohibit the Kentucky Board of Education and the Kentucky Department of Education from implementing the English language arts and mathematics academic content standards developed by the Common Core Standards Initiative and the science academic content standards developed by the Next Generation Science Standards Initiative; require the state board to recommend new content standards to school districts and schools after consultation with the Council on Postsecondary Education; require public involvement in standards development; clarify the authority of the local board of education to adopt standards which differ from or exceed the standards approved by the state board; clarify that the school-based decision making councils shall develop policies based upon the standards adopted by the local boards of education; prohibit state officials from ceding control of education content standards and assessments; prohibit withholding of state funds from school districts

for adopting different academic content standards; amend KRS 156.070 to limit disclosure of personally identifiable information; direct the Kentucky Board of Education to require that the Department of Education and all school districts adhere to transparency and privacy standards when outsourcing data and Web-based tasks to vendors; clarify vendor contract requirements; amend KRS 158.6453 to permit a local board of education to supplement the state board-approved academic content standards with higher and more rigorous standards and require school councils to use them to fulfill curriculum policy requirements; amend KRS 160.345 to clarify school council curriculum policy authority.

(Prefiled by the sponsor(s).)

BR 116 - Representative Fitz Steele (08/14/14)

AN ACT relating to coal severance revenues.

Amend various sections in KRS Chapter 42 to distribute 100% of coal severance revenues among the coal producing counties on the basis of the tax collected on coal severed or processed in each respective county; amend KRS 143.090 and 164.7891 to make conforming changes; repeal KRS 42.490.

(Prefiled by the sponsor(s).)

BR 117 - Representative Fitz Steele (08/14/14)

AN ACT relating to dextromethorphan abuse.

Create new sections of KRS Chapter 218A to prohibit any person from possessing one gram or more of pure dextromethorphan or dextromethorphan that has been extracted from solid or liquid form; prohibit sale of products containing dextromethorphan as the only active ingredient to individuals younger than 18; require any person selling a product containing dextromethorphan to require that prospective buyers show a photo ID and sign a document stating the customer is older than 18 before purchase; create an affirmative defense for the retailer if a minor utilizes a fraudulent ID; prohibit individuals younger than 18 from misrepresenting their age and from utilizing a fraudulent ID to purchase or obtain dextromethorphan; establish penalties for violation.

(Prefiled by the sponsor(s).)

BR 118 - Representative Fitz Steele (08/14/14)

AN ACT relating to sales and use tax holidays and declaring an emergency.

Create a new section of KRS Chapter

139 to establish a three day sales and use tax holiday the first weekend in August each year to exempt clothing, school supplies, school art supplies, computers, and school computer supplies; EMERGENCY.

(Prefiled by the sponsor(s).)

**BR 132 - Representative David Floyd
(09/12/14)**

AN ACT relating to the valuation of motor vehicles for property tax purposes.

Amend KRS 132.485 to clarify the standards for appraising the value of motor vehicles that are 20 years old or older for property tax purposes, by providing that no vehicle of that age shall be presumed to have been maintained or restored to either the original factory condition or any otherwise classic condition, and also by establishing the standard value of those vehicles; provide that the Act shall apply to motor vehicles assessed on or after January 1, 2016.

(Prefiled by the sponsor(s).)

**BR 138 - Representative Jeff Hoover
(08/20/14)**

AN ACT proposing an amendment to Section 145 of the Constitution of Kentucky relating to persons entitled to vote.

Propose to amend Section 145 of the Constitution of Kentucky to restore the right to vote to persons convicted of a felony after service of their sentence, expiration of probation, or final discharge from parole, unless the offense was treason, intentional murder, rape, sodomy, sexual abuse of a child, bribery in an election or another crime specified by the General Assembly; delete language in the 1891 Constitution referring to persons as "idiots and insane persons"; submit to the voters for ratification or rejection.

(Prefiled by the sponsor(s).)

**BR 168 - Representative Joni L. Jenkins
(09/08/14)**

AN ACT relating to controlled substances.

Amend KRS 218A.050 to add the substance acetylfentanyl to the list of Schedule I controlled substances.

(Prefiled by the sponsor(s).)

**BR 175 - Representative Larry Clark
(09/11/14)**

AN ACT relating to districts of innovation.

Amend KRS 160.107 to allow a waiver or modification of the statewide assessment system for schools participating in a district of innovation plan, under specific conditions; allow a district of innovation to use student assessments other than those required by the state board, under specific conditions.

(Prefiled by the sponsor(s).)

**BR 178 - Representative Ron Crimm
(09/11/14)**

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).)

**BR 180 - Representative Ron Crimm
(09/11/14)**

AN ACT relating to sales and use taxation.

Amend KRS 139.570, relating to sales and use tax, to increase the maximum amount of vendor compensation to \$250 in any reporting period; EFFECTIVE July 1, 2015.

(Prefiled by the sponsor(s).)

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* - denotes primary sponsorship of BRs

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McDaniel, Christian
BR85*
Neal, Gerald A.
BR19*
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