

# Final Reports Of The Interim Joint, Statutory, And Special Committees 2023

Informational Bulletin No. 265

January 2024



# Kentucky Legislative Research Commission

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The Kentucky Legislative Research Commission is a 16-member committee that comprises the majority and minority leadership of the Kentucky Senate and House of Representatives. Under Chapter 7 of the Kentucky Revised Statutes, the Commission constitutes the administrative office for the Kentucky General Assembly. Its director serves as chief administrative officer of the legislature when it is not in session. The Commission and its staff, by law and by practice, perform numerous fact-finding and service functions for members of the General Assembly. The Commission provides professional, clerical, and other employees required by legislators when the General Assembly is in session and during the interim period between sessions. These employees, in turn, assist committees and individual members in preparing legislation. Other services include conducting studies and investigations, organizing and staffing committee meetings and public hearings, maintaining official legislative records and other reference materials, furnishing information about the legislature to the public, compiling and publishing administrative regulations, administering a legislative intern program, conducting a pre-session orientation conference for legislators, and publishing a daily index of legislative activity during sessions of the General Assembly.

The Commission also is responsible for statute revision; publication and distribution of the *Acts* and *Journals* following sessions of the General Assembly; and maintenance of furnishings, equipment, and supplies for the legislature.

The Commission functions as Kentucky's Commission on Interstate Cooperation in carrying out the program of The Council of State Governments as it relates to Kentucky.

**Final Reports Of The Interim  
Joint, Statutory, And Special  
Committees**

**2023**

**Presented to the  
Legislative Research Commission  
and the  
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Kentucky General Assembly**

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Frankfort, Kentucky  
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**January 2024**



## Foreword

Sections 36 and 42 of the Constitution of Kentucky provide that the General Assembly shall meet on the first Tuesday after the first Monday in January for 60 legislative days in even-numbered years, and for 30 legislative days, including up to 10 days for an organizational component, in odd-numbered years.

Between legislative sessions, the interim joint committees of the Legislative Research Commission, as well as statutory and special committees, meet to discuss and receive testimony on a number of important issues that may confront the General Assembly.

During the 2023 Interim, all 15 interim joint committees, 11 statutory committees, and 7 special committees held meetings.

The Legislative Research Commission provides this informational booklet as a summary of the activity of the interim joint, statutory, and special committees since adjournment of the 2023 General Assembly. The reports were prepared separately by the staff of the committees.

Jay D. Hartz  
Director

Legislative Research Commission  
Frankfort, Kentucky  
January 2024



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## **Report Of The 2023 Interim Joint Committee On Agriculture**

**Sen. Jason Howell, Co-Chair**  
**Rep. Richard Heath, Co-Chair**

Sen. Cassie Chambers Armstrong  
Sen. Gary Boswell  
Sen. Jared Carpenter  
Sen. Matthew Deneen  
Sen. David P. Givens  
Sen. Damon Thayer  
Sen. Robin L. Webb  
Sen. Stephen West  
Sen. Whitney Westerfield  
Sen. Mike Wilson  
Rep. Chad Aull  
Rep. Mike Clines  
Rep. Jonathan Dixon  
Rep. Daniel Fister

Rep. Derrick Graham  
Rep. David Hale  
Rep. Kim King  
Rep. Matthew Koch  
Rep. Shawn McPherson  
Rep. Amy Neighbors  
Rep. Michael Sarge Pollock  
Rep. Phillip Pratt  
Rep. Brandon Reed  
Rep. Sarah Stalker  
Rep. Cherlynn Stevenson  
Rep. Nancy Tate  
Rep. Walker Thomas  
Rep. James Tipton

LRC Staff: Stefan Kasacavage, Hillary Abbott, Kelly Ludwig, and Susan Spoonamore

Jurisdiction: Matters pertaining to crops, livestock, poultry, and their marketing; disease control; warehousing; tobacco; stockyards; agricultural cooperatives and marketing associations; agriculture weights and measures; veterinarians; the State Fair; and county fairs.

## **Committee Activity**

The Interim Joint Committee on Agriculture held six meetings.

### **Kentucky's Watershed Dams**

The commissioner of the Kentucky Department for Natural Resources testified that Kentucky has 200 watershed dams, many of which were built with a lifespan of 50 or 100 years in the 1960s and 1970s by the US Department of Agriculture's Natural Resources Conservation Service (USDA-NRCS). Every county has a soil and water conservation district, and the dams are owned and maintained by watershed conservancy districts or local governments. Due to outdated or uncollected assessments from some watershed conservancy districts, the funds to repair the dams are inadequate. Of the 200 dams in Kentucky, 48 have high hazard potential, 17 have significant hazard potential, and 135 have low hazard potential.

The Kentucky Energy and Environment Cabinet provided testimony that the Kentucky 2022-2023 budget included \$5 million for rehabilitation grants to noncompliant or high-hazard watershed dams. USDA-NRCS identified three priority watershed dams. The second- and third-priority projects are assumed to consume the \$5 million allocation. Additionally, approximately 10 to 12 watershed dams will need rehabilitation soon.

The committee heard testimony regarding potential 2024 Regular Session legislation related to watershed dams. This legislation would establish a new procedure for the discontinuance of inactive watershed conservancy district boards. To discontinue such a board, the legislation would require either at least a year of board inactivity or the failure of the board to adopt and fund a budget; in addition, the legislation would require immunity from personal liability for official acts taken in good faith by soil and water conservation and watershed conservancy board members. The legislation would allow soil and water conservation districts and watershed conservancy districts to use funds appropriated for the Department for Local Government's Local Match Participation Program.

### **Economic Relief For Local Communities**

2023 RS HB 9 enabled the Department for Local Government to enter a partnership with the Kentucky Council of Area Development Districts (ADDs) to create and administer the Kentucky Government Resources Accelerating Needed Transformation (GRANT) Program. The objective of the program is to leverage state dollars for public projects that revitalize rural communities, as access to federal grant dollars requires a state match.

The federal Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization identified 25 areas across the United States that need economic revitalization due to job losses and downturns associated with the fossil fuel industry. This includes two areas in Kentucky for funding: 21 counties in eastern Kentucky and 20 counties in western Kentucky.

Any local government, nonprofit, ADD, or coalition of such entities can apply to the GRANT Program for the state match. Upon approval of a federal grant, the Department for Local Government will enter into an agreement to release the approved funds to the applicant's project.

The Purchase Area ADD has been working on projects relating to port facilities in western Kentucky. The Big Sandy ADD has identified \$164 million of water and wastewater projects needed to improve the area.

### **Management Of Asian Carp**

The commissioner of the Kentucky Department of Fish and Wildlife Resources stated that the department has created an industry to mitigate Asian carp. Since 2013, Kentucky has increased its efforts to mitigate the population of invasive carp.

There are 10 full-time, federally funded positions in the department that work with carp: five in western Kentucky and five in Frankfort. The department's goal is to eradicate invasive carp by slowing their expansion into new waters, and to create programs and regulations to assist those who fish commercially for Asian carp. In addition, the department has provided regulatory exceptions to fish for invasive carp. The Center for Economic and Entrepreneurial Development at Murray State University has collaborated with the department to minimize the number of invasive carp.

### **Farmer And Rural Community Mental Health**

Representatives of the Raising Hope program explained that it was developed to promote the mental health and safety of farmers. Raising Hope has projects planned to expand mental health first aid training, community outreach through youth curriculums, and efforts such as Farmer Appreciation Day. The first Farmer Appreciation Day was held in Frankfort in September, hosted by the Kentucky Department of Agriculture (KDA) and attended by more than 700 people. Raising Hope has partnered with the University of Kentucky (UK) Cooperative Extension Service to research environments and factors that impact the mental health of farmers.

### **Programming And Projects At UK And Murray State**

The dean of the Martin-Gatton College of Agriculture, Food, and Environment at UK testified about the college's receipt of \$40.9 million in external grants and contracts in 2023. The college received a commitment of \$100 million over 20 years from the Bill Gatton Foundation to grow the college and invest in innovation. The dean provided an update on buildings that are to be rebuilt or repaired, announcing that UK Healthcare will be expanding on land occupied by college buildings. As such, UK has a capital request for an agricultural research building and a Meat and Food Workforce Development Center.

The associate dean of Murray State's Hutson School of Agriculture (HSA) discussed current and upcoming programs, recruitment efforts, new partnerships within the national agriculture industry, and the eventual shift from a School of Agriculture to a College of Agriculture.

## **Shortage Of Large-Animal Veterinarians**

The commissioner and the chief of staff of KDA and the new state veterinarian testified regarding KDA's efforts to combat the shortage of large-animal veterinarians, including an update about Kentucky's Veterinarian Shortage Working Group. KDA made a funding request for the Office of State Veterinarian to provide four positions in the newly established Emergency Preparedness and Response Division and 11 positions in its Field Division. Additionally, KDA provided discussion of the Large/Food Animal Veterinary Incentive Program, administered through the Kentucky Agricultural Development Board (KADB), which provides dollars to assist veterinarians with startup or expansion costs.

Representatives from the Auburn University (AU) College of Veterinary Medicine testified regarding the 72-year Southern Regional Education Board (SREB) reciprocity agreement between the college and Kentucky. The SREB contract allows Kentucky students to pay in-state tuition and fees to AU, with Kentucky paying the difference between the in-state and normal out-of-state costs. AU announced a partnership with KADB and the Kentucky Veterinary Medical Association to extend grant programs that emphasize the educational pipeline in Kentucky to veterinary school. The first session of this partnership began in September with AU veterinary students mentoring 10 Kentucky high school students.

The dean of the Hutson School of Agriculture discussed the school's commitment to keeping students in Kentucky after they complete their schooling. HSA has a dual-credit agriculture program for high schoolers that creates a conduit from high school into HSA. The dean discussed Murray State's feasibility study regarding the possible creation of its own College of Veterinary Medicine. The belief at Murray State is that the Kentucky immersed approach to recruitment and study would help make such a college a success in meeting the large-animal and rural veterinary shortage.

## **Alternative Fuels**

The committee heard testimony from the Finance and Administration Cabinet regarding the conversion of state fleet vehicles to alternative/energy efficient fuel as codified in 2023 RS SB 281. Although the required minimum of 50 percent of state fleet vehicles have transitioned, the shift to E-85 fuel has proven difficult to complete. Strategies—including additional changes to statute—were discussed on how to help the cabinet meet the requirements of SB 281.

## **State Fair Board**

At the State Fair in Louisville, the president and CEO of Kentucky Venues provided updates on fair activities and Kentucky Exposition Center projects funded by the General Assembly. The president explained that revenues and attendance are beginning to recover after a slump caused by the COVID-19 pandemic. The mayor of Louisville Metro explained his vision for the State Fair/Kentucky Exposition Center.

## **Administrative Regulations**

During the 2023 Interim, KDA referred seven administrative regulations to the committee. They related to amusement park rides and grain production.

## **Legislative Proposals/Policy Positions Received**

The committee received the following legislative proposals:

### **Kentucky Farm Bureau**

- Maintain support for Auburn and Tuskegee veterinary spots for Kentucky students.
- Explore incentives for Kentucky students to pursue large- and food-animal veterinary medicine by partnering with regional veterinary programs.
- Address needed investment in the state's riverport industry.
- Lower the minimum acreage threshold for prime farmland to qualify as an agricultural district from 250 to 50 acres.

### **Kentucky Cattlemen's Association**

- Support one-time budget request for the Kentucky Livestock Innovation Center.
- Support Representative Matthew Koch's veterinarian practice act and continue supporting and adopting measures to better recruit and retain large- and food-animal veterinarians.
- Support adequate funding for food animal research and food safety.

## **Reports Received**

The committee received the following reports:

- Finance and Administration Cabinet, 2022 Property Tax Assessment Procedures for Well-Managed Forests
- University of Kentucky Cannabis Center, 2023 Report
- Kentucky Department of Fish and Wildlife Resources, Status of Chronic Wasting Disease and Wildlife Diseases 2023 Report



## **Report Of The 2023 Interim Joint Committee On Appropriations And Revenue**

**Sen. Christian McDaniel, Co-Chair**  
**Rep. Jason Petrie, Co-Chair**

Sen. Gary Boswell  
Sen. Matthew Deneen  
Sen. Donald Douglas  
Sen. Shelley Funke Frommeyer  
Sen. David P. Givens  
Sen. Amanda Mays Bledsoe  
Sen. Gerald A. Neal  
Sen. Michael J. Nemes  
Sen. Robin L. Webb  
Rep. Kim Banta  
Rep. Danny Bentley  
Rep. Adam Bowling  
Rep. Josh Branscum  
Rep. Josh Bray  
Rep. George Brown Jr.  
Rep. Myron Dossett

Rep. Patrick Flannery  
Rep. Ken Fleming  
Rep. Deanna Frazier Gordon  
Rep. Chris Freeland  
Rep. Chris Fugate  
Rep. Al Gentry  
Rep. Mark Hart  
Rep. DJ Johnson  
Rep. Bobby McCool  
Rep. Shawn McPherson  
Rep. Ruth Ann Palumbo  
Rep. Josie Raymond  
Rep. Brandon Reed  
Rep. Steve Riley  
Rep. Cherlynn Stevenson  
Rep. Ken Upchurch

LRC Staff: Jennifer Hays, Cynthia Brown, Sarah Watts, Katy Jenkins, Adam Johnson, and Fantasia Tackett

Jurisdiction: Matters pertaining to the executive budget and other appropriations of state moneys; the levying of state and local taxes, including school taxes; property tax rates and assessments; the state debt; revenue bond projects; claims upon the treasury; accounting of state funds by local officers; audits for state purposes; budget and financial administration; and payment, collection, and refund of taxes.

## **2023 Interim Budget Review Subcommittee Organization And Membership**

### **Budget Review Subcommittee On Economic Development, Tourism, And Environmental Protection**

**Sen. Gary Boswell, Co-Chair**

**Rep. Chris Fugate, Co-Chair**

Sen. Denise Harper Angel

Sen. Brandon Smith

Rep. Chad Aull

Rep. Josh Bray

Rep. Al Gentry

Rep. Mark Hart

Rep. Matt Lockett

Rep. Russell Webber, ex officio

LRC Staff: Joey Holt, Kevin Newton, Sara Rome, and Amie Elam

### **Budget Review Subcommittee On Education**

**Sen. Matthew Deneen, Co-Chair**

**Rep. Kim Banta, Co-Chair**

**Rep. Bobby McCool, Co-Chair**

Sen. Gerald A. Neal

Sen. Steve West

Rep. Shane Baker

Rep. Adam Bowling

Rep. Tina Bojanowski

Rep. Derrick Graham

Rep. Josie Raymond

Rep. Steve Riley

Rep. Scott Lewis

Rep. Killian Timoney

Rep. James Tipton, ex officio

LRC Staff: Liz Columbia, Sara Rome, Justin Smith, David Talley, Ethan Williams,  
and Amie Elam

**Budget Review Subcommittee On General Government,  
Finance, Personnel, And Public Retirement**

**Sen. Michael J. Nemes, Co-Chair**  
**Rep. Ken Fleming, Co-Chair**  
**Rep. Chris Freeland, Co-Chair**

Sen. Robby Mills	Rep. Mary Beth Imes
Sen. Reginald Thomas	Rep. DJ Johnson
Rep. George Brown Jr.	Rep. Ruth Ann Palumbo
Rep. Myron Dossett	Rep. Josie Raymond
Rep. Al Gentry	Rep. Nancy Tate

Rep. Kevin D. Bratcher, ex officio  
Rep. Randy Bridges, ex officio  
Rep. David Hale, ex officio

LRC Staff: Liz Columbia, Joey Holt, Zach Ireland, Emma Mills, Perry Papka, Justin Perry,  
Sara Rome, Jeremy Simpson, Savannah Wiley, and Jennifer Luttrell

**Budget Review Subcommittee On Human Resources**

**Sen. Donald Douglas, Co-Chair**  
**Rep. Danny Bentley, Co-Chair**

Sen. Karen Berg	Rep. Ken Fleming
Sen. Leslie Tichenor	Rep. Josie Raymond
Rep. Adam Bowling	Rep. Lisa Willner

Rep. Samara Heavrin ex officio  
Rep. Kimberly Poore Moser, ex officio

LRC Staff: Miriam Fordham, Kevin Newton, and Benjamin Thompson

**Budget Review Subcommittee On Justice And Judiciary**

**Sen. Shelley Funke Frommeyer, Co-Chair**

**Rep. Patrick Flannery, Co-Chair**

Sen. Michael J. Nemes

Sen. John Schickel

Sen. Robin L. Webb

Rep. George Brown Jr.

Rep. Jennifer Decker

Rep. Nima Kulkarni

Rep. Scott Sharp

Rep. Daniel Elliott, ex officio

LRC Staff: Zach Ireland, Perry Papka, and Benjamin Thompson

**Budget Review Subcommittee On Transportation**

**Sen. Jimmy Higdon, Co-Chair**

**Rep. Ken Upchurch, Co-Chair**

Sen. Brandon J. Storm

Sen. Johnnie Turner

Sen. David Yates

Rep. Josh Branscum

Rep. Thomas Huff

Rep. Shawn McPherson

Rep. Ruth Ann Palumbo

Rep. Tom Smith

Rep. Ashley Tackett Laferty

Rep. John Blanton, ex officio

LRC Staff: Justin Perry, Savannah Wiley, and Spring Emerson

**Ex Officio Members For All Budget Review Subcommittees**

Sen. Amanda Mays Bledsoe

Sen. Chris McDaniel

Rep. Jason Petrie

Rep. Brandon Reed

## **Committee Activity**

The Interim Joint Committee on Appropriations and Revenue held six meetings.

### **Department Of Military Affairs**

Representatives of the Department of Military Affairs provided an update on 2022-2023 nongovernmental expenditures (NGEs). The annual appropriation for NGEs was \$4.5 million, but \$273 million was expended. The excess funding was drawn from the Budget Reserve Trust Fund. Kentucky faced challenges in obtaining timely reimbursements from the Federal Emergency Management Agency for disaster-related expenditures. The state's response to the western Kentucky tornadoes and eastern Kentucky flooding prompted the establishment of Eastern Kentucky State Aid Funding for Emergencies, Western Kentucky State Aid Funding for Emergencies, Team Kentucky funds, and a \$400 million allocation for NGEs.

### **Broadband Deployment Fund**

The executive director of the Office of Broadband Deployment and the state budget director discussed the implementation of the broadband deployment fund, aimed at ensuring universal access to high-speed internet. Approximately \$90 million in awards were granted, leveraging state and local fiscal recovery funds. Challenges arose as project applications exceeded the budget, necessitating revisions. The next phase, the Broadband Equity Access and Deployment program, awaits funding decisions based on Federal Communications Commission maps. Kentucky's potential share of \$1 billion is contingent on the National Telecommunications and Information Administration's announcement. The committee was informed that a 5-year action plan was due by August 12, 2023, with an allocation release structure—20 percent upon initial approval and the remaining 80 percent upon final proposal approval.

### **Personnel Cabinet Compensation Study**

A representative of the Personnel Cabinet provided an update on the compensation and classification study mandated by 2022 RS HB 444. The study, facilitated by Korn Ferry, covered 1,155 job classifications, with 89 percent requiring adjustments. Issues related to salary compression were addressed, ensuring clarity on reporting structures following grade changes. The study was to be completed by November 1, 2023.

### **Kentucky Horse Racing Commission And Sports Wagering Implementation**

Senator Damon Thayer and representatives of the Kentucky Horse Racing Commission presented an update on implementation of 2023 RS HB 551. The discussion encompassed funding, taxation considerations, and a comprehensive review of funding sources. An overview of the established timeline, including consultations with states with relevant experience, was provided. Details on the commencement dates for both retail and online wagering were outlined. The regulatory body's emphasis on the need for 14 personnel positions was highlighted, aiming for thorough regulation given the significant volume of wagering in Kentucky.

## **Cybersecurity**

Representatives of universities discussed cybersecurity programs, highlighting statistics, program types, collaborations, and national accreditations. Representatives of the Council on Postsecondary Education (CPE) emphasized the importance of research and development in cybersecurity, discussed funding for CPE, and provided details on the board's selection of the president and funding.

Senator Gex Williams, the president of Murray State University, and the president of the University of Louisville addressed the urgent need for cybersecurity in Kentucky, discussing efforts to establish a statewide cyber center network.

## **Water Needs**

The executive director of the Kentucky Rural Water Association (KRWA) presented on water needs. KRWA, representing 95 percent of water and wastewater utilities, outlined challenges faced by Kentucky's 432 public water systems, including aging infrastructure, regulatory compliance, funding constraints, and workforce shortages. The 2019 American Society of Civil Engineers' report and the 2023 Drinking Water Infrastructure Needs Survey by the US Environmental Protection Agency estimated Kentucky's 20-year infrastructure investment need at \$7.84 billion.

## **Budget Reserves**

The Executive Cabinet secretary and state budget director and the executive director of the Office of Financial Management discussed Kentucky's reserves. They highlighted the state's improved budget reserve trust fund, its ranking among states, and its utilization for economic development opportunities and disaster response. The discussion touched upon the impact of short-term rates on the general fund and the road fund and the ongoing efforts to forecast revenues and interest rates.

## **Riverport Needs**

The president/CEO of Owensboro Riverport Authority, the executive director of Kentuckians for Better Transportation, and a partner of Government Strategies addressed riverport needs, covering Kentucky's 10 riverports, their economic significance, and funding challenges. A proposal included a one-time \$15 million allocation to address infrastructure, facility, and equipment needs identified by a 2018 Transportation Cabinet study.

## **Railroad Needs**

A representative of the Kentucky Rail Association discussed railroad needs, highlighting the group's key carriers and their investments, railroads, investing 25 percent of revenues annually. They are crucial to freight transportation. State funding programs from other states were proposed as models for Kentucky.

## **University Of Kentucky Update**

The University of Kentucky (UK) president and director of government relations provided an update on UK's achievements in graduation rates, research, and infrastructure improvements. The adoption of the performance funding model and innovative approaches to campus infrastructure were discussed, emphasizing a commitment to student success, and minimizing tuition increases.

## **Pension Update**

Representatives of the Teachers' Retirement System (TRS) and the Kentucky Public Pension Authority (KPPA) provided an update on pensions. TRS's financial status, investment gains, and budgetary needs were outlined, along with positive developments in the pension and health insurance trusts. KPPA's oversight of assets for various plans, including state police, was discussed, highlighting improvements in financial outlook.

## **Sales And Use Tax Exemption For Diapers**

Senator Cassie Chambers Armstrong, representatives of the National Diaper Bank Network, and representatives of the St. Bernadette Diaper Bank discussed a proposed sales and use tax exemption for diapers. The senator shared a draft of 24 RS BR 178, which aims to alleviate financial strain on families that buy diapers.

## **School Funding**

The executive director of the Kentucky Association of School Superintendents and a representative of the Kentucky School Boards Association provided an update on school funding. The recent increase in K-12 education funding was highlighted, emphasizing local discretion in compensation adjustments to address concerns about neighboring districts.

## **SEEK And Student Transportation Funding Formulas**

The division director of the Division of District Support discussed the Support Education Excellence in Kentucky (SEEK) program and student transportation funding formulas. The SEEK formula, predominantly a straight-line process, incorporates factors such as average daily attendance.

## **22 RS HB 499 Implementation And Employment Status Of Social Workers**

Representatives of the Department for Community Based Services provided an overview of 22 RS HB 499, supporting child care in Kentucky. The Employee Child Care Assistance Partnership Program was highlighted, targeting small businesses.

## **Water Management Assistance Fund**

The executive director of the Kentucky Infrastructure Authority and the executive director of the Kentucky Rural Water Association provided an overview of the water management assistance fund, focusing on criteria for aiding utilities financially at risk. Safety concerns, collaborative efforts, and the fund's development stage were emphasized.

## **Provision Of Utilities To Kentucky State Parks**

Representatives of Kentucky Electric Cooperatives (KEC) and Pennyrite Electric discussed provision of utilities to Kentucky state parks. The issue of outdated state-owned electric utilities at parks was addressed, emphasizing concerns about sustainability. Preliminary cost estimates were \$43 million for improvements. KEC expressed its capacity to handle engineering work efficiently. The responsibility of KEC, stopping at the property line, was outlined, emphasizing challenges associated with tree trimming. Concerns about challenges at specific state parks were discussed, suggesting exploration of underground options.

## **Centralized Tax Reporting And Distribution System For State And Local Transient Room Taxes, November 1 Report**

Representatives of the Department of Revenue presented a report on the centralized tax reporting and distribution system for transient room taxes, mandated by 23 RS HB 360. Under 22 RS HB 8, online facilitators helping Kentucky hosts must collect and report to local jurisdictions. Discussions with the Kentucky League of Cities and Louisville Metro Revenue Commission revealed concerns about breaching local autonomy. A suggestion was made to let HB 8 take effect, enforcing compliance by short-term vacation rental platforms.

## **Motor Vehicle Rental/Ride Share Business And Associated Fees**

Representatives of the Department of Revenue provided an overview of recent legislation on motor vehicle rental/ride-share business and associated fees. The discussion included the 6 percent excise tax, changes in 23 RS HB 360, and the retroactive exclusion of certain human services transportation delivery receipts from the tax. Details on the tax registration process, which began on December 15, 2022, were outlined. Topics covered included businesses subject to the tax, gross receipts definition, and distinctions between different taxes. Uber and Turo representatives testified about industry challenges, including unique regulatory impacts on consumer prices.

## **University Capital Project Requests**

Kentucky universities presented capital project requests, covering priorities such as replacement, renovation, and preservation. Western Kentucky University highlighted projects such as replacing the academic complex and renovating the Innovation Campus. Northern Kentucky University sought support for an enterprise resource planning system, asset preservation, and the renewal of Steely Library. Murray State University prioritized an asset preservation pool, a learning commons with housing, and the completion of the School of Nursing and Health

Professions building. The University of Kentucky emphasized projects such as expanding the UK Healthcare hospital and constructing an agricultural research facility. Morehead State University requested funding for a new classroom building, a science and engineering building, and renovations. The University of Louisville highlighted the Health Sciences Simulation Center and a new academic building in science, technology, engineering, and math. Eastern Kentucky University discussed projects such as the aviation program's growth and the renovation of Alumni Coliseum. Kentucky Community and Technical College System (KCTCS) outlined projects including asset preservation and strategic initiatives. Kentucky State University (KSU) requested funds for a new health sciences building, asset preservation, and IT upgrades.

### **Subcommittee Activity**

The Interim Joint Committee on Appropriations and Revenue is organized into six Budget Review subcommittees. Their purpose is to review revisions to the enacted budget, to monitor the budgetary operations and programs of state government, and to address agency budget needs.

#### **Budget Review Subcommittee On Economic Development, Tourism, And Environmental Protection**

The Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection held six meetings.

The Public Service Commission provided an overview of the commission and legislation passed in the 2023 Regular Session (SB 4, SB 192, and HB 4) that affected the commission.

The Cabinet for Economic Development provided information on projects that focus on rural areas and an update on the Kentucky Product Development Initiative.

Senator Whitney Westerfield discussed legislation he intended to file (BR 1) in the 2024 Regular Session concerning consumer data privacy.

The Waterfront Botanical Gardens provided an update on investments received and requested for the expansion of the grounds and additional improvements.

The First Frontier Appalachian Trails and Southwest Regional Recreation Authority provided information on all-terrain vehicle trails and their positive impact on surrounding communities.

The Department of Fish and Wildlife Resources presented an overview of the impact on tourism from fish and wildlife-related activities along with a breakdown of funding and revenue sources.

#### **Budget Review Subcommittee On Education**

The Budget Review Subcommittee on Education held six meetings.

Representatives of the Kentucky Department of Education provided an overview of the National Board Certification and speech language pathologist and audiologist salary stipend programs. The National Board Certified Teacher salary stipend overview included statutory and regulatory provisions, the number of certified teachers, comparative retention data, Kentucky's national ranking for certifications, funding history of the salary supplement program, and the impact on student success.

The director of the Kentucky Department of Education's Division of Support Services provided an overview of student aggregate average daily attendance and SEEK calculation projections for fiscal years 2025 and 2026.

Representatives of the Young Scholars Program provided an overview of the Young Scholars Academy as a collaboration between Northern Kentucky University, the Northern Kentucky Cooperative for Educational Services, and nine northern Kentucky school districts.

Representatives of the Square1 Program provided an overview of the Bridges to Careers program, including information regarding the organization's service area, nonprofit and business partnerships, career development services, and a funding request.

The executive director of the Kentucky Educational Collaborative for State Agency Children provided an overview of its 72 programs operated or contracted with the commonwealth, student demographics, academic preparedness of students, enhanced educational opportunities offered, and a funding request.

The Education and Labor Cabinet presented an overview of the Unemployment Insurance Program along with an update on the backlog of claims and the Unemployment Insurance Trust Fund balance. Information was also provided on the changes made to the program due to legislation passed in the 2023 Regular Session and the status of the Unemployment Insurance System upgrade.

Delegates from KSU and the Council on Postsecondary Education (CPE) offered progress reports on the obligations stipulated in 22 RS HB 250 and introduced the new president of KSU. The presentation revealed that KSU has completed the faculty and staff evaluation process, restructured its academic programs, enlisted an external evaluator for a management improvement plan, and implemented new endowment policies.

Representatives from KCTCS presented updates on workforce development initiatives, cost savings for KCTCS students, and the increase in the number of KCTCS graduates across industry sectors.

Representatives from CPE provided updates on the postsecondary education system, including the strategic agenda to increase the percentage of residents with postsecondary credentials, and strengths and challenges such as improved degree and certificate production but declining rates of college attendance. They highlighted national trends affecting higher education. CPE testimony introduced the Student Right to Know website, focusing on college costs and outcomes.

CPE provided an overview of the asset preservation progress for public institutions and outlined budget requests.

### **Budget Review Subcommittee On General Government, Finance, Personnel, And Public Retirement**

The Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement held six meetings.

The Public Protection Cabinet provided an overview of the Team Eastern Kentucky Flood Relief Fund and the Team Western Kentucky Tornado Relief Fund, and provided insight on the donation and disbursement process of the funds.

Representatives of the Prosecutors Advisory Council provided an overview of the Unified Prosecutorial System's 2024-2026 Budget Request Summary and discussed challenges facing commonwealth's attorneys and county attorneys.

The commissioner of the Kentucky Department of Veterans Affairs spoke about the agency's budget submission. The executive director of Kentucky Veterans Centers provided an update on nursing shortages and how the agency plans to increase census numbers in the centers.

A representative of the Kentucky Association of Counties, the mayor of Covington, and the executive director of the Georgetown/Scott County Revenue Commission discussed how remote workers are affecting the collection of the occupational license tax in smaller suburban cities.

The deputy executive director of the Kentucky Infrastructure Authority provided an overview of the agency's disbursement of federal funds appropriated through the American Rescue Plan Act to local water facilities, as well as the Water Management Assistance Fund and the status of grants provided through that fund.

The executive director of the State Board of Elections and the vice president of the Kentucky County Clerks Association provided information about the cost of elections and issues facing both county and state election officials.

The Department for Local Government and representatives from area development districts gave an overview of the importance of, and the initial steps taken to implement the Government Resources Accelerating Needed Transformation Program outlined in 23 RS SB 9.

The Jefferson County property valuation administrator provided an overview of the homestead and disability property tax exemption and provided alternatives for the administration of this tax and the exemption in response to rising property values.

The secretary and commissioners of the Personnel Cabinet provided an overview of their departments, which included the number of state employees, opportunities for employees,

pay scale based on location of employees, and updates to the Kentucky Employer Health Insurance Fund. The secretary provided the Personnel Classification Report.

The secretary of the Finance and Administration Cabinet provided an overview of capital construction and relocation of some offices, ensuring that the project would not interfere with the 2024 Regular Session.

The executive director and controller of the Kentucky Communications Network Authority provided an overview of the KentuckyWired network's services, infrastructure partnerships, site migrations, level of construction completion, and the agency's 2024-2026 fiscal biennium budget request and capital plan.

### **Budget Review Subcommittee On Human Resources**

The Budget Review Subcommittee on Human Resources held five meetings.

The secretary of the Cabinet for Health and Family Services (CHFS) and the acting commissioner of the cabinet's Department for Community Based Services (DCBS) provided an update on hiring and retention of social workers within DCBS. The president/CEO of Volunteers of America provided an overview of funding it uses for substance abuse recovery services. The commissioner of the Department for Medicaid Services (DMS) provided an update on the implementation of the provisions of Section 3 of 23 RS SJR 54.

The secretary of CHFS and the commissioner of DMS provided an update on the number of members served, waiting lists, and reimbursement rates for the Medicaid 1915(c) home and community-based waivers.

The deputy commissioner and the chief financial officer of DMS provided an update on FY 2023 year-end Medicaid expenditures, as well as the FY 2024 projection for Medicaid expenditures.

The CEO of Humana Healthy Horizons, the director of behavioral health of Humana Healthy Horizons, and the director of government relations of Humana discussed Medicaid reimbursement rates for substance use disorder treatment services. The executive director of the Kentucky Home Care Association discussed Medicaid reimbursement rates for home health services.

The program director of the CHFS Department for Behavioral Health, Developmental and Intellectual Disabilities and the executive director of the CHFS Office of Legislative and Regulatory Affairs provided an overview of the funding available and projects implemented through the Community Mental Health Services Block Grant and the Substance Abuse Prevention and Treatment Block Grant. The commissioner of DMS and the director of the DMS Division of Quality and Population Health within CHFS provided an overview of the Medicaid managed care chronic disease management pilot program.

### **Budget Review Subcommittee On Justice And Judiciary**

The Budget Review Subcommittee on Justice and Judiciary held six meetings.

Representatives of the Department of Corrections provided an update on prison population trends and an overview of the strategic master plan for correctional facilities for which funds were appropriated in FY 2023. The department, in conjunction with DMS, provided an update on the status of a Medicaid waiver to provide coverage for justice-involved individuals with substance use disorders who need treatment.

Representatives of the Kentucky State Police provided an update on the impact of the increase in the salary schedule on state police recruitment and retention.

Representatives of the Justice and Public Safety Cabinet provided an overview of capital project priorities for the upcoming fiscal biennium.

Representatives of the Department of Public Advocacy provided an update on staff attorney recruitment and retention and the implementation of 23 RS HB 568, which brought the Louisville Metro Public Defenders Office into the department.

Representatives of the Office of Drug Control Policy and UK provided an update on a report evaluating substance use disorder treatment programs administered by the Justice and Public Safety Cabinet.

Representatives of the Administrative Office of the Courts provided an update on the courthouse facility construction process and current priorities, as well as a status update on implementing virtual hearing technology in courts and jails.

Representatives of the Department of Juvenile Justice provided an update on juvenile detention centers and the implementation of 23 RS HB 3 and SB 162.

### **Budget Review Subcommittee On Transportation**

The Budget Review Subcommittee on Transportation held six meetings.

Representatives of the Transportation Cabinet provided updates on budget-related issues including the Highway Construction Contingency Account, resurfacing and bridge repair or replacement, the road fund, the Cash Management Program, multimodal funding including riverfront and freight rail funding, and a budget update on the Department of Highways including existing and planned megaprojects consisting of the Brent Spence Bridge, the I-69 Ohio River Crossing, the Mountain Parkway Expansion, and the Louisville bridges tolling process.

Representatives of the cabinet and the Department of Revenue provided information and updates on the National Electric Vehicle Infrastructure program and funding, the state's Electric Vehicle

(EV) Charging Program and the anticipated final request for proposal date and planned award notice for December 2023. Testimony also included anticipated EV Charging Program expenditures, corridor and community program grants, EV fees, and EV power excise taxes and collection.

Representatives of the Office of Transportation Delivery and various Kentucky metropolitan planning organizations (MPOs) including the Kentuckiana Regional Planning and Development Agency, the Ohio-Kentucky-Indiana Regional Council of Governments, and the Lexington Area MPO provided testimony on public transportation funding including federal transit grants, challenges, the planning process, and federal requirements.

Representatives of the Department of Highways provided an overview of the highway planning process and how the Strategic Highway Investment Formula for Tomorrow evaluation process translates into prioritization of larger highway improvement projects in the recommended highway plan.

Representatives of the Department of Aviation, Madisonville Community College, and DreamFlight Charities provided testimony on the state's aviation system including funding needs, available fixed-wing and helicopter training programs, and aviation opportunities and available flight training scholarships. Representatives of commercial service and general aviation airports provided testimony on their operations, challenges, and budgetary needs for the upcoming biennium.

Representatives of the Department of Vehicle Regulation provided an overview of the department, its structure, and its responsibilities. Testimony addressed the timeframe for completion of the Kentucky Automated Vehicle Information System by January 2024.

## **Report Of The 2023 Interim Joint Committee On Banking And Insurance**

**Sen. Jared Carpenter, Co-Chair**  
**Rep. Michael Meredith, Co-Chair**

Sen. Julie Raque Adams  
Sen. Donald Douglas  
Sen. Rick Girdler  
Sen. Jason Howell  
Sen. Gerald A. Neal  
Sen. John Schickel  
Sen. Brandon Smith  
Sen. Brandon J. Storm  
Sen. Johnnie Turner  
Sen. David Yates  
Rep. Chad Aull  
Rep. Danny Bentley  
Rep. Josh Bray

Rep. Robert Duvall  
Rep. Deanna Frazier Gordon  
Rep. Jim Gooch Jr.  
Rep. Jacob Justice  
Rep. Derek Lewis  
Rep. Matt Lockett  
Rep. Shawn McPherson  
Rep. Michael Sarge Pollock  
Rep. Rachel Roarx  
Rep. Rachel Roberts  
Rep. Tom Smith  
Rep. Cherlynn Stevenson

LRC Staff: Jessica Sharpe, Breanna Patterson, and Liz Hardy

Jurisdiction: Matters pertaining to banking; banks and trust companies; petty loan companies; building and loan associations; credit unions; investment companies; industrial loan corporations; securities; Blue Sky Law; mortgage guaranty insurance; assessment and cooperative insurance; fraternal benefit societies; hospital service corporations; burial associations; medical and dental service corporations; life, accident, indemnity, and other forms of insurance; stock and mutual insurance companies; banking and insurance aspects of the Uniform Commercial Code; interest and usury; pawnbrokers; private credit; consumer credit; sale of checks; installment sales contracts; legal investments; and principal and income.

## Committee Activity

The Interim Joint Committee on Banking and Insurance met three times.

### Administrative Regulations

During the Interim, four administrative regulations were referred to the committee pursuant to the provisions of KRS Chapter 13A, and the committee heard and adopted amendments to the following:

- 806 KAR 006:072 – Valuation of life insurance and annuity reserves
- 808 KAR 016:010 – Licensing, registration, renewals and fees

### Banking Industry Updates

The president/CEO of City National Bank discussed recent bank failures and how they highlight challenges facing the banking industry. Although these failures were outliers, the factors that contributed to them are likely to worsen in the coming year. Every bank is struggling with the same challenges as the three failed banks, but to a lesser degree. These challenges include locked-in low-rate loans and investments, deposit loss, decreased capital values, and a slowing economy due to Federal Reserve measures to reduce inflation. The legislature can provide assistance by understanding the role of banks in the economy, avoiding excessive or unfair regulation, and proactively supporting smaller banking organizations.

The vice president of the Bluegrass Community Bankers Association discussed the importance of community banks to rural and underserved counties, and to small businesses. Because of the conservative nature of banks and high-quality regulators—especially the Department of Financial Institutions (DFI)—there are very few bank failures. Community banks are disappearing because of several factors.

The national director of government affairs with Fifth Third Bank explained how the bank differs from those involved in recent bank failures. Federal regulatory changes will change how banks will operate. Banks across the industry continue to manage balance sheets for long-term outperformance. The banking industry is struggling with workforce development.

### Credit Union Industry Update

The vice president of government affairs and compliance for the Kentucky Credit Union League discussed how credit unions are healthy, safe, and rewarding financial partners for both their member-owners and communities at large. The president/CEO of Commonwealth Credit Union (CCU) stated that the majority of credit unions are small institutions with limited resources. CCU added an underserved community to its membership and helped members during recent emergencies.

## **Economic Update**

The vice president of the Federal Reserve Bank of St. Louis provided an update on economic, financial, and banking conditions. Economic growth, gross domestic product, and housing affordability are improving, but as the price index decreases, challenges remain. Financial markets are strong, but the stress index is increasing and there are signs of a recession. Community bankers are not optimistic about the economy, and there are increases in consumer loan delinquencies and charge-offs.

## **Department Of Financial Institutions Update**

The acting commissioner of DFI provided an update on its depository, nondepository, and securities divisions. In the depository division, there has been a decrease in the number of state-chartered banks. Even so, assets are increasing and being retained in state-chartered banks. The number of credit unions in the state has remained relatively consistent, although their assets have increased. In the securities division, licensing and registration numbers reflect the healthiness of Kentucky's economy. In the nondepository division, the number of deferred deposit lenders has decreased due to the moratorium on licenses, and DFI is slowly increasing the number of mortgage company and mortgage broker examinations.

## **Banking Code Modernization And Unlawful Financial Trade Practices**

Representative Michael Meredith discussed a legislative proposal to address concerns from bankers and consumers about solicitations from groups that falsely appear to be associated with banks. The provisions of the proposal include disclaimer requirements, enforcement measures and penalties, and addressing persons trying to appear as a bank without being chartered or authorized. He discussed a legislative proposal to modernize Kentucky's banking and trust statutes.

Representatives of the Kentucky Bankers Association discussed provisions that would expand the ability of trust companies to operate in other states and concerns about discrepancies between the salaries of bank examiners at the state level versus the federal level. There is a shortage of bank examiners and examiners with experience at DFI.

## **Creation Of All-Payer Claims Database**

A principal at Insights4Health discussed the vision for establishing an all-payer claims database (APCD) to improve overall health. This will create a "single source of truth" by coalescing data from different sources. The president/CEO of the Kentuckiana Health Collaborative provided an employer's perspective, stating that APCDs can help improve employee health while controlling costs. The states with the 10 highest-ranking health ratings have APCDs. A professor and division chief at the University of Kentucky, who is associate director of the Center for Clinical and Translational Science, discussed myths and misunderstandings related to APCDs.

The vice president for policy and government relations with the Kentucky Hospital Association discussed why the group opposes APCDs, saying that the database is a solution looking for a problem, that plenty of data and transparency measures are already available, and that there is no incentive for insureds to participate in shoppable services programs because the savings go to the insurance company.

### **Insurance Institute Of Kentucky's Legislative Agenda**

The government affairs liaison of the Insurance Institute of Kentucky (IIK) and the senior director of state government relations at Nationwide Insurance discussed IIK's legislative agenda. IIK supports legislation seeking to curb auto glass fraud, requiring hands-free cellphone use while driving, promoting fortified "smart homes" to help insurance companies mitigate losses from extreme weather, and eliminating gaps in insurance coverage for delivery network drivers. IIK supports the National Conference of Insurance Legislators' Paid Family Leave Insurance Model Act. IIK does not support litigation loans and is working with stakeholders to address banks' reluctance to set up blocked accounts for minor settlement funds. IIK requested an amendment to recently enacted medical cannabis legislation to add property and casualty insurance policies to the exemption provided for workers' compensation policies.

### **Industry Update From Kentucky Farm Bureau Mutual Insurance**

The vice president/CEO of Kentucky Farm Bureau Mutual Insurance discussed issues affecting the industry, including the labor supply chain and inflation, severe weather, the cost of reinsurance, and market conditions. The increase in reinsurance for property and casualty insurance is affecting the pricing of insurance and the ability of insurance companies to make a profit.

## **Report Of The 2023 Interim Joint Committee On Economic Development And Workforce Investment**

**Sen. Max Wise, Co-Chair  
Rep. Russell Webber, Co-Chair**

Sen. Gary Boswell  
Sen. Shelly Funke Frommeyer  
Sen. Rick Girdler  
Sen. Denise Harper Angel  
Sen. Jason Howell  
Sen. Robby Mills  
Sen. Brandon J. Storm  
Sen. Reginald Thomas  
Sen. Phillip Wheeler  
Sen. Mike Wilson  
Rep. Shane Baker  
Rep. Jared Bauman  
Rep. Josh Branscum  
Rep. Steve Bratcher  
Rep. Josh Calloway

Rep. Daniel Elliott  
Rep. Al Gentry  
Rep. Mark Hart  
Rep. Thomas Huff  
Rep. Kevin Jackson  
Rep. Kim King  
Rep. Nima Kulkarni  
Rep. William Lawrence  
Rep. Matt Lockett  
Rep. Phillip Pratt  
Rep. Rachel Roarx  
Rep. Scott Sharp  
Rep. Ashley Tackett Laferty  
Rep. Timmy Truett

LRC Staff: Janine Coy, Helen McArthur, Eric Rodenberg, Crystal Thompson, and Sasche Allen

Jurisdiction: Matters pertaining to commerce, industry, economic and industrial development, the workforce and the workplace, and tourism not specifically assigned to another committee; economic development planning; international trade and investment; investment companies and industrial loan corporations as they relate to economic and industrial development; recruitment of business and industry; small business matters relative to economic and industrial development; financing of business and industrial development; business regulatory matters, including the Uniform Commercial Code, relative to economic and industrial development; worker training; technology development and application; chambers of commerce; convention centers and publicly owned exhibition and parking facilities; arts and arts exhibition facilities; state, interstate, and national parks and historic sites; travel promotion and advertising; labor unions; collective bargaining; liquefied petroleum gas and other flammable liquids; hotels; electricians; plumbers and plumbing; wages and hours; garnishments; safety and health of employees; child labor; employment agencies; apprenticeship; unemployment compensation; workers' compensation; consumer protection; and industrial weights and measures.

## **Committee Activity**

The Interim Joint Committee on Economic Development and Workforce Investment met six times.

### **Cabinet For Economic Development**

The secretary of the Cabinet for Economic Development provided an update on its business development activities. The discussion included wage growth over the last 8 years, Kentucky Innovation Hubs, and new facility location and existing business expansion announcements in 2023. The secretary discussed the cabinet's strategy for economic development, which will include a consultant-led study involving a steering committee of the cabinet, the Kentucky Association of Economic Developers, state agency partners, and other economic development organizations; and regional stakeholder engagement from structured government, education, business, utilities, workforce, and entrepreneurship organizations meeting in focus groups throughout Kentucky. The secretary provided an update on the Kentucky Product Development Initiative program. The cabinet has received 69 applications for the second round of funding. Of the \$100 million appropriated for the program in 2022, there is approximately \$68,014,474 in funding for the second round.

### **Economic Development Projects**

The chief executive officer of Boom KY spoke about its efforts to partner with all Kentucky school districts to provide year-round curriculum to young entrepreneurs. Boom KY expected to help launch 60 startup companies in 2023. It has partnered with school districts, community innovation hubs, and area development districts to retain and retrain local workers, create local innovation hubs, launch startups, and provide resources for startups.

The executive director of the Lincoln Trail Area Development District provided an update on the BlueOvalSK project, highlighted the region's economic growth, and described the forthcoming infrastructure requirements. BlueOvalSK is a joint venture between Ford and South Korea's SK On. It is a \$5.8 billion project that is to employ more than 5,000 employees. In addition to the BlueOvalSK project, the area has seen investments from Nucor Steel, the bourbon industry, AESC Battery Plant, UPS, and Rivian. The executive director reported that the region needs a significant infrastructure investment to support growth.

Community leaders from Elizabethtown presented a plan for expansion of the Elizabethtown Regional Airport. Testimony detailed major economic and infrastructure growth in the metro area to support this expansion, including BlueOval SK Battery Park and Fort Knox Army Base.

The executive director of Backroads of Appalachia presented an overview of its programs and events. The organization provides community and economic impact through motorsport events in eastern Kentucky. Its motorsport programs use 53 trails and serve 44 Kentucky counties that connect with Ohio, Tennessee, West Virginia, and Virginia. The organization brings jobs to the counties it serves, helps to revitalize former coal towns, and supports small businesses.

## **Workforce Challenges And Initiatives**

The executive director of the Center for Policy and Research at the Kentucky Chamber of Commerce provided an update on the state's current labor market with analyses of recent and long-term trends with comparisons to other states, structural factors shaping the labor market, and public policy considerations. Workforce participation remains below pre-pandemic levels, with the state ranking seventh lowest in the nation. Employer demand for workers remains elevated and continues to outpace worker availability.

Representatives of the Kentucky Chamber of Commerce gave an overview of programs and strategies of the chamber and its Workforce Center to combat labor market challenges for employers. Programs discussed included Talent Pipeline Management, which addresses skill gaps by organizing employers around their most critical workforce needs, and the Workforce Recovery Program. In addition, the representatives highlighted the Workforce Center's Bus to Business Program, which engages students through webinars, events, and work-based learning activities.

Representatives of eastern Kentucky hospitals discussed regional programs to increase the number of health care employees and create a pattern of retention. These programs included partnerships with local community colleges, financial incentives for retention, and priority hiring. The local hospitals in partnership with local schools have created career exploration and training programs for K-12 students and tuition assistance and employment opportunities for post-graduation students.

The vice president of workforce and economic development and the executive director of workforce talent development of the Kentucky Community and Technical College System (KCTCS) presented a broad overview of KCTCS's workforce and economic development programs, which focus on employment success initiatives, partnership programs, labor force expansion strategies, innovations and rapid response programs, customized training, and employer concierge services. Asset mapping is being conducted to identify viable workforce partnerships between employers and KCTCS facilities. Thus far, 267 workforce solution partnerships have been identified.

Representatives of the Department of Education and superintendents from Barren County and Elizabethtown gave a presentation on local area vocational education centers. They discussed career and technical education (CTE) funding and how the centers have used allocated funds. During the 2021-2022 school year, approximately 70 percent of secondary students were enrolled in CTE; of the 12<sup>th</sup>-graders who had earned at least two pathway credits, 98 percent graduated. The representatives spoke on the establishment and further development of vocational centers that are accessible for high school students. There was discussion of early intervention relating to career choice in schools and emphasis on trade training as an alternative to higher education.

Representatives of three regional workforce innovation boards provided an update on the Workforce Innovation and Opportunity Act program, which receives federal funding through the US Department of Labor. They discussed how youth disconnection affects the workforce

pipeline. Federal law requires the Department of Labor to distribute funds to states based on unemployment measures. Kentucky distributes the funds to 10 local workforce innovation boards based on unemployment measures. Federal funding decreased by 49 percent at the national level over the last two decades and by 17 percent for Kentucky over the last 5 years. Presenters reported that 1 in 7 Kentuckians ages 16 to 24 (more than 77,000 individuals) were not working or enrolled in school in 2021.

Representatives of the James B. Beam Institute for Kentucky Spirits provided an update on the institute, a partnership of the University of Kentucky's Martin-Gatton College of Agriculture, Food and Environment and Beam Suntory. The institute is dedicated to the advancement of the bourbon industry through workforce programming, scientific discovery, and industry partnerships. The first courses were launched in 2012. The construction of the institute on the University of Kentucky's campus began in 2021.

The president of Bowen National Research presented an overview of a five-county assessment of housing needs. Market analysis was conducted in Daviess, Fayette, Kenton, Rowan, and Warren Counties. Studies revealed that over half the employers who participated in the surveys stated that housing issues, including availability and affordability, diminish their ability to attract and retain workers, a large percentage of whom must travel more than 50 miles each day to their job site.

## **Report Of The 2023 Interim Joint Committee On Education**

**Sen. Stephen West, Co-Chair**  
**Rep. James Tipton, Co-Chair**

Sen. Danny Carroll  
Sen. Funke Frommeyer  
Sen. David P. Givens  
Sen. Jimmy Higdon  
Sen. Stephen Meredith  
Sen. Gerald A. Neal  
Sen. Robert Stivers  
Sen. Reginald Thomas  
Sen. Lindsey Tichenor  
Sen. Gex Williams  
Sen. Mike Wilson  
Sen. Max Wise  
Rep. Shane Baker  
Rep. Jared Bauman  
Rep. Tina Bojanowski

Rep. George Brown Jr.  
Rep. Emily Callaway  
Rep. Jennifer Decker  
Rep. Kevin Jackson  
Rep. Scott Lewis  
Rep. Candy Massaroni  
Rep. Bobby McCool  
Rep. Felicia Rabourn  
Rep. Steve Rawlings  
Rep. Josie Raymond  
Rep. Steve Riley  
Rep. Killian Timoney  
Rep. Timmy Truett  
Rep. Russell Webber  
Rep. Lisa Willner

LRC Staff: Jo Carole Ellis, Joshua Collins, Yvette Perry, Lauren Busch, Peter Wright, and Maurya Allen

Jurisdiction: Matters pertaining to public elementary, secondary, and higher education; the State Board of Education; the State Department of Education; the powers and duties of local boards of education; conduct of schools; attendance; state support of education; operation of school districts, teachers' qualifications and tenure; the school curriculum; teachers' retirement; school employees; pupil transportation; school property and buildings; vocational education and rehabilitation; state universities and colleges; community colleges; regional education; and educational television.

## **Committee Activity**

The Interim Joint Committee on Education met six times.

### **Assessment And Accountability Overview**

The associate commissioner, Office of Assessment and Accountability, Kentucky Department of Education (KDE) and other department representatives presented an overview of the changes to the accountability system since 2018 and some initial data on student performance on assessments. Pre- and post-COVID-19 pandemic data was used to illustrate the impact of the pandemic on students, as well as how schools appear to be slowly recovering in all subject areas except mathematics.

Year-to-year accountability was not comparable because of significant changes to Kentucky Academic Standards (KAS) immediately prior to the pandemic. Assessment results were briefly highlighted, with focus on locations where standards changed. Elementary schools improved in reading and mathematics scores over the previous 2 years, middle schools improved or remained steady, and high schools remained steady or declined slightly. Scores for science improved at the elementary and middle school levels, but high school scores declined. ACT composite scores, shared as the best longitudinal data for high school, improved since the pandemic, but individual subject scores for math and reading declined.

A representative of the Kentucky Board of Education discussed the future of assessment and accountability as envisioned by the United We Learn initiative, including the creation of local learning laboratories in districts across the state to develop and test innovative approaches to assessment and accountability that reflect local community educational desires.

### **Innovative Approaches To Assessments**

Representatives of the Kentucky Association of School Superintendents presented approaches taken by other states, which include replacing traditional graduation requirements with deeper forms of assessment such as capstones, portfolios, and learning defenses. They proposed recommendations for consideration by the General Assembly, including ways to reduce the state's summative assessment footprint, to reexamine the state's approach to funding, to reorient educator preparation and professional development, and to create innovative education resources to catalog and share best practices among districts.

Superintendents from Fleming, Rockcastle, and Johnson Counties shared their districts' approaches to accountability. Kentucky is leading the way with portrait-of-a-learner programs and Next Generation Assessments. They advocated for a policy environment that inspires innovation to design and implement personalized education programs. Barriers to innovation include misunderstandings and the assumption that local accountability is anti-testing or a driver for lowering expectations. They advocated for creation of a task force to study innovative assessment opportunities.

## **Computer Science Education**

The committee heard several presentations on the importance of computer science (CS) education. The CEO of Plasma Games illustrated how the company increases the number of individuals attaining careers in science through the use of video games, such as one that includes career pathway information as in-game character backstories so more students can see themselves reflected in the game and realize the same career pathways are available to them. The CEO presented an appropriation request and said the current pilot program has been funded with American Rescue Plan Act funds, so any expansion of the program would require a new appropriation from a different funding source.

Many representatives for expanded CS education were present for Coding Day at the Capitol and shared concerns that Kentucky is not offering enough CS courses or training enough certified graduates in IT to meet the demand for computer scientists in many fields, including medicine, manufacturing, and logistics. A representative of Code.org recommended that all high schools require at least one CS course or make it a graduation requirement. The state could approve a preservice preparation program for CS teachers and incentivize teacher preparation programs to offer CS curriculum. A representative of KDE discussed its efforts to expand CS education through increased funding of all CS Advanced Placement exams and targeted industry certifications. An AdvanceKentucky spokesperson shared how the organization provides CS professional development opportunities for teachers and assists districts in developing a K-12 CS plan that aligns with the state's K-12 CS plan. She advocated for modernizing CS pathways in career and technical education, which has not kept up with recent developments. All representatives emphasized that urgent support from the General Assembly is required in order to continue budget appropriations and expand CS education.

A representative of the Ohio Valley Educational Cooperative and iLead district of innovation shared how iLead has expanded access to CS education at an interlocal high school. At iLead, 75 percent of graduates attain industry certification by graduation. Community leaders have indicated the need for graduates with data literacy. Responding to that need, iLead created one of the nation's top five schools for teaching CS.

## **Kentucky Center For Mathematics**

The executive director of the Kentucky Center for Mathematics (KCM) said it is state funded to do professional development and become a clearinghouse for information and reliable, research-based math teaching methods. It maintains a website with resources for teachers and parents, as well as asynchronous professional development instruction for teachers. KCM offers customized district support with a focus on KAS. KCM makes an open-source Kentucky Numeracy Project available to teachers.

## **Teacher Recruitment And Retention**

Superintendents of several districts presented on grow-your-own programs to increase the number of qualified teaching candidates by incentivizing local students to become teachers. Approximately 20 students participate in the Green County Schools program annually, going

on to pursue teaching degrees from local postsecondary institutions; upon certification, many return to the community. In Nelson County, the school district and Western Kentucky University (WKU) created a pilot apprenticeship program based on a pilot program in Tennessee. WKU representatives summarized the pathway for a middle school student to become a fully certified teacher within 2 years of high school graduation. Funding for the apprenticeship program comes from unfilled teaching assistant positions, which is not sustainable because apprentices cannot be full-time teaching assistants. Funding must be designated to pay apprentice wages as required by the US Department of Labor.

The Coalition to Sustain the Education Profession, a group comprising educators, parents, legislators, and other community partners, suggested legislative actions to address teacher retention. The primary recommendations were to increase teacher compensation, expand the GoTeachKY program to all school districts, and create an educator stabilization fund to ensure the state can attract and retain high-quality teachers in high-demand subject areas.

A representative of the New Teacher Center (NTC) described how it supports over 25,000 new teachers in over 400 school districts in 22 states. In 2019, the Southeast South-Central Educational Cooperative partnered with NTC to implement and study the effectiveness of a mentorship model in Kentucky, finding that participants felt the program was warranted and noted the positive impact of mentoring. National NTC data showed that, after implementation of its mentorship model, teacher retention rates rose from 72 percent to 94 percent. Graduates of the program grow into mentors and create a network of support, improving the morale and climate within schools.

### **Policy Changes At Jefferson County Public Schools**

The Jefferson County Public Schools (JCPS) superintendent described policy changes for the 2023-2024 school year. The first was a new student assignment plan to address school choice busing plans that inequitably implemented desegregation. JCPS is dedicating funds and other supports to assisting higher-poverty schools and is focusing on student and parent choice. The district will also implement a schedule with 10 school start times to accommodate the need for over 700 bus routes to address bus driver shortages. Later start times should also improve attendance and student outcomes.

JCPS' long-term plan includes constructing 20 school buildings and changing curriculum to improve outcomes in literacy and numeracy. Professional development for teachers was used over the summer to create literacy support teams to ensure that teachers were prepared to implement new curriculum in the fall of 2023.

### **Association Of Scholars**

Representatives of the Kentucky Association of Scholars and National Association of Scholars addressed a lack of diversity of philosophy among university staff and donors. They expressed concern with official university statements that appear to be political. The representatives recommended model legislation to reform postsecondary education institutions to encourage neutrality and diversity of opinion. They also recommended legislatively creating autonomous

centers of freedom on college campuses as protected islands for free expression without fear of retaliation.

### **Huron Consulting Group**

Representatives of the Kentucky Community and Technical College System (KCTCS) and the Huron Consulting Group presented preliminary results of their comprehensive review of the system. The study's many objectives included examining the feasibility of a 4-year KCTCS college in eastern Kentucky, necessary pathway changes for the whole system, and how to better and more efficiently educate students. The final phase of work will assess data, identify opportunities for optimization, and prioritize opportunities ranked by the Board of Regents. The point person for implementation will be the new system president, who will report progress to the Board of Trustees and the General Assembly.

### **Gifted Education**

Representatives of the Kentucky Association of Gifted Education said gifted students become the next generation of business leaders, entrepreneurs, and skilled workers. They recommended investing in gifted education teachers and said Kentucky does not offer enough advanced and gifted education for students and educators to meet economic development and workforce demands. Funding for gifted education remained steady for approximately three decades, only receiving a significant increase in the last budget cycle.

### **Introduction Of Interim KDE Commissioner**

On September 30, 2023, the Kentucky Board of Education named the interim commissioner of KDE. She previously served as associate commissioner for finance and has worked with many legislators and school districts. A request for proposals was issued to bring on a firm to assist in a search for a new commissioner.

### **Virtual Academies**

KDE representatives addressed Kentucky's leadership in providing internet access and virtual instruction for students. Virtual academies differ from the short-term, emergency virtual instruction provided during inclement weather or the COVID-19 pandemic. Nearly 2 percent of students rely on virtual academies for year-round instruction, and Kentucky was one of the first states to launch a virtual school. An administrative regulation to go into effect in 2024 will create a foundation for virtual academies to ensure that virtual instruction meets KAS.

Individuals from Cloverport Independent Schools described the development of the Kentucky Virtual Academy (KYVA) in their district. KYVA is a K-12 academy that offers curriculum in alignment with KAS and a focus on college and career readiness. It offers wrap-around services of counseling, academic supports, and extracurricular opportunities. Students must come in person for state assessments. Regionalized in-person opportunities for extracurricular activities that encourage socialization are being piloted. Funding for KYVA comes from state-appropriated Support Education Excellence in Kentucky funds. The managing company,

Stride KY, receives 97 percent of this funding for operation of the program. The remaining 3 percent remains with the district board of education to cover administrative costs.

### **Absenteeism And Truancy**

To help schools identify chronic absenteeism, KDE provides many tools to predict which students are most at risk. Post-pandemic, the state has seen an average loss of 2 percent in average daily attendance, and truancy rose by an average of 8 percent. One of the most effective ways to address chronic absenteeism is to notify parents who may not realize a student has missed a significant number of days. Encouraging students to find purpose in school has improved attendance.

Representatives of the Kentucky County Attorneys Association and the Administrative Office of the Courts' Department of Family and Juvenile Services presented the judicial system's perspective on chronic absenteeism and truancy. The number of complaints decreased significantly during the pandemic but has returned to pre-pandemic levels. Diversion is often used to prevent delinquency by providing education, treatment, and accountability as opposed to going to court. Representatives discussed unintended consequences of 14 RS SB 200, including lengthening the process by which the courts can effect change in truancy. To put more accountability on parents, many schools address chronic absenteeism through dependency and neglect statutes rather than truancy, but this practice further overburdens staff of child protective services. The representatives suggested reevaluating SB 200 and giving Family Accountability, Intervention, and Response Teams investigative and enforcement abilities to more effectively hold parents accountable.

### **Scholarships For Homeschoolers**

Representative Steve Rawlings and Senator John Schickel presented proposed legislation that would increase the amount of Kentucky Educational Excellence Scholarship awards for homeschool students. This legislation has been presented to the committee numerous times; during the 2023 Regular Session, it passed out of the Senate with bipartisan support.

## **Report Of The 2023 Interim Joint Committee On Families And Children**

**Sen. Danny Carroll, Co-Chair**  
**Rep. Samara Heavrin, Co-Chair**

Sen. Julie Raque Adams  
Sen. Greg Elkins  
Sen. Rick Girdler  
Sen. Denise Harper Angel  
Sen. Amanda Mays Bledsoe  
Sen. Stephen Meredith  
Sen. Lindsey Tichenor  
Sen. Robin L. Webb  
Sen. Whitney Westerfield  
Sen. Max Wise  
Rep. Shane Baker  
Rep. Kim Banta

Rep. Mike Clines  
Rep. Jennifer Decker  
Rep. Stephanie Dietz  
Rep. Daniel Elliott  
Rep. Ken Fleming  
Rep. Jim Gooch Jr.  
Rep. Marianne Proctor  
Rep. Josie Raymond  
Rep. Steve Riley  
Rep. Rachel Roarx  
Rep. Lisa Willner  
Rep. Nick Wilson

LRC Staff: Ben Payne, Samir Nasir, Logan Bush, and D.J. Burns

Jurisdiction: Matters pertaining to child welfare; adoptions; assistance to children; children's homes; commitment and care of children and families; child protective services; adult protective services; state guardianship; caregiver support services; child support programs; support of dependents; family preservation programs; social service programs; child care; senior citizens and aging; disabilities; rape crisis centers; domestic violence shelters; sexual assault programs; and public assistance programs such as TANF, CCAP, SNAP, LIHEAP, and WIC.

## **Committee Activity**

The Interim Joint Committee on Families and Children met seven times.

### **Child Care Availability And Workforce Challenges**

The committee heard testimony about the child care crisis, including hardships for new and established child care centers, the American Rescue Plan Act (ARPA) funds ending in December 2023, and possible solutions to assist child care centers related to startup assistance, staff retention, and facility developments.

The Family Child Care Network of Kentucky; YMCAs of Kentucky; child care programs at Morehead State University, Henderson Community and Technical College, Bowling Green Independent Schools, and Rockcastle Hospital; Division of Child Care, Cabinet for Health and Family Services; and private child care centers Kiddie Castle, Bright Beginnings Child Care, and Borrowed Babies Daycare provided discussion of the number of children statewide in child care programs, program capacity, and hurdles they face. Discussions covered licensing requirements for early childhood centers, ARPA funding, startup grant programs, family child care homes, early childhood development scholarships for college students, staff development facility ownership training programs, and child care assistance program funding.

### **Placement Challenges For Youth In State Custody**

The Department for Community Based Services (DCBS), Cabinet for Health and Family Services, provided discussion of initiatives it has created to help with difficult-to-place children, including creating a statewide centralized office to discuss high-acuity youth, creating a high-acuity specialist in each of the nine service regions to help support staff, and working with providers to help expand capacity. In response to placement challenges, cabinet personnel stated that psychiatric residential treatment facilities (PRTF) I rates increased on October 1, 2023, from \$274 a day to \$500 a day and PRTF II rates increased from a tiered structure of \$345 to \$405 a day to a flat rate of \$600.

The Children's Home of Northern Kentucky, the Children's Alliance, Peace Hospital, University of Louisville Health, SUN Kentucky Behavioral Health, University of Kentucky Healthcare, Bellewood & Brooklawn, Purchase Youth Villages and Heart Youth Villages, Maryhurst Inc., Holly Hill Child and Family Solutions, and various private consumers presented detailed plans of action on how to best serve youth in state custody who do not have access to a licensed foster home or licensed facility when removed from their homes. The plans included the development or redevelopment of services and facilities for therapeutic foster care, PRTF I and II, and high-acuity youth inpatient psychiatric services.

### **Support Services For Vulnerable Populations**

The committee heard from providers who support foster care families, kinship care families, and families with exceptional medical needs: Kinship Families Coalition of Kentucky, Kentucky

Youth Advocates, Suzanne Vitale Clinical Education Complex and Lifework (both at Western Kentucky University), the Joy Closet, the Tennessee Department of Intellectual and Developmental Disabilities, LittleStar ABA Therapy, consumer advocates, the Kentucky Center for Grieving Children and Families, and Fayette County Public Schools.

Types of kinship care were explained, along with needs of kinship care families. Testimony was provided on the LifeWorks at WKU programs and services offered to participants, including prevocational services, supported employment opportunities, Transition Academy, and LifeWorks Bridge.

Tennessee officials discussed their efforts to reduce the wait list for waiver slots, including appropriations, maximizing resources, and expanding options for Medicaid participants. They detailed workforce shortages and the negative effects on an autistic child who is on a waiting list and not receiving applied behavior analysis.

Grief support advocates discussed the impact of opioids and substance-related deaths on children, long-term effects of early death loss, educational impacts on bereaved children, and solutions including building a statewide resource. They detailed a school pilot program for children who lost a parent or caregiver, including demographic info, death type, perceived stress, anxiety, and depression scale.

### **Referred Block Grant Applications**

Pursuant to KRS 45.353, the committee held legislative hearings on one block grant application: the federal FY 2024-2025 Community Services Block Grant Preliminary Plan.

### **Referred Administrative Regulations**

In performing its statutory legislative oversight responsibility, the committee reviewed 13 ordinary and 2 emergency administrative regulations upon referral from the Legislative Research Commission under the review process established in KRS Chapter 13A.



## **Interim Joint Committee On Health Services**

**Sen. Stephen Meredith, Co-Chair**  
**Rep. Kimberly Poore Moser, Co-Chair**

Sen. Julie Raque Adams	Rep. Emily Callaway
Sen. Cassie Chambers Armstrong	Rep. Ryan Dotson
Sen. Karen Berg	Rep. Robert Duvall
Sen. Danny Carroll	Rep. Deanna Frazier Gordon
Sen. Donald Douglas	Rep. Jacob Justice
Sen. Greg Elkins	Rep. Amy Neighbors
Sen. Shelley Funke Frommeyer	Rep. Ruth Ann Palumbo
Sen. Michael J. Nemes	Rep. Rebecca Raymer
Sen. Lindsey Tichenor	Rep. Steve Riley
Sen. Max Wise	Rep. Rachel Roarx
Rep. Danny Bentley	Rep. Scott Sharp
Rep. Steve Bratcher	Rep. Russell Webber
Rep. Josh Bray	Rep. Lisa Willner
Rep. Lindsey Burke	Rep. Susan Witten

LRC Staff: DeeAnn Wenk, Chris Joffrion, Logan Bush, and Becky Lancaster

Jurisdiction: Matters pertaining to health care and health care delivery; human development; health outcomes; disabled persons; mental health; health, medical, and dental scholarships; public health; local health departments; vital statistics; communicable diseases; epidemiology; certificate of need; hospitals, health clinics and long-term care facilities; substance abuse; maternal and child health; foods, drugs and poisons; hotel, restaurants, and trailer park regulations; sanitation plants; sanitation districts; suicide prevention; physicians, osteopaths, and podiatrists; chiropractors; dentists and dental specialists; nurses; pharmacists; embalmers and funeral directors; clinical psychologists; optometrists; ophthalmic dispensers; physical therapists; and Medicaid.

## Committee Activity

The Interim Joint Committee on Health Services met seven times.

### Health Care Workforce

The director of the Southern Area Health Education Center provided an update on efforts to improve the health care workforce. She discussed the goal of increasing the number of students pursuing health care careers and mentioned additional funding that has allowed area health education centers to expand, create, and implement new programs to address the shortage of health care workers.

The director of the University of Kentucky Center of Excellence in Rural Health testified on the Healthcare Worker Loan Relief Program of the Commonwealth. The director of the Kentucky Office of Rural Health discussed federal and state loan repayment opportunities for health care providers.

The director of the Train New Trainers Primary Care Psychiatry Fellowship, Irvine Medical Center, University of California, discussed the need to train primary care physicians to treat behavioral health care problems and the progress of establishing a Kentucky pilot program to train eight providers.

The executive vice president of the Kentucky Medical Association discussed the decline in the number of physicians practicing in Kentucky, the economic impact of physicians, results of the physician wellbeing survey, the administrative burden of prior authorizations on providers, and recommendations on supporting physicians and their wellness.

The chief executive officer of the Kentucky Nurses Association discussed pre-pandemic nursing shortages, the association's response to the pandemic, efforts to support community needs, staffing and recruitment efforts, and the need to focus on encouraging retention of health care staff.

### Hospital Issues

The executive director of Kentucky Voices for Health discussed the benefits and uses of information from an all-payers claim database for improving long-term health quality and outcomes and the creation of a workgroup to support legislation to establish an all-payers claim database.

The executive director of the National Association of Health Data Organizations discussed its role in developing an all-payers claim database and uses of the information collected.

The president of the Kentucky Hospital Association discussed why it opposes the creation of an all-payers claim database, including the existing required reporting. The president also discussed the importance of the Hospital Rate Improvement Program, the financial conditions of hospitals, and support for rural hospitals.

## **Medicaid**

The secretary of the Cabinet for Health and Family Services and the deputy commissioner of the cabinet's Department for Medicaid Services discussed Medicaid enrollment, renewal, and termination data, outreach to Medicaid members regarding eligibility recertifications, and data on enrollment in qualified health plans.

The president and executive director of the Kentucky Association of Health Care Facilities discussed changes in health care sector employment data, impending federal staffing minimum requirements, and the need to make Medicaid reimbursement rate adjustments.

The commissioner of the Department for Medicaid Services and other cabinet representatives presented reports pursuant to the 2023 RS HJR 39 related to efforts to address the benefits cliff and Medicaid reimbursement rates, updates on the post-pandemic Medicaid enrollment trends, cost savings due to implementing the single Medicaid state pharmacy benefit manager, and the Medicaid budget request for 2024-2026.

Representatives from Milliman Inc. presented data showing the variation in the area deprivation index by census block neighborhoods.

## **Mental Health**

The deputy chief justice of the Kentucky Supreme Court presented on the Kentucky Judicial Commission on Mental Health, which was formed to address mental health issues in the prison population.

The director of business development of Multisystemic Therapy Services and representatives of three pilot programs discussed the implementation and progress of their family therapy approach to helping youth with behavioral health issues.

## **Neonatal Abstinence Syndrome Treatment**

The chief executive officer and founder of NASCEND, a program for health care providers caring for infants with neonatal abstinence syndrome, discussed the potential for its implementation. The vice president of external affairs of the Kentucky Association of Health Plans commented on support for the program.

## **Pharmacy Benefits And Pharmacy Benefit Manager Reform**

The deputy speaker of the West Virginia House of Delegates discussed legislation enacted in that state related to pharmacy benefit managers.

The regional director of state and government relations of Walgreens discussed the retail pharmacy industry and recommendations for pharmacy benefit manager reform.

Representatives of the Department for Medicaid Services discussed the implementation of 20 RS SB 50, relating to managed-care pharmacy costs.

The senior vice president for policy and government relations of the Kentucky Hospital Association discussed the practice of white bagging often required by pharmacy benefit managers for specialty drugs administered in a hospital setting.

Representatives of HealthPlan Data Solutions discussed its approach to pharmacy benefit manager integrity monitoring, pharmacy benefit manager performance in the Kentucky Employee Health Plan, and the benefits it has provided.

The senior director of state affairs with the Pharmaceutical Care Management Association discussed the services and benefits of pharmacy benefit managers.

### **Public Health**

The president of the Kentucky Health Departments Association and the director of the Kentucky River District Health Department discussed progress in public health transformation from 2019 to 2023, the difficulty of maintaining staffing levels, the focus on foundational services, and funding requests for 2024 and 2025.

The deputy commissioner of the Department for Public Health discussed initiatives that will end or transition to commercial channels following the end of the federal public health emergency related to COVID-19 and improvements that remain beyond the end of the public health emergency.

### **Violence Prevention**

The commissioner of Kentucky State Police (KSP) presented information from the annual Crime in Kentucky Report, partnerships that work with the KSP, plans to recruit and retain more KSP officers, and victim and community advocacy programs.

An overview of violence prevention initiatives was presented by the Ion Center for Violence Prevention, the 2X Game Changers Organization, Children's Home of Northern Kentucky, and CHI Saint Joseph Health.

### **Proposed Legislation For The 2024 Regular Session**

Representative Kim Moser presented a preview of BR 442, which was described as an omnibus bill to improve maternal health and address concerns over increasing rates of maternal mortality.

Representative Russell Webber provided a preview of BR 382, which would require the state Medicaid program to cover certified professional midwifery services provided by a licensed certified professional midwife.

### **Referred Block Grant Applications**

Pursuant to KRS 45.353, the committee held legislative hearings on two block grant applications: the Federal Fiscal Year 2022-2023 Community Mental Health Services Block Grant, the Substance Abuse Prevention and Treatment Block Grant Application and the Federal Fiscal Year 2023-2026 Temporary Assistance for Needy Families Preliminary State Plan Block Grant Application.

### **Referred Administrative Regulations**

In performing its statutory legislative oversight responsibility, the committee reviewed 79 ordinary and 16 emergency administrative regulations upon referral from the Legislative Research Commission under the review process established in KRS Chapter 13A.



## **2023 Report Of The Interim Joint Committee On Judiciary**

**Sen. Whitney Westerfield, Co-Chair**  
**Rep. Daniel Elliott, Co-Chair**

Sen. Karen Berg  
Sen. Danny Carroll  
Sen. Matthew Deneen  
Sen. Gerald A. Neal  
Sen. John Schickel  
Sen. Robert Stivers  
Sen. Brandon J. Storm  
Sen. Johnnie Turner  
Sen. Phillip Wheeler  
Rep. Kim Banta  
Rep. John Blanton  
Rep. Kevin D. Bratcher  
Rep. Josh Bray  
Rep. Lindsey Burke

Rep. Jennifer Decker  
Rep. Stephanie Dietz  
Rep. Patrick Flannery  
Rep. Keturah Herron  
Rep. Nima Kulkarni  
Rep. Derek Lewis  
Rep. Savannah Maddox  
Rep. Kimberly Poore Moser  
Rep. Jason Nemes  
Rep. Jason Petrie  
Rep. Steve Rawlings  
Rep. Scott Sharp  
Rep. Pamela Stevenson  
Rep. Nick Wilson

LRC Staff: Roberta Kiser, Stacy Byrns Taulbee, Stephanie Larkin, Randall Roof, Joshua Shelepak, Matt Trebelhorn, and Robert Wright

Jurisdiction: Matters pertaining to contracts; the Uniform Commercial Code; debtor-creditor relations; ownership and conveyance of property; private corporations and associations; competency proceedings; administration of trusts and estates of persons under disability; descent, wills, and administration of decedents' estates; domestic relations; support of dependents; statutory actions and limitations; eminent domain; arbitration; declaratory judgments; witnesses; evidence; legal notices; construction of statutes; civil procedure; the Supreme Court, the Court of Appeals, circuit courts, and district courts; family courts; jurisdiction, rules, terms, judges, commissioners, selections, districts, qualifications, compensation, and retirement; clerks of courts; juries; attorneys; receivers; court reporters; habeas corpus; crimes and punishments; criminal procedure; probation and parole; correctional facilities; civil rights; and juvenile matters.

## **Committee Activity**

The Interim Joint Committee on Judiciary held seven meetings.

### **Exoneration Compensation**

The supervisor of the Kentucky Innocence Project discussed the need for a statutory mechanism for the wrongfully convicted to receive compensation, stating that approximately 38 states and the federal government already have a mechanism in place. Past exonerees spoke on their wrongful conviction experiences and expressed support for legislation to address the issue.

### **Nonrecourse Consumer Legal Funding**

Representatives of the Alliance for Responsible Consumer Legal Funding explained consumer legal funding. If a consumer has no legal recovery or does not recover sufficient funds to cover priority liens and costs, the consumer owes nothing. Any funding provided is used only for household needs and cannot be used for litigation expenses. The funding company can have no influence in the case.

A representative of the American Tort Reform Association expressed concerns regarding what he referred to as lawsuit loans and lawsuit lending that could encourage litigation. Current law prohibits these arrangements. He recommended that, if the law is changed, the loans be subject to the state's usury laws and any loan be disclosed to all parties to the litigation, including the court.

### **Controlled Substances And Homicide**

Representatives of the Richmond Police Department discussed the prevalence of drug overdoses (particularly those involving fentanyl) resulting in the death of individuals who were unaware of the presence of a lethal substance. There is a need for an amendment to existing statutes to provide additional criminal charges.

The deputy public advocate expressed concerns regarding adoption of drug-induced homicide laws with no indication that an additional criminal charge will curb the problem, as well as the potential chilling effect the proposed changes could have on existing Good Samaritan laws.

### **Expungement**

Representatives of Dream.org, the Georgia Center for Opportunity, and Clean Slate Initiative discussed automation of record clearing for individuals who have served sentences for low-level, nonviolent convictions, without changing the waiting period or judicial or prosecutorial discretion under Kentucky's existing expungement laws. They provided information that employment reduces recidivism and addresses the need of employers to find qualified and ready-to-work employees. Individuals who have sought or secured expungement under existing requirements testified about their experiences with attempting to navigate the process and the expense involved.

## **Immunity From Criminal Liability For Health Care Providers**

A certified registered nurse anesthetist from Tennessee testified on the need to protect health care providers from criminal prosecution when a mistake resulting in a fatality occurs during the administration of the provider's duties. Legislation to provide this protection would not relieve an individual from liability if the fatality arose from gross negligence or from wanton, willful, malicious, or intentional misconduct.

## **Privacy Protection**

There was discussion of proposed legislation regarding the protections of citizens from electronic surveillance, the sale of license plate data obtained through license plate reader cameras, the use of artificial intelligence to create deepfakes, and mandated microchipping.

## **Transfer On Death Deeds**

The Kentucky representative of the Uniform Law Commission explained the mechanics of proposed legislation regarding transfer on death deeds. There was discussion of provisions within the proposed legislation that would phase out the inheritance tax in Kentucky and apply the principles of a transfer on death document to motor vehicles.

## **Rapid DNA And DNA Evidence**

A representative of the DNA Justice Project testified on her experience as a victim of sexual violence and the beneficial use of Rapid DNA technology for victims of crime and for the reduction of crime.

A representative of the Department of Public Advocacy discussed her experience with DNA evidence and addressed the need for certification of technicians who collect DNA from arrestees.

## **Juvenile Justice**

Representatives of the Department of Juvenile Justice provided an update on staffing within the department, including goals, training, and recruitment.

Department representatives addressed concerns regarding separation of male and female offenders, some proposed language for administrative regulations, and the requirement for a return to a regional model of detention.

Representatives of the Department of Public Advocacy discussed the issues its attorneys face in their representation of juvenile offenders arising specifically from the lack of regional facilities and the impact on juveniles.

## **Department Of Public Advocacy Update**

The public advocate and deputy public advocate discussed the Department of Public Advocacy's staffing issues and the upcoming merger between the department and the Louisville-Jefferson County Public Defender Corporation. They addressed the average tenure of a public defender and benefit of a system comprising full-time public defenders compared to contracts with private attorneys.

## **Domestic Violence**

Representatives of ZeroV and the Ion Center for Violence Prevention presented statistics related to intimate partner violence, as well as information contained in the 2023 Domestic Violence Report compiled by the Criminal Justice Statistical Analysis Center. They discussed the needs of victims of domestic violence, including housing and flexible and affordable child care, as well as funding needs.

## **Victims Of Crime**

The executive director of the Office of Claims and Appeals discussed the purpose of the Crime Victims Compensation Board, eligibility requirements for crime victims filing claims, the claims process, award types, and monetary caps in place for claims.

There was discussion of a legislative proposal to amend definitions, address the time for investigation of claims, and raise the limits and expand the types of claims subject to payment for victims of crime.

The Henderson county attorney and the executive director of the Administrative Office of the Courts (AOC) discussed Victim Information and Notification Everyday and the continued use of the system to notify crime victims of court proceedings involving accused perpetrators.

A former state representative from Georgia presented information relating to Georgia's enactment of the Coleman-Baker Act, which established a unit within the Georgia Bureau of Investigation designed to investigate cold cases on behalf of victims.

## **State Of The Judiciary**

The Chief Justice provided an overview of the matters of significance to the judicial branch, including the need for pay parity and the need for both new and updated court facilities. He discussed advances in technological applications, including a case management system.

## **Kentucky Judicial Commission On Mental Health**

The deputy chief justice and the project director of the Kentucky Judicial Commission on Mental Health discussed the prevalence of serious mental illness in incarcerated individuals compared to the general population and recommendations to address this issue. They detailed the goals, membership, and structure of the commission.

### **Behavioral Health Conditional Dismissal Program**

AOC provided an update on the Behavioral Health Conditional Dismissal Program Pilot Project established by 22 RS SB 90, including the number of counties that have fully implemented the program and additional sites that will soon be active. AOC representatives provided information regarding the required data collection efforts, statistics that have been obtained, and barriers to implementing the program.

### **2022 Crime In Kentucky Report**

The chief of police of the Louisville Metro Police Department and the commissioner of Kentucky State Police discussed questions regarding possible discrepancies following the release of reported crime statistics. It was reported that a discrepancy arose as a result of a technical error that has been corrected. The commissioner explained the process for the collection and reporting of crime data in Kentucky and the systems used for that process.

### **Crisis Aversion And Rights Retention**

There was discussion of proposed legislation that would address gun violence involving individuals who may be experiencing a mental health crisis and would also protect the rights afforded by the Second Amendment of the US Constitution.

### **Proposed Legislation On Crime And Punishment**

Several legislators discussed proposed legislation to enhance penalties for violent offenses and establish additional criminal offenses for specified acts. The discussion included proposals addressing juvenile court proceedings, charitable bail organizations, contraband, the Parole Board, and murder of a first responder, among other matters.



## **Interim Joint Committee On Licensing, Occupations, And Administrative Regulations**

**Sen. John Schickel, Co-Chair**  
**Rep. Matthew Koch, Co-Chair**

Sen. Julie Raque Adams  
Sen. Donald Douglas  
Sen. Denise Harper Angel  
Sen. Jimmy Higdon  
Sen. Jason Howell  
Sen. Amanda Mays Bledsoe  
Sen. Christian McDaniel  
Sen. Michael J. Nemes  
Sen. Damon Thayer  
Sen. Reginald Thomas  
Rep. Kim Banta  
Rep. Kevin D. Bratcher  
Rep. Emily Callaway  
Rep. Mike Clines

Rep. Jonathan Dixon  
Rep. Daniel Fister  
Rep. Patrick Flannery  
Rep. Al Gentry  
Rep. Samara Heavrin  
Rep. Keturah Herron  
Rep. Thomas Huff  
Rep. Kevin Jackson  
Rep. Nima Kulkarni  
Rep. Michael Meredith  
Rep. Ruth Ann Palumbo  
Rep. Phillip Pratt  
Rep. Tom Smith  
Rep. Killian Timoney

LRC Staff: Bryce Amburgey, Jasmine Williams, Wendy Craig, CaraBell Preece, and Lisa Moore

Jurisdiction: Matters pertaining to professional licensing not assigned specifically to another committee; racing; prize fighting and wrestling; places of entertainment; alcoholic beverage control; private corporations; cooperative corporations and marketing associations; religious, charitable, and educational societies; nonprofit corporations; professional service corporations; cemeteries; barbers and cosmetologists; professional engineers and land surveyors; architects; real estate brokers and agents; public accountants; detection of deception examiners; auctioneers; business schools; warehouses and warehousemen; partnerships; trade practices; and review of administrative regulations.

## **Committee Activity**

The Interim Joint Committee on Licensing, Occupations, and Administrative Regulations held six meetings.

## **Licensed Occupations**

### **Licensure Compacts**

Representative Mark Hart proposed legislation that would make Kentucky a member of the EMS Interstate Compact. Representatives Ken Fleming and Lisa Willner proposed legislation that would make Kentucky a member state of the Social Work Licensure Compact. Representative DJ Johnson proposed legislation that would make Kentucky a member state of the massage therapy compact. The representatives testified that joining the compacts will allow these professionals, including military spouses, to work across state lines.

### **Marriage And Family Therapists**

A private citizen discussed the severe mental health provider shortage and the need for a licensure compact to ease the entry of qualified therapists moving to Kentucky, thereby increasing access to therapy for marriage and family therapists.

### **Felon Employment And Licensure**

Representative Emily Callaway presented proposed legislation to further streamline application processes for public employment and occupational licensing by justice-involved persons. The legislation is intended to create transparency as to licensure requirements and includes due process for convicted felons, including the court appeal of an adverse ruling. Twenty states have adopted this predeterminative approach.

### **Universal Licensing**

Representative Steven Doan proposed legislation to permit universal recognition of occupational licensing to make it easier to employ qualified people from out of state.

### **Nail Technicians**

Senator Reginald Thomas and several members of the nail technician community explained why proposed legislation is necessary to give them representation. Requested changes included adding a nail technician to the board of cosmetology, offering required examinations in multiple languages, and allowing unlimited retest opportunities for applicants.

### **Veterinarian Allied Health**

Representatives of the Kentucky Board of Veterinary Examiners and equine dentists testified about the need for proper equine dental care to ensure the overall health of Kentucky horses. The board representatives and equine dentists stated that sedation drugs are essential and agreed to work together to develop policies for drug access and transportation.

### **Kentucky Nurses Association**

The chair of the Government Affairs Cabinet of the Kentucky Nurses Association offered the committee an option to increase satisfaction and retention in the nursing field. She reported that other states have seen success by engaging nurses through Safe Staffing Committees. Such institutional staffing committees give direct patient care nurses a voice in their organizational staffing levels and scheduling, creating safer outcomes benefiting nurses and patients. The association represents 90,000 nurses in Kentucky, accounting for more than 53 percent of the health care workforce.

### **Electrician Licensing**

Representative Steve Bratcher proposed legislation to meet the electrician shortage by reducing experience requirements for master electricians. He explained that the legislation would allow alternate ways for all electricians to achieve licensure through postsecondary degrees, teaching experience, and relevant military service.

### **Psychologists**

Representatives Ken Fleming and Lisa Willner proposed legislation to reduce the 5-year supervision requirement to 2 years for a licensed psychological associate to qualify as a licensed psychological practitioner.

### **Kentucky Academy Of Physician Assistants**

Representative Mike Clines and the government affairs chair of the Kentucky Association of Physician Assistants discussed their legislative agenda to modernize the Kentucky Board of Medical Licensure and update course curriculum requirements for physician assistant licensure.

### **Podiatrists**

Senator Stephen Meredith proposed legislation to create licenses for podiatric residents and podiatric assistants. He testified that the proposal sets specific requirements for podiatrist licensure.

### **Land Surveyors**

The executive director of the Kentucky State Board of Licensure for Professional Engineers and Land Surveyors provided an overview of the upward trend in surveying licensing and the

increase in pass rates for the surveying exams since moving to 4-year degree requirements. The board opposes regressing to a 2-year degree path for surveying licensing. The chief strategy officer of Thoroughbred, an engineering firm, testified that there is a shortage of land surveyors, and flexibility is needed. He explained that one barrier can be the high costs of earning a 4-year degree and that pathways to obtain a license based on real-world experiences should be available.

### **Opticians**

Representative Wade Williams proposed legislation to update the ophthalmic dispenser license renewal fee. He explained that the financial needs of the optician board cannot be met through the \$75 renewal fee.

### **Music Therapy**

Senator Gerald A. Neal proposed legislation to establish a licensing board for professional music therapists. The co-chair of the Kentucky Music Therapy Task Force provided an overview of music therapy and explained the task force's goal of increasing recognition of the music therapy profession and the music therapist board-certified credential.

## **Racing And Gaming**

### **Horse Racing And Sports Wagering**

The Kentucky Horse Racing Commission provided an update on sports wagering and the horse racing industry. The executive director of the commission discussed the expected increase of revenue from mobile betting, the new quarter horse racetrack, and strong purses due to money from historical horse racing. The safety steward of the commission asserted that horse safety remains a top priority and explained how assessment models have been implemented at racetracks to decrease horse injuries.

A presentation by the Thoroughbred Aftercare Alliance stated that it is a nonprofit initiative started in Lexington that inspects, accredits, and awards grants to approved aftercare organizations that rehome, retrain, and retire Thoroughbred horses. Over 15,500 Thoroughbreds have found new homes and careers through Alliance-accredited organizations that transitioned former racehorses into eventers, champion show horses, partners in equine-assisted therapy programs, and living tourism destinations.

The Breeders' Cup provided an overview of its successes over the past few decades, its projections for the future, and its Kentucky roots.

The president and chief operating officer of the Jockey Club provided an overview of its history and the future mission of the Thoroughbred racing industry in the United States. The club aims to safeguard the integrity of the Thoroughbred breed and improve standards to help facilitate international trade, breeding, and racing.

The president of the Kentucky Horsemen's Benevolent and Protective Association and the executive director of the Kentucky Racing Health and Welfare Fund discussed the program's decline in funding and asked the committee for guidance on supplemental funding.

The executive director of the Kentucky Quarter Horse Racing Association provided an update on Quarter Horse racing, the goal to bring more Quarter Horse owners and breeders to Kentucky, and how the opening of Sandy's Racing and Gaming in Ashland has created new jobs in eastern Kentucky.

The chief operating and financial officer of the Red Mile explained that the organization is proud to represent the standardbred horse industry in Kentucky, and that the future of the industry is bright. She discussed that historical horse racing revenue kept the harness racing track open and that sports wagering, offered in the newly renovated entertainment facility, will make it a popular destination.

### **Charitable Gaming**

Representative Kevin D. Bratcher and representatives of the Department of Charitable Gaming testified about issues with charitable gaming and the organizations that provide it. The primary changes they seek include raising the limit on bingo prizes, introducing a sliding penalty scale for adjusted gross receipt failures, and granting full police powers to the department's enforcement officers.

### **Anonymous Lottery Winners**

Representative Kim Banta explained proposed legislation allowing lottery winners to remain anonymous for one year if they win over \$1 million.

### **Problem Gambling**

The executive director of the Kentucky Council on Problem Gaming expressed three concerns with the publicly funded Problem and Addicted Gambling Awareness, Education, Prevention, and Treatment Program established by the General Assembly in 2023. To address these concerns, the executive director requested that funds intended for programs to treat gambling problems and addictions not be diverted to other uses, that the programs have proper infrastructure before offering services, and that the General Assembly consider additional funding based on research statistics.

## **Alcoholic Beverages**

### **Tasting Rooms**

Representative Michael Meredith stated that many communities outside of the traditional bourbon belt want to take part in bourbon tourism but cannot find a way. He explained that the original solution was satellite tasting rooms, but since they have not proliferated in those

communities, the next goal is developing a more friendly environment to bring bourbon tourism to other communities.

### **Alcohol Delivery And Package License Quotas**

A representative of the Kentucky Retail Federation discussed the requirements for alcoholic beverage delivery vehicles and testified that there is a shortage of quota retail package licenses, especially in Lexington.

### **Kentucky Distillers' Association**

A legislative consultant of the Kentucky Distillers' Association advocated for limited self-distribution of distilled spirits by craft distilleries. The consultant testified in favor of changing vintage distilled spirits laws, allowing alcohol authorities to auction confiscated distilled spirits for charity, and creating taxation and sales parity for "ready to drink" distilled spirit cocktails.

### **Riverboat Alcohol Sales**

Senator Gex Williams proposed legislation to allow riverboats carrying 40 or more passengers to sell alcoholic beverages by the drink. He explained that the threshold is 100 passengers or more, and that the new number would allow alcohol sales by riverboats on the Kentucky River.

## **Building Trades And Homes**

### **Dual Credit For Building Trade Students**

Representatives of the Building Industry Association of Northern Kentucky requested legislation allowing construction trade students to simultaneously receive school credit and training credit as time credited toward licensure. Articulation agreements were proposed as the best route to create the dual-credit program to expedite bringing workers into the economy.

### **Smoke Alarms**

Representative Phillip Pratt discussed proposed legislation to mandate that all homes sold, old or new, have a working smoke alarm at the time of transfer, to be verified in an affidavit signed by the seller. A fire marshal highlighted that three of five fire deaths occur in a location with an inoperable smoke alarm.

## **Administrative Regulations**

The Kentucky Board of Accountancy proposed an amendment to 201 KAR 001:190 to make Kentucky forms consistent with the new 2024 Uniform CPA Examination. The committee adopted the amendment.

## **Other Areas Of Jurisdiction**

### **Freestanding Birth Centers**

Senator Shelley Funke Frommeyer and Representative Jason Nemes proposed legislation to allow freestanding birth centers as an alternative location for healthy pregnancies. Physician and hospital representatives raised concerns over safety and argued that any freestanding birth center must have an integrated agreement with a nearby hospital.

### **Right To Repair High-Tech Farm Equipment**

Representative Jonathan Dixon discussed farmers' right to repair their high-tech farm equipment. A disconnect has developed between manufacturers and end users, but many of the manufacturers already work with Kentucky Farm Bureau, and the issue needs further exploration.

### **Enforcement Of Laws Prohibiting Sale Of Nicotine Products To Those Under 21**

Students from Scott County High School and the University of Kentucky explained how they partner with schools around the state to facilitate education advocacy on the negative physical, social, and financial effects of youth nicotine use and vaping. The students believe that laws prohibiting the sale of nicotine products to persons under the age of 21 should be more stringently enforced, with stiff penalties imposed for violation. A doctor from the University of Kentucky testified that nicotine harms developing brains, and that electronic cigarettes and vape products can contain many dangerous chemicals likely to cause significant long-term consequences.

### **Boxing And Wrestling Commission**

The executive director of the Boxing and Wrestling Commission explained its proposal to facilitate amateur exhibition shows by allowing organizers to charge admission.



## **Report Of The 2023 Interim Joint Committee On Local Government**

**Sen. Robby Mills, Co-Chair**  
**Rep. Randy Bridges, Co-chair**

Sen. Cassie Chambers Armstrong  
Sen. Greg Elkins  
Sen. Denise Harper Angel  
Sen. Amanda Mays Bledsoe  
Sen. Michael J. Nemes  
Sen. Brandon J. Storm  
Sen. Damon Thayer  
Sen. Phillip Wheeler  
Sen. Gex Williams  
Rep. Danny Bentley  
Rep. Adam Bowling  
Rep. Josh Bray  
Rep. George Brown Jr.  
Rep. Beverly Chester-Burton

Rep. Jonathan Dixon  
Rep. Steven Doan  
Rep. Deanna Frazier Gordon  
Rep. Chris Freeland  
Rep. Mary Beth Imes  
Rep. Jacob Justice  
Rep. Matt Lockett  
Rep. Michael Meredith  
Rep. Marianne Proctor  
Rep. Rebecca Raymer  
Rep. Brandon Reed  
Rep. Sarah Stalker  
Rep. Pamela Stevenson  
Rep. Walker Thomas

LRC Staff: Mark Mitchell, Christopher Jacovitch, and Cheryl Walters

Jurisdiction: Matters pertaining to the officers, organization, government, and financing of county and city governments; city- and county-imposed taxes and licenses; special purpose assessment and taxing districts within a city; financing of local government improvements; issuance of bonds for county, city, and special district projects; local government and special district indebtedness generally; compensation of county and city officers and employees; the imposition of duties and costs on local governments; interlocal government cooperation and consolidation of services; local government employees, civil service, and retirement; the powers, duties, and composition of fiscal courts and municipal legislative bodies; the offices of county judge/executive, magistrate, county attorney, sheriff, constable, jailer, coroner, surveyor, and county clerk; forms of local government; incorporation and classification of cities; housing projects; manufactured housing; urban renewal and redevelopment; planning and zoning; annexation of territory; public works; parks and playgrounds; police and fire departments and their retirement systems; county roads; city streets and sidewalks; local government utilities and waterworks; acquisition of waterworks and water districts by local governments; sewers; metropolitan sewer and sanitation districts; public road districts; water districts; fire protection districts; drainage districts and local flood control and water usage; local air pollution control districts; urban service districts; library districts; city and county libraries; and special districts not assigned to another committee.

## **Committee Activity**

The Interim Joint Committee on Local Government held six meetings.

### **Kentucky Fire Commission Duties, Organization, Fiscal Resources, And Expenditures**

The executive director and the board chair of the Kentucky Fire Commission and the general counsel and chief of staff/board and government liaison of the Kentucky Community and Technical College System provided a history of the fire commission and information on its constituency, budget, and financial resources. They also discussed the Fire Academy of Kentucky, a firefighter training initiative of the commission.

### **Local Government Property Valuation, Revenue Sources, And Budgeting**

The committee explored city and county revenues and the processes involved in budgeting those resources.

Property valuation administrators from Fayette County and Henderson County, the director of the Division of Local Support, the executive director of the Department of Revenue's Office of Property Valuation, and the local government adviser of the Department for Local Government discussed the processes for assigning values to property through the office of the property valuation administrator; gave an overview of property tax collection; discussed the duties of the Department of Revenue, sheriffs, and clerks relating to property tax collection; and detailed the Department for Local Government's responsibilities toward rate calculation in response to HB 44 of the 1979 Special Session.

The insurance program manager of the Department of Insurance discussed local government premium taxes, a fundamental revenue source for local governments.

The tax compliance officer of the City of Crestview Hills and the revenue director of the Georgetown-Scott County Revenue Commission provided information relating to occupational license taxes, another fundamental revenue source for local governments.

The executive director of the Kentucky Association of Counties and the executive director and CEO of the Kentucky League of Cities discussed revenue sources beyond the top three revenue sources for counties and cities, and they provided an overview of the most common expenditures for each type of local government.

The executive director of the Kentucky County Judge/Executive Association and the Magoffin County judge/executive presented a county budget overview.

### **Opioid Fund Distribution To Local Governments And The State**

The executive director of the Kentucky Opioid Abatement Advisory Commission provided an overview of grants that were announced in April 2023 to be awarded in September 2023. He

noted several specific awards and provided extra detail on three, including the awarding of funds to Operation Unite, Volunteers of America, and the YMCA of Greater Louisville.

The director of public affairs of the Kentucky League of Cities provided an overview of city-oriented uses of opioid abatement grant money. The mayors of Somerset and Corbin and the president and CEO of the Life Learning Center discussed municipal uses of grant money. Representatives of Corbin would like to use the money to add a Scholar House program in the city.

The county judge/executives of Boone County and Harlan County detailed their counties' preferred uses for settlement money. Counties were represented by the project coordinator with the Graves County Agency for Substance Abuse Policy/Prevention, who advocated the use of syringe exchange programs to reduce harm.

### **Local Electronic Records Portals**

The Grant County clerk discussed modernization efforts occurring in county clerk offices, provided background regarding the 2021 County Clerk Modernization Task Force, and outlined required electronically searchable records waypoints for January 1 and June 30, 2024, and for June 30, 2026. The Mason County clerk discussed clerk funding sources for the project. Clerks receive a \$10 storage fee for recording certain documents, access to \$25 million available via the Finance Cabinet that was allocated in the last biennium, general fees from the clerk's office itself, and grants available from the Kentucky Department for Libraries and Archives (KDLA).

### **Local Records Program Grants, Kentucky Department For Libraries And Archives**

The Mason County clerk and Grant County clerk discussed the Local Records Program and listed items on which the Kentucky County Clerks Association would like action. The KDLA commissioner and state librarian discussed the department's implementation of grants from the Local Records Program and discussed the application and award processes.

### **Library District Board Selection**

The KDLA commissioner and state librarian outlined how library district board members are selected pursuant to 22 RS SB 167.

### **Sheriffs' Transportation Costs**

The Warren County sheriff and Kenton County chief deputy sheriff discussed Warren County's transportation costs relating to transporting juveniles, which can be considerable when closures of juvenile detention facilities make trips longer. Additional concerns include the security of the juveniles being transported and costs to families of juveniles for making long-distance trips.

### **Special Purpose Governmental Entity And Fire Department Annual Reports**

The cities and special districts branch manager of the Department for Local Government and the deputy director and the training records and compliance specialist of the Kentucky Fire Commission presented their statutorily mandated reports on special purpose government entity and fire department compliance with KRS Chapter 65A and Chapter 95A.

### **Legislative Platforms, Kentucky League Of Cities And Kentucky Association Of Counties**

Legislative platforms for 2024 were presented by the executive director and CEO, president, and first vice president of the Kentucky League of Cities and by the executive director and CEO, president-elect, and first vice president of the Kentucky Association of Counties.

### **Louisville Metro Comprehensive Review Commission**

Representative Jason Nemes and the co-chair of the Louisville Metro Comprehensive Review Commission presented the commission's report, mandated by 22 RS HB 314 to examine issues relative to the consolidated local government form of government operating in Jefferson County.

### **Referred Administrative Regulations**

- 109 KAR 017:010
- 202 KAR 002:020
- 739 KAR 002:060
- 815 KAR 007:130
- 815 KAR 010:060
- 815 KAR 025:020

## **Report Of The 2023 Interim Joint Committee On Natural Resources And Energy**

**Sen. Brandon Smith, Co-Chair**  
**Rep. Jim Gooch Jr., Co-Chair**

Sen. Cassie Chambers Armstrong  
Sen. Jared Carpenter  
Sen. Robby Mills  
Sen. John Schickel  
Sen. Adrienne Southworth  
Sen. Johnnie Turner  
Sen. Robin L. Webb  
Sen. Whitney Westerfield  
Sen. Phillip Wheeler  
Sen. Gex Williams  
Rep. Jared Bauman  
Rep. John Blanton  
Rep. Adam Bowling  
Rep. Randy Bridges  
Rep. Lindsey Burke

Rep. Beverly Chester-Burton  
Rep. Myron Dossett  
Rep. Ryan Dotson  
Rep. Patrick Flannery  
Rep. Chris Fugate  
Rep. Al Gentry  
Rep. Daniel Grossberg  
Rep. DJ Johnson  
Rep. Bobby McCool  
Rep. Suzanne Miles  
Rep. Tom Smith  
Rep. Bill Wesley  
Rep. Richard White  
Rep. Wade Williams

LRC Staff: Stefan Kasacavage, Tanya Monsanto, Kayla Carroway, and Rachel Hartley

Jurisdiction: matters pertaining to forestry; mining; fish and wildlife resources; soil and water conservation; flood control and water usage; drainage and irrigation; geology and water resources; waterways and dams; oil, gas, and salt water wells; state and national parks; drainage districts; water pollution; noise pollution; air pollution; management of waste; protection of the environment; Energy and Environment Cabinet; privately owned public utilities; rates, permits, and certifications of convenience and necessity; water district rates; utilities in cities; public utility cooperatives; electric and gas utilities and cooperatives; oil and gas transmission companies; telephone companies and cooperatives; municipal utilities and water works; energy and fuel development; energy waste disposal; the Public Service Commission; solar and other renewable energy; hydroelectric and thermonuclear energy; and gasohol and other alternative fuels.

## Committee Activity

The Interim Joint Committee on Natural Resources And Energy met six times.

### Electricity Generation And Grid Reliability

#### **Role Of Regional Transmission Organizations In Ensuring A Reliable Energy Transition.**

A vice president of PJM discussed its role in regional electric grid reliability and the challenges it will face as planned generation resources rely on more intermittent sources of power, especially solar. PJM is a membership organization that provides services on a nonprofit basis to its member customers, which in Kentucky include East Kentucky Power Cooperative, Duke Kentucky, and Kentucky Power.

PJM's current generation capacity is 180 gigawatts, and by 2030, PJM projects that 40 GW of that total will be lost through retirements of predominately coal-fired generation resources. Most of the queued generation capacity that is planned to replace this loss is solar, with some resources planned for energy storage capacity, wind, and natural gas generation. PJM does not believe that there will be enough new generation resources to match projected retirements, which may result in an energy supply shortage as early as the end of the decade.

**Cancellation Of Proposed Sale Of Kentucky Power.** The president and chief operating officer of Kentucky Power, an investor-owned electric utility operating in eastern Kentucky, discussed the April 2023 cancellation of its proposed sale to Liberty Utilities. Several factors led to the cancellation of the sale, including the time necessary to complete the sale and the failure to secure necessary approval from the Federal Energy Regulatory Commission.

**Solar Energy Development.** The executive director of the Office of Energy Policy stated that there are approximately 30 megawatts of utility-owned solar generation in Kentucky, accounting for 0.07 percent of net utility electricity generation. Rooftop solar or distributed solar generation is outpacing utility-owned solar with an aggregated capacity of about 63.5 MW connected to the electric grid via net metering and qualifying facility tariffs. Merchant or independent solar power projects total approximately 4.0 GW of capacity and are the single largest category of solar projects. The Office of Energy Policy website keeps an updated map of merchant solar generation projects that are pending or ongoing throughout the commonwealth.

### Environmental Monitoring And Cleanup

**Monitoring Of Per- And Polyfluoroalkyl Substances.** The commissioner of the Department for Environmental Protection stated that per- and polyfluoroalkyl substances (PFAS) are a family of chemical compounds developed in the 1940s that have been widely used in consumer and industrial products, such as Teflon and Scotchgard, for their heat- and stick-resistant properties and in aqueous film-forming foam for their ability to extinguish certain types of fires that water cannot extinguish. The strong chemical bonds in PFAS make them very difficult to break apart, which results in their persistence in the environment for very long periods of time. There is evidence that exposure to PFAS may be harmful to human health.

The Department for Environmental Protection has been monitoring PFAS levels in drinking water, surface waters, and fish tissue since 2019, and has found PFAS levels exceeding US Environmental Protection Agency (EPA) health advisory standards throughout the commonwealth. In March 2023, the EPA proposed establishing legally enforceable maximum drinking water levels for six of the most common PFAS. Drinking water systems that exceed the proposed maximums would need to install filtration technologies to bring PFAS concentrations within acceptable limits. The approximate cost of one such system in Leitchfield was estimated to be \$1 million initially and \$150,000 annually thereafter.

**Orphan Well Plugging.** The director of the Division of Oil and Gas stated that the federal Bipartisan Infrastructure Law that Congress passed in November 2021 provided grant opportunities to plug orphan wells. Kentucky applied for grant funding and was awarded an initial grant of \$25 million. The funding has been used to plug 635 orphan wells in 27 counties. The average cost to plug a well through the Bipartisan Infrastructure Law Plugging Program has been approximately \$33,000.

As part of its responsibilities under the grant program, the Division of Oil and Gas partnered with the Kentucky Geological Survey to measure escaped methane emissions from 100 sites and will utilize the data to provide statistical models.

Kentucky's future well plugging grant eligibility under the Bipartisan Infrastructure Law is \$78.98 million, but applications for additional grant funding must be submitted in annual phases limited to \$25 million per year.

### **Acquisition Of Conservation Easements By Department Of Fish And Wildlife Resources**

The director of external affairs of the Nature Conservancy explained how the passage of 23 RS SB 241 provided the Department of Fish and Wildlife Resources with the tools necessary to complete the process of acquiring permanent conservation, recreation, and public access easements on more than 54,000 acres in Bell, Knox, and Leslie Counties. The General Assembly previously provided \$3.875 million for the project, with federal funds being used for the remaining 75 percent of the project costs. Much of the legal work has been completed, and all parties were committed to closing the land deal by the end of the calendar year.

A representative of the Rocky Mountain Elk Foundation stated that the conservation easements will improve the quality of life for people in surrounding communities, support outdoor recreation tourism, and provide for sustainable management of the natural resources on the easement. The Department of Fish and Wildlife Resources will acquire the permanent conservation easements, but the underlying property will continue to be classified as privately owned, so it will continue to provide property tax revenue for the counties where the land is located.

## **Update From Kentucky Forest Products Industries Association**

The executive director of the Kentucky Forest Industries Association (KFIA) stated that his organization represents a wide range of forestry industry stakeholders including sawmills, loggers, and forest land owners. The forestry industry in Kentucky employs over 27,000 people with over \$13 billion in economic contributions. KFIA has implemented measures to educate forest managers, land owners, and loggers on the best management practices for growing white oak.

## **Economic Development Opportunities Under The GRANT Program**

Representative Richard Heath stated that the main goal of the Kentucky Government Resources Accelerating Needed Transformation (GRANT) Program established by 23 RS HB 9 was to provide state matching funds to make local communities eligible for federal grants for significant public projects to revitalize those communities. The federal government has authorized funds through the Bipartisan Infrastructure Law and the Inflation Reduction Act for programs aimed at economic and workforce development; infrastructure; substance use disorder programs; site cleanups; science, technology, engineering, and mathematics education; and housing.

The federal government initially gave 21 eastern Kentucky counties and 20 western Kentucky counties elevated priority in ranking their grant applications due to the economic impacts of downturns in energy-related industries. Since the passage of HB 9, those priority areas have been expanded to encompass most of the rest of the commonwealth due to the negative economic impacts of breaks in the supply chain.

## **Update On Blockchain Working Group**

The chief information security officer of the Commonwealth Office of Technology stated that blockchain is an encrypted, secure distributed ledger system that maintains a digital record of transactions. The Blockchain Working Group is exploring opportunities for the application of blockchain technology in public utilities; supply chain management; and logistics, health care, finance, and record management. The working group's annual report was to be submitted to the Legislative Research Commission by December 1.

## **Reports Received**

- Telecommunications Access Program Annual Report, FY 2023
- Low Income Home Energy Assistance Program Block Grant Program Status Report, January 2023–June 2023
- Kentucky Department of Fish and Wildlife Resources No Net Loss of Hunting Land Report, 2023
- Report of the Audit of the Kentucky Heritage Land Conservation Nature License Plate Fund, FY 2023
- Kentucky Wetland and Stream Fees-in-Lieu-of Mitigation Program Annual Report, 2023

- Kentucky Department of Fish and Wildlife Resources Chronic Wasting Disease and Wildlife Diseases Status Report, 2023
- Energy and Environment Cabinet 2023 Regular Session House Joint Resolution 37 Reformulated Gasoline Report
- Finance and Administration Report on the Use of Energy-Efficient Measures in State Government, FY 2023

### **Referred And Approved Block Grant Application**

- Low Income Home Energy Assistance Program Block Grant Application, FY 2024

### **Referred Administrative Regulations**

In performing its statutory legislative oversight responsibility, the committee, as of November, had reviewed 21 administrative regulations upon referral from the Legislative Research Commission under the review process established in KRS Chapter 13A.



## Report Of The 2023 Interim Joint Committee On State Government

**Sen. Robby Mills, Co-Chair**

**Rep. Kevin D. Bratcher, Co-Chair**

**Rep. David Hale, Co-Chair**

Sen. Cassie Chambers Armstrong  
Sen. Greg Elkins  
Sen. Denise Harper Angel  
Sen. Amanda Mays Bledsoe  
Sen. Christian McDaniel  
Sen. Michael J. Nemes  
Sen. Brandon J. Storm  
Sen. Damon Thayer  
Sen. Phillip Wheeler  
Sen. Gex Williams  
Rep. Chad Aull  
Rep. Tina Bojanowski  
Rep. Adam Bowling  
Rep. Josh Branscum  
Rep. Josh Calloway  
Rep. Beverly Chester-Burton  
Rep. Jennifer Decker  
Rep. Robert Duvall  
Rep. Jim Gooch Jr.  
Rep. Derrick Graham

Rep. Richard Heath  
Rep. Samara Heavrin  
Rep. Keturah Herron  
Rep. John Hodgson  
Rep. Thomas Huff  
Rep. Mary Beth Imes  
Rep. DJ Johnson  
Rep. Matthew Koch  
Rep. Derek Lewis  
Rep. Scott Lewis  
Rep. Savannah Maddox  
Rep. Kimberly Poore Moser  
Rep. Steve Rawlings  
Rep. Josie Raymond  
Rep. Nancy Tate  
Rep. James Tipton  
Rep. Russell Webber  
Rep. Wade Williams  
Rep. Susan Witten

LRC Staff: Alisha Miller, Daniel Carter, Michael Clancy, Christina Gordley, Brad Gross, Jennifer Black-Hans, Angela Rhodes, Alaina Spence, Shannon Tubbs, and Peggy Sciantarelli

Jurisdiction: Matters pertaining to the sovereignty and jurisdiction of the commonwealth; the General Assembly, its committees, officers, and service agencies; redistricting; the governor; the lieutenant governor; intergovernmental cooperation; state-federal relations; interstate compacts; administrative organization; administrative regulations; statutory administrative agencies; Department of Law; constitutional offices; state personnel; state retirement systems; public property and public printing; public officers, their terms, appointments, fees, compensation, removal, oaths, and bonds; public information; disaster and emergency services; state and regional planning; the libraries; archives and records; public corporations; commonwealth's attorneys; circuit clerks; the proposing of constitutional amendments and the calling of a constitutional convention; ratification of amendments to the United States Constitution; the election of officers to state, local, and school board positions; election commissioners, officers, and precincts; qualifications, registration, and purging of voters; conduct of primary and regular elections; presidential and congressional elections; special elections to fill vacancies; contest of elections; corrupt practices and election financing; election offenses and prosecutions; voting machines; and absentee ballots.

## Committee Activity

The Interim Joint Committee on State Government held five meetings.

### State-Administered Retirement Systems

The executive director of the Kentucky Public Pensions Authority (KPPA) discussed the three retirement systems it operates: the County Employees Retirement System (CERS), Kentucky Employees Retirement System (KERS), and State Police Retirement System (SPRS). The systems have a total membership of 410,082, with pension and insurance assets totaling \$23.1 billion as of March 31, 2023.

The KPPA executive director delineated retiree pension and health benefits for KERS-nonhazardous and CERS-nonhazardous members; funded status and assets; and employer pension contribution history and special appropriations for the KERS, CERS, and SPRS plans from 2015 to 2022. He reviewed projected employer contributions for KERS and CERS; asset allocation for KERS-nonhazardous and CERS-nonhazardous; and investment performance.

The deputy executive secretary of the Teachers' Retirement System (TRS) testified that the 2022-2024 biennial budget marks eight straight years of nearly full funding for the TRS annuity trust for pensions. The current biennial budget provides additional funding to meet actuarially required contributions to the annuity trust and to pay off the legacy unfunded liability.

TRS is a retirement system for school teachers in 171 local school districts, five universities, state education agencies, and the Kentucky Community and Technical College System. The TRS retirement plan replaces Social Security for nonuniversity members and includes health insurance premium benefits upon retirement. University members pay into and receive Social Security benefits. Since July 1, 1994, universities have offered optional retirement plans in lieu of TRS.

As of June 30, 2022, TRS had 74,785 active members and 58,438 retirees and beneficiaries. The TRS retirement annuity trust has assets of \$24.1 billion, liabilities of \$41 billion, and a funded ratio of 58.8 percent. In 2022, the health insurance trust was funded at 63.7 percent.

### Office Of The Attorney General

The deputy attorney general gave an overview of major litigation pursued by the Office of the Attorney General (OAG), and the OAG senior counsel discussed the agency's legislative priorities.

In the Supreme Court, OAG is defending SB 3 and HB 2, redistricting legislation enacted during the 2022 Regular Session. In the US Sixth Circuit Court of Appeals, the office is defending the challenge to 2023 RS SB 150. OAG has successfully defended the legislature's passage of the Human Rights Protection Act and the fetal heartbeat law.

In Franklin Circuit Court, OAG is defending 23 RS SB 7, relating to the administration of payroll systems; the challenge to the constitutionality of the Kentucky public charter school law; the constitutionality of 22 RS SB 1, relating to the authority of the Jefferson County School Board; the challenge to 21 RS HB 563, which created the educational opportunity pilot program; “gray machine” legislation, which is being challenged as unconstitutional in Franklin and Jefferson Circuit Courts; and a challenge to 23 RS SB 126, which would allow a change of venue whenever the constitutionality of a statute is challenged.

### **Kentucky State Treasury**

The state treasurer gave an overview of activities in the State Treasury during her term of office.

The unclaimed property division has returned \$168 million in unclaimed property, and the process has been modernized and made more efficient. Kentucky is the first state to determine how to handle unclaimed cryptocurrency. The treasury has been able to stop a variety of attacks on the commonwealth and received national attention for stopping a sophisticated \$5 million fraud attempt.

### **Capitol And Capitol Annex Renovations**

The secretary of the Governor’s Executive Cabinet gave an overview of the Capitol and Capitol Annex renovations. Those for the Capitol are projected to cost \$287 million. Of that amount, \$260 million was appropriated in the 2022 biennial budget. Mechanical and electrical upgrade design and exterior renovation of the dome were funded from prior budgets.

Design of the full project should be completed by February 2024, with construction bids in the spring of 2024. Completion of the entire project is estimated to take 3½ years.

The secretary of the Finance and Administration Cabinet stated that the cabinet is examining relocation options to meet the space needs of Capitol building occupants.

### **Local Revenue Modernization Coalition**

The executive director of You Decide, Kentucky!, the Hopkins County judge/executive, the president of the Greater Owensboro Chamber of Commerce, and the mayor of Corbin testified regarding the Local Revenue Modernization Coalition’s grassroots initiative to support local revenue reform. You Decide, Kentucky! is a 501(c)3 organization established in 2020, focused on engaging, educating, and galvanizing people and organizations statewide, with the goal of empowering citizens and local governments to decide which revenue streams will improve quality of life in their communities.

### **County Clerk Modernization And Technology**

The Jefferson County clerk reported that Jefferson County has vote centers for both early absentee in-person voting and election day voting. Due to passage of 2022 RS HB 618, clerks

are able to deploy e-poll books that can automatically call up and print a voter's ballot, making the process quicker and more accurate.

Finding appropriate voting locations that are compliant with the Americans with Disabilities Act (ADA) is a problem in some counties, but clerks are working to improve the situation. Many locations cannot be adjusted to accommodate the required standards, and fewer private buildings are willing to host elections. Settlement agreements have been reached to expand the level of ADA compliance in Jefferson and Kenton Counties.

22 RS SB 135 established deadlines for county clerks to maintain portals for the electronic filing and searching of recorded instruments. Portals have been available in Jefferson County since 2020, and land records are expected to be online by 2026.

## **Elections**

The Grant County clerk, who serves as first vice president of the Kentucky County Clerk's Association, reported that security of elections is ensured by the mandating of paper ballots and the provision of surveillance footage in election facilities.

During the 2024 Regular Session, county clerks would like to see precinct funding changed from a per-precinct basis to a per-voter basis. Counties need additional recurring funds to pay for the added expense of elections. Reimbursement rates have not been increased in 20 years. Counties are funding over 91 percent of all election costs. The average cost per precinct was more than \$2,900 for both the 2022 general election and the 2023 primary election, while the state's reimbursement rate for counties is only \$255 per precinct.

## **24 RS BR 24 And BR 25 (Elections)**

Representative John Hodgson explained legislation relating to elections and voter registration that he planned to propose during the 2024 Regular Session.

## **Voter List Maintenance**

The executive director, the assistant director, and the general counsel of the State Board of Elections (SBE) testified regarding voter list maintenance.

The National Voter Registration Act (NVRA) requires that in the administration of voter registration for elections for federal office, states shall conduct a general program that makes a reasonable effort to remove the names of ineligible voters from official lists of eligible voters. Kentucky established its program in KRS 116.112.

Kentucky is one of 25 states that are members of the Electronic Registration Information Center, a nonprofit, nonpartisan membership organization created in 2012 by state election officials. The organization, funded and governed by the participating states, provides US Postal Service national change of address reports, cross-state mover and in-state update reports, and reports of deceased voters and duplicate registrations.

A 2017 lawsuit brought by the nonprofit organization Judicial Watch alleged that the NVRA's required voter list maintenance was not happening in Kentucky. In July 2018, the parties entered into a consent judgment that was set to expire October 31, 2023. In September 2020, the secretary of state and SBE agreed with Judicial Watch and the US Department of Justice to extend the expiration date of the consent decree to March 31, 2025.

In February 2023—the first time SBE conducted a purge of voter lists pursuant to the NVRA and state law—more than 127,000 registrations that were proven inactive were removed from the voter rolls. SBE gets weekly updated lists of voter deaths from the Kentucky Office of Vital Statistics, and county clerks perform list maintenance daily at the local level. SBE provides yearly list maintenance reports on its website.

### **23 RS HB 500**

Representative Richard Heath discussed legislation similar to 23 RS HB 500 that he planned to propose during the 2024 Regular Session. HB 500, relating to agricultural land, passed the House during the 2023 Regular Session but was not heard in the Senate. He testified that 2023 RS HB 500 arose from growing concern about foreign investment. In 2023, 15 states enacted legislation addressing foreign ownership of agricultural land. In many of these states, some people were concerned about the purchase or attempted purchase of large tracts of agricultural land near military installations.

### **Office Of Vital Statistics**

The administrative section supervisor and the state registrar of the Office of Vital Statistics provided an overview of the office's core functions, including the sharing of death data with the State Board of Elections, and collecting certificates for all births (including foreign and established births), deaths, marriages, divorces, and stillbirths.

Each year the Office of Vital Statistics registers an average of 150,000 vital records of births, deaths, marriages, and divorces, and an average of 48,000 death records. The office has death records dating from 1911. Under 901 KAR 5:025, all certificates of death in Kentucky must be filed electronically through the Kentucky Electronic Death Registration System. KRS 213.141 requires the office to notify the State Board of Elections monthly of deaths that occurred the previous month.

### **Registry Of Election Finance Computer System**

The executive director of the Registry of Election Finance reported progress on its computer system. A cellphone app is yet to be developed. Independent expenditure reports are supposed to be filed electronically, and that aspect is not yet complete, but all aspects of the project are estimated to be completed by the fourth quarter of 2024.



## **Report Of The 2023 Interim Joint Committee On Tourism, Small Business, And Information Technology**

**Sen. Max Wise, Co-Chair**  
**Rep. Kim King, Co-Chair**  
**Rep. Phillip Pratt, Co-Chair**

Sen. Gary Boswell	Rep. Richard Heath
Sen. Shelley Funke Frommeyer	Rep. Nima Kulkarni
Sen. Rick Girdler	Rep. William Lawrence
Sen. Denise Harper Angel	Rep. Savannah Maddox
Sen. Jason Howell	Rep. Candy Massaroni
Sen. Robby Mills	Rep. Shawn McPherson
Sen. Brandon J. Storm	Rep. Michael Sarge Pollock
Sen. Reginald Thomas	Rep. Brandon Reed
Sen. Phillip Wheeler	Rep. Rachel Roberts
Sen. Mike Wilson	Rep. Sarah Stalker
Rep. Chad Aull	Rep. Ashley Tackett Laferty
Rep. Shane Baker	Rep. Nancy Tate
Rep. Ryan Dotson	Rep. Killian Timoney
Rep. Daniel Fister	Rep. Timmy Truett
Rep. Deanna Frazier Gordon	Rep. Bill Wesley
Rep. Chris Freeland	Rep. Richard White
Rep. Chris Fugate	Rep. Nick Wilson
Rep. Daniel Grossberg	Rep. Susan Witten

LRC Staff: Janine Coy, Helen McArthur, Eric Rodenberg, Crystal Thompson, and Sasche Allen

Jurisdiction: Matters pertaining to commerce, industry, economic and industrial development, the workforce and the workplace, and tourism not specifically assigned to another committee; economic development planning, international trade and investment; investment companies and industrial loan corporations as they relate to economic and industrial development; recruitment of business and industry; small business matters relative to economic and industrial development; financing of business and industrial development; business regulatory matters, including the Uniform Commercial Code, relative to economic and industrial development; worker training; technology development and application; chambers of commerce; convention centers and publicly owned exhibition and parking facilities; arts and arts exhibition facilities; state, interstate, and national parks and historic sites; travel promotion and advertising; labor unions; collective bargaining; liquefied petroleum gas and other flammable liquids; electricians; plumbers and plumbing; wages and hours; garnishments; safety and health of employees; child labor; employment agencies; apprenticeship; unemployment compensation; workers' compensation; consumer protection; industrial weights and measures; development and support of small businesses; job creation and job-training programs; federal, state and local regulations

that impact small businesses and their employees; all other matters not specifically assigned to another committee relating to administrative, regulatory or operating issues which, because of their smaller size, uniquely impact small business; information technology planning; statewide standards related to information technology; broadband internet; internet service providers; tourism and travel promotion and development; state, interstate, and national parks and historic sites; fish and wildlife; small business matters relative to tourism development; hotels and motels generally; hotel and restaurant regulations; billboards; advertising related to tourism development; entertainment establishments; campgrounds; the Tourism Cabinet; hunting and fishing; boating; horseback riding; hiking; bird watching; rock climbing; recreational use of all-terrain vehicles; mountain biking; cycling; kayaking; and recreational land use.

### **Committee Activity**

The Interim Joint Committee on Tourism, Small Business, and Information Technology held six meetings.

#### **Tourism**

Representatives of Camp Nelson National Monument spoke on the establishment of the monument and the merger of the Jessamine County park with the National Park Service. They discussed upcoming events, plans for the future of the park, and the economic impact of national park revenues and visitor spending on local communities.

Representatives of the Harrodsburg 250<sup>th</sup> Sestercentennial Commission presented on the history of Harrodsburg, along with cultural, political, and military contributions to the commonwealth and events planned for the celebration including activities for children and youth, as well as programming related to historical figures from the area.

The president/CEO of Kentucky Venues presented an update. Kentucky Venues—the marketing name for the Kentucky State Fair Board—manages the Kentucky International Convention Center and the Kentucky Exposition Center. These venues host nearly 350 events per year. In 2023, approximately 6.5 million people have attended. The venue events contribute to an occupancy rate of roughly 70 percent for hotels in Louisville and neighboring counties.

The commissioner and deputy commissioner of the Department of Parks gave an update on the previously allocated funds of \$150 million for the State Park Improvement Project. The department has dedicated approximately \$79 million to campground upgrades, utility improvements, broadband upgrades, and Lake Barkley and Jenny Wiley State Parks structural repairs. The department provided a proposal for the remaining \$71 million in unallocated funds, which included building system improvements, accommodation hospitality upgrades, and recreational amenities upgrades to the parks system.

## **Small Business**

The state director of the National Federation of Independent Business spoke about the inequitable tax on health insurance for small businesses. He gave an overview of changes to the health insurance tax policy over the years and highlighted that health insurance premiums remain taxed on gross at 1 percent even though the tax may no longer be necessary. He reported that under Kentucky statutes, there is an expansive category of exemptions from the tax, but small businesses and individuals pay the tax.

The vice president of Small Business Policy of the US Chamber of Commerce presented on the challenges and opportunities for US small businesses and identified top challenges and legislative priorities at the national level. The executive director of the Kentucky Chamber Center for Policy and Research presented information on the chamber's partnership with the Siena College Research Institute, which surveyed businesses across Kentucky with questions on the economy, business decisions, public policy, and government.

## **Broadband**

The executive director of the Office of Broadband Development and the state budget director discussed broadband improvement funding. The General Assembly appropriated \$300 million of American Rescue Plan Act funds to expand broadband into unserved and underserved areas. The first round of funding awarded in 2022—totaling approximately \$90 million—subsidized construction of broadband deployment with a total investment of \$200 million. The application process for the second round of funding started in November 2022, and awards were to be dispersed beginning in July 2023.

The executive director of the Kentucky Rural Broadband Association (KYRBA) gave an overview of the organization and its 18 community-based rural broadband provider members that supply service in 45 counties. KYRBA member companies have invested more than \$1.78 billion in property, plant, and equipment in their operations. Also discussed were current state and federal broadband deployment programs, such as the Better Internet Program; the US Department of Agriculture ReConnect Loan and Grant Program; the Rural Digital Opportunity Fund; and Broadband Equity, Access, and Deployment funding.

The president of Kenergy gave a historical overview of utility-related legislation that led to the passage of 21 RS HB 320, which appropriated funding to expand broadband and invest in infrastructure. As a result, Kenergy has embarked on a broadband deployment project to bring internet service to unserved and underserved Kentuckians. A Kenergy customer testified about her experience since obtaining sustainable fiber internet service.

## **Artificial Intelligence**

Representatives of Gartner, a technological research and consulting firm, and a representative of Babbage Cofounder, a lobbying firm, gave an overview of how generative artificial intelligence can benefit government agencies. They explored the range, use, and power of artificial

intelligence and gave examples of how state and local governments could implement it, including text generation, text analyses, translation, and question answering.

An AI researcher presented an overview of the future of AI from a nonpartisan perspective based on his research over the last 10 years. He reported that over a decade ago, experts projected that by 2023, technology would exist with computational capacity comparable to that of a human brain. Top field professionals predict that AI technology will reach artificial general intelligence levels within 2 to 3 years.

### **Cybersecurity**

A cybersecurity consultant from Intrust IT presented on cybersecurity attacks and the need to protect information and systems from unauthorized access, use, disclosure, disruption, modification, or destruction. The consultant explained ways to protect against cybersecurity attacks that included education, best practices, incentives, and regulation.

## **Report Of The 2023 Interim Joint Committee On Transportation**

**Sen. Jimmy Higdon, Co-Chair**  
**Rep. John Blanton, Co-Chair**

Sen. Karen Berg  
Sen. Jared Carpenter  
Sen. Robby Mills  
Sen. Brandon Smith  
Sen. Brandon J. Storm  
Sen. Johnnie Turner  
Sen. Phillip Wheeler  
Sen. Gex Williams  
Sen. Mike Wilson  
Sen. David Yates  
Rep. Josh Branscum  
Rep. Randy Bridges  
Rep. Johnathan Dixon  
Rep. Daniel Elliott  
Rep. Ken Fleming  
Rep. David Hale  
Rep. Samara Heavrin

Rep. Keturah Herron  
Rep. John Hodgson  
Rep. Thomas Huff  
Rep. Mary Beth Imes  
Rep. Derek Lewis  
Rep. Bobby McCool  
Rep. Amy Neighbors  
Rep. Ruth Ann Palumbo  
Rep. Rachel Roberts  
Rep. Tom Smith  
Rep. Lamin Swann  
Rep. Ashley Tackett-Laferty  
Rep. Walker Thomas  
Rep. Ken Upchurch  
Rep. Bill Wesley  
Rep. Wade Williams

LRC Staff: John Snyder, Dana Fugazzi, Ashley Nash, and Christina Williams

Jurisdiction: Matters relating to airports and aviation; boats and boating; licensing of motor vehicles; operators and trailers; financial responsibility law; nonresident motorists; motor vehicle sales; railroad rates, service, and operating regulations; motor carriers; construction and maintenance of the state highway system; the Department of Transportation; state aid for local roads and streets; the State Police; the Federal Highway Safety law; turnpike authority; state and federal highways; limited access facilities; use of road bond moneys; automobile recyclers; highway beautification; bridges, tunnels, and ferries; traffic regulations; vehicle equipment and storage; and driver training schools.

## Committee Activity

The Interim Joint Committee on Transportation met six times.

### Major Projects And Issues Facing The Transportation Cabinet

The secretary of the Kentucky Transportation Cabinet (KYTC) provided an update on the second fiscal year of the 2022-2024 Biennial Highway Plan; an annual construction program that approaches or exceeds \$1 billion each year; and calendar year (CY) 2023, for which 247 projects were awarded, worth \$380.5 million. In CY 2022, 674 projects were awarded at just under \$1.2 billion, putting the cabinet behind that year's pace. The secretary gave an update on three megaprojects: the Mountain Parkway, the I-69 corridor in western Kentucky (including the Ohio River crossing between Evansville, Indiana, and Henderson, Kentucky), and the Brent Spence Bridge Corridor Project.

### National Electric Vehicle Infrastructure Plan

The KYTC assistant state highway engineer and the KYTC project manager of National Electric Vehicle Infrastructure (NEVI) gave an update on the Kentucky Electric Vehicle (EV) Charging Program.

The NEVI program required that alternative fuel corridors have charging stations every 50 miles within 1 mile of the corridor, with at least four 150 kilowatt direct current fast-charging ports, open to the public at all times. KYTC is not to own, operate, or maintain the stations; instead, industry partners will be responsible for their construction, installation, ownership, operation, and maintenance. Each station is estimated to cost \$1.8 million for construction and 5 years of operations and maintenance, with the NEVI grant providing 80 percent of the cost and the private partner providing the remainder.

The Charging and Fueling Infrastructure Discretionary Program has two categories: Corridor Programs and Community Programs.

### Vision Testing For Driver's License Renewal

The commissioner of the KYTC Department of Vehicle Regulation provided an update on vision testing for driver's license renewal. The KYTC Vision Testing Work Group is creating streamlined regulations and processes to meet the July 1, 2024, implementation date to efficiently and effectively carry out vision testing through online renewal of driver's licenses.

### Fee Structure For Overweight/Overdimensional Permits

The commissioner, the assistant director, and the division director of the KYTC Department of Vehicle Regulation gave an update on the fee structure for overweight/overdimensional (OW/OD) permits. In FY 2022, KYTC issued 91,017 permits, and collected \$8,165,490 in road fund revenue. The online system has made the permitting process more efficient.

## **Work Zone Safety**

The secretary and the assistant state highway engineer for KYTC discussed work zone safety. Work zones are not confined to transportation projects, but can be set up by utility crews, mowing contractors, or anyone who is working on or around a highway. In 2022, there were 1,083 crashes in work zones, resulting in five fatalities and numerous injuries. The chief district engineers from Districts 2 and 3 described incidents their employees have faced in work zones. Enforcing work zone protections is difficult, because a police officer would have to catch the violator in the act. Action was requested to protect employees' safety. Co-Chair Blanton advocated for legislation he sponsored in the 2023 Regular Session (HB 201) for the use of cameras in work zones to help aid work zone safety.

The vice president for gas operations of Columbia Gas and the manager of distribution systems of Kentucky Power discussed work zone safety for utility workers. Work zone risk mitigation options include cones and signage, lane/road closures, flaggers, portable speed bumps/rumble strips, law enforcement (off-duty officers), concrete- or water-filled traffic control barriers, a crash truck with attenuator, automated flagger assist devices, work zone intrusion alarm systems, and radar speed indicators. Representatives of the utilities encouraged harsher penalties to discourage drivers from disregarding work zone safety setups.

## **Eastern Kentucky Flood Cleanup**

The secretary and the assistant state highway engineer of KYTC discussed cleanup efforts that followed flooding in eastern Kentucky in the summer of 2022. At the request of Kentucky Emergency Management, KYTC led debris cleanup for state rights-of-way as well as county and city rights-of-way. The cleanup involved three phases: the right-of-way phase, the waterway phase, and the extended right-of-way phase. In coordination with the US Army Corps of Engineers and the Division of Water, contractors removed 330,000 tons of debris from waterways. KYTC began a final extended right-of-way cleanup, which could be considered a private property debris removal. The effort was expected to finish by the end of July.

The first few days focused on bridges to ensure they were safe to cross. Inspectors from around the state inspected 1,100 bridges within a week throughout the impacted areas. KYTC identified safety concerns on 166 of those bridges. Of 115 repairs that remained in 2023—including those for 34 critical bridges—81 bridges have been repaired, and only 12 have not gone to contract. Beyond the bridges, approximately 500 instances of roadway damage (such as landslides, roadway slips, and roadway washouts) have been fully restored. With such a devastating flood, the limited scale of damage to the state system is a testament to the day-in, day-out activities of maintenance forces in every county.

## **Truck Rest Areas**

The KYTC deputy state highway engineer and the freight, rail, and waterways coordinator of KYTC's Division of Planning discussed the Statewide Truck Parking Assessment and Action Plan. Both in Kentucky and nationwide, there is a growing problem of a lack of truck parking, leading trucks to line the ramps and shoulders of roads, rest areas, and weigh stations. The chief

cause of this problem is truckers who have reached their maximum daily hours of service and must park for their federally mandated rest period. As expected, an assessment showed high demand in areas of northern Kentucky, in pockets along the I-71 corridor, and along the I-65 corridor to Elizabethtown.

The action plan is to include a prioritized list of improvements based upon a weighted formula considering cost/benefit ratio, ramp parking in areas, total demand, area demand, and parked truck crash scores. The plan is to assess the Truck Parking Information Management System and recommend other technologies to help, and identify funding from direct sources, state funds, and federal grants. The plan was to be finalized by the end of November. Up-to-date information on the action plan appears at [www.kytruckparking.com](http://www.kytruckparking.com).

### **Eastern Kentucky University Aviation Program**

The president of Eastern Kentucky University (EKU) and the executive director of the ECU Center for Aviation discussed ECU's aviation program. Since receiving state approval in 1991, the ECU Flight Program has grown substantially as the state's only 4-year, university-based flight program. Enrollment more than doubled between 2018 and 2023. A comparison to other aviation programs in the region was provided, along with data on graduate placement, operations at the Madison County Airport, the program's fixed-wing inventory, and student flight hours, which have tripled in the last decade.

In the 2024 budget, ECU was to request \$25 million for new classrooms, a training building, and supporting facilities. The investment would provide appropriate facilities for briefing, student engagement space, and instructional space. ECU's president stated that separating aircraft, general aviation, and the flight school will make operations more manageable.

### **Renewable Aviation Fuel**

The vice president for public affairs of Cincinnati/Northern Kentucky International Airport and a representative of the Kentucky Sustainable Aviation Fuels Coalition discussed renewable aviation fuel. There is a high demand for sustainable aviation fuel (SAF) and a low supply. SAF currently constitutes approximately 1 percent of jet fuel. The SAF opportunity for Kentucky is increased by federal government incentives enacted in 2022 and available through 2025, along with economic development investment through SAF production. The development of state-level policy shows potential incentives to address price disparity through a per-gallon credit.

### **Driver License Regional Office System**

The REAL ID project manager and the pop-up program manager for KYTC provided an update on the driver license regional office system. Kentucky has 32 open, fully functional regional driver license offices. Nearly 400,000 Kentuckians renewed driving credentials online in the last 2 years, and 45,000 people have used the mail-in option since its debut in October 2021. The REAL ID enforcement date is now May 7, 2025.

Pop-up driver licensing stations visit counties that lack a regional office. There are 14 regional office pop-up hubs. Pop-up offices offer any service that a regional office offers, including the renewal of commercial driver's licenses and motorcycle credentials. Emergency pop-up stations provide assistance after disasters.

### **Road Fund Report**

The KYTC deputy secretary and the executive director of KYTC's Office of Budget and Fiscal Management gave the FY 2023 report for the road fund. Total actual road fund revenues for FY 2023 were \$1,753.3 million, or \$32.3 million over the estimate. FY 2023 showed an increase in revenue collections of \$78.0 million, or 4.7 percent. The total road fund revenue estimate for FY 2024 is \$1,679.2 million.

### **Contracting Review For FY 2023 And Forecast For FY 2024**

Two KYTC state highway engineers reviewed contracting projects for FY 2023 and FY 2024. KYTC has awarded 1,171 projects totaling \$1.98 billion. Several projects were highlighted that were to be let to construction during the balance of calendar year 2023. Beyond that time, KYTC anticipated a similar number of projects (approximately 600 per year) and a total similar to that of recent years (approximately \$1 billion).

### **Proposed Legislation Regarding Wheels On Nonmotorized Vehicles**

Representative Walker Thomas, the Christian County judge/executive, and a Trigg County magistrate discussed the effect of nonmotorized vehicles' steel wheels on county and state roads. Rutting causes dangerous driving conditions and reduces the useful life of asphalt. According to a two-phase study conducted by the Ohio Department of Transportation, routes with rubber-wheeled traffic have a service life of up to 10 years. The average for routes with heavy use by steel wheels is 2 years. Representative Thomas stated that as of 2022, legislators in Pennsylvania, Ohio, and Indiana have been trying to pass legislation to address the issue.

### **Kentucky Automobile Vehicle Information System**

The director of the KYTC Office of Information Technology reviewed the rollout and implementation of the Kentucky Automobile Vehicle Information System (KAVIS), developed at KYTC to modernize registration and titling of vehicles. The final all-vehicles module was to be completed and implemented in January 2024. There may be longer wait times and a backlog of work when clerk offices close so that the system can be implemented. There will also be a learning curve as many process and procedure changes are realized and system issues arise.

### **Special License Plate Procedures**

The director of the Division of Motor Vehicle Licensing discussed procedures for special license plates. Kentucky has 113 special license plates. The Kentucky General Assembly approved 83, and KYTC approved 30. With the implementation of KAVIS in January 2024, the number will increase to 140.

The executive director of the Kentucky Horse Council discussed special license plate renewal funding for organizations. The council is one of six organizations that receive \$10 at registration and only \$5 at renewal; other organizations receive \$10 at registration and \$10 at renewal. The committee was encouraged to adopt legislation in 2024 to remedy this discrepancy.

### **Third-Party Issuance Of Identity Documents**

The manager for public and government affairs of the American Automobile Association (AAA) discussed the organization and recommended that it be allowed to issue identity documents to Kentuckians. AAA has two clubs in Kentucky: AAA Club Alliance and Auto Club Enterprises. Together, they have over 640,000 members, served through eight offices. In 23 states, AAA provides some level of Department of Motor Vehicles (DMV) services. For over 50 years, AAA has provided DMV services to Pennsylvania members, including driver's license renewals, registration renewals, and title transfers, resulting in nearly 250,000 transactions annually. AAA also serves as a third-party vendor for other services, such as a Transportation Security Administration pre-check service, and IDEMIA identity-related security. AAA is willing and able to act as a third-party representative to assist KYTC in issuing operator's licenses and ID cards.

### **Expansion Of "Move Over" Law**

Representative Mary Beth Imes spoke about the expansion of the "move over" law. She said proposed legislation was a simple "slow down and move over" bill for all vehicles. It has already been enacted for emergency vehicles and tow trucks. The AAA manager for public and government affairs provided safety statistics for applicable situations and stated that AAA has been instrumental in passing "slow down" or "move over" laws in all 50 states.

### **Off-Highway Vehicle Pilot Program**

Senator Phillip Wheeler and Representative Chris Fugate provided an update on the Off-Highway Vehicle (OHV) Pilot Program. The program—currently set to expire June 30, 2024—provides a framework for OHVs to operate on designated state roads to advance development of a recreational trail system throughout Kentucky. Because the program is just now starting in earnest, Senator Wheeler stated that he and Representative Fugate wish to extend the pilot program for another 3 years to continue to adopt roads into the program and judge its performance.

The director of the Pike County Hillbilly Trail System gave a brief presentation concerning the system and plans for expansion and utilization of OHV legislation.

### **Potential Use Of Reclaimed Asphalt**

The KYTC deputy state highway engineer and assistant state highway engineer discussed reclaimed asphalt pavement (RAP), which is produced by combining millings from pavement that is scraped off roads, using it as an aggregate that contributes asphalt to the mixture, and combining the result with virgin asphalt to produce a final product used for resurfacing the road.

The Federal Highway Administration strongly advocates the use of RAP, as studies have shown that RAP mixtures can equal or exceed the performance of mixtures without RAP, saving money and natural resources. KYTC has been working with the industry in a Kentucky Asphalt Industry Forum to ensure that appropriate responsibilities are met.

The vice president of sustainability of CRH Americas and the executive director of Plantmix Asphalt Industry of Kentucky spoke about the asphalt industry's use of reclaimed asphalt. In 2021, more than 94.6 million tons of RAP were recycled in new asphalt pavements. Overlays with mixes containing 30 percent RAP perform just as well as virgin asphalt mixes.

### **Portable Electric Vehicle Chargers**

The co-owner of EV Solutions of Kentucky spoke about the business, which provides on-the-go charging for EVs via a portable charging unit. EV Solutions sells the chargers, provides roadside assistance in charging, and can extinguish car fires. The co-owner said that software in the company's portable units protects the battery, and that the units do not damage EV batteries.

### **Referred Administrative Regulations**

The committee considered one referred administrative regulation: 601 KAR 014:050 Proposed – Motorcycle Safety Education Program. KYTC's assistant general counsel and an employee of KYTC's Office of Highway Safety explained the regulation and its amendments. The committee raised no objection to the regulation.



## **Report Of The 2023 Interim Joint Committee On Veterans, Military Affairs, and Public Protection**

**Sen. Rick Girdler, Co-Chair  
Rep. Walker Thomas, Co-Chair**

Sen. Karen Berg  
Sen. Gary Boswell  
Sen. Matthew Deneen  
Sen. Denise Harper Angel  
Sen. Jimmy Higdon  
Sen. Stephen Meredith  
Sen. Brandon Smith  
Sen. Whitney Westerfield  
Sen. Gex Williams  
Sen. Mike Wilson  
Rep. John Blanton  
Rep. Tina Bojanowski  
Rep. Steve Bratcher  
Rep. Stephanie Dietz  
Rep. Myron Dossett

Rep. Chris Freeland  
Rep. Chris Fugate  
Rep. Jim Gooch Jr.  
Rep. Mark Hart  
Rep. DJ Johnson  
Rep. Matthew Koch  
Rep. Savannah Maddox  
Rep. Candy Massaroni  
Rep. Marianne Proctor  
Rep. Rebecca Raymer  
Rep. Scott Sharp  
Rep. Sarah Stalker  
Rep. Pamela Stevenson  
Rep. Ashley Tackett Laferty  
Rep. Bill Wesley

LRC Staff: Mark Mitchell, Jessica Zeh, and Logan Schaaf

Jurisdiction: Matters pertaining to military affairs and civil defense; National Guard; veterans; retention of military bases; veterans' rights, benefits, and education; veterans' nursing homes; military memorials and cemeteries; safety of citizens and security of public buildings and property; fire prevention and protection; foods, drugs, and poisons; pure foods and drugs; trailer park regulations; hotel and restaurant regulations as they pertain to public health; sanitation plants; and garbage and refuse disposal.

## **Committee Activity**

The committee held six meetings during the 2023 Interim.

### **Distinguished Veterans**

During the Interim, the committee honored Lieutenant Richard Nest, Sergeant First Class James Deneen, Sergeant First Class Doug Frederick, Colonel (Ret.) Larry Arnett, and Sergeant Major Kenneth Wininger.

### **Kentucky Department Of Veterans Affairs**

The commissioner, deputy commissioner, and executive director of the Office of Kentucky Veterans Centers within the Kentucky Department of Veterans Affairs (KDVA) discussed staffing shortages at state veterans centers and their efforts to fill vacancies.

### **Kentucky National Guard**

The adjutant general provided an update on the activities of the National Guard, including recruiting, state partnership programs, international relations, and emergency management duties.

### **Kentucky Commission On Military Affairs**

The executive director of the Kentucky Commission on Military Affairs (KCMA) outlined legislative priorities for the 2024 Regular Session, including the reintroduction of 23 RS HB 63, the military affairs omnibus bill, and military spouse occupational licensing reform.

### **Veterans Organizations**

Representatives from the veteran organizations USA Cares, Project Diehard, Check A Vet, and Connect Community Village discussed their work and provided their budget requests.

### **Veteran Suicide Prevention**

Prevention of suicide among veterans was discussed by the deputy commissioner and executive director of KDVA, the executive director of KCMA, the director of psychological health for the Kentucky Army National Guard, the state legislative director for TreatNOW, a former Marine, the founder of Check A Vet, a representative of Disabled American Veterans (Department of Kentucky), and the legislative liaison for the Joint Executive Council of Veterans Organizations. The representatives discussed efforts taken to prevent veteran suicide, including hyperbaric oxygen therapy, model legislation, teaching people the warning signs of suicide, and mitigating risk factors.

## **Military Education And Workforce**

Education and workforce initiatives for service members and veterans were discussed by the executive director of the Department of Military Affairs, the executive director of the KCMA, the commander of the 7<sup>th</sup> Brigade within the US Army Cadet Command, the associate commissioner of the Office of Career and Technical Education, the division director of the Office of Career and Technical Education, the president/CEO of the Kentucky Chamber of Commerce, a project manager with the Kentucky Chamber Foundation, the executive director of Veterans Accelerated Licensure Occupational Recruitment (VALOR), and the president of the Kentucky Science and Technology Corporation. These initiatives include a pilot program between the Kentucky Department of Education and the Junior Reserve Officers' Training Corps, the Purple Star School program, National Guard Youth ChalleNGe Academies, a military transition workforce initiative, and the VALOR program.

## **Public Alert Systems**

Public alert systems were discussed by the senior director of external affairs and the chief technology officer for Kentucky Educational Television (KET), a domestic violence detective with the Louisville Metro Police Department (LMPD), and Senator David Yates.

KET representatives provided an overview of its alert procedures and backup plans in case of emergency.

Senator David Yates and the LMPD detective spoke in favor of the creation of the Ashanti Alert System to locate missing adults.

## **Drug Prevention, Treatment, And Enforcement**

Efforts to combat drug use, addiction, and overdose were discussed by Representative Candy Massaroni, representatives of the Never Alone Nick Rucker Foundation, the executive director of the Kentucky Office of Drug Policy, the executive director of the Kentucky Narcotics Officers Association, and the director of the Greater Hardin County Narcotics Task Force. Presentations focused on the dangers of fentanyl.

## **Public Corruption And Other Threats**

A special agent with the Federal Bureau of Investigation discussed public corruption, threats against public officials, and the balance between free speech and true threats.

## **Public Protection**

Issues relating to public protection were discussed by the chief helicopter pilot and director of aviation for Rotorcraft, the state chair of Kentucky employer support of the Guard and Reserve, a state command chief warrant officer, the state school security marshal of the Justice and Public Safety Cabinet, the executive director of the Kentucky Law Enforcement Council, the director of Kentucky Emergency Management, the founder of Safe Haven Baby Boxes, the chair of the

Board of Radon Safety, Representative Nancy Tate, and Representative Mark Hart. Topics discussed included the School Resource Officer program, urban search and rescue, the rescue of abandoned infants, and radon safety.

### **Consideration Of Referred Administrative Regulations**

The committee took no action of the following referred administrative regulations:

017 KAR 003:020

106 KAR 004:020

## **Administrative Regulation Review Subcommittee**

**Sen. Stephen West, Co-Chair**  
**Rep. Derek Lewis, Co-Chair**

Sen. Julie Raque Adams  
Sen. Damon Thayer  
Sen. David Yates

Rep. Randy Bridges  
Rep. Deanna Frazier Gordon  
Rep. Daniel Grossberg

LRC Staff: Sarah Amburgey, Karen Howard, Emily Harkenrider, Carrie Nichols, Stacy Auterson, Emily Caudill, Ange Darnell, and Anna Latek

Jurisdiction: Review and comment upon administrative regulations submitted to it by the Legislative Research Commission; make nonbinding determinations concerning the statutory authority to promulgate administrative regulations filed with the Legislative Research Commission; review existing administrative regulations; recommend the amendment, repeal, or enactment of statutes relating to administrative regulations; conduct a continuous study of the administrative regulations procedure and the needs of administrative bodies; and make legislative recommendations.

## Subcommittee Activity

The Administrative Regulation Review Subcommittee (ARRS) is a statutory committee of the Legislative Research Commission and is required to meet monthly. This report covers subcommittee activity between January 2023 and December 2023. Following are some of the topics that ARRS reviewed during 2023.

### Chronic Wasting Disease

**Cervids: 302 KAR 22:150 (November).** The subcommittee reviewed a regulation from the Department of Agriculture relating to a program monitoring deer herds for chronic wasting disease (CWD). The department explained that if a facility exits the program, the herd is no longer monitored, and the department's only option was to keep the herd in place or potentially sell to another facility in the program. The department did not believe it had statutory authority to euthanize the herd. Personnel from the Department of Fish and Wildlife Resources testified to a preference that this regulation include a euthanasia requirement for the Department of Agriculture, because these domesticated herds of livestock cannot revert to a wildlife status and because the unregulated deer pose a significant risk of CWD to wildlife. The subcommittee stated that a statutory change might be needed to provide authority to euthanize these unregulated herds but did not express an opinion as to which agency should have the authority.

### Organic Farming

**Certification Of Organic Production, Processing, Or Handling Operations: 302 KAR 40:010 (January).** The subcommittee reviewed a regulation from the state Department of Agriculture relating to the Organic Agricultural Product Certification Program. Department personnel explained that fees were being increased to recoup expenses for the program, and that there had not been a fee increase since at least 2004. An organic crop farm could apply for the US Department of Agriculture federal cost-sharing program to assist with fees. Department fees were still far lower than fees of private entities.

### Crime Victim Protection

**Safe At Home Program: 30 KAR 10:010, 10:020, 10:030, 10:040, 10:050, 10:060, 10:070, 10:080, 10:090, 10:100, 10:110, And 10:120 (Emergencies – September; Ordinaries – October).** The subcommittee reviewed a package of regulations from the Office of Secretary of State relating to the Safe at Home program for victims of domestic violence, sexual assault, stalking, or human trafficking. Under this program, victims may shield their home address from their abusers by allowing the secretary of state to serve as a proxy for the receipt of mail and service of process. This practice would include all public records, voter polls, and public-facing state or county agency websites. The subcommittee commended the agency for implementing 23 RS SB 79 through these regulations.

## Paramedic Shortage

**Air Ambulance Services: 202 KAR 7:510 (August).** The subcommittee reviewed a regulation from the Board of Emergency Medical Services relating to health care personnel required to be on board an air ambulance in specific situations. The board explained that the requirement for an on-board paramedic was removed for licensed aircraft providing advanced life support care. Instead, the following minimum personnel would be required to be on board: a paramedic and a registered nurse; two registered nurses; or a physician and a registered nurse. The requirements were being changed because of a shortage of paramedics.

## Health Care Education

**Healthcare Training Scholarships: 13 KAR 5:010 (October).** The subcommittee reviewed a regulation from the Council on Postsecondary Education relating to incentives and scholarships designed to reduce the financial barriers of residents who are seeking high-demand, eligible health care credentials. The council explained that the regulation implemented 23 RS HB 200, which created funds for the establishment of partnerships between postsecondary educational institutions and health care providers. If a student completed a 2-year service requirement with the provider, the scholarship would not have to be repaid.

## Voting

**E-Poll Book Product Certification: 31 KAR 2:030 (Emergency And Ordinary – January).** The subcommittee reviewed a regulation from the State Board of Elections relating to the use of electronic poll books during elections instead of hand-signed voting rosters. The board explained that there was currently only one certified vendor in Kentucky, but the board had received four applications for vendor certification.

## Cannabinoid Products

**Hemp-Derived Cannabinoid Products; Packaging And Labeling Requirements: 902 KAR 45:190E (November).** The subcommittee reviewed a regulation from the Cabinet for Health and Family Services relating to cannabinoid products. 23 RS HB 544 required the cabinet to promulgate the emergency regulation by August 1, 2023.

Stakeholders testified that the ratio required to avoid classification as an adult product would assign a large majority of current non-intoxicating, full-spectrum products to the adult category and subject them to stricter requirements. The negative impact on the cannabidiol industry and hemp farmers would be significant.

Concerns were also expressed about fees, the new addition of “alcohol” as a prohibited additive, and the apparent jurisdictional overlap between the cabinet and the Department of Agriculture. The subcommittee advised further collaboration between the cabinet and stakeholders.

## Medicaid

**Medicaid Hearing, Dental, And Vision Services: 907 KAR 1:038; 1:126 (Originally 1:026); And 1:632, Emergencies And Ordinaries (February, March, May); Revised And Refiled Versions (August, September).** The subcommittee reviewed a set of regulations from the Cabinet for Health and Family Services, Department for Medicaid Services, relating to the expansion of hearing, dental, and vision services to adults. Department personnel explained that the expanded services would enhance workforce readiness and were an investment in preventive health care to reduce costs for more advanced diseases and to lower emergency room expenses. The subcommittee initially expressed concern that low reimbursement rates needed to be addressed before expanding services and questioned whether this type of expansion was truly based on an emergency. Due to process and jurisdictional questions, the subcommittee found the initial emergency and ordinary versions deficient at the February ARRS meeting. 23 RS SB 65 nullified the deficient regulations. Subsequently, the department revised and refiled the regulations. At the May ARRS meeting, the subcommittee voted to find the revised emergency regulations deficient. Both the emergency and ordinary versions of these regulations were on the agenda of multiple ARRS meetings. During these meetings, the cabinet and various supporting stakeholders emphasized the benefits of providing these services, and the subcommittee reiterated fiscal concerns.

## Sports Wagering

**Sports Wagering: 809 KAR 1:002, 809 KAR 10:001, 10:002, 10:003, 10:004, 10:005, 10:006, 10:007, 10:008, And 810 KAR 2:100 and 810 KAR 3:010 – Emergencies And Ordinaries (Emergencies – September; Ordinaries – On December Agenda).** The subcommittee reviewed a package of regulations from the Horse Racing Commission relating to the establishment of sports wagering. These regulations were promulgated pursuant to 23 RS HB 551. The commission explained that the program, as implemented through the emergency regulations, was even more successful than anticipated.

## Pharmacy Protocols

**Board-Authorized Protocols: 201 KAR 2:380E (March).** The subcommittee reviewed a regulation from the Board of Pharmacy relating to protocols concerning the dispensing of non-controlled medications, over-the-counter medications, and other professional services. The protocols provided safe and efficient care, including exclusion and inclusion criteria to determine whether patients were appropriate for pharmacy treatment or whether they should be referred to other types of providers. Additionally, the protocols were required to be signed by a licensed prescriber. Pharmacists were federally authorized to prescribe Paxlovid, and the Department for Medicaid Services requested that the board establish a protocol for prescribing this drug. Personnel from the Kentucky Medical Association expressed concerns regarding the removal of training and education provisions, as well as the removal of the list of conditions applicable to protocols, and stated the association's preference that the protocols be established by statute with more input from physicians. The subcommittee voted to find this emergency regulation deficient at the March ARRS meeting. 23 RS SB 65 nullified the deficient emergency

regulation. Subsequently, the board revised the ordinary version, and it was heard at the April ARRS meeting.

## **Capital Punishment**

**Pre-Execution Medical Actions: 501 KAR 16:310 (November).** The subcommittee reviewed a regulation from the Justice and Public Safety Cabinet relating to the suspension of execution if there is a diagnosis or specific signs of an intellectual disability. The cabinet explained that the regulation was in response to litigation in Franklin Circuit Court and decisions by the Kentucky Supreme Court. Prior to this regulation, there was no mechanism to suspend an execution if evidence was found of an intellectual disability. The Department of Public Advocacy objected that the regulation did not resolve the issues of litigation, and the subcommittee discussed intellectual disability as it related to executions.

## **Juvenile Justice**

### **Health And Safety Services; Detention Services; Emergency Response; Restraints And Control Methods: 505 KAR 1:100, 1:120, 1:140, 1:200, And 1:210 (November).**

The subcommittee reviewed a package of regulations from the Justice and Public Safety Cabinet relating to nonlethal control of juvenile offenders; suicide prevention; regional reorganization; cell entry teams, emergency response teams, and emergency response training; and restraints and control methods. Cabinet personnel explained that the regulations were intended to implement 23 RS SB 162 and HB 3, including provisions for using pepper spray, tasers, etc. 505 KAR 1:100 related to the separation of female and male prisoners, as well as high-risk and low-risk offenders. Cabinet personnel emphasized that it always intended to establish a regional model, as required by SB 162. A consultant had been hired to establish a transition plan.

## **Fish And Wildlife**

**Fall Wild Turkey Hunting: 301 KAR 002:144 (April).** The subcommittee reviewed a regulation from the Department of Fish and Wildlife Resources relating to turkey hunting limits. Department personnel explained that it was studying the matter of turkey population decline and had received concerns from sportsmen. The two-turkey limit applied per person during the fall turkey season, with additional provisions related to turkey beards. The department was to report on the turkey population study once it was completed.

## **Tentative December 2023 ARRS Agenda Topics**

December's meeting agenda had not been finalized in time for this publication. There are several reasons that a regulation might be removed from the agenda, including the time needed to complete the public comment process or an agency request to defer the regulation to the next ARRS meeting.



## **Report Of The 2023 Capital Planning Advisory Board**

**Sen. Phillip Wheeler, Co-Chair  
Rep. Nancy Tate, Co-Chair**

Sen. Adrienne Southworth  
Rep. William Lawrence  
Pat Abell  
Rocky Adkins  
Charles Byers  
Jacqueline Coleman  
Katie Comstock  
Carole Henderson

John Hicks  
Bryan Hix  
Patsy Jackson  
Holly McCoy Johnson  
Ryan Neff  
Danny Rhoades  
Laurie Givens Dudgeon

LRC Staff: Liz Columbia and Jennifer Luttrell

Jurisdiction: The 1990 General Assembly established the Capital Planning Advisory Board of the Kentucky General Assembly, composed of members representing the executive, judicial, and legislative branches of government. Pursuant to KRS Chapter 7A.120, the board is charged with creating a 6-year comprehensive statewide capital improvements plan encompassing state agencies and universities. The plan is to be submitted to the heads of the three branches of government by November 1 of each odd-numbered year. This schedule enables the comprehensive capital plan to be used in the subsequent budget process and legislative session.

## **Board Activity**

### **Introduction Of New Board Member**

One new member was appointed to the board during the 2023 Interim. The Chief Justice appointed Katie Comstock to fill the vacancy left by Laurie Dudgeon Givens. Ms. Givens resigned from her position, and Ms. Comstock will serve the remainder of Ms. Givens' term until 2026 or until the Chief Justice makes a reappointment.

### **Review Of Agency Capital Plans**

Since adjournment of the 2023 Regular Session, the Capital Planning Advisory Board held six meetings from May to October. The meetings focused on reviewing agency capital plans in preparation for the 2024–2030 Statewide Capital Improvements Plan. The board received testimony from executive branch agencies, the Court of Justice, and postsecondary institutions. The testimony included discussion of each agency's capital construction, IT, and equipment needs. Several agencies discussed potential funding needs for grant and/or loan programs. The September meeting included a staff presentation on the proposed content and organization of the 2024–2030 Statewide Capital Improvements Plan and a discussion of the general fund project recommendations.

The 2024–2030 capital plans submitted by executive branch state agencies, the judicial branch, and postsecondary institutions reported the need for 1,543 projects totaling approximately \$55.2 billion from all fund sources over the next 6 years. General fund dollars represent approximately \$11.6 billion of the total need. Other funding sources include restricted, federal, and road funds; agency bonds; and cash or third-party financing arrangements.

For the 6-year period, \$23.0 billion is needed for new construction and expansion of existing facilities; plus \$28.6 billion for maintenance and renovation of existing facilities; \$392.4 million for equipment; \$1.7 billion for IT projects; and \$1.4 billion for the grant and loan programs that assist nonstate entities for water and sewer infrastructure, schools, and economic development.

### **Special Reports**

The Commonwealth Office of Technology (COT) chief information officer presented a report regarding the office's review of executive branch IT projects at the board's June meeting. The COT review panel evaluated 54 qualifying IT projects for the 2024–2026 biennium valued at \$750.9 million and recommended 12 projects valued at \$87 million.

Council on Postsecondary Education (CPE) staff presented a report at the August meeting regarding its review of postsecondary capital projects. CPE staff reviewed postsecondary new construction projects, construction cost increases valued at \$162.4 million, asset preservation projects valued at \$2.8 billion, and IT projects valued at \$598.1 million for the 2024-2026 fiscal biennium. CPE recommended \$162.4 million in bond funds to facilitate the completion of projects already under way and \$700 million (roughly 10 percent of the identified need) for asset preservation projects in the 2024-2026 fiscal biennium. CPE did not include recommendations

for postsecondary new construction or IT projects in its 2024-2026 budget recommendation in the interest of emphasizing asset preservation projects. However, all 35 IT projects were identified as high value.

### **2024–2030 Statewide Capital Improvements Plan—Final Approval**

The board gave final approval to the 2024–2030 Statewide Capital Improvements Plan at its final meeting in October, and the plan was transmitted to the heads of the three branches of government by the statutory due date of November 1. The capital plan contained policy and project recommendations developed and approved by board members. Project recommendations encompassed state general fund projects for the first biennium sorted into three categories: construction (maintenance/renovation), construction (new), and information technology.

Relative to the policy recommendations, the following were adopted in conjunction with the capital plan:

**Budget Reserve Trust Fund.** The board recommended that the Governor and the General Assembly prioritize maintaining budget reserve trust fund balances and consider linking deposits directly to revenues and statutory withdrawal provisions.

**Council On Postsecondary Education, Focus On Asset Preservation, Postsecondary Capital Projects:** The board endorsed CPE’s multibiennium strategy for financing the capital needs of postsecondary institutions. The board recommended that the Governor and the General Assembly endorse CPE’s proposed asset preservation investment framework and provide funding in the 2024–2026 fiscal biennium and subsequent state budgets.

**State Agency Maintenance Pools:** The board recommended that, in each biennium, sufficient funding be appropriated for agency miscellaneous maintenance pools to address maintenance projects that would protect the state’s significant investment in its physical plant. The board noted that the appropriation of bond funds for agency maintenance pools had positively allowed agencies to undertake needed maintenance projects that would have required line-item budget authorization. However, this funding reduces the flexibility of agencies to undertake small projects that do not meet the 20-year useful life requirement for bond funding. As such, the board encourages continued use of traditional cash financing for maintenance pools when funds are available, as done in the 2022–2024 biennial budget.

Relative to the authorization of capital projects funded with state funds, the following recommendations were included:

**State Agency Maintenance Pools For Construction Needs.** The Capital Planning Advisory Board has long recommended adequate amounts for agency miscellaneous maintenance pools as a top priority for funding in the biennial budget. Agency maintenance pool requests represent \$300.1 million in the 2024–2026 fiscal biennium, \$115.3 million more than appropriated in the 2022–2024 fiscal biennium.

**State Agency Equipment Maintenance Pools And Replacement Schedules.** The board recommended that funds be provided, as appropriate, for equipment and systems maintenance pools. As with the need to protect the state's investment in facilities, agencies responsible for major equipment assets of the state need the ability to address ongoing maintenance of those items, including aircraft, communications equipment, and wildland fire equipment. The board recommended that funding be regularly appropriated to allow agencies to establish and adhere to equipment replacement schedules so that replacement and upgrade needs can be addressed periodically, rather than accumulating until a major infusion of funds is required.

**Long-Range Plan For Housing State Agencies In The Frankfort Area.** The board commended the Department for Facilities and Support Services on its continuing progress toward implementing the plan developed in response to KRS 42.425 to reduce the amount of space leased to house state agencies in Franklin County. This progress has been accomplished through a combination of approaches, including state-funded new construction, state-funded renovations, and long-term financing arrangements. The board requested that the department continue to address reducing the amount of space leased by state government in other locations around the state. This action is consistent with KRS 42.425(2)(b)2, which directs the development of long-range plans for housing state agencies in metropolitan areas.

**Grant And Loan Programs.** Various agencies proposed significant funding in 2024–2026 for programs that would provide assistance to nonstate entities through a competitive application process. Included are programs of the Cabinet for Economic Development, the Department for Local Government, the Kentucky Infrastructure Authority, and the School Facilities Construction Commission. Because of the limited resources available and the significant needs in other areas of government, the board recommended that decision-makers carefully analyze existing fund balances and carryforwards prior to authorizing additional appropriations for these programs.

Relative to projects proposed to be financed from state general funds in the 2024–2026 executive budget, board members recommended 45 projects in three areas: construction (maintenance/renovation), construction (new), and IT. The following projects were recommended:

- 15 maintenance and renovation construction projects
- 15 new construction projects
- 15 information technology projects

## **Report Of The 2023 Capital Projects And Bond Oversight Committee**

**Sen. Rick Girdler, Co-Chair**  
**Rep. Deanna Frazier Gordon, Co-Chair**

Sen. Jason Howell  
Sen. Shelley Funke Frommeyer  
Sen. Robin L. Webb

Rep. Keturah Herron  
Rep. Jason Petrie  
Rep. Walker Thomas

LRC Staff: Katherine Halloran, Savannah Wiley, and Spring Emerson

Jurisdiction: The committee is a permanent subcommittee of the Legislative Research Commission and is charged with overseeing the expenditure of funds for state capital projects; the allotment of funds from the emergency repair, maintenance, and replacement account and the capital construction and equipment purchase contingency account; the state's acquisition of capital assets, including the lease of real property; the issuance of bonds by the commonwealth and related statutory entities; and the issuance of bonds by local school districts.

## Committee Activity

As a statutory committee, the Capital Projects and Bond Oversight Committee meets monthly. This report covers committee activity between January 1 and November 30, 2023, as well as projected December 2023 transactions.

In addition to the committee's oversight of the commonwealth's capital construction (including KRS 45A.077 public-private partnership agreements), debt issuance, and real property leases, the committee approves KRS 224A.100 Kentucky Infrastructure Authority assistance agreements (sewer and water project loans and grants) and KRS 154.12-100(6) Kentucky Economic Development Finance Authority (KEDFA) economic development fund program grants. For this reporting period, executive branch agencies (primarily through the Finance and Administration Cabinet) and postsecondary institutions submitted items requiring committee approval.

### Approval Items Submitted From January 2023 To December 2023

#### Projects And Associated Agreements

The Finance and Administration Cabinet, through the Office of State Budget Director, submits and reports projects and associated agreements for executive branch agencies, the Kentucky Community and Technical College System, and Kentucky State University. The other postsecondary institutions submit and report individually. Table 1 breaks down those agreements.

**Table 1**  
**Projects And Associated Agreements**

Month	Interim Project Authorizations, KRS 45.760(7) And 164A.575(15)	Interim Project Appropriation Increases, KRS 45.760(6)	Transfers, Capital Construction And Equipment Purchase Contingency Fund, KRS 45.770(7) And 164A.600(1)/ Park Capital Maintenance And Renovation Fund, KRS 148.810	Total
Jan	1	1	0	2
Feb	0	1	0	1
Mar	1	0	1	2
Apr	3	1	0	4
May	0	1	1	2
Jun	0	0	0	0
Jul	1	0	0	1
Aug	0	1	0	1
Sep	2	1	0	3
Oct	6	0	1	7
Nov	0	0	0	0
Dec*	0	1	0	1
Total	14	7	3	24

Note: In the following two categories, no projects or agreements were submitted: Public-Private Partnership Project Authorizations, KRS 45.763(3); Public-Private Partnership Contracts, KRS 45A.077(6) and 45A.077(10)(a).

\* Projected numbers.

## Lease Arrangements

The Finance and Administration Cabinet, through the Department for Facilities and Support Services, Division of Real Properties, submits and reports lease arrangements for executive branch agencies. All postsecondary institutions submit and report lease arrangements individually. Table 2 breaks down those agreements.

**Table 2**  
**Lease Arrangements**

<b>Month</b>	<b>Tenant Improvement Fund Requests (300 And Mayo-Underwood Buildings), KRS 56.823(12)(d)</b>	<b>New Leases And Renewals, KRS 56.823(2) and (4) And 164A.575(7)(c)</b>	<b>Lease Modifications Of At Least \$50,000, KRS 56.823(11)(a)</b>	<b>Total</b>
Jan	0	2	0	2
Feb	0	0	2	2
Mar	0	13	0	13
Apr	0	8	0	8
May	0	4	1	5
Jun	0	3	2	5
Jul	1	1	3	5
Aug	0	0	1	1
Sep	0	0	1	1
Oct	0	1	1	2
Nov	0	0	0	0
Dec*	0	3	3	6
<b>Total</b>	<b>1</b>	<b>35</b>	<b>14</b>	<b>50</b>

Note: In three categories, no lease arrangements were submitted: Lease Authorizations, KRS 48.111(6)(e) and 56.832(7); Lease-Purchases, KRS 56.823(3), (7), and (9); and Built-To-Suit Leases, KRS 56.823(6).

\* Projected numbers.

Table 3 lists the number of transactions submitted through the Office of Financial Management. Data is provided from the Kentucky Infrastructure Authority (KIA), Cabinet for Economic Development Fund (EDF), State Property and Buildings Commission (SPBC), School Facilities Construction Commission (SFCC), postsecondary institutions, and others.

**Table 3**  
**Transactions Submitted Through The Office Of Financial Management**

<b>Month</b>	<b>KIA Assistance Agreements, KRS 224A.100*</b>	<b>Economic Development Fund Projects, KRS 154.12-100(6)</b>	<b>Appropriation-Supported Debt Issues (Excludes SFCC), KRS 45.810(1)</b>	<b>Non-Appropriation-Supported Debt Issues, KRS 45.810(1)</b>	<b>Conduit Debt Issues, KRS 45.810(1)</b>	<b>School District Debt Issues With SFCC Debt Service Participation, KRS 45.810(1)</b>	<b>Total</b>
Jan	6	0	0	0	0	3	9
Feb	6	2	0	1	0	7	16
Mar	90	0	0	0	0	2	92
Apr	12	3	1	0	1	6	23
May	7	8	0	0	2	4	21
Jun	0	11	1	0	0	6	18
Jul	22	8	0	0	1	3	34
Aug	3	5	0	0	0	6	14
Sep	22	2	0	0	3	12	39
Oct	31	2	0	0	0	4	37
Nov	13	8	0	1	0	0	22
Dec**	15	8	2	1	0	0	26
<b>Total</b>	<b>227</b>	<b>57</b>	<b>4</b>	<b>3</b>	<b>7</b>	<b>53</b>	<b>351</b>

Note: KIA = Kentucky Infrastructure Authority; SFCC = School Facilities Construction Commission. No transactions were submitted for Bond Counsel or Underwriter Innovation Agreement, KRS 45A.870(5).

\*Twenty-eight were loans, loan assumptions, and loan increases. The remainder were Cleaner Water Program grants.

\*\* Projected numbers.

### Transactions Submitted Through The Office Of Financial Management

#### Kentucky Infrastructure Authority

**KIA Loans, Loan Assumptions, And Loan Increases.** KIA loans, loan assumptions, and loan increases to utilities for sewer and water projects are from Fund A (federally assisted wastewater/clean water state revolving loan fund), Fund B (infrastructure revolving fund), Fund C (governmental agencies program loan fund), and Fund F (federally assisted drinking water/drinking water state revolving loan fund) programs. KIA funds the state match for the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) loan programs from general fund-supported SPBC bond proceeds, and KIA offers those loans based upon the utility's ranking in the Intended Use Plans, developed with the Division of Water. Fund B and Fund C loans are allocated on a first-come, first-served basis. For the CWSRF and DWSRF loan programs, the Bipartisan Infrastructure Law provided Supplemental Base, Emerging Contaminants, and Lead Service Line Replacement (DWSRF only) funding.

**Cleaner Water Program Grants.** 21 RS SB 36 appropriated \$250 million in American Rescue Plan Act of 2021 Coronavirus State Fiscal Recovery Funds to a newly established Drinking Water and Wastewater Grant Program. There were three pools of funding within the sewer and water grants: \$150 million based on each county's population; \$50 million for unserved drinking water rural customers or counties under a federal consent decree; and \$49.9 million to supplement project grants, allowing for cost escalations and changed conditions. Of the \$50 million for unserved drinking water rural customers or counties under a federal consent

decree, KIA allocated \$30 million for unserved projects and \$20 million toward consent decree projects, with those funds split evenly between the four consent decree utilities: Lexington, Louisville, Northern Kentucky Sanitation District 1, and Winchester. RS 22 HB 1 appropriated a further \$250 million based on county population, as well as line-item grants.

**Water Management Assistance Fund.** HB 1 appropriated \$10 million from the general fund to provide assistance for capital and noncapital expenses of governmental entities providing drinking water and wastewater services to the public. Money from the East Kentucky State Aid Funding for Emergencies Fund was allocated to provide water and sewer service in three subdivisions.

**KEDFA EDF Program.** KEDFA's EDF Program, along with its High-Tech Construction/Investment and Loan Pools, is funded as needed from general-fund-supported SPBC bond proceeds. The Cabinet for Economic Development (CED) may allocate EDF grant funds either up front (all or a portion to be repaid to the grantee if the beneficiary does not meet annual job and wage compliance benchmarks) or as the beneficiary meets those benchmarks.

22 RS HB 745 codified the Kentucky Product Development Initiative (PDI) program to upgrade industrial sites. Recipients must match funds dollar-for-dollar. EDF annual compliance benchmarks do not apply to PDI program grants. CED disburses grant funds to the project applicant through the local government entity on a reimbursement basis after review and approval of supporting documentation including invoices, proof of payment, matching funds, and progress report.

## Debt Issues

KRS 45.810 requires submittal of the commonwealth's debt-issuing entities' proposed debt issues. The commonwealth's debt-issuing entities are SPBC, the Kentucky Asset/Liability Commission (ALCo), the Turnpike Authority of Kentucky (TAK), the School Facilities Construction Commission (local school districts issue the debt, and SFCC pays a portion of the debt service), public postsecondary institutions, KIA, the Kentucky Higher Education Student Loan Corporation (KHESLC), the Kentucky Public Transportation Infrastructure Authority (KPTIA), the Kentucky Housing Corporation, and KEDFA.

**Appropriation-Supported And Non-Appropriation-Supported Debt Issues.** SPBC, ALCo, TAK, SFCC, and postsecondary institutions issue appropriation-supported debt. The Kentucky Housing Corporation (KHC), KIA, KHESLC, and KPTIA issue non-appropriation-supported debt.

**Conduit Debt Issues (KEDFA And KHC).** KEDFA acts as a conduit for hospital and industrial revenue debt issuance, as well as debt for approved companies and economic development projects. It has no legal or moral obligation to repay the debt. The Office of Financial Management did not submit any such debt issues in this reporting period.

KHC issues multifamily tax-exempt conduit debt on behalf of housing developers which will receive a 4 percent credit.



## **Report Of The 2023 Commission On Race And Access To Opportunity**

**Sen. David P. Givens, Co-Chair**  
**Rep. Killian Timoney, Co-Chair**

Sen. Karen Berg  
Sen. Gerald A. Neal  
Sen. Whitney Westerfield  
Rep. George Brown Jr.  
Rep. Samara Heavrin  
Rep. Nima Kulkarni

Kimberly Baird  
James Coleman  
Jamir Davis  
Hannah Drake  
Ricky Jones

LRC Staff: Brandon White and Brett Gillispie

Jurisdiction: The commission shall conduct studies and research issues where disparities may exist across the sectors of education equity, child welfare, health, economic opportunity, juvenile justice, criminal justice, and any other sectors that are deemed relevant in an effort to identify areas of improvement in providing services and opportunities for minority communities.

## **Committee Activity**

The Commission on Race and Access to Opportunity held six meetings during the Interim.

### **Youth And Young Adult Gun Violence Prevention**

The director, community outreach coordinator, community response advocate, and chief development officer of ONE Lexington and the mayor of Lexington's chief of staff presented regarding ONE Lexington. Its goal is to leverage government resources and community partnerships to reduce gun violence among youth and young adults ages 13 to 29, and it facilitates cooperation between the urban-county government, Fayette County Public Schools, the criminal justice system, law enforcement, the local faith-based and nonprofit sectors, and other Lexington community members. ONE Lexington adopted the Prevention, Intervention, Enforcement, and Re-Entry model as its strategy.

### **Juvenile Justice**

The chief equity officer and chief policy and strategy officer of Kentucky Youth Advocates presented regarding juvenile justice disparities. Kentucky Youth Advocates supports systemic change for children by bringing research and data to policy makers. In the last 10 years, juvenile justice reforms have significantly reduced the number of complaints against juveniles, but racial disparities have persisted. The presenters highlighted the overrepresentation of Black and Hispanic youth in the juvenile justice system.

### **Kentucky Demographics Update**

The marketing analytics director, senior data scientist, and senior research and legislative analyst from the Kentucky Center for Statistics presented a Kentucky demographics update. They discussed Kentucky's population changes from 2010 to 2020, changes in the poverty rate, inmate population, total K-12 enrollment demographics, K-12 discipline demographics, the current high school graduation rate, Kentucky Educational Excellence Scholarships disbursements, the number of dual-credit scholarship awards, Work Ready scholarship awards, and postsecondary enrollment and completion rates. The presenters provided a workforce overview that included median income by race, labor force participation rate, and the unemployment rate by race.

### **Computer Science Initiative**

The computer science initiatives director and the science, technology, engineering, and math coordinator of Advance Kentucky and the president of the Kentucky Science and Technology Corporation presented on Advance Kentucky's Computer Science Initiative (CSI). Advance Kentucky seeks to expand access to computer science education and increase minority participation in computer science jobs. CSI provides professional instruction for K-12 teachers and assists school districts in developing K-12 computer science plans. Advance

Kentucky recommended that the General Assembly require every student to take computer science in order to receive a high school diploma.

### **Disabled Persons**

The CEO, program director, and grant writer of Harbor House of Louisville presented on serving the disabled population of Bullitt, Jefferson, Oldham, and Shelby Counties with an emphasis on workforce education. Harbor House provides programs to help disabled people gain employment and empowerment.

### **Diversity, Equity, And Inclusion**

The president of the Council on Postsecondary Education and the president of the University of Kentucky (UK) presented on diversity, equity, and inclusion (DEI) in postsecondary education. They said that *equity* refers to providing all students, regardless of background, the tools needed to succeed, and that *diversity* does not refer to forcing an ideology on an individual or group.

The presenters discussed the postsecondary education challenges that Kentucky faces as a high-poverty state. UK created the UK Leveraging Economic Affordability for Developing Success Program, a one-time grant program targeted at students with an unmet financial need of more than \$5,000. The speakers addressed the DEI implications of two US Supreme Court decisions—*Students for Fair Admissions v. Harvard* and *Students for Fair Admissions v. the University of North Carolina*—saying that UK has a responsibility to follow the law as interpreted by the Supreme Court while continuing the advances it has made in serving underrepresented minority and low-income students.

The president and CEO of the Kentucky Chamber of Commerce and the co-founder, president, and CEO of ESG Consulting presented on the Kentucky Chamber Foundation’s Center for Diversity, Equity, and Inclusion. The center has created a DEI task force of business and community leaders to help recruit a more diverse workforce for Kentucky employers and to foster economic opportunity. The presenters said the chamber is motivated to create a better workforce by accessing untapped talent and connecting minority-owned businesses with the resources they need to improve their business models and achieve success.

### **Nail Technicians**

Senator Reginald Thomas, two nail technicians, a retired nail technician and former salon owner, and a licensed instructor and nail school owner presented on systemic barriers facing nail technicians and proposed legislation to address these issues. Senator Thomas summarized a proposed bill that would require the Kentucky Board of Cosmetology to offer licensure exams in languages other than English. The nail technicians advocated for the ability to take the licensure exam in Vietnamese, Lao, and Khmer, as the Asian American and Pacific Islander community represents a significant amount of the workforce in the industry. Presenters accused inspectors from the Board of Cosmetology of racially discriminatory behavior and inappropriate conduct.

The executive director and general counsel of the Kentucky Board of Cosmetology presented arguments opposing the proposed legislation.

### **Associated Health Risks Of Ethnic Hair Care Products**

An associate professor from the University of Louisville's Department of Chemistry presented risks associated with hair care products marketed primarily to Black women, such as chemical hair relaxers that can cause serious health issues including chemical burns to the scalp, hair loss, diabetes, fertility and reproductive issues, and numerous types of cancer.

### **Birthing Centers**

Representative Jason Nemes, a representative of the Kentucky Birth Coalition, a licensed certified professional midwife, and the chief policy officer of Metro United Way presented on freestanding birthing centers. These are facilities other than hospitals that specialize in normal childbirth without common medical interventions. The centers provide prenatal and postpartum care to mothers and newborns at a lower financial cost than that of hospital births. The presenters said that community model birth centers can lower costs and improve outcomes for at-risk groups.

### **Overdose Rates**

The chair and executive director of the Kentucky Opioid Abatement Advisory Commission, the executive director of the Kentucky Harm Reduction Coalition, and the executive director of Vocal-KY presented on overdose rates. The presentation included an overview of funds awarded to Kentucky through a multistate settlement related to the opioid crisis. The Kentucky Opioid Abatement Advisory Commission has used those funds to award and monitor grants to deliver services to Kentuckians afflicted by opioid use disorder.

Vocal-KY works with individuals impacted by issues such as HIV-AIDS and the War on Drugs. The executive director said that the opioid settlement fund should be used to provide harm reduction services to marginalized people and that the General Assembly should lower barriers to legal aid services and second-chance employment.

The executive director of the Kentucky Harm Reduction Coalition said that harm reduction models to treat drug addiction have gained momentum, and that drug use is often a mechanism for coping with systemic issues such as poverty and related hardships. She added that the General Assembly should investigate deaths within treatment and recovery facilities and ask them to prove their effectiveness. She emphasized that while opioid deaths may be trending down in white communities, they are trending upward in communities of color.

### **Section 25 Of The Kentucky Constitution**

The director of Northern Kentucky University's Black Studies Program, the executive director of the Kentucky Commission on Human Rights, the executive director of the Lexington-Fayette Urban County Human Rights Commission, and members of the South Elkhorn Christian

Church youth group made a presentation on a proposed amendment to Section 25 of the Kentucky Constitution that would address an exception clause permitting slavery as a sentence for a crime.

The director of the Black Studies Program discussed the history of Reconstruction, the abolition of slavery, and Section 25.

The executive director of the Kentucky Commission on Human Rights said exception clauses in the US Constitution and various state constitutions allowed for the implementation of Black Codes and the proliferation of forced labor in the second half of the 19<sup>th</sup> century. Kentucky has a long and painful history with slavery beginning before its statehood, and the executive director called for the removal of the exception clause from Section 25.

Members of the South Elkhorn Christian Church youth group said that they were influenced to speak in favor of changing Section 25 by studying the history of the Civil Rights Movement, and that they hoped that others would be inspired by their actions to make positive changes in their own communities.



**Report Of The 2023  
Education Assessment And Accountability Review Subcommittee**

**Sen. Steve West, Co-Chair  
Rep. Scott Lewis, Co-Chair**

Sen. Mike Deneen  
Sen. Gerald A. Neal  
Sen. Mike Wilson

Rep. Tina Bojanowski  
Rep. Kim Banta  
Rep. Steve Riley

LRC Staff: Lauren Busch and Maurya Allen

Jurisdiction: To review administrative regulations and advise the Kentucky Board of Education concerning the implementation of the state system of assessment and accountability and to provide oversight and direction to the Office of Education Accountability.

## Subcommittee Activity

The Education Assessment and Accountability Review Subcommittee met three times during the Interim.

### Review Of Administrative Regulations

The committee is charged with reviewing all referred administrative regulations related to Kentucky's assessment and accountability system. The following administrative regulation was referred to the subcommittee during the Interim and was presented by Kentucky Department of Education staff:

- 703 KAR 005:270, Kentucky's Accountability System.

### Oversight Of The Office Of Education Accountability

As part of its duties to provide oversight and direction to the Office Of Education Accountability (OEA), the subcommittee received and accepted the OEA's *2022 Annual Report* required by KRS 7.410(2)(c)8. The report is a summary of the status and results of the current year's research agenda and a summary of completed investigative activity conducted during 2022.

In 2022, OEA received 478 written complaints, 249 of which were anonymous. From these complaints, 37 cases were opened: 33 investigative cases and 4 school-based decision-making council (SBDM) cases. OEA closed 31 cases in 2022: 24 investigative cases and 7 SBDM cases. Twenty-five cases remain pending: 21 investigative cases and 4 SBDM cases.

The subcommittee received and approved three OEA study reports during the Interim.

- *Kentucky District Data Profiles School Year 2022* is an annual compilation of data collected on all school districts, with an individual profile for the entire state. It includes student demographics and performance data, staffing data and related information, and district expenditure and revenue data.
- *Effectiveness And Efficiency Of Kentucky School Districts* employed research on effectiveness and efficiency in education to analyze differences in spending and outcomes among Kentucky's 171 school districts and between Kentucky and the nation. The report found that the effectiveness and efficiency of Kentucky's spending and student outcomes are comparable, on average, to those of other states. Among Kentucky districts, OEA found very little relationship between district per-pupil spending and district effectiveness at improving reading and mathematics achievement; it found great differences in effectiveness among districts, independent of spending. Of the data available for this report, teacher working conditions and teacher turnover were critical factors associated with district effectiveness. Districts of 1,000 students or fewer experience challenges related to efficiencies of scale that are beyond administrators' control and that may diminish student achievement.
- *Kentucky Public School Employee Staffing Shortages* examined classified and certified staffing in Kentucky and examined the actions of school districts, Kentucky, and other states to recruit and retain school personnel. The study found that the number of unfilled teacher

positions has increased by 260 percent since 2019. For open positions in almost every subject, two-thirds or more of principals reported a lack of satisfactory applicants. The study noted that salary has always been a critical teacher workforce consideration. Many districts recently raised salaries to remain competitive, but some schools may be less able to compete, especially hard-to-staff schools (those that are low performing or geographically isolated) or those near very high-paying districts. Post-pandemic, concerns about student behavior and other job-related stress are major factors in increased turnover, as teachers leave the profession for lower-paying positions. Acute classified staffing shortages exist for custodians, bus drivers, food service workers, and substitutes. Over the last 5 years, local boards of education have increased pay by up to 19 percent, but classified staff leaving public education appear to be earning as much as 115 percent more in the private sector.

The subcommittee approved the proposed *2024 OEA Study Agenda*, which includes three reports:

- The *District Data Profiles* for 2023
- A study of school district governance and intervention models in Kentucky and across the nation
- A report on characteristics of higher- and lower-impact schools



## **Report Of The 2023 Government Contract Review Committee**

**Sen. Stephen Meredith, Co-Chair**  
**Rep. Mark Hart, Co-Chair**

Sen. Gary Boswell  
Sen. Donald Douglas  
Sen. Reginald Thomas

Rep. Beverly Chester-Burton  
Rep. Bobby McCool  
Rep. Michael Sarge Pollock

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

Jurisdiction: Review of all nonexempt memoranda of agreement by and between state agencies, and review of all nonexempt personal service contracts by state agencies and by off-budget agencies, that include, but are not limited to, the Kentucky Lottery Corporation, the Kentucky Housing Corporation, state universities within the commonwealth, the Kentucky Employers' Mutual Insurance Corporation, the Kentucky Higher Education Assistance Authority, the Kentucky Student Loan Corporation, and the Kentucky Retirement Systems to examine the stated need for the service, whether the service could or should be performed by state personnel, the amount and duration of the contract or agreement, and the appropriateness of any exchange of resources or responsibilities; and review of all qualifying motion picture or entertainment production tax incentives.

## **Committee Activity**

The Government Contract Review Committee met eight times.

## **Reviews Conducted**

The Government Contract Review Committee is a statutory committee of the Legislative Research Commission and is required to meet monthly. During FY 2023 beginning July 1, 2022, and ending June 30, 2023, the committee reviewed 1,053 personal service contracts and 586 amendments to personal service contracts. The committee also reviewed 243 personal service contracts for \$10,000 and less, which are submitted to the committee for informational purposes only.

During FY 2023, the committee reviewed 1,878 memoranda of agreement and 745 memoranda of agreement amendments. The committee also reviewed 863 memoranda of agreement for \$50,000 and less, which are submitted to the committee for informational purposes only.

During FY 2023, the committee reviewed 1,882 personal service contract items, 3,486 memoranda of agreement items, and 62 entertainment incentive program agreements, for a total of 5,430 items.

Since the start of FY 2024 through November 9, 2023, the committee reviewed 269 personal service contracts and 360 amendments to personal service contracts. The committee also reviewed 79 personal service contracts for \$10,000 and less, which are submitted to the committee for informational purposes only.

Since the start of FY 2024 through November 9, 2023, the committee reviewed 1,140 memoranda of agreement and 261 memoranda of agreement amendments. The committee reviewed 286 memoranda of agreement for \$50,000 and less, which are submitted to the committee for informational purposes only. The committee also reviewed 22 entertainment incentive program agreements.

Note: The totals reflect all personal service contracts, memoranda of agreements, and film tax incentive agreements entered into the eMARS procurement system by Government Contract Review Committee staff or other agencies and captured by the LRC Contract Reporting Database.

## **Exemptions**

Memoranda of agreement review exemptions include agreements between the Transportation Cabinet and political subdivisions of the commonwealth for road and road-related projects; agreements between the auditor of public accounts and other government agencies for auditing services; agreements of a state agency as required by federal or state law; agreements between state agencies and state universities or colleges, and agreements between state universities and colleges and employers of students in the Commonwealth Work Study Program; agreements

involving child support collections and enforcement; agreements with public utilities, providers of certain direct Medicaid health care to individuals, and transit authorities; nonfinancial agreements; any obligation or payment for reimbursement of the cost of corrective action made pursuant to the Petroleum Storage Tank Environmental Assurance Fund; exchanges of confidential personal information between agencies; agreements between state agencies and rural concentrated employment programs; and any other agreement that the committee deems inappropriate for consideration.

Personal service contract review exemptions include agreements between the Department of Parks and a performing artist or artists for less than \$5,000 per fiscal year, per artist or artists; agreements with public utilities, foster care parents, providers of certain direct Medicaid health care to individuals, individuals performing homemaker services, and transit authorities; agreements between state universities or colleges and employers of students in the Commonwealth Work Study Program; agreements between state agencies and rural concentrated employment programs; agreements between the State Fair Board and judges, officials, or entertainers contracted for events promoted by the State Fair Board; and any other contract that the committee deems inappropriate for consideration.



**Report Of The 2023  
Investments In Information Technology Improvement And Modernization  
Projects Oversight Board**

**Sen. Gex Williams, Co-Chair  
Rep. Phillip Pratt, Co-Chair**

Sen. Cassie Chambers Armstrong  
Sen. Max Wise

Rep. Chad Aull  
Rep. John Hodgson

LRC Staff: Jennifer Hays, Adam Johnson, Sarah Watts, and Jennifer Smith

Jurisdiction: The 2023 General Assembly established the Investments in Information Technology Improvement and Modernization Projects Oversight Board to review investment and funding strategies for projects to improve or modernize state agency information technology systems. This process includes reviewing legacy systems and cybersecurity projects, along with the current and ongoing operation and maintenance of state agency information resources, determining the appropriate organizational structure for deployment of technology across the commonwealth, and reviewing the latest information technology developments trending across the nation.

## Board Activity

The board held three meetings in September, October, and December.

### Information Gathering From State Agencies

The board meetings were focused primarily on hearing testimony from state agencies regarding investment and funding strategies for projects to improve or modernize state agency information technology systems, including legacy system projects, cybersecurity projects, and the current and ongoing operation and maintenance of state agency information resources.

### General Questions For All Agencies

1. Does your agency/department have a technology budget?
  - a. Is your IT or technology budget independent of your capital project budget?
  - b. Are your ongoing projects funded through your operating budget or a capital project?
2. Are your legacy systems housed:
  - a. At COT [Commonwealth Office of Technology];
  - b. In house;
  - c. In agency-managed cloud;
  - d. In vendor-managed cloud; or
  - e. Other?
3. If you have transitioned from COT to the cloud, how did that impact your operating budget?
4. Is the Alternate Data Center useful to your agency?
5. How do you fund security against hackers?
  - a. Do you regularly test your backup and recovery plan?
  - b. When did you last test your backup and recovery plan?
6. Are agency employees working remotely?
  - a. Are you satisfied with tools to manage remote workers?
  - b. Can you quantify the savings by having remote workers?
7. How could the funding and governance of technology be improved in Kentucky?
  - a. Do you have a clear chain of command for technology governance?
  - b. Are you satisfied with the funding and governance in your agency?
8. Are there statutes that impede implementation of software as a service, third-party packages, or agency development?

### Testimony

Board members reviewed information and heard testimony from the following.

- Correspondence submitted by the Legislative Research Commission
- Testimony from staff of
  - Cabinet for Health and Family Services
  - Commonwealth Office of Technology
  - Department of Education
  - Education and Labor Cabinet
  - Department of Military Affairs
  - Public Service Commission
  - Secretary of State’s Office
  - State Board of Elections
  - Transportation Cabinet
- Testimony from representatives of
  - AT&T
  - Charter Communication
  - County Clerks Association
  - Kentucky League of Cities
  - Kentucky Utilities
  - Kentucky Property Valuation Administrators Association
  - Kentucky Electric Cooperatives

### **Timeline For Implementation Of 2023 RS HB 395**

The board agreed to the following tentative timeline for its future work.

- No later than March 30, 2025, the board, in consultation with the Commonwealth Office of Technology, shall prescribe the form, contents, and manner of submission of the technology projects and information from each agency.
- By July 30, 2025, each state agency shall submit its plan to the Commonwealth Office of Technology and the board.
- By December 1, 2025, and biennially thereafter, the board shall provide a written report to the Legislative Research Commission that
  1. Identifies existing and planned projects to improve or modernize state agency information technology systems;
  2. Describes the method of funding for each project identified by the board;
  3. Provides a recommendation of the estimated amount necessary to fully fund to completion each project identified by the board; and
  4. Identifies strategies developed to ensure a long-term investment solution for projects to improve or modernize state agency information technology systems.



## **Report Of The 2023 Juvenile Justice Oversight Council**

**Sen. Whitney Westerfield, Co-Chair**  
**Rep. Daniel Elliott, Co-Chair**

Sen. Danny Carroll  
Sen. Robin L. Webb  
Rep. Kevin D. Bratcher  
Rep. Keturah Herron  
John Adams  
Katie Comstock  
Lesa Dennis  
Paula Garner

Jason Glass  
Steven Gold  
Kerry Harvey  
Katie Marks  
Damon Preston  
Vicki Reed  
Tyra Walker  
John Ward

LRC Staff: Joshua Shelepak, Matt Trebelhorn, and Brett Gillispie

Jurisdiction: The Juvenile Justice Oversight Council provides an independent review of the state juvenile justice system and provides recommendations to the General Assembly. The council shall actively review the implementation of all juvenile justice reforms enacted by the General Assembly, collect and review performance measurement data, and continue to review the juvenile justice system for changes that improve public safety, hold youth accountable, provide better outcomes for children and families, and control juvenile justice costs.

## **Committee Activity**

The Juvenile Justice Oversight Council became a statutory committee with the signing of 23 RS SB 162. The council is required to meet quarterly but may meet more often. This report covers activity between March 27 and December 1, 2023, and includes six meetings.

### **Department Of Juvenile Justice**

The secretary of the Justice and Public Safety Cabinet, the commissioner of the Department of Juvenile Justice (DJJ), and other representatives of DJJ discussed recent improvements in recruiting and retaining officers and in making changes required by 23 RS SB 162 and HB 3. Assaults in DJJ facilities have been reduced, and staffing changes made over the last year have had a significant impact. Representatives discussed two capacity issues created by HB 3 and SB 162. HB 3 contains a requirement that youth charged with violent offenses be detained, which is estimated to result in the detention of approximately 400 additional youth per year. SB 162 requires that DJJ return to a regional model for its detention facilities, and that it create separate housing for girls and boys, and for low-risk and high-risk children. This would create the need for four additional housing facilities.

### **Administrative Office Of The Courts**

Representatives of the Administrative Office of the Courts spoke about its Mental Health Commission and the Mental Health Summit. Representatives provided data on Family, Accountability, Intervention, and Response teams. The court-designated worker (CDW) program is shifting from a compliance-based model to a case planning model, allowing diversion plans to be more tailored to the individual.

### **ONE Lexington**

Representatives of ONE Lexington discussed the organization, which was created to leverage government resources and community partnerships to reduce gun violence among people of ages 13 to 29.

To achieve this goal, ONE Lexington has facilitated cooperation between the urban-county government, Fayette County Public Schools (FCPS), the criminal justice system, law enforcement, the local faith-based and nonprofit sectors, and other community members across Lexington. ONE Lexington adopted the Prevention, Intervention, Enforcement, and Re-Entry model as a strategy for its work.

ONE Lexington has undertaken weekly violence intervention team meetings with the police department, nonprofits working in street outreach, FCPS, the University of Kentucky Trauma Center, and other community partners to discuss incidents and coordinate responses.

ONE Lexington works to aid in the difficulties that are experienced during reentry by formerly incarcerated persons who have difficulty finding work and are in many ways disenfranchised.

## **Kentucky Youth Advocates**

Representatives of Kentucky Youth Advocates presented on disparities within the juvenile justice system and equity in youth diversion programs. Black youth represent 11 percent of Kentucky's youth population, but they represented 22 percent of juvenile complaints filed in the commonwealth in 2022. Additionally, multiracial youth represent 2 percent of Kentucky's youth population, but 8 percent of juvenile complaints in 2022 were filed against multiracial youth. These figures have been relatively consistent since 2017. The total number of complaints has been reduced significantly in the last 10 years due to juvenile justice reforms, but racial disparities have persisted.

## **Youth Advocate Programs**

Representatives of Youth Advocate Programs (YAP), a social change nonprofit that provides community-based alternatives to youth incarceration, discussed its programs. YAP provides services in 34 states and the District of Columbia and was to expand to two more states by the end of the year. YAP serves the highest need of young people and families who are most at risk of out-of-home placement, working with children who are coming out of secure settings, such as youth detention facilities, as well as children who have violence within their communities.

## **Youth Build Louisville**

A representative of Youth Build Louisville described it as a group that champions young adults to be great citizens so they can build sustainable communities. Youth Build Louisville has operated in the Smoketown neighborhood for 22 years, providing young people with career ladders, high school diplomas, and certifications. Youth Build Louisville serves young people through its Cure Violence program, which has violence interrupters and outreach workers working directly in Smoketown to address the pandemic of gun violence in Louisville.

## **Alternatives To Detention**

A representative of DJJ discussed its Alternatives to Detention (ATD) Program. ATDs are short-term, less-restrictive placements for youth who meet certain criteria. The representative described the detention alternatives coordinator (DAC), a DJJ employee assigned to a geographic area to provide placements for youth who otherwise would be in secure detention.

Case managers, foster care providers, and private child counselors are the first line of contact for the youth, but DACs are on call and are expected to provide case management when necessary.

## **Progeny/Destination Innovation**

Representatives of Destination Innovation discussed Progeny, a youth/adult partnership program focused on reimagining the juvenile justice system and reinvestment into community-based alternatives in Kansas. The organization attempts to provide resources and safe spaces for juveniles in the system.

## **Community Supervision**

Representatives of DJJ outlined the purpose and responsibilities of the Community and Mental Health Services division, including intensive case management services and community supervision. The division evaluates juveniles who have been adjudicated delinquent. Division employees' caseloads are manageable, but case numbers are trending upward.

## **Juvenile Justice System Contact Points**

Representatives of the Administrative Office of the Courts described juvenile justice system contact points, including the duties of the court-designated worker (CDW) and how juveniles interact with CDWs within the juvenile justice system during the preliminary inquiry interview, diversion, and the securing of least restrictive placement. Representatives outlined the initial hearing and valid court order aspects of the juvenile court process, and contact points between judges and CDWs.

## **Lions Quest**

Representatives of Kentucky Lions outlined the history and mission of Lions Quest, a service organization dedicated to encouraging comprehensive youth development to help children grow in a positive direction, free from the dangers of drugs and violence, and able to make positive decisions. Lions Quest curriculum and has been rolled out in several jurisdictions.

## **Post-Disposition Proceedings**

Representatives of the Department of Public Advocacy presented on the department's Juvenile Post-Disposition Branch (JPDB) and post-disposition proceedings. JPDB was created from a federal consent decree. Witnesses outlined the responsibilities of attorneys employed by the JPDB and stated that housing and education cause the biggest gaps in overall care.

## **Report Of The 2023 Legislative Oversight And Investigations Committee**

**Sen. Brandon J. Storm, Co-Chair**  
**Rep. Adam Bowling, Co-Chair**  
**Sen. Jason Howell, Vice-Chair**

Sen. Julie Raque Adams  
Sen. Danny Carroll  
Sen. Donald Douglas  
Sen. Gerald A. Neal  
Sen. Michael J. Nemes  
Sen. Reginald Thomas

Rep. John Blanton  
Rep. Lindsey Burke  
Rep. Ken Fleming  
Rep. Matt Lockett  
Rep. Steve Riley  
Rep. Scott Sharp  
Rep. Pamela Stevenson

LRC Staff: William Spears, McKenzie Ballard, Jacob Blevins, Ryan Brown, Christopher T. Hall, Taylor Johnston, Jeremy Skinner, Austin Sprinkles, Shane Stevens, Joel S. Thomas, and Ashley Taylor

**Jurisdiction:** The Legislative Oversight and Investigations Committee is a 16-member bipartisan committee authorized under KRS Chapter 6. The committee serves as the General Assembly's main investigative committee and is empowered to review the operations of state agencies and programs, determine whether funds are being spent for the purposes for which they were appropriated, evaluate the efficiency of program operations, and evaluate the impact of state government reorganizations. State agencies are obligated to correct operational problems identified by the committee and must implement the committee's recommendations or propose suitable alternatives.

Any official in the executive, judicial, or legislative branch of government may request a study. A majority vote of the committee is required to initiate research studies and to approve final reports. When the General Assembly is not in session, studies can be initiated by joint agreement of the co-chairs, initiated by a majority vote of the committee, or requested by the Legislative Research Commission or an interim joint committee thereof. Reports are based on staff research but represent the official opinion of the committee once approved. The committee issues a final report for a study after public deliberations that include the responses of officials of relevant agencies.

## Committee Activity

The Legislative Oversight and Investigations Committee (LOIC) met seven times during the 2023 Interim, adopted four staff reports, heard testimony on five topics, and heard one agency follow-up. The committee structure now includes one vice-chair.

### **‘Kentucky Department Of Juvenile Justice Regional Juvenile Detention Centers’**

The committee adopted *Kentucky Department Of Juvenile Justice Regional Juvenile Detention Centers*, which had 12 finding areas, 30 recommendations, and one matter for legislative consideration. The report’s objectives included identifying the causes of recent incidents in Jefferson and Adair County facilities, and evaluating a variety of operational aspects of the Department of Juvenile Justice (DJJ). LOIC staff found that events at the Jefferson Regional Juvenile Detention Center were caused primarily by the use of a building not designed for secure detention and by factors related to lack of supervision and staffing. Events at the Adair Regional Juvenile Detention Center were caused by issues such as expedited transfers from another facility, inadequate screening, and multiple incidents occurring in a short time frame. The report discussed the juvenile offender tracking system, the lack of an automated incident reporting system, staffing, salary, and other concerns voiced by DJJ staff.

The committee heard testimony regarding juvenile detention centers during two additional meetings. Justice and Public Safety Cabinet officials discussed the implementation status of HB 3 and SB 162, which passed during the 2023 Regular Session, as related to DJJ operations. Officials answered the committee’s questions about staff shortages, staff compensation based on geographical location, and mental health care for juveniles within the system.

The committee heard testimony from Justice and Public Safety Cabinet officials and DJJ Compliance Division representatives regarding use of oleoresin capsicum spray, internal investigations of abuse allegations, and use of isolation in DJJ facilities. Representatives of the Department of Public Advocacy provided testimony on its investigation into the use of isolation at the Adair County Regional Juvenile Detention Center.

### **A6 Programs**

The committee heard testimony from Kentucky Youth Advocates (KYA) regarding Kentucky’s 74 A6 programs, which are explicitly designed for children in care of the Department for Juvenile Justice or the child welfare system. KYA representatives expressed concern that state dollars allocated for A6 programs are not being used as intended and noted that many of the programs are not in compliance with federal laws and program requirements. KYA staff answered questions about requirements for teaching an A6 program, the number of children in these programs, and assessment testing for A6 programs.

### **‘Kentucky Child Fatality And Near Fatality External Review Panel 2022 Update’**

The committee adopted *Kentucky Child Fatality And Near Fatality External Review Panel 2022 Update*. KRS 6.922 requires the Legislative Oversight and Investigations Committee to

conduct an annual evaluation of the panel. Staff evaluated the panel's actions in three areas: implementation of recommendations from LOIC's 2022 panel evaluation, implementation of new panel requirements enacted by 22 RS SB 97, and the panel's statutory requirement to submit annual reports related to allegations of dependency, neglect, and abuse that resulted in a child fatality or near fatality. Staff's review resulted in five recommendations related to software improvements, an updated memorandum of understanding with the Justice and Public Safety Cabinet, agency notification procedures, and panel reporting.

### **'K-12 Curriculum Development And Instructional Materials Selection'**

The committee adopted *K-12 Curriculum Development And Instructional Materials Selection*. The report evaluated the processes guiding curriculum development and instructional materials selection for K-12 public schools. It noted that, although the State Textbook Commission has statutory responsibilities related to curriculum and instructional materials, it has been inactive since 2015. It discussed parental objection processes, which are rarely used because most complaints are resolved informally. The report had five finding areas, six recommendations, and four matters for legislative consideration. Staff recommended clarifying the purpose and role of the State Textbook Commission, creating a list of primary instructional materials adopted by schools, including a role for superintendents in a parental objection process, and ensuring that a parental objection process follows statute. Kentucky Department of Education officials responded to the report, suggested amendments to statute, and answered questions from the committee about curriculum development, education cooperatives, and parental involvement.

### **'Single-Bid Asphalt Contracts'**

The committee adopted *Single-Bid Asphalt Contracts*, which reviewed the Kentucky Transportation Cabinets' contracts for asphalt roadwork. The report outlined the process for bidding and awarding contracts, described how most asphalt work proposals received only one bid, and showed that the economic impact of single-bid contracts has decreased due to the increasing costs of projects with multiple bidders. Staff demonstrated that there is low competition in the asphalt market due to strong barriers to entry and a limited number of asphalt providers in parts of the state. Cabinet policies were compared against federal guidance and policies of bordering states. Kentucky's policies are generally comparable to the guidelines of bordering states but could be improved in areas such as posting of bidding competitors before bidding closes, internal verification of pricing, and written guidance for awards or rejections.

### **Court-Ordered Assisted Outpatient Treatment**

Officials from the Department for Behavioral Health, Developmental, and Intellectual Disabilities testified about court-ordered assisted outpatient treatment (AOT), the provision of community-based mental health treatment under civil court commitment. Department staff discussed a federal Substance Abuse and Mental Health Services Administration grant that was used to implement AOT, the patient referral process, and funding.

### **Office Of Broadband Deployment Planning And Ongoing Efforts**

The committee heard testimony from the Office of Broadband Development (OBD), which was created during the 2022 Regular Session and was discussed in the 2022 staff report *Broadband In Kentucky*. OBD staff discussed the structure and responsibilities of the office. Information was provided on funding sources for broadband deployment, how the office distributes funds, issues encountered by the office, and OBD's 5 Year Action Plan.

### **Administrative Office Of The Courts Follow-Up To 'Kentucky's Foster Care System'**

Administrative Office of the Courts (AOC) officials discussed the implementation status of three recommendations from the Program Review and Investigations Committee's 2018 study of the foster care system. They reported that stakeholders have discussed the timing of temporary custody orders on many occasions but had not yet come to a consensus. AOC officials said they have revised official court forms and that a June 2018 Supreme Court policy change now requires judges to use those forms. AOC officials answered committee members' questions relating to the deadlines for judges to file AOC forms, complexities of determining what is in the best interest of the child, and case planning completion.

## **Report Of The 2023 Public Pension Oversight Board**

**Senator Jimmy Higdon, Co-Chair**  
**Representative DJ Johnson, Co-Chair**

Sen. Karen Berg  
Sen. Danny Carroll  
Sen. Christian McDaniel  
Sen. Robby Mills  
Sen. Gerald A. Neal  
Sen. Michael J. Nemes  
Sen. Mike Wilson  
Rep. Tina Bojanowski  
Rep. Ken Fleming

Rep. Derrick Graham  
Rep. Jason Petrie  
Rep. Phillip Pratt  
Rep. James Tipton  
Rep. Russell Webber  
Mike Harmon  
John Hicks  
Victor Maddox  
Sharon Mattingly

Rep. David Hale, ex officio

LRC Staff: Brad Gross, Jennifer Black Hans, Michael Clancy, and Angela Rhodes

Jurisdiction: Assists the General Assembly with its review, analysis, and oversight of the administration, benefits, investments, funding, laws and administrative regulations, and legislation pertaining to the state-administered retirement systems.

## **Committee Activity**

The Public Pension Oversight Board held nine meetings from January through December 2023.

### **Quarterly/Annual Investment And Actuarial Updates**

The Public Pension Oversight Board discussed and reviewed quarterly and annual investment performance, quarterly and annual plan asset and cash flow statistics, annual actuarial valuation audits and results, and budgetary needs of each of the retirement systems.

### **Employer Contribution Projections And Impact On State Budget**

LRC staff discussed their review of long-term trends and projections, individual system interaction within the budget, and approximation of state general fund costs for each of the applicable systems.

### **Retiree Cost Of Living Adjustments**

The board invited representatives of the Kentucky Government Retirees and the Kentucky Public Retirees to discuss cost of living adjustment increases for Kentucky Employees Retirement System and County Employees Retirement System retirees.

### **Restricted Financial Institutions/Energy Boycott List**

The state treasurer gave an update on 22 RS SB 105 and the restricted financial institutions and energy boycott list. From the review of companies around the world that actively engaged in fossil fuel boycotts within the financial sector, 11 companies were identified as actively engaged in boycotting the fossil fuel industry.

### **Deferred Compensation Authority**

The board invited the Kentucky Public Employees' Deferred Compensation Authority to give testimony regarding automatic enrollment for all new state employees hired after July 1, 2019.

### **Reemployment After Retirement**

The Kentucky Public Pensions Authority and Teachers' Retirement System provided discussion of rules and exemptions for reemployment after retirement.

### **Proposed And Recommended Legislation**

The board discussed proposed legislation and recommendations on pension-related topics.

## **Report Of The 2023 Tobacco Settlement Agreement Fund Oversight Committee**

**Sen. Amanda Mays Bledsoe, Co-Chair**  
**Rep. Myron Dossett, Co-Chair**

Sen. Julie Raque Adams  
Sen. Gary Boswell  
Sen. Matthew Deneen  
Sen. Denise Harper Angel  
Sen. Robin L. Webb

Rep. George Brown Jr.  
Rep. Kim King  
Rep. Phillip Pratt  
Rep. Brandon Reed  
Rep. Rachel Roarx

LRC Staff: Hillary Abbott, Stefan Kasacavage, Kelly Ludwig, and Rachel Hartley

Jurisdiction: Matters pertaining to the Agricultural Development Board, including requests to the board for grants and loans; planning by the board to establish short-term and long-term goals, to devise strategies, and to make investments that will assist farmers, and the administrative, financial, and programmatic activities of the board; expenditures under the Early Childhood Development Fund and the Kentucky Health Care Improvement Fund; efforts of agencies and educational institutions to assist in the revitalization and diversification of tobacco farms; efforts of institutions of public postsecondary research in conducting alternative crop development research; review of county agricultural development council plans; and review of the use of Tobacco Master Settlement Agreement funds.

## **Committee Activity**

The Tobacco Settlement Agreement Fund Oversight Committee met seven times.

In accordance with statutory requirements, the committee members received regular updates from the Kentucky Office of Agricultural Policy (KOAP) on funding decisions of the Kentucky Agricultural Development Board (KADB) regarding project applications. The committee received reports and testimony from executive branch agencies receiving tobacco settlement appropriations and various organizations that benefited from the availability of tobacco settlement funds.

### **Kentucky Office Of Agricultural Policy**

At each meeting, committee members asked the executive director and deputy executive director of KOAP for additional information on projects, sought clarification on funding decisions, and probed the rationale for those decisions. Committee members asked why some project applicants received particular amounts of funding or were denied funding and asked about project monitoring, compliance, and reporting.

Staff from KOAP reviewed projects for single counties, regions, and the commonwealth at large. KADB programs for which applicants receive funding include the County Agriculture Investment Program, the Next Generation Farmer Program, the Shared-Use Equipment Program, the Youth Agriculture Incentive Program, and the Deceased Farm Animal Program. In addition to these longstanding programs, KOAP reviewed projects funded through the new Meat Processing Investment Program, which provides financial incentives for Kentucky meat processors to expand operations to process more Kentucky beef, dairy, pork, lamb, sheep, goat, and poultry products.

In December, the committee was to receive testimony from a founding member of both the Kentucky Agricultural Development Board and the Kentucky Agricultural Finance Corporation. He has been a member of both boards since their inception and was to present on the impact of MSA funds on agriculture in the commonwealth.

### **Impact Of MSA Funds On Children, Families, And Access To Food**

Representatives of Community Farm Alliance (CFA), which services the Kentucky Farms to Food Banks and Kentucky Double Dollars programs, provided an update on its outreach to local communities through farmers markets and cooperation with local food markets. The efforts of these programs have helped food deserts (regions with limited access to fresh food) provide access for low-income Kentuckians and those receiving Supplemental Nutritional Assistance Program benefits. The CFA representatives stated that programming continues to be impacted by the 2022 natural disasters and COVID-19.

Personnel from the Cabinet for Health and Family Services (CHFS) testified that 25 percent of the Tobacco Master Settlement Agreement fund (MSA) is allocated to improve and promote early childhood development for children in the commonwealth. CHFS used dollars from the

MSA for its Child Care and Development Fund (CCDF) and Quality Rating Improvement System (QRIS). The CCDF promotes success for children, and employment and economic security for parents, by ensuring stable, high-quality child care. The fund provides child care subsidies for 21,322 families and 36,910 children. The MSA fund serves as the required state matching funds for the federal CCDF funding. Kentucky All STARS is Kentucky's five-star QRIS for early childhood education programs. Child care programs receiving public assistance must participate in the All STARS program. Within the program, 35 percent of providers are considered high quality. MSA dollars support the professional development and continuing education of child care workers through scholarships, grants, and Milestone Achievement awards.

### **Tobacco Use, Drug Use, And The Master Settlement Agreement**

The Office of the Attorney General provided testimony regarding the past, present, and future of the MSA . Kentucky has received a relatively stable amount of MSA funds in recent years (over \$110 million annually). It will receive these funds in perpetuity as long as cigarettes are sold in the United States, but revenues will likely decline as smokers increasingly abandon traditional cigarettes for e-cigarettes and other vaping products.

The manager of the CHFS Tobacco Prevention and Cessation Program expressed concern over the rise in e-cigarettes and vaping usage, particularly among youth. The program's numerous initiatives to curb tobacco use among teenagers and adults include the Quit Now initiative.

The Kentucky Office of Drug Control Policy (KODCP) presented an update on how MSA funds are being used to combat the ongoing drug crisis in the commonwealth. KODCP personnel noted that even though overdose deaths have decreased by 5 percent across Kentucky, there is still work to be done.

### **Reports Received**

- 2023 Kentucky Office of Agricultural Policy Annual Report



## **Report Of The 2023 Certificate Of Need Task Force**

**Sen. Donald Douglas, Co-Chair**  
**Rep. Russell Webber, Co-Chair**

Sen. Karen Berg  
Sen. David P. Givens  
Sen. Stephen Meredith  
Sen. John Schickel

Rep. Lindsey Burke  
Rep. Daniel Elliott  
Rep. Marianne Proctor  
Rep. Susan Witten

LRC Staff: DeeAnn Wenk, Logan Bush, and Becky Lancaster

Jurisdiction: Review Kentucky's certificate of need program, including the state health plan and related statutes; review the need for maintaining or modifying certificate of need for each health service currently covered; submit findings and recommendations regarding certificate of need to the Legislative Research Commission for referral to appropriate committee of jurisdiction.

## Task Force Activity

The Certificate of Need Task Force met seven times during the 2023 Interim.

### Certificate Of Need Overview

The National Conference State Legislatures presented an overview of certificate of need programs in other states. The Kentucky Office of Inspector General presented on Kentucky's certificate of need program.

### Health Facilities And Services

**Ambulance Providers.** The vice president of the Kentucky Ambulance Providers Association discussed the delivery of local emergency medical services (EMS), the cost of readiness for EMS providers, how changing the certificate of need process would negatively impact local EMS providers, and the partnership between local governments and local EMS providers.

**Birthing Centers.** A representative of the Kentucky Birth Coalition discussed the need for legislation to remove certificate of need requirements for freestanding birthing centers and how the burden of certificate of need influences the lack of birthing centers in Kentucky.

A faculty member from Frontier Nursing University discussed recent birth center litigation and the birth center feasibility study she developed for the university.

Senator Shelley Funke Frommeyer discussed maternity care deserts and the need for birthing centers.

The chief marketing officer of Pikeville Regional Medical Center discussed safeguards provided by certificate of need laws for maternity care.

The director of family medicine at the University of Kentucky College of Medicine, Northern Kentucky Campus, discussed her experiences with out-of-hospital delivery patients, and recommendations for birthing centers to be included in new legislation.

**Home Health Agencies.** The executive director of the Kentucky Home Care Association discussed types of home health agencies, the determination methodology for certificates of need, the market space and unstable industry of home health, differences between the Kentucky and Indiana certificate of need programs, and solutions to maintain the certificate of need.

**Hospice Care.** The CEO of Hosparus discussed aspects of care unique to hospice care, and the critical benefit of hospice.

The CEO of Bluegrass Care Navigators discussed how the certificate of need helps prevent fraud, abuse, and profiteering in hospice care.

**Hospitals.** The president of the Kentucky Hospital Association discussed the context and importance of the certificate of need for health care access and safety, Medicaid's and Medicare's lack of federal payments to fully pay for the coverage of treatments and the resulting cost shifting by hospitals, how a certificate of need ensures continuity of care, proposals for changes to the certificate of need, and services that should continue using the formal certificate of need review process. The association's proposals for reform relate to the application and appeals process, flexibility in the use of hospital beds, retention of formal review for certain hospital services including diagnostic and therapeutic equipment and procedures, and specific criteria in the State Health Plan for free-standing birthing centers.

The senior vice president and chief strategy officer of St. Elizabeth Healthcare discussed why there is not a free market for health care, the unintended consequences of a repeal of the certificate of need, and the commercial payor percentages in downtown Cincinnati hospitals versus suburban Northern Kentucky hospitals.

The president/CEO of the Christ Hospital Health Network discussed the difficulties created by certificate of need for establishing new hospitals.

**Long-Term Care.** The president and executive director of the Kentucky Association of Health Care Facilities discussed the types of long-term facilities that are subject to certificate of need and provided policy reasons for retaining the certificate of need for long-term care.

The president of LeadingAge Kentucky discussed the implementation of certificate of need as a tool and the fragile infrastructure of nursing facilities.

### **General Discussion**

The state government affairs director for Americans for Prosperity discussed the history of anticompetitive certificate of need measures and the lack of hospital closures in rural states without a certificate of need.

A professor emeritus of economics, University of Kentucky, Board of Scholars, Bluegrass Institute, discussed the economic benefits of competition in markets and evidence regarding the negative effects of a certificate of need.

A partner of DBL Law discussed the benefits of access to health care provided by certificate of need, the consequences of cherry-picking private pay patients from safety net hospitals, and the comparison of various costs in states with certificate of need versus those without certificate of need.

An attorney from the Institute for Justice discussed the history of certificate of need laws in Kentucky, how these laws do not prevent rural hospital closures, and ways that these laws increase health care costs.

A senior research fellow from the Knee Center for the Study of Occupational Regulation, West Virginia University, discussed literature that shows how certificate of need affects health care spending, access to care, quality of care, and underserved populations.

Representative Marianne Proctor discussed goals not reached by certificate of need, federal groups that support the repeal of certificate of need, the negative impact of certificate of need on rural and urban hospitals, the need for more health care facilities, and related legislation in other states.

A physician discussed the benefits of repealing certificate of need, the need for data-driven health policy, and the need to deliver better health care in rural areas.

A registered nurse discussed her hospital employment as a registered nurse, her personal experiences, and difficulties as a caregiver to her husband and mother including dealing with multiple hospitals due to certificate of need.

The chief financial officer of Owensboro Health discussed the 2007 Pennsylvania Health Care Cost Containment Council study finding negative effects on health care after a repeal of certificate of need laws.

A senior fellow with the Cato Institute discussed problems created by certificate of need laws including a lack of competition in health systems, inability to respond to public health emergencies, higher costs for care, and limited options for health care services.

An attorney with the Pacific Legal Foundation discussed research that shows that there is less access to health care services in states with certificate of need laws, including the closure of rural hospitals. A possible reform would repeal the veto power over certificate of need applications for competing health care services.

The president/CEO of the Christ Hospital Health Network testified on costs and resources involved in attempting to establish new health care services and facilities under the certificate of need process.

### **Finding And Recommendation**

In a memorandum dated December 14, 2023, the Certificate of Need Task Force submitted the following finding and recommendation to the Legislative Research Commission.

#### **Finding**

There is support from different perspectives for retaining, reforming, or repealing some or all of Kentucky's current certificate of need requirements.

## **Recommendation**

The task force recommends that further study of the certificate of need program may provide important information on which to base statutory and regulatory changes.



## **Report Of The 2023 Jail And Corrections Reform Task Force**

**Sen. John Schickel, Co-Chair**  
**Rep. Josh Bray, Co-Chair**

Sen. Brandon J. Storm  
Sen. Robin L. Webb  
Sen. Whitney Westerfield  
Sen. Philip Wheeler

Rep. David Hale  
Rep. Keturah Herron  
Rep. Jason Petrie  
Rep. Wade Williams

LRC Staff: Randall Roof, Roberta Kiser, and Jennifer Smith

Jurisdiction: Study existing jail and correctional facilities; possible realignment and closure of jail and correctional facilities; adequacy of existing jail and correctional facilities; management of Kentucky's incarcerated population; personnel and other costs associated with jail and correctional facilities; pretrial and post-conviction incarceration data from the Administrative Office of the Courts, the Department of Corrections, and jails; pretrial defendants, including a breakdown by the jurisdiction of the financial conditions of release and charged offenses for those defendants; and the number of supervised individuals incarcerated on new charges versus those incarcerated due to revocation.

## **Task Force Activity**

The Jail and Corrections Reform Task Force met six times during the Interim.

### **Counties' Role In The Criminal Justice System**

Representatives of the Kentucky Association of Counties discussed the role of local jails in the state correctional system. Over time, the cost of operating jails began to rise higher than the per diem rate to house state inmates, and some counties have chosen to close their jail or enter into agreements with other counties to form regional jails. Various county judges/executive testified about the financial burden of operating a local jail. In multiple jails, the facilities are not large enough to handle the number of inmates they are required to house.

### **Programs For Inmates**

Representatives of the Kentucky Jailers Association and the Department of Corrections provided an overview of programming offered to an inmate in local jails and state prisons. In multiple jails, inmates are participating in community service-related projects or building projects providing benefits to the inmates and the counties where projects are completed. In FY 2023, 73 jails had active work programs and an average of 3,600 inmates participated each month. A representative of the Department of Corrections stated that local work programs saved counties \$35,958,434 in FY 2023. Inmates housed at a state prison can participate in work programs with Kentucky Correctional Industries (KCI). Currently, 375 inmates work in KCI facilities, manufacturing consumer goods including mattresses and office furniture. KCI is profitable and uses its profits to fund operations and pay staff.

Representatives of the Life Learning Center and the Somerset-Pulaski County Economic Development Authority presented on their partnerships with local jails to provide reentry programs for inmates who are court-ordered to participate in these programs and for inmates who participate voluntarily. The programs include mental health treatment, substance abuse treatment, and job training. These organizations found that inmates who complete their programs are less likely to commit further crimes.

### **Inmate Classification**

Representatives of the Department of Corrections provided an overview of the inmate classification process. Individuals convicted of felony crimes are required to be classified by the Department of Corrections. Staff of the Division of Probation and Parole complete a presentence investigation report for each individual. That report is used to determine the security level of each inmate and identify programs that may be beneficial to the inmate. The presentence investigation report is used to classify each inmate eligible to serve a sentence in a local jail. All other inmates are held on controlled intake until transferred to a state facility.

Representatives of the Kentucky Jailers Association testified that they have experienced delays with the classification process. These delays can prevent inmates from participating in programs including work release and substance abuse treatment.

## **Judicial System**

Representatives of the Kentucky Circuit Court Judges Association provided an overview of the felony sentencing procedure. After conviction or submission of a guilty plea, a judge schedules a sentencing hearing, which occurs 4 to 6 weeks later, allowing the Division of Probation and Parole to complete a presentence investigation report. Representatives of the Department of Public Advocacy presented reasons a person may waive presentation of the presentence investigation report. Some judges may refuse to waive the presentation of the report, because they want to review it before issuing a final sentence. After the final sentencing hearing, the judge issues a sentencing order that is provided to the jails and the Division of Probation and Parole.

## **Alternative Proposals**

A representative from CGL Companies testified that the company provides consulting for state prison systems and local jails. The company can provide master planning as well as recommendations on staffing needs, operating budgets, and maintenance plans.

Representatives of the Kentucky Jailers Association proposed recommendations to improve the correctional system, including to allow the Department of Corrections to enter contracts with individual jails, to reimburse jails when inmates receive credit for time served on their sentences before trial, and to expand the felony diversion program.



## **Report Of The 2023 Kentucky Health And Human Services Delivery System Task Force**

**Sen. Stephen Meredith, Co-Chair**  
**Rep. David Meade, Co-Chair**

Sen. Julie Raque Adams  
Sen. Shelley Funke Frommeyer  
Sen. Denise Harper Angel  
Sen. Amanda Mays Bledsoe

Rep. Samara Heavrin  
Rep. Kimberly Poore Moser  
Rep. Amy Neighbors  
Rep. Sarah Stalker

LRC Staff: Samir Nasir and Dennis Burns

Jurisdiction: A task force to continue studying the organizational structure, operations, and administration of programs, policies, and procedures within the Cabinet for Health and Family Services. The task force shall examine the structure, operations, programs, policies, and procedures within the Cabinet for Health and Family Services to determine if or how services can be delivered more effectively and efficiently. Examine Kentucky's benefits cliff and continue the work of the prior benefits cliff task force.

## **Task Force Activity**

The Kentucky Health and Human Services Delivery System Task Force met six times during the Interim.

### **Impact Of 23 RS SB 48**

Senator Stephen Meredith discussed the 2022 Cabinet for Health and Family Services (CHFS) Reorganization Task Force's recommendations and 23 RS SB 48, which incorporated many of those recommendations and passed to become law.

The secretary of CHFS discussed the implementation of SB 48, including changes made within the cabinet and the creation of transition documents to ensure a smooth transition to other areas of state government. He testified that the cabinet is updating a date-of-service system, which is used for child support, to make it easier when the Attorney General's office takes control of child support.

### **Public Assistance Benefits**

The secretary of CHFS and the commissioner for the Department of Community Based Services (DCBS) discussed the backlog of processing for public assistance benefits. An increase of average daily tasks, the transition from local to statewide distribution of tasks, and the unwinding of the public health emergency were cited as contributing factors. Experienced employees can process complex cases, but newer employees can process only cases specifically related to their training. Applications are processed at the state level to ensure fairness for offices from smaller and larger counties. The cabinet initiated a quick review to recertify Supplemental Nutritional Assistance Program public assistance benefits through optical character recognition.

### **Health Department Programs And Services**

The commissioner of the Department for Public Health (DPH) discussed the three circles of public health: foundational services, core services, and local health priorities. DPH has trained employees to discuss how health departments can help improve the overall health of citizens. DPH is working on integrating health programs with the Kynect benefits system.

A consultant from DPH discussed 20 RS HB 129 and its effect on funding services and programs for local public health departments including Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); Health Access Nurturing Development Services (HANDS); and harm reduction programs. Focusing on transforming public health in the state as a whole and streamlining communication between local health departments and the state are the next steps to improving public health.

The director of the Lincoln Trail District Health Department discussed local health departments' services and how these departments and DPH can collaborate to provide those services. The director said 20 RS HB 129 has provided a foundation for the transformation of public health.

## **Child Welfare**

The secretary of CHFS discussed news articles pertaining to children temporarily housed within state offices while more permanent placement is secured. The cabinet's steps to alleviate this practice include increasing reimbursements rates for psychiatric residential treatment facilities and increasing single-case rates.

The commissioner of DCBS testified that most cases in which children are not finding placement involve behavioral or intellectual needs, adoption disruption, and juvenile justice. When youth stay in a state office, most do so for only 1 to 2 days. Hotels have been used, but at times state offices provide a more secure and safe environment for temporary placement of children.

Representatives of Court Appointed Special Advocates (CASA) discussed the role of a CASA volunteer, how CASA collaborates on cases with DCBS employees and guardians ad litem, and trends in child abuse and neglect cases. A representative from the Administrative Office of the Courts discussed its collaboration with partners in child welfare, including CASA and DCBS.

## **Implementation Of 23 RS HJR 38**

A representative of the Kentucky Board of Emergency Medical Services testified on the implementation of 23 RS HJR 38, the change in reimbursement rates, and benefits for emergency medical services administering treatment in place. The commissioner of the Department for Medicaid Services testified on reimbursement rates for ambulance services, new transport services, and alternative destinations for emergency medical services.

## **Nursing Home Inspections**

The inspector general, Office of Inspector General, discussed causes of nursing home survey delays and solutions. The secretary of CHFS testified on solutions including wage increases for nurse surveyors and the creation of a nurse career ladder.

## **CHFS Turnover And Vacancy Rates**

A representative of the Office of Human Resources Management discussed CHFS recruitment, retention, and turnover rates, and testified on actions by the office and CHFS to recruit and retain employees.

The secretary of CHFS testified on staffing numbers for nurse surveyors. CHFS has partnered with a temporary agency to resolve the staffing issue.

## **Medicaid Contracts**

Representatives of CHFS testified on background information on Kentucky Medicaid, Medicaid fee schedules, and a tax summary. They discussed directed payments, the medical loss ratio, and provider feedback regarding rate changes.

## **Waiver Programs**

The CEO of the Kentucky Association of Private Providers discussed the 1915(c) waivers waitlist, funding for 1915(c) waivers, and recommendations for the legislature. A representative from the Kentucky Association of Regional Programs discussed eliminating the 1915(c) waiver waitlist and the effect of not funding the 1915(c) waivers.

## **Impact Of Ending The Federal COVID-19 Emergency**

Representatives of CHFS discussed the ending of the COVID-19 public health emergency and its effects on departments within the cabinet. The secretary of CHFS discussed Medicaid enrollment, caseload distribution, and renewal data. The commissioner of the Department for Medicaid Services discussed the impact on Medicaid flexibilities and the federal match phase-down process. The commissioner of DPH discussed the role of local health departments. The commissioner of DCBS discussed the impacts on child care and child welfare.

## **Findings**

The task force submitted its findings and recommendations to the Legislative Research Commission for consideration. Those findings and recommendations are based solely on the testimony provided to the task force during the 2023 Interim. The findings do not include independent research by LRC staff.

## **Report Of The 2023 Lottery Trust Fund Task Force**

**Sen. Matthew Deneen, Co-Chair**  
**Rep. Bobby McCool, Co-Chair**

Sen. Gary Boswell  
Sen. Gerald A. Neal  
Sen. Lindsey Tichenor  
Sen. Mike Wilson

Rep. Daniel Grossberg  
Rep. Steve Rawlings  
Rep. Steve Riley  
Rep. Killian Timoney

LRC Staff: Cynthia Brown, Joshua Collins, Katy Jenkins, Haley Webb, Justin Smith, and  
Mariah Derringer-Lackey

Jurisdiction: Review the recent budgetary trends and the various uses of the lottery trust fund; evaluate the performance of the various scholarship and grant programs funded by the lottery trust fund; review KRS 154A.130 for any recommended changes; analyze the scholarship and grant needs expected for the commonwealth for the immediate future; compare the current system with other states' scholarship and grant programs; develop and submit any recommendations and changes the task force may adopt relating to the lottery trust fund and how to better align the use of the funds with the current and future needs of the commonwealth to the Legislative Research Commission.

## **Task Force Activity**

The Lottery Trust Fund Task Force met six times during the Interim.

### **Kentucky Higher Education Assistance Authority**

Representatives of the Kentucky Higher Education Assistance Authority (KHEAA) covered types of aid available including Kentucky Educational Excellence Scholarship, College Access Program, Kentucky Tuition Grant, Work Ready Kentucky Scholarship, Dual Credit Scholarship, Kentucky National Guard Tuition Award, and the Teacher Scholarship. Discussion of each type of aid typically covered qualifications for the aid, award amounts, legislative history, and disbursement activity.

The interim executive director and the director of student aid for KHEAA discussed allocation of lottery revenue to its programs and explained options if funds are exhausted.

KHEAA's vice president of government relations, communications and outreach, its director of outreach services, and its assistant director of outreach services discussed the outreach services provided, which involve social media as well as online and print publications.

### **Kentucky Council On Postsecondary Education**

The president and the executive director of data, research, and advanced analytics of the Council on Postsecondary Education discussed its goals and statistics on enrollment and tuition trends, and main sources of financial aid. They reviewed facts and offered strategies for improving the meeting of unmet needs.

### **Kentucky Lottery Corporation**

The president and chief executive officer, vice president and general counsel, and vice president and chief financial officer of the Kentucky Lottery Corporation provided information on operational background, data on the money from ticket sales, payments to the state, and the strategic plan to continue the lottery.

### **School Administrators' Perspective On Financial Aid**

A panel of school administrators from Hardin County and Johnson County took part in a question-and-answer discussion. The panelists provided opinions, explanations, and answers on hours spent advising students, which scholarships are most often covered, Free Application for Federal Student Aid awareness and assistance, and experiences with Dual Credit Scholarships and Work Ready Kentucky Scholarships.

## **Postsecondary Representatives' Perspectives On Financial Aid**

A panel of representatives from postsecondary agencies discussed scholarship programs most utilized, problems that keep Kentuckians from using financial aid programs, current and future scholarship and grant needs of the state, and issues with financial aid programs.

## **Financial Aid Programs In The Southeast Region**

The president of the Southern Regional Education Board presented on lottery-funded scholarship programs offered in states of the southeast region. Arkansas, Florida, Georgia, Kentucky, South Carolina, and Tennessee were discussed.

## **National Perspective On State Financial Aid Programs**

The director of federal relations for the National Association of State Student Grant and Aid Programs gave an overview of the association, why states offer student financial aid, and the differences between need-based and merit-based aid.

## **Kentucky Center For Statistics**

The executive director and the research director of the Kentucky Center for Statistics (KYSTATS) provided a presentation and graphs on Work Ready Kentucky Scholarship data.

The executive director and the research director of KYSTATS and the director for student aid at KHEAA provided a presentation and graphs on Work Ready Dual Credit Scholarship data.

## **Task Force Recommendations**

The Lottery Trust Fund Task Force submitted its recommendations to the Legislative Research Commission for consideration. Those recommendations are based solely on the testimony provided to the task force during the 2023 Interim and do not include independent research from Legislative Research Commission staff.



## **Report Of The 2023 Multimodal Freight Transportation System Improvement Task Force**

**Sen. Jason Howell, Co-Chair**  
**Rep. Suzanne Miles, Co-Chair**

Sen. Cassie Chambers Armstrong  
Sen. Jimmy Higdon  
Sen. Brandon J. Storm  
Sen. Johnnie Turner

Rep. John Blanton  
Rep. Chris Freeland  
Rep. Tom Smith  
Rep. Ashley Tackett-Laferty

LRC Staff: Ashley Nash, John Snyder, Dana Fugazzi, and Christina Williams

Jurisdiction: The Multimodal Freight Transportation System Improvement Task Force was established by HCR 72 of the 2023 Regular Session to study and make recommendations regarding: ports, freight, and air terminals, to review, correct, secure, and expand economic development opportunities, including ports for bulk river and rail service, as well as transit terminals for trucking and air freight; the state of the current freight transportation system to identify both gaps where services are not available and existing facilities where backlogs exist and expansion is warranted; and funding opportunities, both one-time and recurring, that are available or may be necessary to fund improvements and maintain the system.

## Committee Activity

The Multimodal Freight Transportation System Improvement Task Force met five times during the Interim.

### Multimodal Freight Transportation System Improvement Study

The freight, rail, and waterways coordinator of the Division of Planning, Transportation Cabinet, briefed the task force on the Multimodal Freight Transportation System Improvement Study. It provides an understanding of today's waterborne commerce markets, the role of public riverports in future economic development, and the potential benefits of investing in Kentucky's public riverport infrastructure. Kentucky has 1,662 miles of inland waterways, 1,020 of which are commercially navigable, ranking Kentucky fourth in the nation. The improvement study recommended a one-time injection of funds to allow the ports to address their most pressing preservation needs, followed by a dedicated stream of funding to address ongoing preservation, but also the ability to use state funds to match available federal funds to modernize and expand.

Kentucky waterways are supported by 10 public riverports, 7 active ports, and 7 ports at differing stages of development. Kentucky's public riverports are supplemented by over 160 privately owned terminals. Information was provided about the types of products and commodities that riverports currently handle, along with discussion of future trends.

**Return On Investment Issues.** The secretary, deputy secretary, and general counsel of the Cabinet for Economic Development (CED), and the commissioner of CED's Department for Financial Services briefed the task force on CED's role in multimodal transportation and in the improvement study. Companies look for six key factors when they decide where to expand or relocate: supply chain issues, workforce availability, risk management analysis, site reliance, overall cost of the environment, and incentives. The advantages of Kentucky's geographical location with interstate, rail, and riverport access were highlighted.

Multimodal transportation is critically important for Kentucky's core industries of agriculture, automotive, metals, plastics, and aerospace. The General Assembly was commended on the enactment of 23 RS HB 9, which helped development in many areas, including multimodal transportation. The newly established Kentucky Product Development Initiative was highlighted.

CED is constructing a strategic roadmap for entrepreneurialism, expanding innovation, and growing new and existing industry leaders and is ready to collaborate with organizations. This strategic plan will directly relate to the types of companies CED wants to attract to take advantage of Kentucky's geographical primacy through water, rail, and other forms of transport. The focus is on protecting the core industries.

## **Issues Specific To Larger Riverports**

Representatives of Kentuckians for Better Transportation, the Kentucky Association of Riverports (KAR), and the Owensboro Riverport Authority discussed issues specific to larger riverports.

Over the last 6 years, the average annual impact of Owensboro Riverport operations to the City of Owensboro was estimated at \$13.8 million of total output, \$7 million of labor income, and support for 161 jobs.

## **Issues Specific To Smaller Riverports**

Representatives of the Lake Barkley Partnership for Economic Development, the Water Transportation Advisory Board–Eddyville Riverport Operations, KAR, and the Hickman-Fulton County Riverport Authority discussed riverport operations and issues specific to smaller riverports, including the types of cargo handled, economic impact, and infrastructure needs.

## **Foreign-Trade Zone Issues Related To Riverports**

The vice president of the Louisville Riverport Authority discussed the authority and foreign-trade zone issues. The authority was established as Foreign-Trade Zone 29 by the Foreign-Trade Zones Board in 1977.

Foreign-Trade Zone 29 includes 20 operators at over 27 sites. In 2022, \$10 million to \$25 million in merchandise was received, and \$750 million to \$1 billion in goods was exported. In 2022, Kentucky's foreign-trade zones directly employed between 26,000 and 27,000 people.

Two major challenges to the foreign-trade zone program were diversion of staff to other places in the United States and ad valorem taxes.

## **Air Perspectives And Concerns**

Representatives of the Louisville Regional Airport Authority, Louisville Muhammad Ali International Airport (SDF), and Cincinnati/Northern Kentucky International Airport (CVG) discussed that the three major commercial airports in Kentucky—SDF, CVG, and Bluegrass Airport (LEX)—are self-sustaining, tax-generating, and job-creating airports that collectively support more than 134,000 jobs with a combined annual economic impact of \$21.6 billion. Kentucky's commercial airports do not receive direct or ongoing proceeds from jet fuel tax.

SDF has eight airlines offering 37 nonstop destinations. With increased air traffic and estimated enplanements of 2,315,000 in 2023, infrastructure needs are becoming apparent. The next airfield investment for SDF will cost approximately \$216.85 million, with \$156 million of that being a 5-year capital improvement program. There will also be a passenger facility improvement costing approximately \$196.9 million.

SDF is home to UPS worldport and is the base of UPS airlines, which is the third-busiest cargo airport in North America, and the fifth-busiest cargo airport in the world. UPS is investing \$220 million in a new hangar at SDF.

Louisville Renaissance Zone Corporation's Renaissance South Business Park includes 680 acres, 13 businesses, and under-roof area of 6.7 million square feet. It employs over 3,200 people. According to the Kentucky Economic Development Finance Authority, it was the most successful tax increment financing district. The business park supports UPS's cargo operations and has produced many jobs.

CVG served 7.6 million passengers in 2022, and is the seventh-largest cargo airport in North America, with over 16,000 employees on campus. In 2018, data showed that CVG had a \$6.8 billion economic impact, which has increased more than 50 percent since then.

Between 2015 and 2022, cargo volume through CVG grew more than 146 percent. Two large contributors to the growth are the DHL and Amazon hubs.

CVG recently became the contract manager for the grantee of Foreign-Trade Zones 46 and 47, Cincinnati's and Northern Kentucky's trade zone. CVG envisions involvement in advanced air mobility, as well as sustainable aviation fuel (SAF) and SAF-related infrastructure. CVG has partnered with local startups concerning autonomous vehicle (AV) technology.

## **Railroad Perspectives And Concerns**

Representatives of the Kentucky Railroad Association and Norfolk Southern discussed railroad perspectives and concerns in regard to multimodal transportation. The rail network in Kentucky comprises both class one and short line railroads. The primary class one carriers are Norfolk Southern and CSX; RJ Corman operates short line and regional railroads in Paducah and Louisville. Commodities or raw materials from class one partners are received and delivered those last miles to businesses and industries that use rail service.

Though it competes with the trucking industry at times, rail is multimodal as it partners with trucking through transloading, the transferring of a load of products from one mode of transportation to another. Norfolk Southern has two intermodal facilities, in Georgetown and Louisville.

Among investments in Paducah and Louisville railways, the Tennken Railroad was awarded \$7.37 million in Consolidated Rail Infrastructure and Safety Improvements grant funds to revitalize infrastructure in Tennessee and Kentucky. The majority of those funds are being spent in Tennessee because Kentucky is not participating in the federal match of 30 percent for the grant. Kentucky receives \$1.6 million annually from the Kentucky Rail Crossing Improvement Program, which is limited to grade crossing repairs and improvements. Approximately \$350,000 of those funds went toward a needs assessment study that is under way.

### **Manufacturers' Needs And Perspectives**

The executive director of the Kentucky Association of Manufacturers discussed the importance of a strong multimodal transportation system to attract and keep manufacturing businesses in the commonwealth. Over the past 5 years, manufacturers have announced over 900 facility location or expansion projects in Kentucky, with a reported capital investment of over \$28 billion and nearly 39,000 new jobs.

### **Trucking Industry**

The president/CEO of the Kentucky Trucking Association (KTA) and a private trucking business owner discussed the role of trucking in multimodal transportation. Roughly 113,000 Kentuckians work in trucking, including approximately 27,000 drivers. Trucks transport 86.5 percent of manufactured tonnage, and 89.2 percent of communities depend solely on trucks to move their goods.

There are 5,200 interstate trucking companies that register 24,000 vehicles. KTA favors expanding and maintaining the highway system, and association members are willing to pay a fair share to accomplish this goal. Members want to ensure that the money needed is collected efficiently and fairly. KTA suggests eliminating the weight distance tax and replacing the revenue through the diesel fuel tax rate. KTA is concerned about the shortage of truck parking.

### **Private Sector Business Interests**

The executive director of the Central Ohio River Business Association spoke on private sector business interests in multimodal transportation. The association represents more than 60 members of the maritime industry and supports companies throughout the ports of Cincinnati and Northern Kentucky. It promotes commerce, safety and security, environmental stewardship, and public relations concerning the Ohio River and its tributaries.

**Final Report**

At the task force's final meeting, it adopted a final report to be sent to the Legislative Research Commission, highlighting recommendations for improving the multimodal transportation system in the commonwealth. The memorandum may be found on the task force's website page under the materials link.

## **Report Of The 2023 Task Force On Local Government Annexation**

**Sen. Robby Mills, Co-Chair**  
**Rep. Jonathan Dixon, Co-Chair**

Sen. Michael J. Nemes  
Sen. Robert Stivers  
Sen. Phillip Wheeler  
Sen. David Yates

Rep. Randy Bridges  
Rep. Beverly Chester-Burton  
Rep. Michael Meredith  
Rep. Michael Sarge Pollock

LRC Staff: Christopher Jacovitch, Mark Mitchell, and Cheryl Walters

Jurisdiction: Investigate and make recommendations regarding the present statutory methods of city annexation, the beneficial and deleterious effects of city annexation on issues such as taxation, economic development, provision and sustainability of water, gas, electric, sewer, and other utility services, police protection, fire protection, and emergency services from the perspective of local governments and their residents, and any recommended changes to statutory law arising from the task force's deliberations.

## **Task Force Activity**

The Task Force on Local Government Annexation held five meetings during the Interim.

### **Current Annexation Law From The Perspective Of Cities And Counties**

The Henderson city attorney and Henderson County attorney provided an overview of current annexation law, which included a discussion of consensual and nonconsensual annexation procedures, and the impacts of annexation on local taxation.

### **Challenges Faced By Cities And Counties Regarding Annexation**

County officials—including the Warren County attorney, Todd County judge/executive, and Johnson County judge/executive—discussed the challenges that counties face when cities annex territory, including occupational license tax revenue losses in counties subject to tax crediting pursuant to KRS 68.197, service provision issues resulting from lengthy corridor annexations, and changes to local ordinances and regulations, such as those related to the sale of alcohol. The officials discussed the uneven playing field between different counties as a result of the 30,000-population threshold in the occupational license tax crediting statute.

City officials—including the mayor of Shelbyville; the mayor, city administrator, and city attorney of Elizabethtown; the mayor of Berea; and the mayor of Somerset—discussed the economic development and growth opportunities that result from annexation, the benefits of voluntary interlocal agreements between cities and counties in addressing issues related to annexation, and the services provided by cities to the areas that are annexed.

### **Kentucky Association Of Counties' Perspective On Annexation**

The executive director and director of government affairs of the Kentucky Association of Counties (KACo) discussed issues related to annexation and their desired changes to annexation laws. The representatives discussed inequalities between counties that exist due to the occupational license tax statute, and the conflict between cities and counties that the statute causes. They stated that KACo would support efforts to eliminate the 30,000-population threshold in the occupational license tax crediting statute.

The representatives stated that interlocal agreements provided a path forward, but that both cities and counties would need leverage in order for agreements to be possible, and that counties where crediting occurs do not have leverage. They stated that they hoped any changes would lead to a more thoughtful approach to annexation; current law can encourage cities to annex quickly and without care.

### **Kentucky League Of Cities' Perspective On Annexation**

The executive director/CEO of the Kentucky League of Cities discussed the growth and economic development that results from annexation, which benefits both city and county governments, and offered changes to annexation law that would be amenable to the organization

and its members. The executive director mentioned several fast-growing cities throughout the country that have shapes that are not compact or geometrical, and stated that geography and demographics often determine cities' shapes. The executive director said a city's annexation and development of an area can benefit counties when property values increase; increases in property values mean a county may collect additional property tax revenue without any investment of its own because property taxes are not subject to crediting.

The executive director listed several proposed changes to Kentucky law concerning annexation and local government revenue, which included an amendment to the Constitution of Kentucky that would open the options for city revenue generation, jail reform to relieve the burden that jails place on county budgets, a limited reprieve from the recall provisions of HB 44 (1979 Special Session) to allow counties that have relatively low property tax rates to increase rates for a short period, adoption of a revenue hold-harmless calculation for annexations and limited exceptions to occupational tax crediting in newly annexed areas, and changes to the statute of limitations and standing concerning annexation challenges.



## **Report Of The 2023 Task Force On School And Campus Security**

**Sen. Max Wise, Co-Chair**  
**Rep. Scott Lewis, Co-Chair**

Sen. Matt Deneen  
Sen. Michael J. Nemes  
Sen. Reginald Thomas  
Sen. Steve West

Rep. Savannah Maddox  
Rep. Scott Sharp  
Rep. James Tipton  
Rep. Lisa Willner

LRC Staff: Yvette Perry and Maurya Allen

Jurisdiction: A task force to study and review implementation of 19 RS SB 1. Further, the task force shall review access to mental health services provided within districts and determine if any federal funds are available for these services.

## **Task Force Activity**

The task force met five times during the Interim.

### **Overview Of 2019 Senate Bill 1**

The deadly school shooting at Marshall County High School in 2018 was the impetus to craft legislation that became 19 RS SB 1, the School Safety and Resiliency Act (SSRA). A working group was created to hold discussions throughout the 2018 Interim.

The SSRA established that a certified school resource officer (SRO) be assigned to each school within a district, established the position of the state school security marshal within the Department of Criminal Justice Training (DCJT), and amended existing language to enhance school security. Districts were required to employ at least one school counselor for every 250 students in each school. The legislation has become a national model, with approximately 28 states incorporating elements of the bill into their own school safety statutes.

### **Kentucky Center For School Safety And Office Of The State School Security Marshal, Annual Report Update**

The state school security marshal and a representative of the Kentucky Center for School Safety spoke about training requirements for SROs and the 120 hours of training provided by DCJT. Selection of candidates is rigorous, and a significant portion of training is devoted to diversity, special needs, cyber bullying, trauma-informed care, threat assessment, and first aid related to mental health.

The 2022-2023 State Marshal Annual Report, released in September, indicated that Kentucky is doing well. Schools are 99.75 percent in compliance with access control statutes. Many schools, however, are not fully complying with the required number of SROs on campus or the required ratio of one mental health professional for every 250 students. The Kentucky Center for School Safety was to release a report on November 1 with more accurate data, including the exact number of SROs. At the time of the presentation, 466 campuses did not have a full-time SRO.

### **Student And Community Mental Health**

A representative of the Kentucky Department of Education (KDE) spoke on the development of the Trauma-Informed Toolkit available online to schools to assist in drafting mandatory trauma-informed plans. KDE will continue to work with schools to reach the ratios set forth in the SSRA. However, KDE cannot ensure compliance of the trauma-informed plans, because they are not submitted to the department. The KDE representative recommended that the legislature consider amending the statutes to provide for a mandatory review and revision cycle for the plans.

Representatives of the Kentucky Association of Regional MH/MR Programs joined local community mental health providers to discuss the support given to schools by the providers. Having staff embedded in the school from the community mental health providers reduces

stigma and invites students to engage when they need assistance, but there is a need to create financial stability for these programs.

### **Strengthening Trauma-Informed Schools For Prevention And Resiliency**

A licensed school psychologist and the executive director of the Bounce Coalition spoke about adverse childhood experiences and the need to build resiliency in children and adults to overcome their effects. They recommended that members promote regularly updating trauma-informed plans in the schools.

By law, students must receive suicide prevention lessons by September 15 every year. The coalition recommended that additional lessons be provided midyear and that they be presented to younger children, because students as young as 9 are suicidal.

They expressed concern that an unintended consequence of 23 RS SB 150 would be increased difficulty in getting responses on school climate surveys and mental health assessments. They advocated for a full-time school nurse for every school building.

### **Interstate Compact For School Psychologists**

The senior policy analyst of the Center for Innovation, Council of State Governments, presented proposed model legislation for an interstate compact for school psychologists. The licensure requirements set forth in the compact are in line with Kentucky's current licensure requirements for school psychologists. Although the adoption standard for the teacher compact was 10 states, the standard for the school psychologist compact will be 7 states to address current severe shortages.

### **Chris Hixon, Coach Aaron Feis, And Coach Scott Beigel Guardian Program**

Representatives of the Florida Department of Education presented about the Chris Hixon, Coach Aaron Feis, and Coach Scott Beigel Guardian Program, which was created following the shooting at Marjory Stoneman Douglas High School and named for teachers who lost their lives protecting students during that tragic event. The program allows individuals to serve as armed guardians to deter and stop active assailants on school premises. The training for guardians is performed by local sheriffs and includes 144 hours of training. Program participants must achieve an 85 percent pass rate on firearms training and pass psychological evaluations and drug/background checks. The program is funded through state appropriations to offices of sheriffs, who administer the program at a local level. Armed security guards sometimes serve in the role of guardian, as do SROs and teachers, if they are willing to go through the training.

### **Safety Management**

The Marshall County Public Schools Superintendent presented about Gaggle, a program the school system uses to filter electronic activity from students in classroom submissions and school communications. The program uses an algorithm to search for language that violates school technology usage policies (involving profanity, pornography, or violence) as well as

language that indicates mental health disturbances. Gaggle staff do the first level of filtering after the algorithm identifies a concern and reach out to school personnel. The annual cost is \$25,000. The school board voted to purchase the program initially with Elementary and Secondary School Emergency Relief funds.

### **Task Force Recommendations**

The members discussed suggestions and recommendations for legislative action but did not vote on a slate of recommendations.