

# Final Reports Of The Interim Joint, Statutory, And Special Committees 2024

Informational Bulletin No. 267

January 2025



# 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**

**2024**

**Presented to the  
Legislative Research Commission  
and the  
2025 Regular Session of the  
Kentucky General Assembly**

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**December 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 2024 Interim, all 15 interim joint committees, 11 statutory committees, and 4 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 2024 General Assembly. The reports were prepared separately by the staff of the committees.

Jay D. Hartz  
Director

Legislative Research Commission  
Frankfort, Kentucky  
December 2024





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## **Report Of The 2024 Interim Joint Committee On Agriculture**

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

Sen. Cassie Chambers Armstrong	Rep. Derrick Graham
Sen. Gary Boswell	Rep. David Hale
Sen. Jared Carpenter	Rep. Mark Hart
Sen. Matthew Deneen	Rep. Kim King
Sen. David P. Givens	Rep. Matthew Koch
Sen. Damon Thayer	Rep. Shawn McPherson
Sen. Robin L. Webb	Rep. Amy Neighbors
Sen. Stephen West	Rep. Michael Sarge Pollock
Sen. Whitney Westerfield	Rep. Phillip Pratt
Sen. Mike Wilson	Rep. Felicia Rabourn
Rep. Chad Aull	Rep. Sarah Stalker
Rep. Josh Calloway	Rep. Cherlynn Stevenson
Rep. Mike Clines	Rep. Nancy Tate
Rep. Jonathan Dixon	Rep. Walker Thomas
Rep. Daniel Fister	Rep. James Tipton

LRC Staff: Stefan Kasacavage, Kelly Ludwig, Hillary Abbott, 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 seven meetings.

### **Kentucky Agricultural Council**

The committee heard testimony from representatives of the Kentucky Agricultural Council. The council serves as a liaison between private and public agricultural organizations, the Governor, the commissioner of agriculture, and the legislature. Members were presented with the myriad of ways the council develops agricultural strategies and effective use of Kentucky's agricultural resources. Discussion included strategies for ways to protect farm transitions, sustain Kentucky farmland, and make agriculture key to economic development plans for the state.

### **Department Of Agriculture**

The commissioner of agriculture testified on programs and services housed at offices within the Kentucky Department of Agriculture, including the Office of Administrative Services, the Office of Marketing, the Office of Consumer and Environmental Protection, the Office of the State Veterinarian, and the Kentucky Office for Agricultural Policy. The department unveiled its "Agriculture Is Economic Policy" initiative and provided discussion of how the \$5 million appropriation by the General Assembly in the 2024 Regular Session budget would be used to start implementation of that initiative.

### **State Fair**

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, including a 400,000-square-foot expansion of the agriculture building.

### **Carbon Credits**

A representative of the National Conference of State Legislatures testified on ways carbon credits can reduce or prevent emissions in the atmosphere. States have proposed legislation regulating carbon credit allowances and various efforts to cap overall emissions. The University of Kentucky's Martin-Gatton College of Agriculture, Food and Environment provided an explanation of how some worldwide companies have committed to net zero emissions. Agriculture accounts for approximately 10 percent of US greenhouse emissions and can play a role in emission reduction. A need was expressed for carbon credit standards to be created at the state or federal level.

### **Agriculture Education And Plant Growth Innovations**

Representatives of Farm-Ed testified on the future of project-based learning by integrating agriculture artificial intelligence in immersive experiences. Students have the opportunity to learn the complete ecosystem for plants through a Smart Growth Chamber, which provides classrooms the tools to conduct long-term, data-rich, and industry-standard experiments. An

investment of \$4 million from the General Assembly would allow every high school to have a Smart Growth Chamber.

### **Kentucky State University**

The dean of Kentucky State University's College of Agriculture, Health, and Natural Resources and director of Land Grant Programs testified on its vision to increase the number of students in the agricultural program and plans to overhaul the extension program. A collegiate Farm Bureau chapter was established, and the Benson Research and Demonstration Farm has two significant research projects on soybeans and pawpaws. The aquaculture program has been nationally recognized and has work in 31 countries.

### **Kentucky Livestock Innovation Center**

The executive vice president and the director of operations and policy of the Kentucky Cattlemen's Association testified that it received funds from the General Assembly to build the Kentucky Livestock Innovation Center to create a central location focused on workforce development, value-added production, education and research, producer profitability, student enrichment, consumer information, and stronger food systems for the livestock industry. The center will host field demonstrations, workshops, and training sessions. Assistance will be provided for curriculum development and industry collaboration.

### **Murray State University, Hutson School Of Agriculture**

The dean and the assistant vice president of public affairs of Murray State University's Hutson School of Agriculture provided an update on its recruitment efforts, enrollment in its graduate and vet tech programs, and the Breathitt Veterinary Center. The dean testified on the university's efforts to establish a school of veterinary medicine. Those efforts include site visits to Long Island University, Lincoln Memorial University, and Texas Tech University. Staff from the Hutson School are working closely with Deloitte and the Council on Postsecondary Education on the feasibility study directed by 24 RS SJR 170. In December, committee members were to receive testimony on the findings of the feasibility study.

## **Administrative Regulations**

The Kentucky Department of Agriculture referred two administrative regulations to the committee during the 2024 Interim. The regulations related to amusement park rides and access to public records.

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

The committee received the following legislative proposals:

**Kentucky Department Of Agriculture**

- Reorganize the department to create an economic development division, allow the Raising Hope Program to become a standalone division, and consolidate the Shows and Fairs Division and the Livestock Division.
- Support a joint resolution establishing criteria and a program structure for an economic development fund.
- Address an ethics restriction on Department of Agriculture employees' eligibility for Master Settlement Agreement funds, and limit the restriction to employees of the Kentucky Office of Agricultural Policy.
- Support and promote the Ag Tag Program.

**Kentucky Farm Bureau**

- Continue 50 percent allocation of Master Settlement Agreement fund to the Agricultural Development Board for the purpose of improving net farm income of individual farmers in production agriculture.
- Increase funding and support for the state's riverport industry.
- Support adequate funding to the Kentucky Department of Agriculture.
- Maintain support for the Kentucky Livestock Innovation Center.
- Continue agricultural sales tax exemptions for production agriculture.
- Support continuing to limit revenue from property taxes to 4 percent plus new growth.
- Preserve property rights of agricultural landowners and support efforts to keep agricultural land in production.
- Allow active farmers to be eligible for agricultural tax credits relating to land sold from farmer to farmer.

**Kentucky Pork Producers Association**

- Oppose animal welfare initiatives in support of California's Proposition 12, the Farm Animal Confinement Initiative.
- Protect livestock producers from future fire code regulations requiring fire suppression systems in barns.

**Kentucky Poultry Federation**

- Allow waivers from some Department of Transportation requirements in cases of animal welfare during a natural disaster.
- Support recruitment efforts for egg processing facilities.

**Kentucky Dairy Development Council**

- Streamline the permitting process, and limit permit approval procedures to 2 to 3 months.
- Support recruitment of new dairies by providing economic incentives.

**Reports Received**

The committee received the following reports:

- Kentucky Agriculture Water Quality Authority, Biennial Report for State Fiscal Years 2023 and 2024
- University of Kentucky, College of Agriculture: Kentucky Tobacco Research and Development Center, 4<sup>th</sup> Quarter Report
- University of Kentucky, College of Agriculture: Kentucky Tobacco Research and Development Center, April 1, 2024 to June 30, 2024





## **Report Of The 2024 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 Bray  
Rep. George Brown Jr.  
Rep. Stephanie Dietz  
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. Steve Riley  
Rep. Cherlynn Stevenson  
Rep. Ken Upchurch

LRC Staff: Jennifer Hays, Cynthia Brown, Katy Jenkins, Adam Johnson, Sarah Watts, and Heather Hamilton

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.

## **2024 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. Al Gentry  
Rep. Mark Hart  
Rep. Matt Lockett

LRC Staff: Mariah Derringer-Lackey, Joey Holt, 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. Stephen West  
Rep. Shane Baker  
Rep. Tina Bojanowski  
Rep. Derrick Graham

Rep. Scott Lewis  
Rep. Steve Riley  
Rep. Ruth Ann Palumbo  
Rep. Killian Timoney

Rep. James Tipton, ex officio

LRC Staff: Liz Columbia, Mariah Derringer-Lackey, 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  
Sen. Reginald Thomas  
Rep. George Brown Jr.  
Rep. Myron Dossett  
Rep. Al Gentry

Rep. Mary Beth Imes  
Rep. DJ Johnson  
Rep. Ruth Ann Palumbo  
Rep. Josie Raymond  
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,  
Jeremy Simpson, David Talley, and Jennifer Luttrell

**Budget Review Subcommittee On Health And Family Services**

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

Sen. Karen Berg  
Sen. Lindsey Tichenor  
Rep. Ken Fleming

Rep. Rebecca Raymer  
Rep. Sarah Stalker  
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. Stephanie Dietz

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. Adam Bowling

Rep. Josh Bray

Rep. Jason Petrie

## **Committee Activity**

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

### **2024 Annual Economic Report**

The director of the Center for Business and Economic Research presented the annual economic report and expectations for the economy in 2024. He discussed unemployment numbers, inflation rates, change in gross domestic product, labor force rates, distribution of nonfarm employment trends, employment percentages in manufacturing and construction, and the US employment cost index for private workers.

### **Position Compression Study**

The secretary of the Personnel Cabinet provided an update on the position compression study and the recommendation of a tier approach based on an employee's months of service. Over the past 2 years, employment has increased by 2,500 employees and turnover has been reduced from 22 percent to 14 percent. State government employees testified on the impact of position compression within their agency.

### **Cybersecurity Working Group**

The mayor of Fort Wright presented what Ohio has done with the Ohio Cyber Collaboration Committee and discussed how Kentucky could create a similar cybersecurity committee.

### **Department Of Revenue's 2025 Legislative Initiatives**

The executive director of the Office of Tax Policy and Regulation for the Department of Revenue presented its 2025 legislative proposals, which included:

- Allow an income tax deduction for a medicinal cannabis business.
- Amend the minimum thresholds for being subject to sales tax.
- Allow refunds for income tax estimated payments when there is an error in processing those payments.
- Add operators of charging stations to the definition of "electric vehicle power dealer" in addition to owners and lessees.
- Allow a resale provision for admission purchases.
- Exempt extended warranty service contracts for small utilities and commercial mobile radio service providers from sales tax.
- Report alcohol that is blended with gasoline upon its first import into Kentucky.
- Require operators of tobacco and vaping product vending machines to be licensed the same as cigarette vending machine operators.
- Increase the funeral expense deduction for inheritance tax from \$5,000 to \$12,000.
- Eliminate the motor fuel tax exemption for taxicab companies.

## **Fiscal Year 2024 Closeout**

The state budget director provided an overview of the fiscal year, including general fund revenues, road fund revenues, and the budget reserve trust fund. A report would be submitted stating that FY 2024 income tax rate reduction conditions have been met. Road fund revenue milestones and the road fund surplus were also discussed.

## **Funding And Outcomes For Veterinary And Optometry Students**

A representative of the Kentucky Higher Education Assistance Authority provided an update on the veterinary and optometry contract space program. Recommendations and expenditures were discussed.

## **GRANT Program**

The secretary of the Cabinet for Economic Development discussed the Government Resources Accelerating Needed Transformation program objective and application process. The number of projects approved across the state, the funds already authorized, and the funds still available were also discussed.

## **History And Trends Of General Fund Appropriations**

The deputy director and the assistant budget director of LRC's Office of Budget Review provided an overview of the history and trends of general fund appropriations, the budget reserve fund balance, the FY 2024 budget, K-12 education appropriations, and Medicaid benefits.

## **History And Trends Of Revenue**

The committee staff administrator for the Appropriations and Revenue Committee discussed the history and trends of revenue, which included the general fund, road fund, budget reserve trust fund, and the unemployment trust fund. Representative Petrie discussed the state of the unemployment trust fund.

## **Judicial Branch Budget**

The chief justice of the Kentucky Supreme Court and representatives of the Administrative Office of the Courts (AOC) discussed the appropriations in 24 RS HB 264. Asset preservation pools for capital projects have been appropriated \$53.5 million. Since July 1, 2024, \$2.8 million has been obligated to 128 projects across 66 counties, and an additional \$8.3 million is to be obligated for current contracts. The judicial branch budget requests that were not appropriated, long-term shortfalls in court operations, and the deficits in the judicial branch appropriations total \$24.6 million. The cost-saving measures implemented are to result in a savings of \$10 million. AOC will not request a supplemental appropriation for 2025, and the restricted fund carry-forward for FY 2025 is \$51 million.

## **Kentucky Electric Vehicle Charging Program**

The executive director of the Office of Sales and Excise Taxes, Department of Revenue (DOR), gave an update on the electric vehicle excise power tax, including tax legislation overview, implementation details, charging station registrations, and annual rate adjustments. Tax revenues collected since February 2024 total \$338,209. DOR is investigating 28 additional charging locations and 70 more charging stations for compliance. The deputy state highway engineer of the Transportation Cabinet discussed the implementation of the federal National Electric Vehicle Infrastructure program.

## **Medicaid Services**

Staff from the Cabinet for Health and Family Services discussed fiscal constraints, participants covered, and services provided by Medicaid.

## **Overview Of Revenue Measures Enacted In 2024 Regular Session**

The committee staff administrator for the Appropriations and Revenue Committee discussed revenue measures enacted in the 2024 Regular Session, which included measures relating to sales tax, inheritance tax, coal severance tax, property tax, and tax credits. Revenue measures in 24 RS HB 8 and 24 RS HB 122 were discussed.

## **Pass-Through Entity Tax**

The executive director of the Office of Income Taxation for the Department of Revenue and deputy executive director of the Office of State Budget Director discussed the pass-through entity tax (PTET), payments and credits for the tax, and issues with administrative timing and processing of current returns and refunds.

The executive director of the Kentucky Chamber of Commerce, Center for Policy and Research, and a representative of Cherry Bekaert discussed PTET and its benefits. Of the 41 states that levy personal income tax, 36 have a PTET. Examples of pre-PTET and post-PTET scenarios were given.

## **Property Tax On Mains, Conduits, Pipes, And Pipelines**

A member of Stoll Keenon Ogden discussed the effects of changing certain pipelines from real property to tangible personal property for property tax purposes. Property tax costs to utility companies have increased due to the tangible personal property rate being almost four times the real property tax rate. A request was made to reinstate the 1938 classification of pipelines.

## **Structure Of Fire Departments Organized Under KRS Chapter 75**

The chief of the Pleasure Ridge Fire District discussed an initiative to increase the property tax rate cap for Chapter 75 fire departments. The current tax rate cap is 10 cents for every \$100 in

assessed value of property taxes. He discussed current sources of income and the rising cost of equipment, training, and maintaining a fire department.

### **Tax Expenditure Report**

The state budget director discussed the annual reporting of tax expenditures and new items added in 24 RS HB 8. The discussion touched upon reviewing and analyzing tax expenditures along with the recommended process and timeline.

### **Tax Increment Financing And Individual Income Tax Rate Reduction Process**

A representative of Commonwealth Economics discussed the potential impact of individual income tax rate reductions on tax increment financing districts and requested that the modified new revenues approach be made permanent.

### **Capitol Building Construction And Costs**

Representatives of the Finance and Administration Cabinet provided an update on the Capitol campus renovation project. The renovation budget stands at \$291.5 million. Construction on the Capitol is to begin in June 2025 and is to last approximately 3½ years.

### **USA Cares Appropriation**

The deputy commissioner of the Department of Veterans Affairs and the vice president of government and corporate relation of USA Cares discussed the status of the General Assembly's \$1 million annual appropriation to USA Cares.

### **Volunteers Of America**

The president and CEO of Volunteers of America Mid-States discussed services provided by the Freedom House, cost savings of the program, and the ongoing study of the value-based program.

## **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 three meetings.



Representatives of Interapt, headquartered in Louisville, discussed building talent pipelines. Interapt’s model combines immersive technical training with on-the-job apprenticeships, to aid in upskilling or reskilling people. Companies work with Interapt to create a program that trains workers to meet specific needs.

The Textile Rental Service Association provided an overview of the linen and uniform industry and expressed concern that the method of sales tax on textiles causes double taxation.

The Kentucky Horse Racing and Gaming Corporation discussed the implementation of 24 RS SB 299, which created the new entity, and provided an overview of pari-mutuel and sports wagering taxes.

The Department of Parks provided testimony on the status of state park improvement projects including campground, utility, and broadband upgrades.

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

The Budget Review Subcommittee on Education held five meetings.

Representatives of Kentucky State University provided an update on the management improvement plan and discussed enrollment and financial aid.

Representatives of the Council on Postsecondary Education discussed the postsecondary education performance fund, changes to the current model, asset preservation, and project certifications.

Representatives of Kentucky’s workforce boards provided an overview of the boards, funding, services and programs provided, and use of appropriations from 2024 RS HB 1.

Representatives of Teach Kentucky discussed recruiting teachers to Louisville, the history of the program, support and retention, benefits, funding, and success stories.

A representative of the Kentucky Department for Education (KDE) presented on Tier I, a component of the Support Education Excellence in Kentucky (SEEK) public education funding formula. Tier 1 allows districts with per-pupil assessments below the statewide average per-pupil assessed property valuation to capture additional state equalization funding. During the 2024 Regular Session, the General Assembly increased the percentage of total adjusted SEEK base revenue that qualifying districts could generate under Tier 1 from 15 percent to 17.5 percent for FY 2025 and FY 2026.

Representatives of KDE and the superintendent of Russell County Schools discussed KDE’s implementation of 2024 RS HB 499, which changed the career and technical education funding formula. KDE representatives explained its decision-making process in regard to the supplemental career and technical education funding appropriated in the budget bill in tandem with the changes made in 2024 RS HB 499.

A representative of the Kentucky Center for School Safety discussed allocation of safe school dollars, the number and history of school resource officers, and how additional safety funds appropriated in the budget bill are being used. The representative urged the General Assembly to continue investing in the safety of schoolchildren.

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

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

Legislative fiscal analysts with the Office of Budget Review provided an overview of 2024-2026 fiscal biennium funding included in 2024 RS HB 6 for agencies within General Government, the Finance and Administration Cabinet, and the Personnel Cabinet.

Representatives of the Department for Libraries and Archives provided an overview of the department, services provided by local libraries, taxing authority for libraries, and the public library facilities construction fund.

The Office of Unemployment Insurance provided discussion of the new unemployment insurance computer system, the history of the request for proposal process, the timeline to implementation, and the needs of the new system.

Representatives of the Office of Attorney General provided an update on the Body Armor Grant Program. The program helps law enforcement and first responders purchase body armor, duty weapons, ammunition, electronic-control devices, and body-worn cameras.

Representatives of the Kentucky Infrastructure Authority (KIA) provided an update on the application process, scoring criteria, and funding recommendations for the new Water and Wastewater Assistance for Troubled or Economically Restrained Systems Program, which is to provide funding options for distressed drinking water and wastewater facilities.

Representatives of KIA reviewed the Cleaner Water Program Grants. The review included an appropriation history of the program, how these appropriations have been used, and upcoming deadlines as outlined by the American Rescue Plan Act.

### **Budget Review Subcommittee On Health And Family Services**

The Budget Review Subcommittee on Human Resources held four meetings.

Legislative fiscal analysts with the Office of Budget Review provided an overview of 2024-2026 fiscal biennium funding included in the 24 RS HB 6 for the Cabinet for Health and Family Services.

The senior vice president for health and public policy and the executive vice dean of the College of Medicine at the University of Kentucky discussed the university's academic health system, partnerships with other medical centers in the state, and its advanced subspecialty care services.

The commissioner of the Department for Aging and Independent Living of the Cabinet for Health and Family Services (CHFS) and the director of the CHFS Office of Dementia Services provided an update on the activities of that office.

The commissioner of the CHFS Department for Medicaid Services (DMS) and the chief financial officer of DMS provided an update on FY 2024 year-end Medicaid expenditures, as well as the FY 2025 projection for Medicaid expenditures.

The deputy commissioner of DMS, the behavioral health supervisor of DMS, the executive director of the Office of Support Services of the Department of Juvenile Justice, and the director of the Division of Public Affairs of the Department of Corrections provided an overview and update on the Medicaid incarceration waiver.

The commissioner of the Department for Behavioral Health, Developmental and Intellectual Disabilities, its deputy commissioner, and its clinical director provided an update on the substance abuse treatment, prevention, and recovery services provided by the department. They also discussed services provided in state residential facilities.

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

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

Representatives of the Department of Juvenile Justice provided a departmental overview, summarized funding provided in 24 RS HB 6, provided an update on the implementation of 23 RS HB 3 and 23 RS SB 162, and discussed ongoing issues related to mental health, security, training, and staffing within the department.

Representatives of the Department of Corrections provided an overview of adult correctional facilities and an update on capital construction projects.

Representatives of the Justice and Public Safety Cabinet provided an update on the capital project for co-locating the northern Kentucky office of the state medical examiner and the northern Kentucky state police crime lab.

Representatives of the Life Learning Center in Covington provided an overview of its programs and partnerships serving justice-involved individuals.

Representatives of Volunteers of America Mid-States provided an overview of its Freedom House and Family Recovery Court programs.

## **Budget Review Subcommittee On Transportation**

The Budget Review Subcommittee on Transportation held five meetings.

Representatives of the Transportation Cabinet provided updates on budget-related issues including a 2024 legislative update, an overview of the cash management system, federal-aid highway program funds, required matching funds, and grant updates for mega projects. Testimony was provided on freight, rail, and waterways programs; upcoming grant opportunities; and winter weather preparedness and cost projections.

Representatives of the Department of Highways provided an update on the Ohio River Bridges tolling project including project overview, toll rates, operating revenue, debt service schedule, operating costs and vendors, and an overview of costs.

Representatives of the Transportation Cabinet's Office of Budget and Fiscal Management and the Kentucky State Police provided information on road fund appropriations, how the funds are used, the personnel and operations supported by the road fund, and the FY 2024 road fund closeout.

Representatives of the Department of Highways and the Kentucky Association of Highway Contractors testified on highway contracts, construction contract letting information, asphalt tonnage and investment by program, and highway construction industry capacity.

Representatives of the Transportation Cabinet's Department of Rural and Municipal Aid provided an update on the County Priority Projects Program and the City Bridge Improvement Program, including where to find relevant forms, timing and receipt of requests, and implementation status.

Representatives of the Transportation Cabinet's Office of Human Resource Management provided a personnel review that included estimates on moving all cabinet employees to a 40-hour work week, remote work policies, vacancy rates and temporary employees, and the timeline for new hires.

## **Report Of The 2024 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. Steven Rudy  
Rep. Tom Smith  
Rep. Cherlynn Stevenson

LRC Staff: Jessica Sharpe, Breanna Patterson, Anita Zipfel, and Nathan Carter

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; principal and income.

## **Committee Activity**

The Interim Joint Committee on Banking and Insurance held three meetings.

### **Administrative Regulations**

Two administrative regulations were referred to the committee pursuant to the provisions of KRS Chapter 13A, and the committee heard and adopted an amendment to the following:

- 808 KAR 010:260 – Examination requirement for individuals advising the public on securities, broker-dealers, and agents.

### **Insurance Institute Of Kentucky’s Legislative Update**

The executive director of the Insurance Institute of Kentucky (IIK) and the senior director of strategy, policy, and government affairs of the National Insurance Crime Bureau provided a legislative update. The National Conference of Insurance Legislators is using three Kentucky bills to draft model legislation. IIK supports legislation relating to hands-free cellphone use while driving and legislation relating to insurance fraud. IIK opposes third-party litigation funding.

### **Department Of Financial Institutions**

The commissioner of the Department of Financial Institutions provided an update on its depository, nondepository, and securities divisions. In the depository division, the number of state-chartered banks decreased but assets and loans increased. The number of credit unions remained consistent with an increase in assets. In the nondepository division, the number of licenses decreased, except for money transmitters, and there was an increase in consumer complaints. In the securities division, licensing and registration numbers reflect a strong securities industry and economy in Kentucky. Agency initiatives included recent legislation and proposed regulations.

### **Credit Union Industry**

The vice president of Kentucky’s Credit Unions discussed the distinguishing characteristics of credit unions. Despite economic conditions, credit unions have added branches in the past 10 years. The president and CEO of Ashland Credit Union highlighted instances where it was able to save members money and discussed its financial literacy initiatives. The president and CEO of Kentucky’s Credit Unions shared statistics about Kentucky credit unions, stating that they are the strongest they have ever been, despite the challenges of the interest rate market and a recession-like environment.

### **Kentucky Bankers Association**

The vice president and general counsel of the Kentucky Bankers Association (KBA) and its governmental affairs consultant provided a legislative update. The KBA’s priorities for the 2025 legislative session include increasing examiner salaries, increasing the limit on new market tax

credits, extending the timeline to complete a project associated with historical tax credits, and clarifying notice requirements associated with the release of certain liens under KRS 382.365(4). The vice president and general counsel also discussed legislation that could harm the banking industry, including proposals relating to social credit scores, ESG Investments, and reducing interchange fees.

### **Department Of Insurance**

The commissioner of the Department of Insurance provided an update on its activities and the insurance industry. Consumer complaints continue to be an issue, and disaster fraud schemes have continued to escalate. The commissioner discussed the challenges of addressing fraud, insurance premium tax revenues, and the necessity and causes of property insurance rate increases. The health insurance and property and casualty insurance markets are stable.

### **Kentucky Farm Bureau Mutual Insurance**

The CEO of Kentucky Farm Bureau Mutual Insurance discussed issues affecting the property and casualty insurance industry, including the labor supply chain, 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. Premiums and deductibles have more than doubled in recent years to mitigate costs.

### **Cryptocurrency Business**

The senior policy manager of Coinbase provided an introduction to cryptocurrency, described Coinbase's business, and explained how Coinbase is regulated. Legislatively, Kentucky has been on the cutting edge, passing bills to establish a blockchain technology working group and cryptocurrency-related tax incentives. The policy director of Satoshi Action Fund discussed blockchain legislation and stated that it is essential for Kentucky to remain a leader in this area.

A partner with Frost Brown Todd explained the regulation of certain cryptocurrency business at the state and federal levels and noted the areas of enforcement and fraud mitigation. The general counsel and legislative liaison of CoinFlip described its cryptocurrency ATM operations and fraud mitigation practices. Presenters advocated for cryptocurrency legislation to require licensure with the state, compliance programs, highly visible scam disclosures, blockchain analytics, and live customer service.

The commissioner of the Department of Financial Institutions discussed its regulation of cryptocurrency business activities under the money transmitter and securities laws. The commissioner also discussed fraud protection.





## **Report Of The 2024 Interim Joint Committee On Economic Development And Workforce Investment**

**Sen. Max Wise, Co-Chair**  
**Rep. Josh Branscum, Co-Chair**

Sen. Gary Boswell  
Sen. Shelley 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. Steve Bratcher  
Rep. Josh Calloway  
Rep. Adrielle Camuel

Rep. Robert Duvall  
Rep. Daniel Elliott  
Rep. Al Gentry  
Rep. Peyton Griffie  
Rep. Thomas Huff  
Rep. Kevin Jackson  
Rep. Kim King  
Rep. Nima Kulkarni  
Rep. William Lawrence  
Rep. Matt Lockett  
Rep. Phillip Pratt  
Rep. Scott Sharp  
Rep. Ashley Tackett Laferty  
Rep. Timmy Truett

LRC Staff: Janine Coy, Austin Johnson, Matissa Robinson, Christian Deeter, 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 held six meetings.

### Economic Development

The vice president of customer service and external affairs of Kentucky Power presented an overview of the importance of utilities in economic development and gave an update on the Kentucky Power Economic Growth Grant and the Kentucky Product Development Initiative.

Representatives of Canopy KY spoke about assisting employers with reinvesting profits into local communities. Canopy is a nonprofit organization that educates employers on good business practices and connects businesses across the state. The organization's newest initiative is Canopy Membership, which offers employers educational and connective benefits.

### Workforce Initiatives

Representatives of the Education and Labor Cabinet discussed the Workforce Innovation and Opportunity Act (WIOA) State Plan and the Department of Workforce Development's workforce outlook, services, and programs. The WIOA State Plan is a joint effort among the department, public and private organizations, community-based organizations, and employers. The cabinet also provided updates on the Digital Equity Strategic Plan and Ready for Industry.

Representatives of organizations within the State Workforce and Talent Team (SWATT) discussed their roles and key objectives. SWATT consists of the Cabinet for Economic Development, Education and Labor Cabinet, Kentucky Chamber of Commerce, Kentucky Chamber Foundation, Kentucky Council on Postsecondary Education, Kentucky Community and Technical College System, Kentucky Department of Education, Kentucky Center for Statistics, Kentucky Association of Manufacturers, and Kentucky Hospital Association.

Representatives of the Department of Workplace Standards provided an overview of its divisions. The department's primary purpose is to ensure that all employees and workers receive proper and fair wages and a safe and healthy working environment.

Representatives of the Center for Business and Economic Research, Gatton College of Business, University of Kentucky, provided an update on 22 RS HB 1, which required the Education and Labor Cabinet to study the effectiveness of state-sponsored workforce development programs receiving more than 50 percent of program funding from the state. The study indicated that program participants had higher rates of employment and wage rates, but results varied by gender and race. The report also indicated that employment effects decayed over time and that enrollees often received other services that could affect employment outcomes.

Representatives of We Lead CS provided an update on its initiatives. We Lead CS, a virtual computer science career academy, received a \$3 million appropriation from the General Assembly to expand access to opportunities and training for students in the technology sector.

We LEAD CS graduates 250 to 300 students each year using virtual work-based learning and internships with a goal of 300 for school year 2026. The organization formed the Take the Lead Grant Program to provide chambers of commerce with microgrants to identify technology sector employers, to identify skills needed to strengthen technology workforce pipelines, and to bring employers and students together.

The executive director of Kentuckiana Works and the director of the Cumberland Workforce Development Board discussed helping young Kentuckians find employment. 24 RS HB 1 provided funding to workforce development boards to assist high school seniors and young adults not pursuing postsecondary education as they seek meaningful employment. Services include career exploration, employer outreach, job placement assistance, on-the-job training, short-term occupational skills training, and supportive services.

The executive vice president of Associated General Contractors of Kentucky, the president and CEO of the Kentucky Association of Manufacturers (KAM), and the CEO of Metals Innovation Initiative (MI2) provided an update on Kentucky's construction and manufacturing industries. Areas of concern for the construction industry are growing job demands and workforce shortages, especially for filling craft positions. KAM's policy priorities are energy, tax and business climate, and workforce. In 2022, MI2 was formed as a nonprofit that provides collaborative, industry-led executive leadership to attract and promote advanced research, sustainability, commercialization, and talent development in Kentucky's metal industry.

The Office of Adult Education's Reentry Employment Services Branch launched the Putting Kentuckians First initiative, which provides employment, recovery resources, education and training, career services, vocational rehabilitation, and court-ordered programs focused on diversion and reentry pathways to the workforce. The director of the Reentry and Employment Services Branch also discussed the Behavioral Health Conditional Dismissal Program, pre-release classes in local and regional detention centers, reentry bootcamps, credential training in local detention centers, and apprenticeship and pre-apprenticeship training.



## **Report Of The 2024 Interim Joint Committee On Education**

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

Sen. Danny Carroll  
Sen. Shelley 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. Josh Calloway  
Rep. Jennifer Decker  
Rep. Steven Doan  
Rep. Kevin Jackson  
Rep. Scott Lewis  
Rep. Candy Massaroni  
Rep. Bobby McCool  
Rep. Marianne Proctor  
Rep. Felicia Rabourn  
Rep. Steve Rawlings  
Rep. Josie Raymond  
Rep. Steve Riley  
Rep. Killian Timoney  
Rep. Timmy Truett  
Rep. Lisa Willner

LRC Staff: Yvette Perry, Lauren Busch, Joshua Collins, Emily Wiley, Peter Wright, and  
Landen Holder

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 held six meetings.

### 2022 RS HB 250 Update

Representatives of Kentucky State University discussed implementation of the management improvement plan outlined in 2022 RS HB 250 and highlighted progress toward goal competition. They noted an increase in enrollment, an increase in graduation rates, a redesign and launch of many online course degree programs, and record graduation class sizes.

### 2024 RS SJR 170

Representatives of Deloitte presented the results of the study required by 2024 RS SJR 170 on expanding postbaccalaureate program offerings at comprehensive universities. Results were presented of discussions with the president of each comprehensive university on regional economic development or workforce development needs.

### 2024 RS SJR 179

The president of the Kentucky Community and Technical College System (KCTCS) presented findings, steps taken to date, and planned action steps to improve and advance the system as required by 2024 RS SJR 179.

### Artificial Intelligence

Representatives of the Southern Region Education Board (SREB) highlighted sectors of education expected to be most influenced by the introduction of artificial intelligence (AI), including policy, instruction, and development. SREB plans to draft the skills needed for AI literacy among educators and students, to review guidelines from other entities using AI in the classroom, to interview educators to understand the current use of AI in the classroom, and to draft guidance for implementing AI in instruction.

### Assessment And Accountability Overview

Representatives of the Kentucky Department of Education (KDE) discussed the methodology used to assess school districts and determine district eligibility for additional support. KDE proposed focus areas that could improve academic performance measures including content area support, teacher shortage reductions, and KDE's chronic absenteeism campaign addressing truant students.

### Diversity, Equity, And Inclusion In Postsecondary Institutions

Representatives of the Council on Postsecondary Education (CPE) said Kentucky has spent many years working to address equal educational opportunity goals, which resulted in the state's

release from its desegregation plan in 2008. CPE provided discussion of initiatives to help campuses expand their diversity, equity, and inclusion (DEI) efforts, including updating statewide policy, adjusting elements of the performance funding model, and shifting their work to better understand student needs. A representative of the Van Sittert Center for Constitutional Advocacy at the Goldwater Institute said CPE was misusing the charge to ensure equal educational opportunity by requiring quotas for minority groups among students, arguing that this practice is a violation of the 14<sup>th</sup> Amendment of the Constitution as it forces universities to consider students and employees solely based on race.

A representative of the University of Kentucky discussed the elimination of the university's DEI Office. The positions associated with this office were not eliminated but were given new job descriptions and absorbed by other departments. The representative emphasized the importance of having staff and administrators remain nonpartisan and impartial for the facilitation of all demographics.

Representatives of the University of Louisville presented on its Office of Institutional Equity, which includes resources for military veterans, ethnic minorities, refugees, immigrants, LGBT individuals, Pell-eligible individuals, students with disabilities, and first-generation college students. The university president said there have been no mandatory DEI classes for students or DEI training for faculty since February 2023.

Representatives of Eastern Kentucky University, Murray State University, and Western Kentucky University presented on DEI as it relates to their respective universities. Topics included fostering a sense of belonging on campus, providing support mechanisms for individual students, and celebrating the diversity of thought by protecting freedom of expression and encouraging open discourse. Western Kentucky University's president stated that the university no longer has a bias response team.

Representatives of the Kentucky Community and Technical College System presented data illustrating the demographics of the KCTCS student body and highlighting the ways various campuses affect their communities. One representative testified that, although enrollment has continued to grow, there has been a slight decrease in the population of African American males attending KCTCS.

CPE's general counsel outlined annual DEI Plan Reports submitted by all universities. These reports are evaluated on a two-section rubric that measures quantitative and qualitative data. A waiver process is offered to institutions that do not meet the minimum required scores for the three focus areas defined in policy for DEI. The general counsel testified that Kentucky regulation establishes a framework for evaluating institutions' DEI adherence, but CPE decides how often to conduct evaluations.

### **Effects Of Social Media And Cellphones On School-Age Individuals**

A representative of New York University presented on the detrimental effects of social media and cellphone use on school-age individuals. He encouraged schools to implement phone-free policies and called for legislators to fund research on the adverse effects of cellphones on youth.

The superintendent of Dayton Public Schools, Dayton, Ohio, gave insight into the adoption, implementation, and outcome of a phone-free policy. According to testimony, the use of locking phone pouches has increased student engagement, decreased violence, and reduced the use of profanity.

Representatives of the Bourbon County School District presented on the process of adopting and enforcing a phone-use restriction policy. The principal of Bourbon County High School stated that student writing, communication, and social skills have improved, with a reduction in behavioral issues, as a result of prohibiting cellphone use in the classroom.

### **General Education Diploma Update**

The executive director of the Office of Adult Education (OAE) discussed the purpose and goals of adult education, as well as success stories of program participants. Federal goals to determine progress of adult education include employment rate, median earnings, credential attainment rate, and measurable skills gains. The executive director said Kentucky has surpassed federally defined adult education goals, and he is confident that Kentucky can meet or exceed newly assigned goals. He noted that one major barrier faced by OAE is visibility, which the office is striving to improve by offering transportation, child care, and internet availability. Incarcerated individuals also have access to adult education services.

### **Growing Access To Advanced Course Work**

The president and CEO of the Prichard Committee for Academic Excellence explained advanced coursework for Kentucky, focusing on how increased access to these courses is a vital way to improve low math and reading scores.

The executive director of AdvanceKentucky spoke about the barriers to advanced coursework in public schools and the need to support teachers who are attempting to expand the number of available courses. AdvanceKentucky uses an application process to expand access to middle school mathematics by providing in-depth professional development for teachers.

### **Introduction Of New KDE Commissioner**

The new KDE commissioner introduced his priorities and highlighted the Kentucky United We Learn Council as KDE reimagines the assessment and accountability system to create one that is meaningful and useful to all learners.

### **Kentucky Educator Placement Service**

Representatives of KDE shared information regarding Kentucky Educator Placement Service data, outlining requirements for filling school district job vacancies, limitations of the current hiring system, Kentucky educator shortages, educator certification shortages, bus driver shortages, and mitigation strategies for addressing vacancies. One representative noted that a substantial number of district leaders felt that applicants were of lower quality for school year 2025 than for previous years. KDE recommendations included funding a statewide job posting



system, requiring districts to update postings when filled, and conducting annual surveys regarding district vacancy data.

### **Middle School Athletics**

Representatives of the Kentucky High School Athletic Association (KHSAA) discussed allowing middle school students to play on teams at a school they do not attend. The commissioner of KHSAA highlighted an administrative regulation that allows it some authority over middle school athletics, with a significant amount of authority also given to local school districts. KHSAA representatives encouraged flexibility among schools with regard to middle school athletics policies.

### **Public School Restrooms**

The superintendent of Fayette County Public Schools and an attorney from Piper Smith spoke about the construction of a new gender-neutral bathroom in the Fayette County School District. According to the superintendent, Living Labs were created, consisting of prospective student, teacher, and parent populations using the new school building, to provide input on the design of the new construction. The superintendent noted challenges the district has faced including vandalism, behavior issues, and use of tobacco products, which they hope to address with the new design.

### **Red Tape Reduction**

The president of the Kentucky Education Association (KEA), along with representatives from the Spencer County School District (SCSD), shared concerns relating to administrative burdens. The KEA president stated that the legislature cannot alleviate some issues, including federal reporting requirements for special education and local district regulations. However, some noninstructional requirements could be addressed, especially those that affect educators' time. The KEA president advocated for protections of teacher planning time and expressed his appreciation for the legislature's steps to increase the number of substitute teachers. An SCSD representative said that, in her experience as an educator, there has been a continuous decline in the amount of time allotted for teachers to do their job well.

### **State Textbook Commission**

KDE representatives discussed the State Textbook Commission and instructional resource adoption and implementation. KDE established a Quality Curriculum Task Force comprising 21 district leaders, teachers, library specialists, educational cooperative representatives, and university faculty to review materials and provide feedback on high-quality instructional resources. KDE's chief academic officer noted significant gains in adoption of high-quality instructional resources across the state, adding, however, that there is a gap between the local adoption of a resource and the professional development of teachers.

**Title IX**

KDE's general counsel presented an update on the 2024 Title IX administrative regulations promulgated by the US Department of Education. Title IX prohibits discrimination and harassment based on sex. KDE noted that the updated regulations extend protections for individuals who need reasonable accommodations for lactation and pregnancy, also introducing changes to reporting requirements for sexual harassment and discrimination.

## **Report Of The 2024 Interim Joint Committee On Families And Children**

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

Sen. Julie Raque Adams  
Sen. Cassie Chambers Armstrong  
Sen. Greg Elkins  
Sen. Rick Girdler  
Sen. Amanda Mays Bledsoe  
Sen. Stephen Meredith  
Sen. Lindsey Tichenor  
Sen. Robin L. Webb  
Sen. Whitney Westerfield  
Sen. Max Wise  
Rep. Shane Baker  
Rep. Mike Clines

Rep. Jennifer Decker  
Rep. Stephanie Dietz  
Rep. Daniel Elliott  
Rep. Ken Fleming  
Rep. Jim Gooch Jr.  
Rep. Felicia Rabourn  
Rep. Josie Raymond  
Rep. Steve Riley  
Rep. Rachel Roarx  
Rep. Sarah Stalker  
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 held six meetings.

### **Foster Care And Adoption**

The commissioner of the Department for Community Based Services (DCBS), Cabinet for Health and Family Services (CHFS), discussed the DCBS child welfare mission, statistics on children in out-of-home care, and changes for caregivers including subsidized permanent custody. She stated that foster care is meant to be a short-term placement in which CHFS works to reunify children with their birth parents whenever possible. The commissioner provided testimony on the actions CHFS has taken, including working on targeted recruitment adoption for older children and partnering with the Dave Thomas Foundation. She testified on the benefits of kinship care, including reduced trauma and imposed child well-being and better behavioral and mental health outcomes.

A family court judge testified on the adoption process, barriers, and delays. The judge testified that higher rates for attorneys in adoption cases will provide a better qualified attorney. She stated that filing a termination of parental rights in the 15-month timeline makes the process move quicker.

The chief policy and strategy officer of Kentucky Youth Advocates discussed pathways to permanency for foster care and kinship care children, the importance of permanency, barriers to permanency, and recommendations to streamline the process. She testified that postadoption support is available, but that most people are not aware of the help.

### **Implementation Updates Related To 2024 RS HB 271 And SB 151**

The CHFS secretary provided implementation updates for 2024 RS HB 271 and SB 151, including appropriations needed for full implementation of both bills. The secretary stated that CHFS has drafted administrative regulations but cannot proceed with them without an appropriation.

The state auditor announced an inquiry into whether the Governor and CHFS can implement SB 151. She stated that she would like implementation to be a collaborative effort, emphasized that this is a preliminary assessment, and said she intended to get the facts so implementation issues may be resolved.

The president of Kinship Families Coalition of Kentucky discussed SB 151, its importance to Kinship care families, the reasons it is needed, and implementation recommendations.

### **Employment Programs For Individuals With Special Needs**

A representative of Employment First Council discussed its history, services offered to individuals with disabilities, and statistics on individuals with disabilities who are employed. The representative provided testimony on types of waivers, including the Michelle P Waiver

and the Supports for Community Living Waiver. She discussed recommendations such as payment structure and outcome payments for long-term supports based on the number of hours that people have worked. The representative discussed creating resources and training to share information about employment and how to access it.

The executive director of the Office of Vocational Rehabilitation (OVR) discussed its services, including eligibility requirements, pre-employment transition services, supported employment, and Kentucky Assistive Technology Loan Corporation. She testified that OVR receives federal grants, but that OVR funds the rest of supported employment from a basic support grant.

### **Commonwealth Office Of The Ombudsman**

The auditor of public accounts discussed the reorganization of the Commonwealth Office of the Ombudsman from the CHFS to the Office of the Auditor of Public Accounts. She gave a detailed update on problems pertaining to the reorganization, including not having access to the iTWIST database.

### **Kentucky Nonprofit Organization Support Systems**

Board members of the Kentucky Pediatric Cancer Research Trust Fund provided an overview of the organization, including its establishment in 2015 and appropriations by the General Assembly. The board members discussed US statistics for pediatric cancer, new treatments available due to research, and next steps.

Board members of Ronald McDonald House Charities (RMHC) of the Bluegrass discussed its purpose, mission, and vision. They reported that an 85-bed facility on the campus of the University of Kentucky (UK) is the primary growth goal in Lexington. Expansion of services in Louisville and Eastern Kentucky is a programmatic growth goal. UK Healthcare, Kentucky Children's Hospital, and RMHC of the Bluegrass are in discussions for a 6-acre site for expanding RMHC of the Bluegrass's footprint in and around Lexington.

Executives of Goodwill Industries of Kentucky and Casey Family Programs discussed benefits cliffs. In 2024, Goodwill of Kentucky published a policy brief highlighting challenges that participants face when they choose between taking a better-paying job and keeping government benefits. Two new initiatives—the development of a benefits calculator, and the National Center for Children in Poverty's Family Resource Simulator—were discussed. Casey Family Programs presented national information and statistics related to children entering and exiting out-of-home care, child maltreatment, and child fatalities.

### **Adverse Childhood Experiences And Child Care**

Kentucky Youth Advocates provided discussion of adverse childhood experiences (ACEs), including national and local statistics, future impacts on a child, and recommendations to prevent ACEs. Physicians and advocates from the Parents Zone discussed ACEs and how they affect children and parents. The Gheens Foundation provided discussion of its grant funding efforts and policies to prevent ACEs.

The DCBS commissioner provided an overview of the Division of Child Care. She discussed its duties, including facilitating the Child Care Advisory Council, promulgating child care regulations, partnering with state agencies to ensure children have access to quality care and education across multiple settings, and administering the Child Care Assistance Program.

The policy and research director of Kentucky Youth Advocates discussed child care challenges, including child care workforce, financial stability, and cost for families. She highlighted the UK Cost of Care Study, which indicated that Kentucky is in the bottom 13 states for pay of child care employees.

Executive officers of the Foundation for Appalachian Kentucky, Kentucky Chamber of Commerce, Lift a Life Novak Family Foundation, and Convergence Center for Policy Resolution discussed and detailed their roles in the state's child care delivery system.

### **Referred Block Grant Applications**

Pursuant to KRS 45.353, the committee held legislative hearings on one block grant application: the Federal Fiscal Year 2025-2027 Child Care and Development Fund State Plan.

### **Referred Administrative Regulations**

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.

## **Report Of The 2024 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. Felicia Rabourn
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 held six meetings.

### **Behavioral Health Providers**

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

Representatives of the Department for Behavioral Health, Developmental, and Intellectual Disabilities at the Cabinet for Health and Family Services (CHFS) and the chief medical officer of the Kentucky Primary Care Association discussed a partnership to develop a pilot program to address the need for behavioral health providers.

The collaborative care model of providing psychiatric care was described by the residency training director of the Department of Psychiatry and Behavioral Sciences, University of Louisville (UofL) School of Medicine, and the director of behavioral health of Sterling Health Care.

### **Drug Pricing Program**

Representatives of the Kentucky Hospital Association provided information on the federal 340B drug pricing program, the benefits of the program for health care facilities with a disproportionate share of Medicaid and uninsured patients, and the need to protect the program.

### **Emergency Medical Services**

The chair of the Kentucky Board of Emergency Medical Services discussed challenges facing emergency medical service (EMS) providers. He discussed the creation of the EMS education grant fund during the 2024 legislative session and the lack of funding.

### **General Health Issues**

The director for Families Fighting Flu discussed the importance of early diagnosis of sepsis by health care providers. The chair of the Kentucky Colon Cancer Prevention and Screening Program provided an update on the treatment and incidence of colon cancer. The director of lung cancer screening and physician adviser advocacy at St. Elizabeth Cancer Center provided an update on lung cancer screening and treatment.

### **Health Care Providers**

The director of the University of Kentucky (UK) Center of Excellence in Rural Health provided an update on the Healthcare Worker Loan Relief Program of the Commonwealth, the Kentucky State Loan Repayment Program, and each program's funding.



The executive director of the Indiana Area Health Education Centers Network provided an update on efforts to improve the health care workforce.

The director of UK's Center for Interprofessional and Community Health Education discussed the Health Resources and Services Administration (HRSA) grant program for medical students specializing in primary care. The interim dean and vice president for academic medical affairs at UofL's School of Medicine and the interim dean at UofL's School of Nursing discussed the HRSA grant's strategies to increase medical student training in primary care fields.

Representative Steve Bratcher, the president of the Council on Postsecondary Education, the acting executive vice president of the Kentucky Community and Technical College System, and the executive director of the Kentucky Board of Nursing discussed legislation to allow military medics to become credentialed as licensed practical registered nurses.

Representative Moser and representatives of the Cicero Institute reviewed 2024 RS HB 574, allowing otherwise qualified internationally licensed physicians to practice without requiring them to repeat their medical residency.

Representatives of the Kentucky Academy of Physician Assistants discussed strategies for increasing the number of physician assistants.

### **Human Trafficking**

Advocates described human trafficking practices, prevention efforts, and intervention efforts. An update on the Statewide Human Trafficking Task Force report was provided by the chair of the task force and the chief of criminal litigation with the Office of the Attorney General.

### **Long-Term Care Staffing**

Representatives of the Kentucky Association of Health Care Facilities and the Kentucky Center for Assisted Living provided an update on federal staffing requirements.

### **Medicaid**

Representatives of the Department for Medicaid Services provided an update on the Kentucky Medicaid program including the budget, enrollment numbers, existing 1915(c) and 1115 waivers, pending waiver applications, Medicaid managed care organization contracts, and reimbursement rates for substance use treatment and behavioral health services.

### **Medicinal Cannabis Program**

The director of the Center on Drug and Alcohol Research at UK's College of Medicine presented an update of the center's research and findings.

Representatives of CHFS' Office of Medical Cannabis provided an update on the process of implementing administrative regulations, including applications for manufacturing facilities and dispensaries.

### **Rural Hospital Revolving Loan Program**

The secretary of the Cabinet for Economic Development discussed the Rural Hospital Revolving Loan Program's creation, eligibility requirements, loan terms, approved projects, and availability of future funds.

### **Substance Use Disorders**

The executive director of the Kentucky Office of Drug Control Policy provided an update on trends in drug overdose deaths and the progress of addiction recovery and resources.

The deputy chief justice of the Kentucky Supreme Court discussed the capacity for substance use disorder treatment, the 2023 Drug Overdose Fatality Report, and the program formed to address mental health issues in the prison population.

The executive director of the Kentucky Opioid Abatement Advisory Commission discussed the use of opioid settlement funds to support organizations fighting the opioid crisis.

Information on comprehensive supervised substance use disorder treatment and challenges in obtaining insurance coverage was presented by advocates for the coverage and a representative of the Kentucky Association of Health Plans.

Information on the regulation of buprenorphine for the use of addiction treatment was presented by advocates and representatives of the Kentucky Board of Medical Licensure.

### **Trauma Network**

The director of the Kentucky Trauma System provided an update on the number of hospitals that maintain various levels of trauma centers and funds to operate the network.

The chief of acute care surgery and trauma, the trauma medical director, and the chair of trauma surgery at UK explained the importance of the trauma network to prevent deaths from traumatic accidents and addressed the need for additional funding.

### **Referred Administrative Regulations**

The committee reviewed 46 ordinary and 8 emergency administrative regulations upon referral from the Legislative Research Commission under the review process established in KRS Chapter 13A.

## **Report Of The 2024 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. Steven Doan  
Rep. Patrick Flannery  
Rep. Payton Griffiee  
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, Stephanie Larkin, Eric Rodenberg, 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 six meetings.

### **Class-Action Lawsuit Advertising**

A student researcher from Western Kentucky University discussed a study conducted by the university and the Gatton Academy of Mathematics and Science regarding class-action lawsuit advertising, including the effects of the advertising on consumers and proposals for regulation.

### **Juvenile Justice And Adolescent Service Systems**

A representative of the Justice Center of the Council of State Governments discussed improving outcomes for youth who interact with the juvenile justice system. The representative presented key challenges and opportunities facing youth justice and adolescent service systems across the country, including increases in violent crimes committed by juveniles and availability of behavioral health services.

### **Court Appointed Special Advocate Program**

Representatives of the Kentucky Court Appointed Special Advocate (CASA) Network and CASA of the Bluegrass provided an overview of the program, including a discussion of statewide CASA program coverage, the number of volunteers, and the number of children served. Information was provided relating to the role of volunteers, the training provided for new volunteers, and the quality assurance testing of the onboarding process.

### **Fines And Fees Imposed By State And Local Governments**

Representatives of the Institute for Justice, the Reason Foundation, and the National Conference of State Legislatures presented information on court-imposed fines and fees and legal financial obligations. Several legislators discussed their experiences with individuals who had been negatively affected by the imposition of fines and fees; the legislators expressed support for legislation to address this issue. A District Court judge related her experiences with dispensing court-imposed fines and fees and voiced support for legislation on this matter.

### **Real-Time Crime Index**

The founder of AH Datalytics presented an overview of the Real-Time Crime Index, including how it provides assistance in identifying national crime trends in a more expedited manner. He stated that as more agencies and states provide data, additional trends and information can be produced.

### **Victim Information And Notification Everyday**

Representatives of the Administrative Office of the Courts (AOC), Appriss, the Department of Corrections (DOC), and a Circuit Court judge provided information regarding the status

of Victim Information And Notification Everyday and experiences with victim notification. Concerns regarding data privacy and usage were discussed. Victim notification continues through the prosecutors and the DOC.

### **Caregivers And Incarceration**

Representatives of Right on Crime, Dream.org, and Kentucky Youth Advocates, along with individuals affected by parental incarceration, presented information on parental incarceration and its effect on children, including financial hardships and instability. The representatives discussed legislation that has been proposed and adopted in other states addressing alternatives to parental incarceration, and they voiced support for similar legislation in Kentucky.

### **Wrongful Conviction Compensation**

Representatives of the Kentucky Innocence Project, the founder of the Chandler Project, and several exonerees discussed legislation presented in the 2024 Regular Session that would establish a wrongful conviction compensation fund. The exonerees discussed difficulties they encountered upon release and the lack of available support. An exoneree would be eligible for compensation only upon establishment of innocence, with additional enumerated requirements.

### **Department Of Criminal Justice Training**

Representatives of the Department of Criminal Justice Training provided an overview of the construction of a new training facility in Madisonville and addressed how recruits will be filtered for assignment between the training facilities in Richmond and Madisonville. An update was provided on the hiring of credentialed training instructors and the impact the Madisonville facility will have in reducing the waitlist and training time of police officers.

### **Department Of Public Advocacy**

Kentucky's public advocate and deputy public advocate detailed the caseload for Department of Public Advocacy (DPA) attorneys compared to the national average, salaries, DPA attorney turnover rates, and the increase in complications that DPA attorneys are experiencing regarding the ability to communicate with and meet with clients. They provided an update on the alternative sentencing worker program, the merging of the DPA Louisville office, and funding discrepancies. There was discussion of how recent legislative changes and court decisions affected DPA.

### **Department Of Corrections**

Representatives of the DOC presented a report on Kentucky's prison facilities. Construction is proceeding for the replacement for the Kentucky State Reformatory Correctional Medical Facility. Funding updates for appropriated capital projects were provided, as well as the status of functional building operations.

### **Medicaid For Justice-Involved Individuals**

Representatives of the Department for Medicaid Services (DMS), the DOC, and the Department of Juvenile Justice discussed approval of DMS's Reentry 1115 application aimed at improving care transitions for incarcerated individuals and juvenile offenders. Representatives of DMS outlined the program components, goals, eligible populations, and covered services, and they confirmed the plan to use Medicaid Section 5122 coverage. Information was provided regarding covered services for juvenile inmates. The representatives discussed health care costs of treating individuals in county jails and stated that the Reentry Project's initial approval applies only to state correctional facility inmates.

### **Men Of Valor Ministry**

The director of policy and government affairs of Men of Valor Ministry presented an overview of the organization's work and recent expansion efforts. She confirmed that Men of Valor programs had been made available in the Kentucky State Penitentiary in Eddyville, and she discussed funding and the work of the group in Tennessee.

### **Proposals Of The Uniform Law Commission**

A member of the Uniform Law Commission presented five uniform laws for consideration. They included the Uniform Directed Trust Act, the Uniform Trust Decanting Act, the Uniform Electronic Wills Act, the Uniform Electronic Estate Planning Documents Act, and the Kentucky Qualified Dispositions in Trust Act. Adoption of new proposals and amendments to existing statutory language was discussed with explanations regarding the proposed changes and the bases for the recommendations.

### **State Of The Judiciary**

The Chief Justice provided an overview of matters of significant relevance to the judicial branch, including installation and implementation of a statewide trial court case management system. He discussed a juror compensation study and provided information on statewide programs including citizens foster care review boards, mental health courts, and recommendations from the Kentucky Judicial Commission on Mental Health. He provided an update on construction of court facilities. Members of the committee expressed their appreciation to the Chief Justice upon his retirement, for his service to the commonwealth.

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

Representatives of AOC provided an update on the Behavioral Health Conditional Dismissal Program Pilot Project established by 22 RS SB 90, including the addition of several new counties, eligibility criteria, and the percentage of eligible individuals who elect to participate in the program. Data continues to be collected regarding the impact of the program on recidivism rates, education, and employment. Success stories were presented, and recommendations regarding a review of eligibility criteria were presented.

## **Guardianship Law**

The Kenton County attorney presented an overview of existing guardianship laws and outlined the most common reasons for entering into a guardianship or conservatorship. She discussed the number of guardianship filings over the past several years and provided the number of Kentuckians with a state guardian. She also addressed the “zealous advocate” standard versus the “best interest” standard for a guardian ad litem representing a client, and she discussed improving oversight and accountability of guardians.

## **Domestic Violence And Protective Order Cases**

Senator Cassie Chambers Armstrong, in her personal capacity as an independent researcher, and a representative of The Nest presented data collected from numerous counties and courtrooms regarding victims of domestic violence and victims seeking protective orders. The data, which related to access to legal representation and information about available advocates, included information regarding docket structures and judicial discretion. The data was segregated into rural counties and urban counties and the impact of location on available services and ultimate outcomes.

## **Proposed Legislation**

Several legislators discussed potential legislation for consideration in the 2025 Regular Session. The discussion included proposals relating to extending the distance a sexual offender can live from a school, playground, or day care facility; establishment of a wrongful conviction compensation fund; broadening laws regarding possession of a destructive or booby trap device; and prohibiting coercive control supported by the CEO of the Ion Center for Violence Prevention.





## **Report Of The 2024 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. Amy Neighbors  
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; prizefighting 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**

### **Building Trade Professionals**

Senator Gex Williams and the executive vice president of the Building Industry Association of Northern Kentucky discussed their proposal to enhance job training for building trade students to match the recent changes for educational programs from 24 RS SB 164.

### **Dietitian Licensure Compact**

The Council of State Governments provided discussion of model language for a dietitian licensure compact and encouraged supporters of the legislation to contact the state chapter or national office of their professional membership association. The compact could affect approximately 111,000 US dietitians who may provide services only within the state where they are licensed. The consumer protection coordinator of the Kentucky Academy of Nutrition and Dietetics asserted that the compact would provide licensees with opportunities for multistate practice, increase mobility for individuals who are relocating, improve public safety, and promote workforce development by reducing unnecessary licensure burdens.

### **EKU Fire Safety Engineers**

The fire protection and safety engineering technology program coordinator at Eastern Kentucky University (EKU), an assistant professor, noted that the university is one of three Accreditation Board for Engineering and Technology programs in the US to offer a bachelor of science degree in fire protection. This program is growing and recruiting students from around the world. In Kentucky, however, the EKU degree alone is not sufficient for becoming a licensed professional engineer. The state licensing board accepts only the Engineering Accreditation Commission (EAC) credential, not the Engineering Technology Accreditation Commission (ETAC) credential offered by EKU. When EKU received its original accreditation in 2015, only the ETAC was available. The main differences between EAC and ETAC accreditation requirements are advanced math courses. The University of Maryland has the only US fire protection engineering program with EAC accreditation.

### **Emergency Medical Services Staffing**

The chairman of the Kentucky Board of Emergency Medical Services discussed the shortage of paramedics and qualified trainers, particularly in eastern and western Kentucky.

## **Home Inspection Statute Of Limitations**

Representative Smith and the president of the Kentucky Real Estate Inspectors Association discussed legislation to create a 1-year liability limit on home inspector professional services. Liability does not sunset in Kentucky, and the state is experiencing a decrease in home inspectors. Several other states, such as Ohio, have implemented a 1-year limit.

## **Medical Imaging**

Representative Neighbors presented proposed legislation to update the definitions of *medical imaging* and *radiation therapy* and to recognize national organizations in statute. The update would regulate magnetic resonance imaging technologists and diagnostic medical sonographers and add one of each to the board, expanding the board from nine to 11 members. The legislation sets out specific civil and criminal penalties.

## **Physical Therapists**

Presenters from the Kentucky Board of Physical Therapy and the physical therapy (PT) business community requested the following changes: streamline and update language, define *PT assistant*, adopt a process for expungement of minor violations, allow reciprocal licensure without requiring supervised practice, change the onus of reporting a criminal conviction from a co-worker to the convicted individual, allow direct referral access for imaging, and increase fee caps but move them into administrative regulations.

## **Racing And Gaming**

### **Horse Racing And Gaming Corporation**

The president and CEO of the Kentucky Horse Racing and Gaming Corporation presented financial data relating to racing and gaming and testified about horse breeding growth due to breeder and development funds. The chief operating officer of the corporation discussed the implementation of 24 RS SB 299 and future plans, including the upcoming addition of charitable gaming.

### **Quarter Horses**

The executive director of the Kentucky Quarter Horse Racing Association proposed statutory changes to encourage breeders to transport mares to foal in Kentucky and assist in building a Kentucky broodmare brand. A 3-year sunset provision for the quarter horse mare program would ensure that stallions follow the mares to Kentucky, incentivizing people to move to the state. Because there is substantial money available for quarter horses after attracting more participants and horses to the program, the legislation would create jobs and contribute to the economy. A quarter horse racetrack is under construction in Ashland.

## **Kentucky Lottery Corporation**

The chief financial officer of the Kentucky Lottery Corporation provided an update on the lottery's record sales for FY 2024 and goals for FY 2025. The corporation's president discussed the funding of education and young people in specific trades, and a new partnership with the Kentucky Distillers' Association to sell a bourbon-themed lottery scratch-off game.

## **Alcoholic Beverages And Other Regulated Products**

### **Ready-To-Drink Alcoholic Beverages**

Members of the alcohol industry explained that ready-to-drink (RTD) products are low-alcohol by volume, typically come in a single-serving can or bottle, and are made with malt, wine, sugar, or distilled spirits. Consumer demand is tremendous, but RTD products are not available in grocery and convenience stores. They argued that beverages with identical or greater alcohol by volume are already allowed. Thirty-two states allow the sale of distilled spirits-based RTDs in grocery stores, and 30 of those states allow their sale in convenience stores. RTD proponents seek parity with malt beverages in both consumer availability and taxation. Opponents expressed concern about minors potentially gaining increased access to alcoholic beverages.

### **Retail To Restaurant Privilege**

The vice president of Rafferty's spoke on restaurateurs' desire to have the same opportunity as retail package stores to buy from retail outlets, instead of using distributors to meet consumer demand. Having the flexibility to service customers on a limited basis promotes tourism. Under their interpretation, since restaurateurs would still be purchasing alcoholic beverages and operating within the three-tier system, the ability to purchase retail to retail in limited situations would not be considered an exemption.

### **Distilled Spirits And Wine In Grocery Stores**

The senior vice president for government affairs of the Kentucky Retail Federation discussed whether grocery stores should be permitted to sell wine and how this change would affect liquor stores and overall alcohol consumption. The co-owner of Thoroughbred Liquors testified against expanding alcohol sales in grocery and convenience stores, stating that the three-tier system model is working by allowing alcohol sales in a separate building that minors cannot enter.

### **Vintage Distilled Spirits**

Proponents wish to change vintage distilled spirits laws by establishing exemptions for large collections, privileges to ship to licensees and consumers, and clearer package definitions.

## **Intoxicating Hemp Beverages**

Hemp-derived intoxicating beverages and other hemp-derived products are legal in Kentucky and are regulated by the Department for Public Health (DPH). Industry members argued that hemp beverages are like alcoholic beverages and should be regulated more stringently under the Alcoholic Beverage Control Board. They testified that the intoxicating effect of a hemp beverage is roughly equivalent to that of a can of beer. Metabolites from hemp beverages can stay in a person's system for up to 30 days, raising concerns over drug tests, DUI laws, and employment. Opponents testified that DPH should continue to regulate hemp beverages.

## **Tobacco And Vaping**

Senator Higdon discussed proposed legislation to improve tobacco and vapor product regulation with a focus on tightening enforcement, imposing heavier penalties for retailers that sell tobacco and vapor products to underaged customers, and modifying retailer licensing.

A pediatrician, along with representatives from #iCANendthetrend Youth Advisory Board at the University of Kentucky, spoke about eliminating secondhand smoke and youth tobacco use and deterring nicotine use through education and stricter enforcement of retailer penalties.

A representative of the vaping industry testified about the potential economic and regulatory impacts of upcoming court decisions.

## **Other Areas Of Jurisdiction**

### **Certificate Of Need**

Senator Stephen Meredith explained that the Certificate of Need (CON) program is a state regulatory tool that controls the number of health care resources in an area and requires a health care provider to demonstrate a community need before establishing or expanding a health care facility or service. The CON certification process is accomplished through the Cabinet for Health and Family Services. He stated that CON remains important to minimize the problems of increasing costs and diminishing quality of services.

The Pacific Legal Foundation noted that CON laws were enacted to decrease government spending in health care and increase the quality of health care services, but that they have failed on both counts. For the last 40 years, every federal administration has called for states to repeal CON laws, and 90 percent of peer-reviewed tests show that CON laws are associated with negative or neutral outcomes for health care users. A dominant competitor provider often uses CON laws as grounds to sue, causing applicants to withdraw to avoid costly and time-consuming litigation. Representative Marianne Proctor testified that she supports eliminating the competitor veto, emphasizing that CON laws unfairly limit and scrutinize health care unlike any other industry.

**Barriers To Employment For Those With Criminal Records**

Representative Callaway discussed her proposed legislation to reduce employment barriers for those with criminal records while maintaining protections appropriate for ensuring public safety, potentially allowing approximately 32,000 Kentuckians to enter the workforce. She noted that research consistently finds access to gainful employment key to reintegrating criminal offenders into society and reducing recidivism, but unnecessarily burdensome occupational licensing restrictions make it difficult for them to find work.

**Praxis Testing**

Representative Banta explained proposed legislation that would make the Praxis test an optional hiring requirement for school districts.

**Birthing Centers**

Senator Shelley Funke Frommeyer and Representative Jason Nemes proposed legislation to allow freestanding birth centers as an alternative location for healthy pregnancies.

## **Report Of The 2024 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. Christian McDaniel  
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. Ken Fleming  
Rep. Deanna Frazier Gordon  
Rep. Chris Freeland  
Rep. Mark Hart  
Rep. Mary Beth Imes  
Rep. Jacob Justice  
Rep. Matt Lockett  
Rep. Michael Meredith  
Rep. Marianne Proctor  
Rep. Rebecca Raymer  
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.

### **Lexington-Fayette Urban County Government And Louisville Metro Governments' Operational Successes, Challenges, And Compliance**

The mayor of Lexington provided an overview of the city's governmental challenges, including recruitment and staff retention. The city's chief of police discussed staffing and noted initiatives in telecommunication and camera technology. The city's assistant fire chief also testified on staffing issues, as did the chief of the Lexington-Fayette County Detention Center.

The mayor of Louisville Metro noted its economic development plan, and the acting police chief discussed crime and department staffing. The city's fire chief provided an overview of the department's jurisdiction and operations.

### **County Jails**

The executive director of the Kentucky Association of Counties discussed the fiscal impact of county jails on county finances, characterized the distribution of types of inmates in jail custody, funding for jails, and jail expenses. The judges/executive of Menifee and Rowan Counties provided insights into their counties' handling of prisoners, prisoner demographics, and jail costs from the perspectives of a county with a large jail and a county with a jail that was closed.

### **Challenges And Successes In The Offices Of Coroners, Sheriffs And County Clerks**

**Coroners.** The coroners of Madison, Lincoln, and Fayette Counties discussed the Kentucky Coroner's Association's efforts at improving coroners' salaries, the pressures of the office, and raising the status of the office to be that of a career.

**Sheriffs.** The executive director of the Kentucky Sheriffs' Association, the chief deputy of the Kenton County Sheriff's Office, and the Warren County sheriff discussed mental health professionals working with law enforcement on calls involving persons in mental health crises, and the need to improve the availability of qualified mental health providers. A retired police chief, formerly with the Lawrenceburg Police Department, discussed amendments to KRS 64.090 dealing with sheriffs' fees for sharing information for national security clearances when those clearances are required for employment.

**County Clerks.** The president of the Kentucky County Clerk's Association provided an update on county clerks' responsibilities and challenges regarding elections law changes, the land records modernization task force's mandates to county clerks, funding for that effort, meeting the task force's goals, and vehicle registration under the new Kentucky Automated Vehicle Information System.



## **Distribution Progress Of HB 1 Moneys**

The commissioner of the Department for Local Government (DLG) presented a report of moneys DLG is responsible for distributing pursuant to 2024 RS HB 1 and 2024 RS SB 91. The report outlined the disbursement process and appurtenant paperwork requirements. DLG received 105 letters of intent and paperwork to distribute \$143 million out of a total of \$368 million. Already, \$91 million has been transferred to local governments.

## **Secretary Of State's Land Office Functions And Digital Mapping Update**

Representatives of the Office of the Secretary of State discussed the history and filings process of the Kentucky Land Office, including certificate of legal title filings, revenue bonds, state deeds, land patents, and land filings.

A representative of the Commonwealth Office of Technology provided an update on the progress of KyFromAbove, an imagery project. The representative provided a history and process of Kentucky boundary mapping, including discussion of county boundaries.

## **Department Of Criminal Justice Training**

The assistant director of the Administrative Division of the Department of Criminal Justice Training gave a progress report on construction of a training center in Madisonville.

## **Firefighter Organizations**

The interim executive director of the Kentucky Fire Commission, the executive director of the Kentucky Association of Fire Chiefs, the director of legislative affairs of Kentucky Professional Fire Fighters, and the president of the Kentucky Firefighter's Association discussed challenges facing firefighting and legislative solutions. Recruitment and retention occupied most of the discussion.

## **Fraternal Order Of Police**

The governmental affairs chair of the Fraternal Order of Police discussed challenges facing police, as well as legislative solutions. Changes to pensions and insurance were cited as beneficial for retention and recruitment.

## **State Fire Marshal's Office**

The state fire marshal and the commissioner of the Department of Housing, Buildings and Construction gave an overview of the State Fire Marshal's Office and its functions and challenges. There was discussion of the office's historical funding and source of funds, past and present staffing levels, the number of deputized departments and their responsibilities, fire investigation statistics, data on injuries and fatalities among firefighters and civilians, property loss records, and standardized report methods.

**Special Purpose Governmental Entity Report**

DLG's Cities and Special Districts branch manager and staff attorney presented the annual special purpose governmental entity (SPGE) report and discussed what SPGEs are, DLG's statutory responsibility, the SPGE system, and database enhancement release roadmaps. The interim executive director and the training records and compliance specialist of the Kentucky Fire Commission discussed fire department compliance reporting.

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

Legislative platforms for 2025 were presented by the executive director/CEO, president, and first vice president of the Kentucky League of Cities and by the executive director/CEO, president-elect, and first vice president of the Kentucky Association of Counties.

## **Report Of The 2024 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. 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; gasohol and other alternative fuels.

## Committee Activity

The Interim Joint Committee on Natural Resources and Energy held six meetings.

### Electricity Generation, Transmission, And Reliability

**Energy Review And Outlook.** The chairman of the Public Service Commission stated that the current electricity generation mix in Kentucky is 71.4 percent coal-fired, 19 percent natural gas-fired, and 9.4 percent renewable energy. There are no expected changes in generation capacity, transmission, or fuel delivery systems through 2025.

Several pending or proposed environmental rules will pose electric transmission cost and reliability concerns. In the last 13 years, the wholesale cost of transmission has tripled for the regional transmission operator that serves parts of eastern Kentucky. Currently, the cost of transmission is half of the cost of energy. In the past, the cost of transmission was approximately 10 percent to 15 percent of the cost of energy.

### Industrial Electricity Customer Responses To The Changing Energy Environment.

The general counsel for Kentucky Industrial Utility Customers stated that, among Kentucky's regional transmission operators and the North American Electric Reliability Corporation, there is consensus that an electric grid reliability crisis is looming. Demand for electric power is increasing, while coal-fired electric generation has declined without being replaced by similarly reliable power generation resources.

Representatives of Nucor Steel and Toyota Motor North America discussed the importance of reliable, uninterruptible power supplies for their businesses and the strides they have made to become more energy efficient.

**EPA's Rule On Greenhouse Gas Standards For Fossil Fuel-Fired Power Plants.** The commissioner of the Department for Environmental Protection stated that the US Environmental Protection Agency's (EPA's) new federal rule on greenhouse gas standards for fossil fuel-fired power plants might affect current and future electric generation in Kentucky. The federal rule revises the greenhouse gas emissions standards for new or modified fossil fuel-fired electrical generating units (EGUs) to require them to capture 90 percent of carbon dioxide emissions by 2032.

The commissioner expressed concern that the best system of emission reduction identified by the EPA to achieve these carbon dioxide emissions reductions was carbon capture and sequestration (CCS), which may not be appropriate given its questionable technical and financial feasibility. He raised concerns that the federal rule conflicts with state law, which prohibits EGUs from switching from coal to other fuels, prohibits co-firing fuels with coal, and prohibits limiting the use of an EGU in order to reduce carbon dioxide emissions.

An attorney representing entities challenging the EPA's new greenhouse gas rule stated that 27 states oppose the federal rule, 22 states support it, and Nevada has remained neutral. Challengers of the rule argue that CCS does not meet the legal requirements to be considered

adequately demonstrated, the infrastructure needed to capture and store 90 percent of an EGU's carbon emissions does not exist, the rulemaking is a violation of the major questions doctrine, and the rule interferes with states' rights.

**Kentucky Nuclear Energy Development Authority And Energy Planning And Inventory Commission.** The director of the University of Kentucky Center for Applied Energy Research discussed steps taken to establish the Kentucky Nuclear Energy Development Authority (KNEDA), created by 2024 RS SB 198, and the Energy Planning and Inventory Commission (EPIC), created by 2024 RS SB 349. The Governor was still making his appointments to KNEDA and EPIC.

KNEDA is ready to support the development of the nuclear industry in Kentucky, including in the Paducah area, where several companies have expressed interest in building a nuclear facility. EPIC is also ready to begin studying demand growth in the industrial and residential sectors, as well as the impact of electric vehicles on the electric grid, once its membership has been appointed.

The first round of funding for both was made via a quasi-endowment dispersed on October 1, 2024. The General Assembly provided \$20 million in funding for each year of the biennial budget.

**New Hydroelectric Power Projects On The Kentucky River.** The president of Appalachian Hydro Associates (AHA) stated that in 2024, Kentucky received \$73 million from the federal Inflation Reduction Act to build four hydroelectric power plants.

Hydropower provides 26.6 percent of the renewable electricity and 5.7 percent of the total electric generation in the US. Only 3 percent of Kentucky dams have hydroelectric power plants, but Kentucky has 35 additional dams with the potential to produce 616 megawatts of hydroelectric power. AHA is working on licenses for six projects on the Kentucky River, which are to generate 17.69 megawatts of power.

**Kentucky Electric Cooperatives.** The vice president of government affairs of Kentucky Electric Cooperatives stated that there are 26 nonprofit electric cooperatives in Kentucky: 24 customer-owned distribution cooperatives and 2 generation and transmission cooperatives, serving 1.8 million Kentuckians in total. The two generation and transmission cooperatives are East Kentucky Power Cooperative (EKPC) and Big Rivers Electric Cooperative (BREC).

The general counsel for EKPC stated that it is an electric generation and transmission cooperative providing power to 16 distribution cooperatives in 89 counties. Existing electric generating sources are increasingly stressed due to the retirement of coal-fired generation plants, the increasing energy demand from the technology sector (including data centers), onshoring and economic development, and an increase in use of electric vehicles. Uncertainty in the industry is driven by factors including fuel security, permitting and interconnection delays, supply chain interruptions, interest rates, infrastructure protection, and environmental regulation.

The general counsel and vice president of BREC stated that it is a nonprofit electric generation and transmission cooperative providing power in 22 western Kentucky counties. In 2023, the generation mix at BREC was 95 percent coal and 5 percent natural gas, which reflects the importance of coal to its baseload energy generation for system reliability and affordability. By 2025, BREC intends to generate and access power from a diverse portfolio including hydropower and solar power. BREC expects to achieve a 74 percent reduction in carbon dioxide from 2010 to 2025, which exceeds the requirements in the federal Clean Power Plan.

## **Water And Wastewater Infrastructure Funding**

**Water And Wastewater Assistance For Troubled Or Economically Restrained Systems Program.** The executive director of the Kentucky Infrastructure Authority (KIA) stated that it will administer the Water and Wastewater Assistance for Troubled or Economically Restrained Systems (WWATERS) program established by 2024 RS HB 563. Requests for funding from WWATERS from July to August 2024 totaled \$700 million. In December 2024, KIA was to provide project applications and scores with funding recommendations to the General Assembly. During the 2025 Regular Session, the General Assembly is to select which projects receive funding. The General Assembly provided \$75 million for each year of the biennium, and approved applicants are to receive funding in the form of a loan, a forgivable loan, or a grant for both capital and noncapital projects.

## **Fishery Management**

**Proposed Stocking Of F1 Hybrid Largemouth Bass.** Representative Blanton and advocates for the increased stocking of fish in Paintsville Lake discussed the benefits of stocking F1 hybrid largemouth bass. F1 hybrids are desirable because they grow quickly and achieve sizes large enough to be considered trophy fish, which attract fishing tourism and related economic growth. The Department of Fish and Wildlife Resources Commission had been reluctant to allow the stocking of F1 hybrids in public waters due to concerns that the introduction of nonnative species could impair the growth, survival, and reproductive ability of native bass, but the commission plans to consider allowing the limited stocking of F1 hybrids in Paintsville Lake in the near future.

## **Reports Received**

- Telecommunications Access Program Annual Report, Fiscal Year 2024
- Report of the Audit of the Kentucky Department of Fish and Wildlife Resources, Fiscal Year 2024
- Low Income Home Energy Assistance Program Block Grant Program Status Report, January 2024–June 2024
- Report of the Audit of the Kentucky 911 Services Board, Fiscal Years 2022 and 2023
- Department of Fish and Wildlife Resources Annual Report of Law Enforcement Professional Standards, 2024
- Energy and Environment Cabinet Hazardous Waste Management Fund Report, 2024
- Department of Fish and Wildlife Resources No Net Loss of Hunting Land Report, 2024

- Department of Fish and Wildlife Resources Hunger Relief Program Report, 2024
- Public Service Commission Report on Pole Attachments for Broadband Service, 2024
- Report of the Audit of the Kentucky Heritage Land Conservation Nature License Plate Fund, Fiscal Year 2024
- Kentucky Department of Fish and Wildlife Resources Chronic Wasting Disease and Wildlife Diseases Status Report, 2024

### **Referred Block Grant Application**

- Low Income Home Energy Assistance Program Block Grant Application, Fiscal Year 2025

### **Referred Administrative Regulations**

As of November, the committee had reviewed 33 administrative regulations upon referral from the Legislative Research Commission under the review process established in KRS Chapter 13A.





## **Report Of The 2024 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	Rep. Derrick Graham
Sen. Greg Elkins	Rep. Richard Heath
Sen. Denise Harper Angel	Rep. Samara Heavrin
Sen. Amanda Mays Bledsoe	Rep. Keturah Herron
Sen. Christian McDaniel	Rep. John Hodgson
Sen. Michael J. Nemes	Rep. Thomas Huff
Sen. Brandon J. Storm	Rep. Mary Beth Imes
Sen. Damon Thayer	Rep. DJ Johnson
Sen. Phillip Wheeler	Rep. Matthew Koch
Sen. Gex Williams	Rep. Scott Lewis
Rep. Jared Bauman	Rep. Matt Lockett
Rep. Tina Bojanowski	Rep. Savannah Maddox
Rep. Adam Bowling	Rep. Kimberly Poore Moser
Rep. Josh Branscum	Rep. Steve Rawlings
Rep. Josh Calloway	Rep. Josie Raymond
Rep. Adrielle Camuel	Rep. Nancy Tate
Rep. Beverly Chester-Burton	Rep. James Tipton
Rep. Jennifer Decker	Rep. Wade Williams
Rep. Jim Gooch Jr.	Rep. Susan Witten

LRC Staff: Daniel Carter, Michael Clancy, Jesse Farler, 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 six meetings.

### Illegal Immigration

A representative of the US Immigration and Customs Enforcement (ICE), Chicago Field Office, discussed ICE's process when notified of detention of an undocumented immigrant. No federal law requires that ICE be notified, and most ICE arrests are administrative.

The secretary of state testified that the policy of his office, the State Board of Elections (SBE), and county clerks is that noncitizens are not permitted to vote in any Kentucky election. He has seen no evidence of noncitizens voting or attempting to vote in Kentucky elections. The president of the Kentucky County Clerk's Association (KCCA) agreed.

The commissioner of Kentucky State Police (KSP) stated that KSP has no mechanism for tracking arrests or interactions with undocumented immigrants. If warranted, KSP can request assistance from federal law enforcement. The legislative chair of the Kentucky Commonwealth's Attorneys' Association stated that there is little infrastructure for data collection and tracking of undocumented individuals who are arrested.

The commissioner of the Department for Medicaid Services, Cabinet for Health and Family Services, discussed programs and applicable federal and state regulations relating to health care for undocumented individuals.

An official of the Kentucky Department of Education explained that, as a result of a 1987 US Supreme Court decision, the US Department of Education has instructed schools not to inquire about citizenship status when enrolling students in grades K-12.

### Capitol Campus Renovation And Construction

The Finance and Administration Cabinet secretary and the commissioner of the Department for Facilities and Support Services testified that the Capitol campus renovation and construction is a \$291.5 million project. The state has met the project's scope and stayed within budget. The renovation of the Capitol is to begin in June 2025 and is estimated to take 3½ years to complete.

### State Motor Vehicle Pool

The executive director of the Office of Fleet Management stated that his office manages approximately 4,000 motor pool and passenger vehicles for use by state agencies across the commonwealth. In May 2023, the office transitioned to a new fleet management software system. The fleet is currently replacing 2007 and 2008 vehicles. When asked, the executive director stated that state government is not required to purchase a certain amount of electric vehicles.

## **Election Administration, Security, Funding, And Open Records**

The president of the Kentucky County Clerk’s Association stated that counties were ready to comply with new laws to provide early voting, vote centers, and on-demand ballot printing for the 2024 election. All counties have paper ballots. The KCCA president and the Montgomery County clerk discussed advances implemented by county clerks to strengthen election security and improve the voting process. Both suggested that the State Board of Elections respond to certain open records requests commonly received by multiple county clerks, as clerks often lack sufficient staff to adequately respond to requests. Funding remains a concern, as the State Board of Elections reported a shortfall of over \$3 million for the county clerks’ election personnel costs. Cybersecurity is another concern, and counties should be reimbursed for the cost of producing video footage of drop boxes and election equipment.

## **School Districts And Use Of Tax Dollars On Ballot Initiative Advocacy**

The senior counsel and the general counsel, Office of the Attorney General, testified on an Attorney General advisory opinion related to proposed constitutional amendment two on the November 2024 statewide general election ballot. The advisory stated that the amendment would enable the General Assembly “to provide financial support for the education costs of students in kindergarten through 12<sup>th</sup> grade who are outside the system of common (public) schools” and that public resources may not be used to advocate for or against the amendment. The Office of the Attorney General is prepared to take any necessary action within its authority to ensure that constitutional and statutory limitations are upheld.

## **Voter List Maintenance**

The executive director, assistant executive director, and general counsel of the State Board of Elections discussed voter list maintenance. The National Voter Registration Act (NVRA) governs state requirements to administer voter registration for federal elections. KRS 116.112 directs SBE to establish a voter registration purge program using change-of-address information supplied by the US Postal Service or other sources.

Kentucky is one of 24 states that are members of the Electronic Registration Information Center (ERIC), a nonprofit, nonpartisan organization created in 2012 by state election officials. A 2018 consent judgment issued by the US Department of Justice mandates that Kentucky follow the provisions of the NVRA and use ERIC as one source for change-of-address information. The General Assembly authorized SBE to enter into agreements with non-ERIC states to exchange voter data. SBE is engaged daily in maintaining voter lists and is required to issue a comprehensive status report regarding voter registration cleanup and maintenance by July 1 of each year. No voter’s registration is removed solely for failure to vote.

## **KAVIS And County Clerk Modernization Priorities**

The Jefferson County Clerk and members of her staff discussed the January 2024 ransomware attack on the Jefferson County Clerk’s Office by Ransom Hub, a Russian syndicate. No ransom was paid, no voter data was affected, and most services were soon restored. The office has a plan

for system protection, mitigation, and recovery. Some members of the committee emphasized the need to pursue passage of cybersecurity legislation and take advantage of available federal funds to address cybersecurity.

The Kentucky Automated Vehicle Information System (KAVIS) is slower than the system it replaced in January 2024. There are minor problems to be addressed by the Transportation Cabinet's Department of Vehicle Regulation.

### **2025 Kentucky Employees' Health Plan**

The commissioner of the Personnel Cabinet's Department of Employee Insurance stated that average net payments per claim have continued to grow. Plan experiences for medical and pharmacy costs follow national trends. Costs are increasing due to price inflation and increased use. Medical spending is increasing for chronic conditions, outpatient procedures, and behavioral health care. The increase in drug spending is partially offset by increases in rebates that pass on to the plan.

For the 2025 plan year, there is no increase to employee premium contributions and no changes to co-pays, co-insurance, deductibles, or maximum out-of-pocket amounts. A fourth plan option is being offered: a qualified high-deductible health plan (LivingWell HDHP) that offers lower premiums than the Basic Consumer Driven Health Plan (CDHP).

### **Kentucky Public Pensions Authority**

The executive director of the Kentucky Public Pensions Authority (KPPA) and the executive director of its Office of Benefits reviewed investment returns for FY 2024, plan cash flows, actuarial statistics, possible proposed legislation for the 2025 Regular Session, and federal legislative changes that could affect KPPA. Investment returns for all pension and insurance plans exceeded their actuarial assumed rates of return for FY 2024. All pension plans had positive cash flow for FY 2024. Four of five insurance plans are fully funded, but three of five plans had negative cash flow for FY 2024. In 2049, pension plans are expected to be fully funded.

KPPA may propose legislation in the 2025 Regular Session to create a new Office of Financial Management and to split the current Division of Accounting into two divisions. In response to a Kentucky Court of Appeals opinion, KPPA may also propose pension-spiking legislation to address across-the-board raises and increases in creditable compensation for all employees in a specified class.

### **Judicial Form Retirement System**

The executive director of the Judicial Form Retirement System (JFRS) provided a quarterly investment and cash flow update. JFRS uses Baird Trust as its sole investment provider. Historically, JFRS has had a good cash flow position and employs a long-term approach toward investment, taking the position that over a 15- to 20-year period, the US market is going to outperform other markets. Both the judicial and the legislative plans outperformed

their 3-, 5-, 10-, 20-, and 30-year, and FY 2024 benchmarks. JFRS experienced negative cash flow for FYs 2023 and 2024, paying out more in benefits than it received in contributions. The federal Inflation Reduction Act may increase retiree health insurance premiums by as much as 35 percent.

### **Teachers' Retirement System**

The deputy executive secretary and general counsel of the Teachers' Retirement System (TRS) reviewed data relating to investment performance, cash flow, and asset allocation for the retirement annuity and health insurance trusts; current and projected actuarial status; cost sharing for retiree health care; and funded status and premium levels of TRS health insurance.

The biennial budget enacted in the 2024 Regular Session provided TRS with 10 straight years of full, or nearly full, pension annuity funding. Asset allocation for both the retirement annuity and the health insurance trusts was well within the target range set by the investment committee. Thirty-year actuarial projections indicate that, at full funding, TRS required contributions and unfunded liabilities will decrease through year 2053, the funded ratio will reach 100 percent, and the legacy unfunded liability will be paid in full.

As a result of shared responsibility legislation, the commonwealth's cost for health insurance began dropping dramatically. Depending on medical and health insurance inflation and continued access to federal funding and rebates, the health insurance trust should be fully funded in 2026.

### **Department Of Fish And Wildlife Resources**

The commissioner of the Department of Fish and Wildlife Resources provided an overview of the department. Game wardens comprise approximately 25 percent of the employee base. They enforce all state laws but primarily focus on enforcement of laws related to boating, fishing, and hunting.

The department operates three conservation camps, and it completed ramp and boating access projects in six counties in 2023 and 2024. Similar projects are scheduled for three counties in 2025. The Fisheries Division stocks 4.5 million fish statewide from its two hatcheries and continually works to increase habitat projects statewide.

### **Disaster Relief**

The director of Kentucky Emergency Management shared estimated damages for three recently declared disasters in Kentucky: approximately \$303 million from the western Kentucky tornado, \$636 million from flooding in eastern Kentucky, and \$41.9 million from the 2024 Memorial Day storm. A representative of the Federal Emergency Management Agency (FEMA) outlined when FEMA engages in disaster relief and how FEMA supported Kentucky with direct housing missions through the Survivor Assistance Grant Program.

The executive director of the Public Protection Cabinet discussed the Team Western Kentucky Tornado Relief Fund and the Team Eastern Kentucky Flood Relief Fund. The state budget director provided an update of the West and East Kentucky State Aid for Emergencies Funds.

#### **2024 RS HB 575 – AN ACT relating to the acquisition of agricultural land**

Representative Richard Heath discussed proposed legislation, which he co-sponsored with Representative David Hale, to prohibit countries considered hostile to the US from purchasing agricultural land. He noted that 19 states have passed similar legislation.

#### **2024 RS HB 777 – AN ACT relating to government contracts and declaring an emergency**

Representative Shawn McPherson spoke in support of 2024 RS HB 777, which would require administrative regulations to establish policies regarding timely payments under government contracts. He spoke of weakness and inefficiency in the current contract process and discussed a failed attempt by constituents in his district to use grant funds to restore a depot for the purpose of enhancing tourism. The executive director/CEO of the Kentucky Nonprofit Network testified in support of the legislation, stating that reforms are critical, foundational, and immediately needed. The network is in communication with the Finance and Administration Cabinet to address needed reforms via regulation.

#### **2024 RS HB 141 – AN ACT relating to water fluoridation programs**

Representative Mark Hart discussed 2024 RS HB 141. The legislation would make water fluoridation programs optional and allow governing bodies of water systems to decide whether to participate in water fluoridation programs. A registered nurse, representing Kentucky for Fluoride Choice, spoke in support of the legislation.

### **Administrative Regulation Review**

The committee approved administrative regulations 031 KAR 005:026 and 105 KAR 1:411.

## **Report Of The 2024 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  
Sen. Shelley 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. Chad Aull  
Rep. Shane Baker  
Rep. Ryan Dotson  
Rep. Daniel Fister  
Rep. Deanna Frazier Gordon  
Rep. Chris Freeland  
Rep. Chris Fugate

Rep. Richard Heath  
Rep. Nima Kulkarni  
Rep. William Lawrence  
Rep. Savanna Maddox  
Rep. Candy Massaroni  
Rep. Shawn McPherson  
Rep. Michael Sarge Pollock  
Rep. Rachel Roberts  
Rep. Sarah Stalker  
Rep. Ashley Tackett Laferty  
Rep. Nancy Tate  
Rep. Killian Timoney  
Rep. Timmy Truett  
Rep. Bill Wesley  
Rep. Richard White  
Rep. Nick Wilson  
Rep. Susan Witten

LRC Staff: Janine Coy, Austin Johnson, Matissa Robinson, Christian Deeter, 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 the Red River Gorge's Climbers' Coalition discussed the gorge as one of the state's most famous and popular destinations for climbing, attracting climbers from around the world. The coalition proposed amending the recreational use statute to include rock climbing, bouldering, and rappelling as protected activities.

Representatives of Fleming County and the City of Flemingsburg discussed tourist and convention commissions and advocated to amend KRS 91A.360 to allow a chief local elected official to appoint persons to the commission.

The vice chair of Ohio River Way provided an update on ongoing efforts to develop and connect recreation resources along the Ohio River. 2024 RS HB 712 established the Kentucky Ohio River Regional Recreation Authority (KORRRA) to promote tourism and outdoor recreation in 25 counties along the river. Campbell, Boone, and Kenton Counties have joined, but the authority requires participation from at least 11 counties in order to become fully operational. KORRRA is administratively attached to the Department for Local Government.

#### **Economic Impact Of Tourism**

Representatives of the Kentucky Historical Society (KHS) discussed increases in K-12 student and teacher programming, social media reach and online ratings, and campus visitation. In 2023, KHS employed 50 people in Frankfort with payroll and benefits totaling over \$4 million, spent over \$2.5 million on goods and services in Frankfort, and served over 30,000 visitors. KHS representatives stressed the economic impact of museums and discussed Kentucky History Day, the Kentucky History Awards, the Kentucky Local History Trust Fund, Old State Capitol and civics programming, National History Day, the Harrodsburg 250<sup>th</sup> celebration and history roadshow, and the historical marker program.



The president of the Morehead-Rowan County Chamber of Commerce and Economic Development Council gave an update on the area's workforce shortfalls, industrial development, and Kentucky Product Development Initiative program projects. The executive director of Morehead-Rowan County Tourism detailed tourist attractions and outdoor recreation opportunities including Daniel Boone National Forest, Cave Run Lake, the Kentucky Folk Art Center, the Cave Run Story Telling Festival, and the Rudy Fest Bluegrass Festival. The executive director discussed the progress of area projects certified through the state's Trail Town initiative, which have increased hospitality and dining accommodations and made improvements to the area's visitor center. The executive director said there was an increase in economic impact of \$2 million as a result of receiving American Rescue Plan Act funds and encouraged members to maintain the 1 percent state transient room tax.

The executive director of Backroads of Appalachia highlighted its impact in Eastern Kentucky. Backroads of Appalachia creates economic development through motor sports and focuses on community involvement in partnership with local small businesses. Backroads of Appalachia has an estimated 2024 economic impact of more than \$50 million and has brought more than 37,000 visitors to Eastern Kentucky.

The president of the Kentucky Distillers' Association (KDA) and its director of governmental and regulatory affairs highlighted bourbon's contribution to the state's economy, history, and culture. KDA has 123 members comprising 70 distilling members and 53 industry partners, with 86 distilling member operations in 42 counties. Bourbon is a \$9 billion industry that supports over 23,100 jobs with annual salaries, wages, and benefits of \$2.2 billion. The industry generated \$358 million in local and state taxes in 2023. Through attractions like the Kentucky Bourbon Trail, which attracted over 2.5 million visitors in 2023, the industry has generated significant revenue for local businesses and hospitality sectors.

Northern Kentucky is to host a large-scale festival in October 2025 to celebrate the Ohio River's historical significance and to commemorate the 250<sup>th</sup> anniversary of the United States. The event, spanning Cincinnati, Covington, and Newport, is expected to attract hundreds of thousands of visitors with riverboat cruises, music, food, and historical exhibits showcasing the river's role in westward expansion and American heritage. The Kentucky Historical Society offered \$10,000 America250KY grants to local institutions to enhance community events and programs leading up to the national milestone. This initiative supports heritage tourism and economic growth while emphasizing the commonwealth's pivotal role in US history.

### **Kentucky State Parks**

Representative Steve Riley and the Barren County judge/executive discussed the condition of Barren River Lake State Resort Park. The judge/executive explained that a lack of routine maintenance and repairs caused portions of the park to deteriorate even though it is an economic asset to the area. Issues discussed included needed repairs to the park's pool, an improperly installed roof, and staffing shortages.

The commissioner of the Department of Parks provided an update on the \$150 million for state park improvement projects in 2023 and 2024. In 2024, the department approved \$27 million for building systems improvements, \$22 million for accommodation and hospitality upgrades, and \$22 million for recreational amenity upgrades.

### **Small Business Development**

Awesome Inc. discussed its services and programs for startups, professionals, and students interested in tech-related careers and entrepreneurship. The organization works to support entrepreneurs and has served 700 Kentucky startups. Accelerator companies have created almost 800 jobs, with over \$155 million in investments raised.

### **Information Technology Education And Workforce Development**

Through collaboration with the private sector, K-12 public schools, postsecondary education partners, and state and federal government, Dataseam offers advanced computers to school districts across the state. This initiative is designed to improve the commonwealth's rural technology workforce, to create a statewide grid system that commercializes university research, and to recruit students into STEM-related fields through scholarships and other opportunities at the University of Louisville and Morehead State University. Dataseam works with 55 school districts representing 40 percent of K-12 public school students. Superintendents and chief operating officers of Jenkins Independent Schools, Breathitt County Schools, and Lawrence County attested to their districts' experiences with Dataseam and the positive impact on their school districts and workforces.

### **Broadband Development**

The executive director of the Office of Broadband Deployment (OBD) provided an update on its broadband deployment fund implementation and progress of the Broadband Equity, Access, and Deployment (BEAD) Program. Round 1 of funding totaled almost \$90 million of \$203 million total investment touching 36 counties. The American Rescue Plan Act funded 57 additional projects, reaching 45,500 locations. The BEAD program's initial proposal described the challenge process that determined eligible locations. The proposal was approved by the National Telecommunications and Information Administration (NTIA), started in May 2024, and received over 400,000 challenges. OBD has started receiving prequalification information from prospective subgrantees. Applications are held through an online portal, and final approval from NTIA is required before the BEAD application process can be opened and funds can be released to recipients. The US Department of Agriculture (USDA) will announce Connect and ReConnect awards for broadband. USDA projects will be ineligible for the BEAD program.

## **Report Of The 2024 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. Adrielle Camuel  
Rep. Jonathan Dixon  
Rep. Daniel Elliott  
Rep. Ken Fleming  
Rep. Peyton Griffie  
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. Kimberly Poore Moser  
Rep. Amy Neighbors  
Rep. Ruth Ann Palumbo  
Rep. Rachel Roberts  
Rep. Tom Smith  
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 held six meetings.

### **KYTC's Implementation Of 2024 Regular Session Legislation**

The secretary of the Kentucky Transportation Cabinet (KYTC) reviewed implementation of 2024 Regular Session legislation, focusing on the 1,700 projects in the state highway plan, the Kentucky Automated Vehicle Information System (KAVIS), and Representative Blanton's legislation on work zone safety.

### **KAVIS**

Throughout the Interim, the executive director of KYTC's Office of Information Technology provided regular updates on the newly implemented Kentucky Automated Vehicle Information System (KAVIS), comparing KAVIS in 2024 to the Automated Vehicle Information System in 2023, including total collection, ad valorem collection, and checkouts. Briefings covered prioritized system improvements, including bulk transactions, reporting, data cleanup, and enhancements to speed and efficiency.

Challenges were realized early on as the system converted from a vehicle-centric model to a customer-centric model. Rebuilt titles had a backlog increase due to staffing shortages and some early KAVIS challenges, but improvements were made and the backlog was corrected.

An update was given on the Kentucky eTitling/eLien service (KYELT), which will allow dealers and other fleet owners to electronically file title paperwork. A pilot KYELT program began in October 2024, and full implementation is expected in the first quarter of 2025.

Throughout the Interim, county clerks spoke of the challenges of implementing KAVIS. Many of those challenges have seen improvement as the clerks continue to offer suggestions for sustained improvement.

### **Driver's Licensing System And New Regional Offices**

The commissioner of KYTC's Department of Vehicle Regulation provided an update on how the Kentucky Driver Licensing Information System (KDLIS) and new regional offices are progressing. KDLIS modernization includes state-to-state processing, which will eliminate multiple manual processes and will ensure that each driver has one credential in only one state. Once the contract is awarded, deployment is to take approximately 2 years.

A new driver licensing regional office has been established, and a temporary office is open in Nelson County. Another target location for a regional office is Grayson County, but no options were available for a temporary or permanent location. A third regional office is under consideration as the capacity and geographic coverage of existing offices are reviewed.

## **National Electric Vehicle Infrastructure Electric Vehicle Charging Station Grant Program**

KYTC's assistant state highway engineer provided an update on the National Electric Vehicle Infrastructure Electric Vehicle Charging Station Grant Program and highlighted the federal funds available, awarded, and remaining. The 42 charging station sites available in Kentucky were discussed, as well as site submissions received, developer timelines, and paths to build out the corridors. Post-approval information of community involvement was provided.

## **Highway Safety And Automated Enforcement**

The executive director of the Kentucky Association of Highway Contractors (KAHC) highlighted its priority of ensuring the safety and well-being of its members, its employees, and the traveling public. Due to speeding and distracted driving, more people are being injured or killed in Kentucky's work zones. The executive director advocated for minimizing dangers in work zones, expressed appreciation for Representative Blanton's continued efforts to make statutory progress, and stated that automated speed enforcement in other states has saved lives.

The director of KYTC's Office of Highway Safety reviewed enhancements to work zone safety, with a goal of preventing work zone crashes, injuries, and deaths on roadways. From January 1 to July 31, 2024, work zone incidents included 765 crashes, 98 injuries, and two fatalities.

The president/CEO and the vice president of sales of Vitronic Machine Vision discussed the company's automated enforcement technology. Vitronic uses scanning light detection and ranging (LiDAR), which sends 158 laser beams across up to six lanes. For distances between cars of less than a foot, the technology can accurately identify which vehicle was speeding and can paint a reference frame around the appropriate license plate. Vitronic supplies administration and operational services for traffic enforcement, including manufacturing and supplying automated traffic enforcement systems; installation, maintenance and operation of the full enforcement program; and violation issuance, mailing, and payment services.

The senior adviser of Blue Line Solutions presented on the automated speed enforcement company. Blue Line Solutions uses data, community engagement, equity, signage, and LiDAR-automated enforcement to reduce traffic accidents and promote driver safety.

A Louisville Metro councilmember, the director of Louisville Metro Public Works, and a transportation planner for Louisville Metro Public Works advocated for automated enforcement. Many examples were cited of excessive speed in areas where police enforcement is often unavailable.

## **Age Eligibility For Instruction Permits**

Representative Steven Rudy presented his proposed legislation to lower the age of eligibility for a motor vehicle instruction permit from 16 to 15 years old, and to increase the length of an instruction permit from 3 years to 4. An applicant would still be required to wait until the age of 16 and would need to hold an instruction permit for a minimum of 180 days before applying for

an intermediate license. The intermediate license requirements would not change under Representative Rudy's proposal.

### **Road Fund FY 2024 Closeout Report**

The executive director of KYTC's Office of Budget and Fiscal Management discussed the FY 2024 road fund closeout report. Actual revenue collected totaled \$1,874.6 million, leaving a shortfall of \$7.1 million from the revised official revenue estimate. Due to various savings, however, the 2024 road fund surplus totaled \$9.8 million. The enacted road fund revenue estimate for FY 2025 is \$1,825 million.

### **Recycled Asphalt**

Two assistant state highway engineers from KYTC discussed recycled asphalt pavement (RAP). They stated that an increased use of RAP can provide safe and reliable roads, optimize the budget, protect the environment, provide stewardship, and allow Kentucky to be an industry leader in RAP use. KYTC reported RAP use of 15 percent to 19 percent. Three primary factors limit usage: management standards, the performance of RAP, and supply requirements. Kentucky performance metrics reveal that RAP limitations and management standards are needed for quality cost containment. An overview was given of the process used to achieve the right percentage of RAP. KYTC plans to formalize and adopt performance criteria and best practice guidelines that ensure consistent mix performance, to start pilot projects with field in-place verification, and to continue to look at new technology with industry partners to improve performance.

### **County Priority Projects Program; County And City Bridge Improvement Program**

KYTC's commissioner of rural and municipal aid discussed the County Priority Projects Program established by 24 RS HB 265. The program went into effect on July 1, 2024, and includes projects detailed in 24 RS HJR 92. Seventy memoranda of agreement are in process, with 95 percent of them being executed. Over \$17 million is authorized for projects, with 10 county/city projects already completed. The program has \$20 million set aside annually plus any carryover money. As of September 11, 2024, 28 counties and cities have applied for a total of \$28.5 million.

A briefing was provided on the County/City Bridge Improvement Program, which was also established in 24 RS HB 265 and went into effect on July 1, 2024. The program has \$25 million authorized in each fiscal year for repair and replacement of county and city bridges plus any carryover money. Fourteen requests have been received, totaling just below \$5 million.

### **Medical Review Board**

Senator Higdon presented 25 RS BR 110, which would make changes to KYTC's Medical Review Board (MRB). The MRB reviews cases of drivers who may have conditions that impair their ability to operate a motor vehicle. The commissioner of the Department for

Vehicle Regulation reviewed MRB procedures and mentioned several upcoming changes to MRB regulations regarding vision standards.

### **Referred Administrative Regulations**

Three referred administrative regulations were not found to be deficient or deferred; they became effective upon adjournment of each committee meeting.

- 601 KAR 012:080, regarding operators licenses and IDs for homeless individuals and its amendment. The amendment was filed to accommodate changes made in 24 RS HB 8, which eliminated fees for identification cards for homeless individuals. The amendment was passed by voice vote with no objection.
- 601 KAR 023:040, regarding electronic title procedures and its amendment. The amendment changed the required specifications of scanners from 600 dpi to 300 dpi, less impact on dealers while allowing KYTC to ensure legitimacy of documents. The committee approved the agency amendment by voice vote with no objections.
- 601 KAR 009:220, regarding motor vehicle dealer plates.





## **Report Of The 2024 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. Steve Bratcher  
Rep. Stephanie Dietz  
Rep. Myron Dossett  
Rep. Chris Freeland  
Rep. Chris Fugate

Rep. Courtney Gilbert  
Rep. Jim Gooch Jr.  
Rep. Mark Hart  
Rep. DJ Johnson  
Rep. Matthew Koch  
Rep. Scott Lewis  
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: Jessica Zeh, Mark Mitchell, 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 Interim Joint Committee on Veterans, Military Affairs, and Public Protection held six meetings.

### **Distinguished Veterans, Soldiers, And Guests**

The committee honored Command Sergeant Major Timothy F. Nein, Colonel (Ret.) Frank Bland, Sergeant First Class Robert Foushee, Staff Sergeant (Ret.) Randy Weatherford, Major General (Ret.) John Tindall, Trace Chesser, and Miss Kentucky, Chapel Tinius.

### **Tribute To Emergency Medical Services Personnel**

Representative Hart and his legislative assistant paid tribute to the three air ambulance crew members killed in a helicopter crash on October 7 in Owenton.

### **Emergency Preparedness**

The executive director and deputy executive director of the Kentucky Office of Homeland Security (KOHS) provided an overview of the office and an update on its activities, including antiterrorism, cyber safety, election security, and the prevention of school violence. They discussed the 911 Services Board, KOHS's funding, and interoperability with other law enforcement agencies.

The executive director of the Kentucky Department of Military Affairs, the director of Kentucky Emergency Management, the Kentucky National Guard director of personnel, the urban search and rescue coordinator of Kentucky Emergency Management, and the legislative liaison of the Department of Military Affairs provided an update on the Urban Search and Rescue (USAR) program. They highlighted notable USAR activities, positions and training within the program, Bluegrass Station and the Wendell H. Ford Training Center, spending, and goals. Senator Meredith and the mayor of Morgantown discussed storm shelter preparedness, emphasizing the importance of shelters in Western Kentucky, where tornadoes are increasingly common.

Representative Sharp and representatives of the Boyd County Sheriff's Office discussed the state of emergency communications in Boyd County, including communication challenges due to old equipment and faulty infrastructure. They emphasized the need to address these challenges.

The statewide interoperability coordinator and a representative of the Kentucky State Police (KSP) Division of Electronic Services provided an overview of KSP's three-phase statewide emergency communications infrastructure plan.

### **Mental Health Of First Responders And Veterans**

Representative Lindsey Burke, the vice president of government and corporate relations of USA Cares, and various stakeholders discussed workers' compensation eligibility for first responders.

Under current law, only first responders with physical injuries are eligible. The presenters discussed 24 RS HB 363 and the need to extend eligibility to psychological injuries.

The president of Mend the Line provided an overview of the organization, which is a mental health education, awareness, and advocacy organization for first responders. She shared statistics on first responder suicide and post-traumatic stress disorder (PTSD), warning signs, and response efforts, and she discussed the stigma around seeking help for mental health issues.

Representatives of Videra Health and North South Consulting Group discussed tools for supporting behavioral health, such as artificial intelligence (AI) video-based assessments, patient engagement chatbots, and AI notetaking.

A representative of JLC Services discussed the electroencephalogram combined transcranial magnetic stimulation (eTMS) program, a noninvasive, drug-free procedure for a variety of conditions, including substance abuse disorder and PTSD. He urged Kentucky to follow Ohio, Missouri, and Florida by funding an eTMS program.

### **Military And Veteran Government Organizations**

The deputy adjutant general of the Kentucky Army National Guard, the assistant adjutant general of the Kentucky Air National Guard, and the executive director of the Department of Military Affairs provided an overview of the operations of the National Guard, including natural disaster responses, recruiting and retention, and partnerships with other states.

The commissioner, deputy commissioner, and executive director of veteran services of the Kentucky Department of Veterans Affairs discussed its recent achievements and its active programs and initiatives.

The executive director and a senior associate of the Kentucky Commission on Military Affairs provided an update on the state's military friendliness and its recent legislative achievements.

### **Veteran Education And Workforce Opportunities**

Representative Steve Bratcher, the president of the Kentucky Council on Postsecondary Education, the acting executive vice president and provost of the Kentucky Community and Technical College System (KCTCS), and the executive director of the Kentucky Board of Nursing discussed the creation of the Heroes to Healers program, a proposed initiative to help military medics become licensed practical nurses.

The vice president of external affairs of KCTCS and the vice president of advancement of Elizabethtown Community and Technical College discussed KCTCS' veteran outreach efforts, highlighting the veteran tuition waiver program, efforts to increase veteran enrollment, the systemwide Credit for Prior Learning for military training and education, and accelerated pathways to licensed civilian occupations for veterans.

The senior manager of public affairs and the workforce development manager of the Kentucky Chamber of Commerce discussed its Military Hiring Academy, highlighting reasons businesses hire veterans, the academy's business partnerships, and employer testimonials.

### **Military And Veteran Programs**

The chairman and legislative committee chairman of the Joint Executive Council of Veterans Organizations discussed its recent operations and its legislative priorities for the 2025 Regular Session, including PTSD treatment, 24 RS HB 86, 24 RS HB 409, and the Governor's Advisory Board for Veterans Affairs' proposal to reduce property taxes for veterans.

A senior associate of the Kentucky Commission on Military Affairs discussed the military family assistance trust fund, including its purpose, financial status, key activities, and future goals.

Representatives of the veteran organizations USA Cares, Volunteers of America Mid-States, and Onward Ops discussed their history and operations, including support to veterans and first responders, a homeless veteran reintegration program, and a suicide prevention program.

### **Referred Administrative Regulations**

The committee approved the following referred administrative regulations:

- 017 KAR 006:020
- 017 KAR 006:030

The committee took no action on the following referred administrative regulation:

- 017 KAR 004:030

## **Report Of The 2024 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. Keturah Herron

LRC Staff: Karen Howard, Sarah Amburgey, Emily Harkenrider, Carrie Nichols, Stacy Auterson, Laura Begin, 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; study statutes relating to administrative hearings; 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 2024 and December 2024. Following are some of the topics ARRS reviewed during 2024.

### Medical Cannabis

**Medical Cannabis Program: 915 KAR 1:001, 1:030, 1:040, 1:050, 1:060, 1:070, 1:080, 1:090, 1:100, 1:110, 2:001, 2:010, 2:030, And 2:040 (July).** The subcommittee reviewed regulations from the Cabinet for Health and Family Services (CHFS) relating to the establishment of the Medical Cannabis Program, required by 23 RS SB 47. The regulations included the application and licensing process for cultivators, processors, producers, safety compliance facilities, and dispensaries; procedures for patients, designated caregivers, and practitioners, with regard to written certifications; medical cannabis cards; supply limits; and varieties of medical cannabis that may be available.

The program's executive director explained that each jurisdiction will begin from an opt-in standpoint and may opt out through local ordinance or voter referendum. If a county opts out, an individual municipality is required to opt back in if it wants to allow medical cannabis. SB 47 becomes effective on January 1, 2025.

**Cannabis Business Licenses: 915 KAR 1:010E And 1:020E (August).** The subcommittee reviewed emergency CHFS regulations relating to cannabis business licenses. The state is divided into 11 medical cannabis regions, with a minimum of four dispensary licenses per region. The licenses for cultivators, processors, and safety compliance facilities are not subject to regional restrictions. If the number of applications in a category exceeds licenses available, the licenses will be granted by lottery. The executive director of the Medical Cannabis Program testified that applicants are required to disclose their ownership and corporate structure, and whether or not there is a parent company.

### Hemp-Derived Cannabinoid Products

**Retail And Food Service Establishment Requirements: 902 KAR 45:012 (November).** The subcommittee reviewed CHFS regulations relating to the retail sale of hemp-derived cannabinoid products, including inspection and enforcement procedures. The subcommittee heard opposition testimony about the negative impact on small businesses of the \$2,000 annual permit fee for retail and food service establishments. The commissioner of the Department for Public Health explained the rapid growth of these products and businesses that sell them, the inconsistent and possibly dangerous ingredients involved, and the inability to regulate or enforce this industry without funding for staff, either from the General Assembly or through fees.

## Environmental Protection

**Special Waste Requirements: 401 KAR 45:010, 45:020, 45:025, 45:030, 45:040, 45:050, 45:080, 45:100, 45:105, 45:140, 45:160, And 45:250 (March).** The subcommittee reviewed regulations from the Energy and Environment Cabinet relating to special wastes, including biosolids. Special wastes are high-volume and low-hazard wastes. Biosolids are a type of special waste that consists of residual matter from the treatment of sewage. The biosolid disposal regulations were required by 23 RS SB 213 and federal law.

The subcommittee heard opposition testimony that the requirements did not protect farmers, farmland, and the public. Before a farmer receives biosolids for land application, the biosolids should be tested for contamination. Another state banned land application after discovery of serious contamination with perfluoroalkyl and polyfluoroalkyl substances (PFAS), known as “forever chemicals.” The commissioner of the Department for Environmental Protection explained that sludge analysis for PFAS was complex and expensive, and there were very few permit requests for land-farm applications.

**Air Emissions Fee: 401 KAR 50:038 (October).** The subcommittee reviewed a regulation from the Energy and Environment Cabinet relating to air emission permits. Amendments removed the exemption for actual emissions that exceed 4,000 tons per single pollutant and exempted facilities with fire-suppression emergency generators.

The Kentucky Distillers’ Association submitted public comments stating that its members would be disproportionately affected by fees, would be at a competitive disadvantage, and would potentially be in conflict with federal and state law. The subcommittee heard opposition testimony that a stand-alone barrel warehouse without a generator or with a fire-suppression emergency generator was exempt from these requirements, but if that warehouse had an emergency generator for fire prevention and safety, it would incur fees for all emissions, including both the generator and ethanol barrel (or “angel’s share”) emissions. Exempt fire-suppression generators only operated sprinklers, whereas general fire prevention and safety generators were required for fire code compliance, reduction of distiller liability, and protection of employees and the public. After deferral and further attempts to resolve this issue with stakeholders, the cabinet withdrew the regulation on November 8, 2024.

## Interpreters For The Deaf And Hard Of Hearing

**Licensing Requirements: 201 KAR 39:001, 39:030, 39:040, 39:050, 39:060, 39:070, 39:075, 39:090, 39:100, 39:120, And 39:130 (November).** The subcommittee reviewed regulations from the Board of Interpreters for the Deaf and Hard of Hearing relating to licensing and certification of interpreters. The regulations removed the Educational Interpreter Performance Assessment (EIPA) as a qualification for full licensure, giving licensees with EIPA passage 5 years to obtain a national certification to remain fully licensed. Numerous public comments expressed concern that licensed interpreters would be forced to obtain additional certification or lose their license and potentially their employment, exacerbating the national shortage of interpreters. In response, the board grandfathered in interpreters with EIPA qualifications licensed by January 1,

2025. The subcommittee heard opposition testimony concerning these issues. Potential statutory solutions were discussed.

## Corrections

**Research And Information: 501 KAR 6:340 (October).** The subcommittee reviewed a regulation from the Justice and Public Safety Cabinet relating to research participation. A representative of the Division of Protection and Advocacy expressed concern that the regulation was removing a diminished capacity screening that ensured informed, voluntary consent from an inmate prior to the inmate's inclusion in a medical research study. A staff attorney for the cabinet testified that federal standards for effective, informed consent and a required review board approval process took diminished capacity into consideration.

**Special Management And Restrictive Housing Of Inmates, Safekeepers, And Contract Prisoners: 501 KAR 6:380 (October).** The subcommittee reviewed a regulation from the Justice and Public Safety Cabinet relating to restrictive housing. A representative of the Division of Protection and Advocacy stated that the policy should add an exclusion from extended restricted housing for inmates with serious mental illness. Forty-two states established restrictions on prolonged isolation for such inmates. A representative of the cabinet explained that an inmate meeting the definition of *serious mental illness* was not to be placed in extended restrictive housing unless a multidisciplinary service team determined that the placement was necessary to protect others from an immediate and present danger.

## Medicaid

**Coverage Provisions And Requirements Regarding Community Mental Health Center Behavioral Health Services: 907 KAR 1:044 (October).** The subcommittee reviewed a CHFS regulation relating to community mental health centers. The definition of *behavioral health associate* was amended to require enrollment in a graduate or doctoral program and current participation in an internship or practicum program as part of an accredited educational institution.

The subcommittee heard opposition testimony from a representative of a community mental health center, who stated that these requirements would shrink the workforce and limit access to services, especially in rural areas, because many employees do not have funds to pay for the increased educational requirements. A representative of the cabinet explained that non-Medicaid health care consumers have access to licensed providers with advanced degrees. Medicaid recipients should have access to the same. This regulation was found deficient and deferred to the December meeting.

## Hunting

**Elk Hunting Seasons, Permits, Zones, And Requirements: 301 KAR 2:132 (May).** The subcommittee reviewed a regulation from the Department of Fish and Wildlife Resources relating to elk hunting requirements. The amendment allowed pooling of Voucher Cooperator



and Elk Restoration permit points to incentivize private landowners to open their land to elk hunting. The Loyalty Redraw system was adjusted from consecutive years to cumulative years. The Loyalty Redraw is a secondary drawing to award remaining unpurchased permits to those applicants with the highest number of cumulative application years.

## Medication Aides

**Medication Aide Training Programs And Credentialing Of Medication Aides: 201 KAR 20:700 (January And February).** The subcommittee reviewed a regulation from the Board of Nursing relating to the credentialing of medication aides, including training on the administration of oral or topical medications and preloaded insulin injections. This regulation was promulgated in accordance with 23 RS SB 110.

The subcommittee heard opposition testimony concerning the funding and application of the program. A representative of an association for health care facilities opined that the statute intended to exclude state-funded personal care homes, which are not required to employ nurses, from the training requirement. The association requested that this exemption be stipulated in the regulation. The board discussed a potential resolution to the controversy through 24 RS HB 493, which changed the application from “a long-term care facility” to “an assisted living community or nursing home as defined in KRS 205.510 and licensed under KRS Chapter 216B.”

## State Health Plan

**State Health Plan For Facilities And Services: 900 KAR 5:020; Certificate Of Need Non-Substantive Review: 900 KAR 6:075 (February).** The subcommittee reviewed regulations from the Cabinet for Health and Family Services relating to the establishment or expansion of home health services by hospitals and nursing facilities for discharged patients, without being subject to the full certificate of need process. Several hospital stakeholders commented that this would allow for hospital home health services when local agencies were not able to provide them. Certain home health agencies expressed concern that this change would allow unnecessary providers in saturated markets, create an unfair monopoly for the hospitals, and threaten the financial viability of existing community providers. The cabinet filed agency amendments to address these concerns.

## Telehealth

**Telehealth And Social Work Practice: 201 KAR 23:170 (January And March).** The subcommittee reviewed a regulation from the Board of Social Work relating to requirements of telehealth practice by social workers. A representative of the National Association of Social Workers testified that the regulation would protect social workers and the public, while also meeting the mental health needs of Kentuckians.

The subcommittee heard opposition testimony from advocacy groups. Concerns were raised about the difficulty of implementing collection and maintenance of HIPAA-protected information for each patient on a day-to-day basis, and the breadth of the regulation, especially regarding 9-8-8 mental health emergency hotline operators. The chair of the board explained that

there were misunderstandings about secure versus nonsecure communications. This regulation was found deficient on March 11, 2024, and was nullified by 24 RS SB 65.

## **Pharmacist Licensing**

**Nonresident Pharmacist License: 201 KAR 2:030; 2:050; 2:465 (November).** The subcommittee reviewed regulations from the Board of Pharmacy relating to a new license classification of nonresident pharmacist. Prior to the ARRS meeting, commenters expressed concerns that requiring a nonresident pharmacist to be licensed, outside of a pharmacist-in-charge, would impair patient care and increase burdens and costs. Universal licensure statute reform, adopted in over 25 states, was preferred.

The board indicated that it received several grievances about the acts of nonresident pharmacists, and that it could not regulate them without this change. These regulations were deferred to the December meeting. On November 12, 2024, the attorney general released an opinion stating that the board did not have statutory authority to mandate licensure for out-of-state pharmacists, except for pharmacists-in-charge.

## **Tentative December 2024 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.

Potential topics include post-election audit procedures; multiunit rental housing; public employee health insurance; optometric examiners; embalmers and funeral directors; veterinary examiners; medical imaging and radiation therapy; dental community health workers; advanced practice registered nurses; emergency medical services; Department of Fish and Wildlife Resources newly acquired land restrictions; solid waste facilities; corrections policies on inmate life; peace officer death benefits; traffic control devices; truck weight limits; off-highway vehicles; postsecondary educational funding; online learning; unemployment insurance overpayment waivers; financial institutions; deferred deposit database compliance; public swimming and bathing facilities; community mental health centers; communicable diseases; the statewide trauma system; background checks for foster and adoptive parents or caregivers; and the vulnerable adult maltreatment registry.

## **Report Of The 2024 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

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

The Capital Planning Advisory Board held two meetings.

### Statewide Capital Improvements Plan

Staff provided an update on the 2024-2026 Commonwealth Capital Projects budget and updates on legislative actions taken on the board's policy recommendations for the budget reserve trust fund (BRTF), the postsecondary institutions asset preservation investment, the state agency maintenance pools, and specific project recommendation authorizations.

The board's 2024-2030 Statewide Capital Improvements Plan, published in November 2023, detailed a comprehensive plan encompassing all state agencies, the judicial branch, and postsecondary institutions intended for use in the subsequent budget process and regular legislative session. The General Assembly delivered 24 RS HB 6, vetoed in part and amended by 24 RS SB 91(Executive Branch Budget); 24 RS HB 264 (Judicial Branch Budget); and 24 RS HB 265 (Transportation Cabinet Budget) to collectively enact the 2024-2026 Capital Projects Budget.

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. The enacted 2024-2026 Capital Projects Budget appropriated \$25.3 billion and \$1.4 billion from all fund sources in FY 2025 and FY 2026, respectively.

**Budget Reserve Trust Fund.** In light of growing BRTF ending balances, the board changed a long-standing BRTF policy recommendation to state that “the [board] recommends that the Governor and General Assembly continue to prioritize maintaining budget reserve trust fund balances and consider statutory deposits linked directly to revenue receipts and statutory withdrawal provisions.” Actual and projected BRTF ending balances remain at historically high levels.

**Council On Postsecondary Education, Postsecondary Capital Projects.** The board endorsed the strategy of the Council on Postsecondary Education (CPE) for financing the capital needs of postsecondary institutions. It recommended that the Governor and the General Assembly endorse CPE's proposed asset preservation investment framework and provide funding in the 2024-2026 biennium.

In response to CPE's budget request for a \$700 million general fund bond-funded pool for asset preservation and the board's recommendation, the Executive Branch Budget included a \$563.0 million asset preservation pool authorization in general fund-supported bond funds over the 2024-2026 fiscal biennium. The appropriation includes language requiring a 25 percent match of the funds from research institutions (the University of Kentucky and the University of Louisville) and provides the necessary agency bond and restricted funds to meet the match requirements. Combined with the 2022-2024 enacted budget's \$683.5 million authorization, the

\$563 million general fund-supported bond fund investment in asset preservation at postsecondary institutions totals over \$1.2 billion during a 4-year period.

**Maintenance Pools.** The board’s 2024-2030 Statewide Capital Improvements Plan continued its long-standing recommendation that appropriating “adequate amounts for agency miscellaneous maintenance pools [is] a top priority for funding in the biennial budget.” Miscellaneous maintenance pools appropriated to the various state agencies are used primarily for planned and unanticipated projects (maintenance, minor construction, etc.) costing less than the threshold requiring line-item authorization in the biennial budget bill (currently \$1 million).

The board acknowledged the 2022 General Assembly’s widespread policy of supplanting the use of bond fund appropriations with traditional cash financing in the 2022 Regular Session Budget Bills by amending the long-standing policy recommendation to read as follows: “The board encourages continued use of traditional cash financing for maintenance pools when funds are available, as done in the 2022-2024 biennial budget.” Most agency miscellaneous maintenance pool allocations were funded at their requested level, using investment income, bond funds, restricted funds, or a combination thereof.

**Specific Project Recommendation Authorizations.** Regarding projects proposed to be financed from state general funds, board members recommended 45 specific projects in three areas: construction (maintenance/renovation), construction (new), and information technology. The majority of the construction (maintenance/renovation) and construction (new) specific project recommendations were authorized in the 2024-2026 Commonwealth Capital Projects Budget. One-third of the 15 information technology projects were authorized fully or partially.

### **Government Contract Review Committee**

Senator Stephen Meredith, co-chair of the Government Contract Review Committee, discussed consultant overruns.

The Government Contract Review Committee has a specific charge to examine whether services could or should be provided and to examine the amount and duration of the contractor agreement. Addressing the appropriateness of exchanging resources or responsibilities, the committee has noticed a trend in change orders for consultant, engineer, and architect contracts. The co-chair was unsure whether requests for additional funds come before other statutory committees but encouraged more accountability and transparency in the bidding process.



## **Report Of The 2024 Capital Projects And Bond Oversight Committee**

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

Sen. Shelley Funke Frommeyer  
Sen. Jason Howell  
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, 2024, as well as projected December 2024 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 (KIA) 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 2024 To December 2024

#### 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**

<b>Month</b>	<b>Public-Private Partnership Contracts, KRS 45A.077(6) And 45A.077(10)(a)</b>	<b>Interim Project Authorizations, KRS 45.760(7) And 164A.575(15)</b>	<b>Interim Project Appropriation Increases, KRS 45.760(6)</b>	<b>Total</b>
January	0	1	0	1
February	0	3	0	3
March	0	0	0	0
April	0	0	2	2
May	2	3	0	5
June	0	6	0	6
July	0	1	1	2
August	0	3	1	4
September	0	4	1	5
October	0	2	1	3
November	0	1	0	1
December*	0	1	1	2
<b>Total</b>	<b>2</b>	<b>25</b>	<b>7</b>	<b>34</b>

Note: No projects or agreements were submitted in two categories: Public-Private Partnership Project Authorizations, KRS 45.763(3); and 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.

\* 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**  
**Lease Arrangements**

<b>Month</b>	<b>Tenant Improvement Fund Requests, KRS 56.823(12)(d)</b>	<b>New Leases And Renewals, KRS 56.823(2)(4) And 164A.575(7)(c)</b>	<b>Lease Modifications Of At Least \$50,000, KRS 56.823(11)(a)</b>	<b>Total</b>
January	0	2	0	2
February	0	2	0	2
March	0	19	1	20
April	0	2	0	2
May	2	2	0	4
June	0	0	3	3
July	0	1	2	3
August	0	0	0	0
September	0	0	0	0
October	0	2	0	2
November	1	1	0	2
December*	0	2	1	3
<b>Total</b>	<b>3</b>	<b>33</b>	<b>7</b>	<b>43</b>

Note: No leases were submitted in three categories: 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, 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>EDF 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>
January	24	0	0	0	0	3	27
February	29	3	2	0	1	4	39
March	28	13	2	1	1	2	47
April	32	3	1	1	1	3	41
May	28	2	0	0	0	4	34
June	23	6	0	0	0	6	35
July	27	3	0	0	0	5	35
August	34	2	1	0	0	2	39
September	85	1	0	1	0	1	88
October	28	0	1	0	1	4	34
November	7	6	0	0	1	4	18
December*	10	2	1	0	0	3	16
<b>Total</b>	<b>355</b>	<b>41</b>	<b>8</b>	<b>3</b>	<b>5</b>	<b>41</b>	<b>453</b>

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

\* Projected numbers.

### Transactions Submitted Through The Office Of Financial Management

#### Kentucky Infrastructure Authority

**KIA Loans, Loan Assumptions, And Loan Increases.** The committee-approved KIA loans, loan assumptions, and loan increases to utilities for sewer and water projects are from the 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 \$250 million for 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. 22 RS HB 1 appropriated a further \$250 million based on county population as well as line-item grants.

**Water Management Assistance Fund.** 22 RS 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.

**Kentucky Water And Wastewater Assistance For Troubled Or Economically Restrained Systems Program.** HB 1 appropriated \$150 million from the Budget Reserve Trust Fund to provide assistance for capital and noncapital expenditures, as well as emergency funding for projects relating solely to restoring utility service or avoiding its imminent interruption. The program provides for multiple types of funding assistance including grants, loans, no-interest loans, and forgivable loans.

**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 (KHC), and KEDFA.

**Appropriation-Supported And Non-Appropriation-Supported Debt Issues.** SPBC, ALCo, TAK, SFCC, and postsecondary institutions issue appropriation-supported debt. 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 2024 Commission On Race And Access To Opportunity**

**Sen. Amanda Mays Bledsoe, 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  
Lyndon Pryor  
Katima Smith-Willis

LRC Staff: Brandon White and Logan Schaaf

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.

### Introduction Of New Member

The commission recognized Katima Smith-Willis as a newly appointed citizen member.

### Increasing Access To Opportunity

The president and the vice president of community impact of United Way of the Bluegrass discussed its activities and provided an update on the Marksbury Family WayPoint Center in Lexington, which coordinates an ecosystem of nonprofit, for-profit, and government programs to best serve local families.

The CEO and the director of policy and strategy of Goodwill Industries of Kentucky discussed its activities and provided an update on the West Louisville Opportunity Center, which offers resources from partners who work to reduce barriers in health, housing, and transportation to build skills and to create a network of support.

### Searching For Kentucky's Juneteenth

The director of collections and research at the Filson Historical Society discussed candidates for a state holiday comparable to Juneteenth. Rather than choosing a specific day, the state could follow a program created by History Made by Us, a network of museums and historical organizations, which has instituted a nationwide civic season running from Juneteenth through July 4, encouraging exhibitions, lectures, programs, and volunteering.

### Elementary Education

The principal, a behavior coach, a teacher of English learners, a teacher of gifted and talented students, an instructional coach, and the assistant superintendent of school leadership for Fayette County Public Schools detailed their successful efforts to improve William Wells Brown Elementary's performance and reputation over the last 5 years. They discussed their mission, vision, demographics, improvement data in reading and math, and the creation of a culture of belonging.

### Minority Experiences Within Key Kentucky Industries

**Equine.** Senator Reginald Thomas, the president of Harbut Bloodstock Agency and chairman of the Ed Brown Society, the president and co-founder of the Ed Brown Society, and the program coordinator for the Ed Brown Society discussed their work, the history of African Americans in the equine industry, barriers to success, and the Ed Brown Society's engagement model to recruit students to the industry.

**Bourbon.** With Senator Thomas, the founders and owners of Fresh Bourbon Distilling, the first African American-owned bourbon distilling company in Kentucky, discussed their work in the bourbon industry and the experiences and barriers they have encountered since founding Fresh Bourbon in 2017, including prejudices and misconceptions about their company, particularly in banking, which is largely built on existing relationships and connections.

**Agriculture.** The co-founder and CEO of Black Soil KY, the dean of the College of Agriculture, Health, and Natural Resources, and director of land grant programs at Kentucky State University (KSU), and the president of KSU Minorities in Agriculture, Natural Resources, and Related Sciences provided an overview of the agricultural field in the state and discussed their work. They highlighted the importance of bringing urban families together with rural and urban-based black farmers, growers, and producers; promoting self-sufficiency; encouraging healthy living; and activating cooperative economics. They also discussed the importance of agriculture for the state and its future, as well as issues relating to food disparities.

### **Affordable Housing**

The chief policy officer and director of regional engagement for Commerce Lexington, the vice president of Winterwood Inc., the owner and president of AU Associates, and the CEO of Lexington Habitat for Humanity discussed the state of affordable housing, barriers and challenges, and state-level policy recommendations. These recommendations include supporting local banks, urging regulators to recognize Community Reinvestment Act credits for affordable housing projects, renewing investment in the new market tax credit program to deploy capital to housing projects, creating a new Kentucky low-income housing tax credit, increasing investment in the Kentucky affordable housing trust fund/rural housing trust fund, and expanding access to state housing funds for workforce housing projects.

### **Reentry To Employment After Incarceration**

Representative Emily Callaway and the CEO of Jubilee Jobs of Lexington discussed reentry to employment. They highlighted 24 RS HB 124 and discussed plans to refile the bill in the upcoming session. The bill addresses barriers to workforce reentry faced by people convicted of a crime. They provided an overview of Jubilee Jobs' activities and its efforts to facilitate employment for people reentering the workforce after incarceration.

### **Maternal Health**

The division director of maternal fetal medicine and maternal fetal medicine assistant professor with the Department of Obstetrics/Gynecology and Women's Health, University of Louisville School of Medicine, discussed the state of maternal health by reviewing data, noting factors affecting population health, and emphasizing policies that could improve maternal health. The attainment of health equity—a key goal for any health system—is achieved when everyone can reach their full health potential and no one is disadvantaged from this potential due to socially determined circumstances, constructs, or positions.

There are many social determinants of health, including economic stability, education access and quality, health care access and quality, neighborhood and built environment, and social and community context. Approximately 80 percent of a person's health outcomes are influenced by these factors, rather than by the medical care that they receive. Within the state, large racial and geographic disparities exist in poverty, cancer rates, obesity, substance abuse, and overdoses.

The division director praised 24 RS SB 74 as a crucial starting point toward increasing access to health care and improving maternal health. Critical next steps include recruitment of medical students into primary care, retention of current primary care providers, expansion of access to care through telehealth, creation of comprehensive primary care through integration, expansion of access to postpartum coverage and services, and expansion of postpartum benefits. The division director also highlighted the importance of expanding doula services. Future areas of legislative expansion include care delivery transformation, data and oversight, and coverage and benefits.

### **Autism Screening, Diagnosis, Treatment Challenges, And Opportunities**

Representative Mike Clines, the vice president of clinical standards and outcomes for LittleStar ABA Therapy, the owner and director of operations of Bloom Behavior Therapy and chairman of ABA Advocates, the executive director of ABA Advocates, and a parent advocate discussed autism screening, diagnosis, treatment, and efforts to improve access and quality of care.

Policy recommendations to improve care include increasing the Medicaid Behavioral Health Fee Schedule by at least 25 percent, working with doctors to ensure compliance with federal requirements and the enforcement of managed care organization contracts, evaluating the state's network adequacy laws to ensure broader access to care, and investing in the development and expansion of programs that train clinicians for diagnosis and treatment.

### **Approval Of Commission Recommendations**

The commission endorsed the following recommendations by voice vote:

- Endorse legislation to promote a civic season through engagement in history and civic participation, including paid holidays of Juneteenth and July 4.
- Promote access and opportunities for employment, entrepreneurship, and business ownership in the equine, bourbon, and agriculture industries.
- Support budget consideration for subsidy for transitional housing, expanded case management services for reentering citizens, and ensuring that reentering citizens have work-ready documents.
- Support local banks and urge regulators to recognize Community Reinvestment Act credits for affordable housing projects through collaborative investment funds.
- Renew investment in new market tax credit program to help banks deploy capital to housing projects.
- Extend the period for historic tax credit programs to allow for project completion.
- Create a new Kentucky low-income housing tax credit to increase developers' access to housing capital.



- Increase investment in the Kentucky affordable housing trust fund/rural housing trust fund.
- Expand access to state housing funds for workforce housing projects.
- Consider state tax credit program to support contributions to affordable housing organizations.
- Invest in primary care infrastructure, including recruitment and retention of medical students into primary care, integration of comprehensive primary care, and strengthening the workforce pipeline.
- Improve methods to pay for care so that providers are paid for delivering the right care to the right patient at the right time.
- Increase Medicaid reimbursement rates for primary care, moving closer to Medicare parity.
- Endorse legislation to provide access to birthing centers, which would expand access to postpartum coverage, services, and benefits; increase access to doula services.



**Report Of The 2024  
Education Assessment And Accountability Review Subcommittee**

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

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

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

LRC Staff: Lauren Busch, Peter Wright, Maurya Allen, and Landen Holder

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 held three meetings.

### 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 regulations were referred to the subcommittee during the Interim and were presented by Kentucky Department of Education staff:

- 703 KAR 005:080 – Administration Code for Kentucky's Educational Assessment Program
- 703 KAR 005:240 – Accountability administrative procedures and guidelines

### 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 OEA's 2023 annual report, required by KRS 7.410(2)(c)8. The report summarizes the status and results of the current year's research agenda and describes the completed investigative activity conducted during 2023.

In 2023, OEA received 805 written complaints, of which 401 were anonymous. From these complaints, 28 cases were opened: 18 investigative cases and 10 school-based decision-making council (SBDM) cases. OEA closed 30 cases in 2023: 23 investigative cases and 7 SBDM cases. Twenty-three cases remain pending: 16 investigative cases and 7 SBDM cases.

The subcommittee received and approved three OEA study reports.

- ***Kentucky District Data Profiles School Year 2023.*** An annual compilation of data collected from various sources 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.
- ***School District Governance Models And Interventions.*** This study reviews the role of school boards relative to the state board of education, comparing the commonwealth's school governance structures to those of other states. The study also reviews national efforts to reform or intervene in local district governance, describing outcomes of these efforts and lessons learned. The study finds that Kentucky laws relevant to local school boards and the state school board are similar those in most other states, but Kentucky law does not have some policies that affect governance in other states. These include incentives for very small districts to consolidate, authority of local voters to secede from existing districts and form new districts, mayoral control of local boards, and market-driven local governance approaches. The study finds that these policies in other states have achieved intended results in some cases but have faced challenges or have not proven effective in others.
- ***Student Achievement: Lessons Learned From Kentucky's Relatively Highest- And Lowest-Performing Schools.*** This report identifies schools that succeed regardless of demographic challenges as well as those whose students perform far below demographically

similar students. The study seeks to understand school practices that might contribute to higher academic achievement in some schools, specific barriers to school improvement in underperforming schools, and how existing policy structures aimed at school improvement might assist underperforming schools in addressing barriers. The study finds that highest-impact schools are more likely than lowest-impact schools to have positive, orderly school environments and to be implementing research-based instructional practices. The study highlights barriers to school improvement that are less emphasized in school improvement planning. These include leadership skills necessary to establish and maintain effective instructional and behavioral systems; staff turnover; and school climate and culture challenges that affect teachers as well as students.

The subcommittee approved the proposed 2025 OEA Study Agenda, which includes

- *Kentucky District Data Profiles School Year 2024*,
- an analysis of student discipline data in Kentucky schools, and
- a study on the funding and performance of early childhood regional training centers.



## **Report Of The 2024 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 is a statutory committee of the Legislative Research Commission and is required to meet monthly. During FY 2024 beginning July 1, 2023, and ending June 30, 2024, the committee reviewed 1,200 personal service contracts and 777 amendments to personal service contracts. The committee also reviewed 220 personal service contracts for \$10,000 and less, which are submitted to the committee for informational purposes only.

During FY 2024, the committee reviewed 2,340 memoranda of agreement and 702 memoranda of agreement amendments. The committee also reviewed 921 memoranda of agreement for \$50,000 and less, which are submitted to the committee for informational purposes only.

During FY 2024, the committee reviewed 2,197 personal service contract items, 3,963 memoranda of agreement items, and 69 entertainment incentive program agreements, for a total of 6,229 items.

Since the start of FY 2025 through November 13, 2024, the committee reviewed 718 personal service contracts and 310 amendments to personal service contracts. The committee also reviewed 106 personal service contracts for \$10,000 and less, which are submitted to the committee for informational purposes only.

Since the start of FY 2025 through November 13, 2024, the committee reviewed 1,312 memoranda of agreement and 307 memoranda of agreement amendments. The committee reviewed 429 memoranda of agreement for \$50,000 and less, which are submitted to the committee for informational purposes only. The committee also reviewed 34 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 2024 Investments In Information Technology Improvement And Modernization Projects Oversight Board**

**Sen. Gex Williams, Co-Chair**  
**Rep. John Hodgson, Co-Chair**

Sen. Cassie Chambers Armstrong  
Sen. Max Wise

Rep. Chad Aull  
Rep. Nancy Tate

LRC Staff: Jennifer Hays, Adam Johnson, Sarah Watts, and Heather Hamilton

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 Investments in Information Technology Improvement and Modernization Projects Oversight Board held nine meetings.

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

The chief information officer of the Administrative Office of the Courts provided an overview of its public-facing applications, CourtNet, and interactive statistical dashboards. There was discussion of updates on projects under way to replace the trial court case management system and pretrial and specialty court systems.

### **Broadband Deployment**

The executive director of the Office of Broadband Deployment provided an update on Kentucky's broadband deployment. The agency is promoting the Broadband Equity Access and Deployment program. Kentucky has received over \$1 billion through the National Telecommunications and Information Administration, and the agency has been working to unlock those funds.

### **Commonwealth Office Of Technology**

The chief information officer of the Commonwealth Office of Technology (COT) provided an overview of COT systems. Of the 499 systems across the executive branch, 130 are considered legacy systems, 115 are agency developed, and 15 are vendor developed. She provided an update on the data information request for pending capital IT projects, the progress of gathering information on the direct annual costs for legacy applications and systems, and the replacement and modernization of legacy systems.

### **Cybersecurity**

COT's chief information security officer discussed how COT builds and maintains its security programs, cyber security framework, and firewall systems. The mayor of Fort Wright and a cybersecurity consultant for Intrust presented on Ohio's Cyber Collaboration Committee and advocated for Kentucky to create a similar cybersecurity committee. The executive director/CIO of Louisville Metro Technology Services discussed its technology and resources. The chief information security officer of Louisville Metro Technology Services discussed what cities and counties can do to improve cybersecurity.

### **Department Of Fish And Wildlife Resources**

The information systems manager of the Department of Fish and Wildlife Resources provided an overview of four public-facing applications built in-house and hosted by COT. The department has no legacy systems. The department's deputy commissioner stated that revenues fund its budget. Communication and connectivity are very important and a challenge for the agency.

## **Department Of Professional Licensing**

The commissioner of the Department of Professional Licensing provided an overview of its IT applications and public-facing websites. All IT applications are in-house, with no legacy systems. COT manages and monitors application servers. The Public Protection Cabinet's Office of Information Technology develops and manages all systems and applications.

## **Department Of Revenue**

The division director of IT management of the Department of Revenue provided an overview of the 22 public-facing applications for tax filers. Of the 43 legacy systems, 30 are critical systems that are being transitioned into a new integrated tax system called Department of Revenue Integrated System. The first phase of transition is planned for January 2025. The department has spent approximately 40 percent of the capital project budget. All legacy systems should be replaced by 2027.

## **Project Request Data Form**

Members discussed collecting appropriate data items and possible technology formats to use for the project request data form.

## **Election Reporting Transparency Technology**

Representatives of Civera presented an overview of the Ballot Verifier software and voter privacy protection. Election administrators of Tarrant County, Texas, shared their experiences using Ballot Verifier.

## **Geographic Information Systems**

The Madison County property valuation administrator (PVA) provided insights into the technology of the PVA office and how it uses and funds geographical information systems (GIS). COT's geospatial information officer said Kentucky is the best-mapped state in the nation. He explained the Geographic Information Advisory Council, the KyFromAbove program, and how GIS data is used. The deputy executive director of the Kentucky Office of Homeland Security discussed the layers of GIS and how to put them to use in the public environment. Representatives of RapidDeploy presented their cloud-based platform for public safety and showed an on-screen example of features provided to 911 telecommunicators. The GIS manager of the Georgetown-Scott County Planning Commission presented the history of GIS within the county, shared the office's mission to promote GIS, and described the challenges of limited budget, timeframes, and staff. The director of the Louisville/Jefferson County Information Consortium discussed the use of GIS in Louisville Metro and the mission to build, maintain, and support geographic information sharing. The information systems manager of the Transportation Cabinet's Office of Information Technology explained the history of Kentucky's GIS, how the state became a leader in GIS sharing, and the cabinet's uses of GIS. The president of the Kentucky County Clerk's Association testified to the benefits of GIS for elections, allowing them to be more uniform and streamlined.

## **Information Technology Systems**

An analyst from Gartner discussed implementing a governance structure. Governance is a high-level strategic guiding function that could provide direction for any state program. He discussed how Texas developed its governance structure called Prioritized Cyber Security Risk Report.

## **Innovations In Public Funding Programs**

The executive officer of ClassWallet discussed how digital wallet technology can help maintain program integrity and compliance at a fraction of the time and cost of other solutions. He shared examples of how state agencies use digital wallets.

## **Interoperability Of Communications**

A representative of Kentucky State Police discussed the state's interoperability infrastructure and the Statewide Emergency Responder Voice System. Phase One funding of \$35.1 million provided new subscriber equipment, system cores, replacement of all console positions at 16 posts, and infrastructure build-out for post one and post two regions. Phase Two funding of \$52.5 million provided new infrastructure for 48 existing sites and 17 additional sites. Phase Three funding of \$128 million provided shelter replacement, microwave, and router replacements; replaced infrastructure at 30 existing sites; and provided funds for obtaining and constructing 35 additional sites. Additional funding in the amount of \$47.9 million was awarded in 24 RS HB 6 for work in the 2024-2026 biennium under Phase Three.

The commissioner of the Department of Facilities and Support Services discussed construction challenges. There are 29 projects in progress. Six sites are upgrading from 100-amp to 200-amp service, and 12 sites are undergoing structural modifications. The division director of the Department of Facilities and Support Services discussed the difficult task of acquiring property. The department has contracted with four new vendors to assist with land acquisition.

## **Jefferson County Clerk's Office**

The executive director of the Jefferson County Clerk's Office testified about the cyberattack on the office on July 22, 2024. The office has spent almost \$100,000 on protection and remediation.

## **Kentucky Department Of Education Information Technology Projects**

The associate commissioner of the Office of Education Technology provided an overview of the technology it uses. He highlighted the student technology leadership program and Kentucky's success with cloud-based systems. Kentucky schools receive approximately \$30 million a year from federal E-Rate funding.

## **Kentucky State Board Of Elections**

The general counsel of the State Board of Elections (SBE) provided an overview of its IT applications and public-facing websites. The board has no legacy systems; its IT team builds and maintains all applications in-house. It owns and operates its own server farm, hosted by COT. SBE has three applications, not for public use, that are used by county clerks and their staff. Identification authentication is used only for applications accessed by county clerks.

## **Master Agreements**

The executive director of the Office of Procurement Services and the general counsel of the Finance and Administration Cabinet discussed the types of master agreements: agency-specific and commonwealth-wide. Executive branch agencies use commonwealth-wide contracts by issuing a delivery order against the contract. Local government and state universities are allowed to develop their own procurement rules and procure outside of eMARS. There are almost 300 active master agreements. The agency faces issues with statutory and regulatory limitations on contract terms with vendors.

## **Next Generation 911 Technologies**

The deputy executive director of the Kentucky Office of Homeland Security provided an overview of the 911 services board and its connection with the agency. He discussed the present and future of Next Generation 911, the federal Next Generation 911 grant program, and funding needs for future projects.

## **COT's Oversight And Governance**

COT's contract officer provided an overview of COT services for the executive branch. These include application development, technical support, implementation strategies, policies, standards, infrastructure, oversight of IT projects, and integration and streamlining of technology. All projects costing \$1 million or more are submitted for review and approval. COT oversees the approval of all IT spending for the executive branch, but funding for those projects is handled in the budget process for each agency and is not the responsibility of COT. COT has a Dell contract for hardware, software, and related services. The Tyler Technologies contract includes other revenue-generating/revenue-sharing contracts with no cost to the commonwealth.

## **KentuckyWired**

The executive director of the Kentucky Communications Network Authority provided an overview of the agency. The KentuckyWired network is present in all 120 counties and has connected 462 out of 768 connections. The prime contractor is Kentucky Wired Operations Company, but local companies are also used. The authority's chief financial officer discussed the current debt for KentuckyWired that runs through 2025, as well as possible opportunities for savings.

**Secretary Of State's Office**

The assistant secretary of state discussed IT improvements the agency has made. The secretary of state's IT infrastructure representative gave an overview of the agency's security infrastructure. The secretary of state's IT developer gave an overview of the agency's public-facing and internal applications. He discussed applications for the land office, elections, notaries, trademarks and service, and the Uniform Commercial Code.

**School Security Technology**

Representatives of Centegix presented their emergency response technology company and how it is used for school safety. They discussed upfront and ongoing costs, estimated at approximately \$8,000 per campus.



## **Report Of The 2024 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  
Robbie Fletcher

Paula Garner  
Steven Gold  
Keith Jackson  
Katie Marks  
Damon Preston  
Tyra Walker  
John Ward  
Randy White

LRC Staff: Joshua Shelepak, Matt Trebelhorn, and Robert Wright

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 held five meetings.

### **Restorative Justice**

Representatives of the Raphah Institute discussed its local community partners, the impetus for starting the organization, the pillars of restorative justice, and how its counselors implement these pillars. The Raphah Institute's program is voluntary, and participation is driven by the victim of a crime. Witnesses discussed Raphah's involvement with program participants' family members and outlined the relationship between Raphah and the Nashville, Tennessee, public school system.

Representatives of Volunteers of America (VOA) Mid-States presented on restorative justice and creating safer communities through restorative practices. They detailed two restorative justice models that VOA uses in schools. Testimony highlighted VOA's service areas and plans to expand restorative justice services across the state. Witnesses discussed the services VOA offers to victims and discussed challenges, including funding, resources, and existing institutional practices.

### **Parent Engagement Model**

Representatives of the Department for Community Based Services and the Northern Kentucky Community Action Commission discussed the purpose and origin of the Parent Engagement Meeting (PEM) Program and outlined parameters for referrals. Testimony described barriers to improved school attendance for youths referred to the program, including some parents who do not want to meet with facilitators. Youth referred are 5 to 11 years old. Witnesses discussed the gap that PEM fills in the 22 counties where it has been implemented, and they explained how the program is designed to prevent parents from thinking PEM involves a disciplinary meeting.

### **Department Of Juvenile Justice**

The commissioner and representatives of the Department of Juvenile Justice (DJJ) presented on the physical conditions, staffing, and population of juvenile facilities. Witnesses outlined DJJ's mission, listed the current population in DJJ facilities, and provided an update on DJJ staffing and employee recruitment and retention efforts. Witnesses provided updates on current DJJ construction projects, including those in Jefferson County.

The commissioner stated that DJJ is able to maintain safe staff-to-juvenile ratios and that overtime hours have been required to maintain a safe ratio in certain facilities. He was unable to publicly discuss whether any specific DJJ facilities are struggling to maintain safe staff-to-juvenile ratios. He clarified the risk classification for three DJJ facilities and provided a construction update for these facilities.

## **Juvenile Probation**

Representatives of the Department of Public Advocacy presented on juvenile probation and the effects on families and children. Witnesses noted variability in how family court judges listen to probation officers and social services clinicians, and they confirmed that DJJ has a standard probation contract. Testimony addressed the application of graduated sanctions, and barriers to participation in detention aversion programs.

A representative of the Council of State Governments' Justice Center presented on juvenile probation and opportunities to improve outcomes for juveniles on probation. The witness discussed the current juvenile probation system, opportunities to improve the system, and outcomes for juveniles on probation.



## **Report Of The 2024 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

Rep. Jason Petrie, ex officio

LRC Staff: William Spears, Ralph Banchstubbbs, Jacob Blevins, Christopher T. Hall, Taylor Johnston, Valentina Osunmade, Austin Sprinkles, Shane Stevens, Joel S. Thomas, and Holly Tracy

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) held seven meetings, adopted five staff reports, heard testimony on five topics, and heard one agency follow-up. The committee structure includes one vice-chair and one ex officio member.

### **Kentucky Child Fatality And Near Fatality External Review Panel 2024 Update**

The committee adopted *Kentucky Child Fatality And Near Fatality External Review Panel 2024 Update*. KRS 6.922 requires LOIC to conduct an annual evaluation of the panel. Staff evaluated the panel's actions in three areas: implementation of recommendations from LOIC's 2023 panel evaluation, the panel's development of findings and recommendations to meet reporting and other requirements under KRS 620.055(10) as amended by 22 RS SB 97, and the panel's operations and procedures. Staff's review resulted in three recommendations related to agency responses to panel recommendations and panel membership, and one matter for legislative consideration related to filling panel vacancies.

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

The committee adopted *Single-Bid Asphalt Contracts*, which had three finding areas and six recommendations. The report's objectives included reviewing, summarizing, and evaluating asphalt contracts procured from FY 2017 to FY 2022 to determine the impact of single-bid contracts; reviewing Kentucky Transportation Cabinet (KYTC) asphalt contracting practices to determine whether policies encourage competitive bidding; and reviewing federal guidance and policies from other states to compare against KYTC's policies. LOIC staff found that more than 50 percent of asphalt contracts received only a single bid. Projects with a single bid were typically awarded at a higher cost relative to cabinet estimates than projects with multiple bidders. Bidding is more competitive in counties surrounding Jefferson County and in northern Kentucky. The report discussed reasons for uncompetitive market conditions, which stem largely from constraints in asphalt production and large capital requirements for startups.

### **Child Removal And Reunification**

The committee adopted *Child Removal And Reunification*, which had two finding areas and four recommendations. The report's objectives included reviewing the process for initial review and removal of children to determine whether procedures are being followed, and reviewing the child reunification process to determine whether children are not returned to their families after case permanency plans are completed. LOIC staff analyzed child maltreatment investigation data from 2018 to 2023, concluding that the Department for Community Based Services generally adheres to federal and state mandates. LOIC staff found that it was impossible to evaluate judicial decisions regarding child reunification due to inadequate documentation of family progress on court-ordered plans. Interviews with three family court judges revealed that there are instances when reunification is not warranted despite the family's compliance, but these instances are exceptional.

## **Executive Branch Use Of Artificial Intelligence Technology**

The committee adopted *Executive Branch Use Of Artificial Intelligence Technology*, which had three finding areas, seven recommendations, and five matters for legislative consideration. The report's objectives included examining the development and management of artificial intelligence (AI) systems in the executive branch, examining the technical characteristics of AI, and highlighting the necessity of defining AI to address ethical concerns such as bias, privacy, and accountability. LOIC staff found that executive branch agencies should work toward developing uniform statutory and regulatory definitions for AI technology and policies governing AI procurement, implementation, risk assessment, and inventorying. The report compiled a preliminary inventory of AI systems, but more comprehensive inventories may be of interest to legislators and useful for the executive branch.

## **Board Of Cosmetology Oversight Functions**

The committee adopted *Board Of Cosmetology Oversight Functions*, which had 3 finding areas, 19 recommendations, and 1 matter for legislative consideration. The report's objectives included reviewing the process for inspecting cosmetology facilities, the process for determining and issuing fines, and board structural issues that may contribute to concerns with inspections or fines. LOIC staff found structural issues involving conflicts with 2024 legislation, appeals processes, signature authority, unsolicited compensation, communication, and continuing education. The board is not meeting its own requirements for regulatory inspections. The board lacks written internal policy and procedures for training inspectors, conducting inspections, and managing complaints against inspectors. A review of fines issued from 2019 to 2023 found that inspection documents were often missing and found minimal policy for determining fine amounts. From 2019 to 2023, average fines have increased by over 400 percent and larger fines have become more common. The board requires practitioners to pay fines through money orders or cashier's checks, which creates an additional barrier.

## **Office Of Broadband Development**

The executive director of the Office of Broadband Development (OBD) testified. The office, established in 2022, has awarded grants totaling \$89.6 million for initial projects, with disbursements exceeding \$10 million and many projects nearing completion. A second round of funding allocated \$206 million to 57 projects, and a \$1 billion program is advancing with federal approvals for deployment in underserved areas. OBD is addressing delays in permitting and reimbursement processes and plans to hire consultants to ensure project compliance. The office is also enhancing grant management through a new online portal. Future steps include adding staff and finalizing a subgrantee selection process for unserved areas.

## **Citizen Complaint Data**

LOIC analysts presented complaint data related to citizen concerns. Most complaints were tied to boards and commissions, highlighting significant delays in licensing processes and board responses. A licensed social worker testified about delays with the Kentucky Board of Examiners

of Psychology, including a lost complaint involving sensitive information. Committee members requested a review of complaints regarding the Board of Cosmetology and expressed concerns over delays in licensing for psychologists and marriage and family therapists. Other legislators called for a review of all boards and shared concerns about delays affecting a nonprofit.

### **Board Of Examiners Of Psychology**

The chair of the Board of Examiners of Psychology testified regarding citizen complaints. She provided an overview of the board's operations and challenges, as well as a response to the complaints. She acknowledged delays in licensure processes but clarified that a third party handles the scheduling of written exams, and oral testing cancellations are uncommon. Frequent application errors, mail delays, and a lack of digitization contribute to inefficiencies. She encouraged legislators to report complaints directly to her for investigation. Committee members encouraged the board to seek legislative support for staffing or other needs.

### **State Contracts And Grants With Nonprofit Organizations**

The CEO of the Kentucky Nonprofit Network testified. Representative Shawn McPherson discussed challenges in state contracting and payment practices that contribute to nonprofit workforce shortages and jeopardize services for Kentuckians. The CEO highlighted the need for improved consistency in state funding processes while maintaining flexibility. The CEO emphasized that delays in fund disbursement force nonprofits to manage projects without adequate capital.

### **Coal Permits In Eastern Kentucky**

Officials of the Energy and Environment Cabinet testified on common problems in issuing coal mining permits. They provided an overview of the process from the initial request for a permit until an entity is allowed to mine, while discussing the typical number of permits issued and the average amount of time needed to process a request. The officials discussed the role of waterway inspections in the permit process, including how long the inspections take, and how often permit issuances are delayed due to issues found in waterway inspections.

### **Kentucky Department Of Education Follow-Up To K-12 Curriculum Development And Instructional Materials Selection**

The chief academic officer and a policy officer of the Kentucky Department of Education (KDE) discussed the selection process for instructional materials, emphasizing the role of superintendents and districts. KDE advises districts to hold open houses and publish selected materials to increase transparency. KDE's quality curriculum task force mirrors the State Textbook Commission and excludes parents, but KDE officials expressed support for including parents. KDE representatives acknowledged declining student test scores but highlighted that new standards take time to show an effect. Committee members recommended limiting state funding for instructional materials to those classified as high-quality resources. KDE has made changes based on legislative recommendations to improve the materials selection process.



## **Report Of The 2024 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. Robert Duvall

Rep. Ken Fleming  
Rep. Derrick Graham  
Rep. Jason Petrie  
Rep. Phillip Pratt  
Rep. James Tipton  
Allison Ball  
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 eight meetings from January through December 2024.

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

The 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.

### **KERS Nonhazardous Agency Participation/House Bill 8 Reporting Requirements**

At the May meeting, representatives of the Kentucky Public Pensions Authority and the Kentucky Association of Regional Programs provided updates on 21 RS HB 8 reporting requirements, results, and challenges, related to the Kentucky Employees Retirement System.

### **System Membership/Payroll Data**

Representatives of the Judicial Form Retirement System, the Kentucky Public Pensions Authority, and the Teachers' Retirement System provided membership and payroll data for FY 2020 through FY 2024.

### **Deferred Compensation Authority**

The board invited the Kentucky Public Employees' Deferred Compensation Authority to give testimony regarding auto enrollment for all new state employees hired after July 1, 2019.

### **Proposed And Recommended Legislation**

The board discussed proposed legislation and recommendations on various pension-related topics.

## **Report Of The 2024 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. Shawn McPherson  
Rep. Phillip Pratt  
Rep. Rachel Roarx

LRC Staff: Stefan Kasacavage, Hillary Abbott, 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 held seven meetings.

In accordance with statutory requirements, 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 were denied funding; asked how KOAP is encouraging diversification of applicants; and asked about project monitoring, compliance, and reporting.

KOAP staff 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 long-standing programs, KOAP reviewed projects funded through the 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.

### 2000 RS HB 611

A founding member of the KADB and member of the Kentucky Agricultural Finance Corporation (KAFC) detailed his contributions to the writing of 2000 RS HB 611 and his continued contributions to the crop and market diversification mission of the KADB and KAFC. The lasting impact of Kentucky's approach to Master Settlement Agreement (MSA) funds transformed the agricultural landscape of the state, making it a national and international model for crop diversification.

### Kentucky Center For Agriculture And Rural Development

The Kentucky Center for Agriculture and Rural Development provided testimony. The center is funded with KADB funds to provide educational opportunities, business support services, and technical assistance to Kentuckians.

## **Impact Of MSA Funds On Children, Families, And Food Access**

Representatives of the Community Farm Alliance, which services the Kentucky Farms to Food Banks and Kentucky Double Dollars programs, provided an update on outreach to local communities through farmers markets and cooperation with local food markets. These programs have benefited residents of food deserts (regions with limited access to fresh food) by providing access to fresh food for low-income Kentuckians and those receiving Supplemental Nutritional Assistance Program benefits.

Testimony was provided by the Cabinet for Health and Family Services (CHFS) and the Early Childhood Advisory Council (ECAC). Twenty-five percent of MSA funds are allocated to improve and promote early childhood development. CHFS uses MSA dollars for its quality rating improvement system and its child care and development fund. The fund promotes success for children, and employment and economic security for parents, by ensuring stable, high-quality child care. A representative of ECAC described its function within the Governor’s Office of Early Childhood and its role in advising agencies that run early childhood programming.

## **Tobacco Use And The Master Settlement Agreement Fund**

The manager of the Tobacco Prevention and Cessation Program expressed concern over the rise in e-cigarettes and vaping, particularly among youths. The program’s numerous initiatives to curb tobacco use among teenagers and adults include the Quit Now initiative. Kentucky has received a relatively stable amount of MSA funds in recent years—over \$110 million annually. It is to receive such funds in perpetuity as long as cigarettes are sold in the US. However, revenues will likely decline as smokers increasingly abandon traditional cigarettes in favor of e-cigarettes and other vaping products.

## **Cancer Research**

In December, the committee was to receive its annual update from the cancer research centers at the University of Kentucky and the University of Louisville on new and ongoing initiatives aimed at improving treatments for patients with cancer.

## **Report Received**

- 2024 Kentucky Office of Agricultural Policy Annual Report



## **Report Of The 2024 Artificial Intelligence Task Force**

**Sen. Amanda Mays Bledsoe, Co-Chair**  
**Rep. Josh Bray, Co-Chair**

Sen. Stephen Meredith  
Sen. Brandon Smith  
Sen. Brandon J. Storm  
Sen. Reginald Thomas  
Sen. Gex Williams

Rep. John Blanton  
Rep. Derek Lewis  
Rep. Suzanne Miles  
Rep. Pamela Stevenson

LRC Staff: Daniel Carter, Christina Gordley, Alaina Spence, Shannon Tubbs, and Angela Rhodes

Jurisdiction: The task force shall identify strategies by other states to study and monitor artificial intelligence systems developed, employed, and procured by other states' agencies; study other states' agencies currently using artificial intelligence systems in government operations; identify existing Kentucky agencies using artificial intelligence systems and study those systems; gather information on artificial intelligence systems used by other groups, including Kentucky businesses and the federal government; and provide recommendations on how Kentucky government agencies' use of the artificial intelligence systems would benefit their operation and procurement policies and the legislative initiatives needed to provide consumer protection in the private and public sectors.

## **Task Force Activity**

The Artificial Intelligence Task Force held six meetings.

### **Overview Of Artificial Intelligence**

The Artificial Intelligence Task Force invited representatives of Microsoft, the National Association of State Chief Information Officers, and Salesforce to discuss artificial intelligence (AI) in the public and private sectors, the tools and applications offered by their entities, and how AI can be used as both a tool and weapon.

### **Use Of Artificial Intelligence**

The task force discussed AI in health care, transportation, logistics operations, technology, and social work. The University of Kentucky, Elevance Health DBA Anthem, and the Cabinet for Health and Family Services provided discussion of the current use and abilities of AI in health care. Representatives of the Transportation Cabinet discussed current use and abilities of autonomous vehicles and the use of AI. A regional policy lead from Amazon discussed its AI logistics operations in Kentucky. Google's director of public sector engineering discussed AI in the public sector and how entities are making good use out of AI tools and technologies. The chief information officer of the Commonwealth Office of Technology discussed how that office can provide the AI tools the state has procured, but said that use of the tool is up to individual agencies. The chair of the Kentucky Board of Social Work discussed AI through influencing documentation and electronic medical records.

### **Policy Considerations And Recommendations**

The task force invited the office of the secretary of state, the office of the attorney general, and an AI safety researcher to discuss policy, safety, and considerations for moving forward with AI.

## **Findings And Recommendations**

The task force submitted its findings and recommendations to the Legislative Research Commission for consideration and referral to the appropriate committee. These findings and recommendations are based solely on the testimony provided to the task force during the 2024 Interim. The findings do not include independent research by LRC staff.



## **Report Of The 2024 Efficient And Effective School District Governance Task Force**

**Sen. Michael J. Nemes, Co-Chair**  
**Rep. Kim Banta, Co-Chair**

Sen. Gerald A. Neal  
Sen. Lindsey Tichenor  
Rep. Tina Bojanowski  
Rep. Ken Fleming  
Rep. James Tipton  
Britany Abdelahad

Phillip Baker  
Allison Ball  
Angela Masden  
George Nichols  
Rebecca Nicolas  
Jody Wurtenberger

Rep. James Tipton, nonvoting ex officio

LRC Staff: Joshua Collins, Maurya Allen, Landen Holder, and Yvette Perry

Jurisdiction: For Kentucky school districts with student enrollment greater than 75,000, review current district governance and administration models and compare the governance and operational structures to school districts in other states with similar size and demographic composition; review the functionality, duties, structure, independence, effectiveness, and efficiency of local boards of education and the impact of board decisions on student outcomes; review publications, reports, and analyses of school governance relating to district size, the efficiency of districts, and the effects of size on student outcomes, including but not limited to a report from the Office of Education Accountability on school district governance that was approved in the office's 2024 research agenda, and previous Kentucky Department of Education management reports; hear testimony from entities with experience in research on and expertise in education organizational structures, policies, and governance; hear testimony from parents of former, current, and prospective students attending schools in districts with enrollment greater than 75,000, and from parents that have chosen not to enroll their students in school districts with enrollment greater than 75,000, on the strengths and weaknesses of the districts' academic offerings, educational capabilities, school and district policies, and their decisions to enroll or not enroll their students in schools within such districts; review relevant past performance audits, correction plans, and other analyses of school districts with enrollment greater than 75,000; and review how other states have implemented or addressed the benefits and challenges of the creation of new school districts and the benefits and challenges of those new districts and the expansion of the membership of the school board.

## **Task Force Activity**

The Efficient and Effective School District Governance Task Force held 10 meetings.

### **Current District Structure And Operations**

Staff of Jefferson County Public Schools (JCPS) presented an overview of the district's organizational structure, operations, finances, staffing, and programs. They shared data on enrollment, attendance, and performance metrics. The chair of the Jefferson County Board of Education provided an overview of the board's organization and operations.

### **Employment, Contracts, And Finances**

JCPS staff provided data on the numbers and types of employees within the district. The presentation also provided information on the compensation of employees, the district's collective bargaining agreements, and the terms of the agreements. Staff explained how the district manages contracts and the various major contracts the district maintains.

### **Literacy And Numeracy Efforts**

JCPS staff presented an overview of recent changes in literacy and numeracy instruction. Staff shared the district's efforts to implement districtwide curriculum under 2022 RS SB 1 and the district's changes to literacy instruction to conform to 2022 RS SB 9. This included a process for JCPS to adopt curriculum as a district and the professional development for educators. On numeracy, JCPS staff outlined the district's completed efforts to implement 2024 RS HB 162 and future steps to improve math instruction within the district.

### **Early Childhood Education**

JCPS staff provided information on the district's current implementation of state-funded preschool. Staff shared data on kindergarten readiness of the students who enroll in the district and the district's work to improve kindergarten readiness through the preschool program. The district is working to improve and expand preschool facilities. JCPS staff identified challenges in early childhood education, including a large number of teacher and instructional assistant vacancies and the difficulty of the assessment required for early childhood teacher licensure. The district has developed partnerships with postsecondary institutions to improve the employment pipeline and professional development.

### **Student Discipline**

JCPS staff shared national and local trends in student discipline issues, specifically chronic absenteeism and truancy, student mental health needs, community violence, student trauma, and student disengagement from the community. Staff also provided an overview of the district's Student Support and Behavior Intervention Handbook and the resources the district has assigned to assist with student discipline issues. Additionally, staff shared the district's efforts to address school safety. The president of the Jefferson County Teachers Association

provided perspectives on student discipline from teachers that focused on competing directives from state and federal regulators, the experiences of JCPS teachers expressed through survey responses, assessment and accountability, cellphone use, student mental health, school-based collaboration, and employee policy initiatives to address student discipline. Staff of the Kentucky Department of Education (KDE) provided JCPS discipline data with the number of behavior events recorded, the resolution of those events, and the number of various behavior events by type.

### **Public Comment**

The task force held two meetings at sites in Jefferson County to receive public feedback on how parents would like to see JCPS's academic offerings, educational capabilities, and operations improved and how those factors affect the enrollment decisions for their children.

### **Demographic Changes**

The director of the Kentucky State Data Center discussed overall population and school-age population trends for Louisville, Jefferson County, and Kentucky. The presentation outlined enrollment data over the past 7 years and population projections for the next 15 years. The population continues to grow, but at a slowing rate with stagnation in ages 5 to 17. Much of future growth within Louisville and Jefferson County is expected to occur in nonwhite populations. Modest declines in school enrollment are expected in the next 5 to 10 years, followed by small gains. KDE staff provided data on student enrollment, membership, attendance, and absenteeism.

### **Performance**

Staff of the Kentucky Center for Statistics provided longitudinal data on JCPS preschool attendees, whose kindergarten readiness rate is higher than in the balance of the state. Additional data showed that JCPS students who were kindergarten ready had a lower 3<sup>rd</sup>-grade reading proficiency rate than kindergarten-ready students in the rest of the state. A similar outcome is seen in math. Among JCPS graduates, overall college-going rates are lower than in the rest of the state, but JCPS English language learners and those eligible for free or reduced-price lunch had higher college-going rates than in the balance of the state. JCPS non-college-going graduates have higher employment rates than in the balance of the state, with greater median salaries. The president of the Council on Postsecondary Education provided data on grade point averages, ACT scores, college credit earning, college-going rates, college retention rates, and graduation rates for JCPS, various high- and low-performing JCPS schools, and the remainder of the state. The president of the Southern Regional Education Board provided data comparing JCPS performance on the National Assessment of Educational Progress with that of other large districts across the country. Staff of the Council of the Great City Schools shared information comparing JCPS with other Kentucky districts on academic and staffing measures. OEA staff presented relevant portions of the reports *Student Achievement: Lessons Learned From Kentucky's Relatively Highest- And Lowest-Performing Schools* and *Effectiveness And Efficiency Of Kentucky School Districts*, which provided data efficiency challenges for JCPS and identified trends among high- and low-impact schools.

## **Education Governance**

Staff of the Education Commission of the States discussed roles that officials and entities play in state education governance. The information outlined state-level education governance models used in other states. Staff shared examples of ways a school district can be reorganized through consolidation, subdivision, transfer, and annexation. The president of the Southern Regional Education Board provided examples of governance models of local boards of education. Staff of the Council of the Great City Schools discussed the organization's efforts with JCPS and best practices learned from similar districts across the country. OEA staff presented relevant sections of the report *School District Governance Models And Interventions*, which provided an explanation of the role of school boards within the state and a review of efforts in other states to reform or intervene in local district governance. The Civic Solutions Group outlined policy initiatives in other states at both the state and local level to improve urban school district performance.

## **Review Of Previous Audits And Special Examinations**

KDE staff reviewed the authority and process the department uses in conducting management audits of school districts. Staff outlined previous JCPS performance audits and corrective action plans. Staff also reviewed past monitoring efforts and corrective action plans for JCPS special education services and efforts to address compliance with the Individuals with Disabilities Education Act. The president of Prismatic Services provided information on the 2023 transportation audit that the company completed for JCPS, which outlined management and procurement issues within the district. The auditor of public accounts presented an overview of previously conducted audits and an update of the special audit required by 2024 RS HB 6.

## **Report Of The 2024 Kentucky Housing Task Force**

**Sen. Robby Mills, Co-Chair**  
**Rep. Susan Witten, Co-Chair**

Sen. Julie Raque Adams  
Sen. Jimmy Higdon  
Sen. Stephen West  
Sen. David Yates

Rep. Kevin D. Bratcher  
Rep. Randy Bridges  
Rep. Lindsey Burke  
Rep. Mike Clines

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

Jurisdiction: Study and review the current and future policy needs of the state to address access and availability of housing to the citizens of the commonwealth, including but not limited to a demographic analysis of housing costs, population, and employment opportunities statewide and regionally in Kentucky; a comprehensive review of state and local laws, regulations, policies, and procedures that affect housing; analysis of the availability and accessibility of housing to include examination of the costs of housing, utilities, and access to health care; evaluate land use, zoning, infrastructure, and community planning to identify barriers that impede the development and availability of accessible, adequate, and affordable housing; and examine efforts and policy changes in other states and municipalities to address increasing housing supply and encourage homeownership.

## **Task Force Activity**

The Kentucky Housing Task Force held six meetings.

### **Kentucky Demographics, With Focus On Housing Stock And Housing Needs**

The executive director and research director of the Kentucky Center for Statistics presented three reports produced by the center. The first was *Legislative District Dashboard*, an interactive report that displays data for legislative districts; the second was *Kentucky Commuting Patterns*, which looks at jobs people commute to and from on a county-by-county basis; and the third was *Occupational Outlook (2021-2031)*, a forecast based on historical data.

The deputy executive director of housing programs of the Kentucky Housing Corporation described the corporation's activities and funding, and presented findings from phases I and II of the Kentucky Housing Supply Gap Analysis.

### **Regulations Related To Home Building**

The commissioner of the Department of Housing, Buildings and Construction gave an overview of the department and its role in inspecting residential construction.

### **Housing Issues In Local Communities**

The mayor of the Louisville/Jefferson County Metro Government discussed its programs and efforts to address housing issues in Jefferson County. The Boone County judge/executive, a Marshall County commissioner, and the director of government affairs of the Kentucky Association of Counties discussed how housing supply issues are affecting counties. The mayor, city administrator, and planning director of Elizabethtown discussed how housing supply issues are affecting that city, which is undergoing significant growth due to economic development. The mayor of the Lexington-Fayette Urban-County Government discussed the city's programs and efforts to address housing issues in Fayette County. The Elliott County judge/executive discussed the county's housing needs.

### **Planning And Zoning Laws, And Impacts On Housing**

An attorney with Pike Legal gave an overview of planning and zoning laws and their impacts on housing development.

### **Commercial Consideration Of Housing**

The senior vice president of public affairs of the Kentucky Chamber of Commerce and the CEO/executive vice president of the Home Builders Association of Kentucky discussed key challenges faced by the building industry regarding housing, including workforce, planning and zoning, lack of infrastructure, and regulatory barriers. The executive director of the Louisville Apartment Association discussed challenges facing multifamily housing and measures that could address those challenges. The executive director of the Kentucky Manufactured Housing

Institute discussed changes in the manufactured housing industry and the potential for manufactured homes to alleviate housing shortages.

### **Housing Issues In Northern Kentucky**

Representative Stephanie Dietz, the executive director of the Northern Kentucky Area Development District, the executive director of Planning and Development Services of Kenton County, and the executive director of the Northern Kentucky Community Action Commission discussed how housing shortages affect Northern Kentucky, as well as its attempts to address the issue.

### **Affordable Housing Builders' Perspectives On Housing Issues**

The CEO of Lexington Habitat for Humanity, the executive director of the Pennyriple Region Habitat for Humanity, and the CEO of Winterwood Inc. discussed Kentucky Habitat for Humanity's challenges and efforts to scale up production of homes.

### **Impact Of Housing Shortages On Homelessness**

The director of education and advocacy of the Louisville Coalition for the Homeless, the executive director of the St. John Center in Louisville, and the executive director of the Paducah Cooperative Ministry discussed how homelessness is a housing problem and offered policy proposals to address the housing crisis and homelessness.

### **Rehabilitation Of Dilapidated Homes**

The president of the Housing Partnership discussed proposed legislation that would allow Kentucky-based nonprofits to purchase tax liens of vacant and abandoned properties for the development of affordable housing.

## **Final Report**

At the task force's final meeting, it adopted a final report to be sent to the Legislative Research Commission, summarizing the activity of the task force and noting recommendations made by stakeholders.





## **Report Of The 2024 Workforce Attraction And Retention Task Force**

**Sen. Max Wise, Co-Chair**  
**Rep. Robert Duvall, Co-Chair**

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

Rep. Josh Branscum  
Rep. Matthew Koch  
Rep. Michael Sarge Pollock  
Rep. Ashley Tackett Laferty

LRC Staff: Janine Coy, Austin Johnson, Matissa Robinson, Christian Deeter, Wendy Craig, Jasmine Williams, and Sasche Allen

Jurisdiction: Identify the issues currently facing Kentucky employers with attraction and retention of skilled and talented workers and consult with officials and other entities in other states and in local and regional communities in Kentucky to study how they are marketing their communities' quality of life, strengths, and job opportunities to address workforce needs throughout Kentucky. Establish the parameters of the study and consult with the Cabinet for Economic Development, which shall hire a consulting and strategic firm to evaluate and develop legislative recommendations and policy options on creating a marketing program for Kentucky to attract and retain skilled and talented workers and developing recommendations for the General Assembly to create a grant fund program for a statewide workforce attention and retention marketing campaign and a local or regional workforce attention and retention marketing campaign. Review current education and workforce development programs to identify, enhance, and expand programs to facilitate the training and employment of historically untapped workforce populations and the challenges that may prevent Kentuckians from participating in the workforce, including but not limited to barriers related to transportation, housing, child care, disabilities, professional licensing, education and training, public assistance and benefits cliffs, substance abuse disorder, and criminal records. Study economic and labor force data related to workforce as well as long-term demographic trends impacting Kentucky, the region, and the United States. Identify consensus-driven public policy solutions, opportunities for public-private partnerships and ways to ensure the commonwealth is adequately tracking workforce data, needs, setting goals and measuring progress in all parts of the state and communicate with employers, industry representatives, and economic development and site selection professionals to better understand how workforce challenges affect different industries and business investment, expansion, and relocation considerations by private sector industries.

## Task Force Activity

The Workforce Attraction and Retention Task Force held seven meetings.

### Workforce Challenges

The author of *Men Without Work: A Problem We Ignore At Our Peril* discussed his analysis of men in the postpandemic workforce. The percentage of men without paid work, ages 25 to 54, began to decline into Depression-era employment levels after 2020. The author suggested several factors related to the decline, including increasing participation in social insurance programs, growing populations of felons and ex-felons, fewer summer job opportunities, and overall slowdown of economic growth across the country.

The executive director of Kentuckians for Better Transportation and the general manager of the Transit Authority of Northern Kentucky presented on transportation as an overall workforce barrier and ways that public transit may be a solution. The general manager discussed the challenges of the state's three major urban transit operators and overall transportation issues with long-term reliable funding sources, rural job sites, and public-private partnerships. It was noted that CARES Act funding, which had been appropriated for public transit across the state, is likely to run out in 2025. Recent changes and limitations for obtaining commercial drivers' licenses were also mentioned.

Hometown Health Systems connects, serves, and administers lifesaving assistance to populations that have historically been neglected. The workforce participation rate in Kentucky is 57.6 percent, with substance abuse disorder and incarceration affecting a much higher percentage of the male workforce than the female workforce. Hometown Health Systems targets barriers in the workforce and creates an individualized success plan that includes comprehensive intake with peer assessment, triage and detox, short-term housing, reentry to the community, and workforce development.

Economic Leadership provides statewide and regional competitive strategies, corporate communications, locational analysis, and trendspotting. A representative of the organization asserted that the state labor force and employment data has been flat since 2010, which can negatively affect future growth. Kentucky ranks in the top five for the cost of business and the formation of new businesses. General factors that increase the labor force include more children becoming adults than people retiring, adults reentering the workforce, employers using more immigrant work, and the state having more workers moving in than out.

Proposed solutions include implementing statewide talent attraction programs similar to those in Michigan, Ohio, and Florida.

### Workforce Opportunities

The executive director of the Kentucky Chamber Center for Policy and Research discussed state-specific labor market data and policy recommendations. Although an aging population and an increase in retirements have been primary drivers of falling workforce participation in

the state and nation since 2000, these do not fully explain the problem. The executive director offered six recommendations to optimize the current workforce and attract skilled prime-age workers: increase access to child care, help low-level nonviolent offenders find employment, support the 60x30 initiative involving the Work Ready Kentucky Scholarship, create a favorable tax climate, ensure a strong housing market, and enhance the quality of life.

The State Exchange on Employment and Disability (SEED) is funded by the US Department of Labor's Office of Disability Employment Policy to foster a more inclusive workforce for people with disabilities. The program assists state and local policy makers by providing tools and resources for development of disability employment and workforce policies. SEED's project director discussed Kentucky disability population statistics and resources such as Work Matters: A Framework for States on Workforce Development for People with Disabilities, some recommendations of which were implemented by the General Assembly. SEED's legislative and policy counsel presented options for private sector engagement.

The college and career coach of Hart County High School and the executive director of the Barren River Area Development District discussed transportation hindrances affecting youths, including access to obtaining driver licensing and photo identification, as an unintended consequence of changing driver licensing locations from circuit court clerks' offices to regional locations. Solutions presented included enhanced driver education programs in schools, printed driver education materials, and online driver testing. Representative Koch suggested that regional center employees may be able to administer driver testing at the high schools.

Representative Koch, Representative Nima Kulkarni, the vice president of operations and programs of the South Central Workforce Development Board, the new American workforce navigator of the South Central Workforce Development Board, the CEO of Jewish Family and Career Services of Louisville, and the career counselor for refugees and immigrants of Jewish Family and Career Services all discussed the untapped immigrant population that could be one solution to workforce shortages. The commonwealth has four resettlement agencies and a higher concentration of refugees in Louisville, Lexington, Bowling Green, and Owensboro.

The career counselor highlighted barriers to employment for the immigrant population including language, transportation, and licensing and credentialing limitations experienced mostly by doctors and dentists who have immigrated to the commonwealth. The South Central Workforce Development Board representatives said their employment services are replicable, have been successful, and have been requested for immigrants across the state and country. Staffing positions can be mobile, face-to-face, and outside traditional work hours, and they can entail business management responsibilities. Representative Kulkarni said issues linger with language barriers, lack of interpreters, and lack of broadband access. The CEO of Jewish Family and Career Services of Louisville said a systemic approach with involvement from private sector partners is key.

The senior vice president of the Graduation Alliance spoke about its mission to assist those without a high school diploma by implementing adult workforce diploma programs and providing participants with the opportunity to gain industry-recognized credentials and employable skills certifications.

Representatives of the Kentucky State AFL-CIO and the Kentucky State Building and Construction Trades Council discussed the benefits of apprenticeship programs, as they produce highly trained, skilled workers with higher wages and more benefits compared to non-union counterparts. Apprenticeship programs offer a solution to workforce shortages while using state-based contractors to provide high-quality workmanship. Other solutions—such as developing apprenticeship programs for K-12 students and the existing Tech Ready Apprentices for Careers in Kentucky program—have the potential to create a pipeline for students to enter postsecondary apprenticeship training. Coal miners, people in recovery, incarcerated populations, and veterans are population groups that both organizations are committed to serving via apprenticeship opportunities to increase participation in the workforce.

### **Workforce Attraction**

The executive director of Veterans Accelerated Licensure Occupational Recruitment (VALOR) discussed its commitment to addressing the challenges veterans face when reentering the workforce. The organization has 44 pathways that correlate with 55 licensed occupations spanning 180 military occupational specialties. By engaging employers to assess workforce needs, recruiting transitioning service members, bridging workforce gaps, and focusing on veterans, VALOR offers employers a more efficient and skilled workforce.

The chief policy officer and director of regional engagement of Commerce Lexington presented a regional competitive plan that focuses on talent attraction. The plan involves collaboration with Economic Leadership, Development Counsellors International, and more than 45 business, higher education, local government, and economic partners. People from states such as Missouri and Texas have visited Lexington with expectations of replicating Commerce Lexington's campaign.

Live in Lou was developed by Greater Louisville Inc. in response to Louisville's declining population growth, which falls below the national average. Greater Louisville's outreach approach focuses on brand development, outreach to employers, collection of workforce and relocation resources, targeted university outreach, extended talent pipelines, targeted talent attraction campaigns, and state and regional marketing. Commerce Lexington plans to re-create Greater Louisville's approach to working with state colleges and universities.

Independent Electric Contractors (IEC) is a nonprofit trade association dedicated to independent electrical contractors. The executive director and the president of the IEC board of directors presented efforts to attract high school students and other adults to electrical work. IEC has a 4-year apprenticeship program accredited by the Department of Labor that has enrolled over 200 apprentices.

Representative Shawn McPherson, the president/CEO of South Central Kentucky Workforce Board, the executive director of the South Western Kentucky Economic Development Council, and the president/CEO of the Christian County Chamber of Commerce discussed attracting military retirees to Kentucky as a potential workforce. The speakers presented data about the declining military retiree population in Kentucky and reasons for the decline. The speakers offered recommendations for creating a military retiree pension tax exemption, creating interstate

occupational licensure compacts, addressing child care issues, and reviewing property tax laws pertaining to veterans.

The Office of Adult Education’s Reentry Employment Services Branch launched the Putting Kentuckians First initiative, which provides employment, recovery resources, education and training, career services, vocational rehabilitation, and court-ordered programs focused on diversion and reentry pathways to the workforce. The program facilitates targeted orientation classes for local judicial entities to create referral and accountability pipelines for individuals using a customer-entered, county-specific approach.

The executive director of Shaping Our Appalachian Region provided insight into population issues facing Eastern Kentucky, including labor shortage barriers and the need for regional development. Initiatives that could improve workforce participation rates in Eastern Kentucky were discussed, including programs to retain skilled workers, support for addiction recovery as a pathway back to employment, and investment in education and technical training. The executive director highlighted the importance of regional marketing campaigns to attract talent by showcasing Kentucky’s quality of life and opportunities for growth.

The president/CEO and human resources manager of Logan Aluminum presented strategies for workforce attraction and retention. Logan Aluminum serves beverage packaging, container and industrial, and automotive products markets. The representatives shared their successes and challenges in sustaining a productive workforce. Logan Aluminum maintains a team culture at its plants and is involved in local, state, and regional educational institutions to provide educational opportunities for its employees and high school students.

### **Recommendations**

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 2024 Interim. The findings do not include independent research by LRC staff.