



**Kentucky Legislative Report
March 11, 2011 - Regular Session Final Report
Smith Management Group Government Solutions
Prepared by
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Scott's Thoughts

As you may have heard, Senator David Williams ended the 2011 session of the General Assembly on Wednesday. The final work day had originally been scheduled for March 21, which would have given lawmakers the chance to override any vetoes made by the Governor. In response to the early end date, the Governor immediately called a special session to begin on Monday. Two bills that failed to pass in the 2011 regular session will be addressed in the special session: balancing the Medicaid budget (HB 305) and raising the high-school dropout age from age 16 to 18 (HB 225).

The Medicaid budget faces a shortfall this year that potentially means Medicaid payments to medical providers will be cut. In the regular session the Governor proposed HB 305, which moves \$166.5 million of the state's Medicaid budget from next fiscal year to this year. The Senate doubted the feasibility of Governor's proposal, arguing that across the board cuts to all agencies (including education) was a better solution. House Democrats and Senate Republicans debated the budget on Tuesday night but failed to reach an agreement.

HB 225 was also high-priority for Governor Beshear during the regular session. This bill raises the dropout age from age 16 to 17 in 2015 and to 18 in 2016. The bill passed the House this year but stalled in the Senate.

Also well publicized, is the debate on the timing and scope of the Governor's call for a special session. House and Senate leaders generally insist on having an agreement on pending legislation before going into a special session. They reason that this minimizes the number of days that the legislature is in session. However, in this instance, the Governor says that waiting is unfeasible because providers need to know if their Medicaid payments will be cut beginning on April 1. Also, Governor Beshear has said that the special session is limited in scope to prevent any additional budget cuts to state government. This limitation would essentially prevent the Senate budget proposal from consideration. We will keep you updated on the progress of the 2011 special session.

Elsewhere, several bills that we were following have reached the Governor's desk, and we are awaiting action by the Governor to know if the bills will become law. The Governor has 10 days, excluding Sundays, to act on a bill after it is received. The bills awaiting signature are: SB 8 (one-stop shop to conduct business); SB 50 (carbon capture and transport); HB 259 (carbon storage); SB 385 (coal bonds); HB 26 (wastewater); HB 433 (waste tires); SB 70 (cleanup standards); and SB 39 (construction contracts obtained by out-of-state entities). More detail on these bills and House Bills 301 and 225 can be seen below.

The bill numbers found in this document are linked to the Kentucky Legislative Review Commission's web page so you can review the legislation.

This is by no means an all encompassing list of bills. Don't hesitate to contact me if you want me to add additional issues, need copies of the proposed legislation or have questions about these or other bills you've heard about.

DO YOU KNOW SOMEONE WHO WANTS TO RECEIVE THESE UPDATES?

Send this to a colleague and tell them to write us at scottr.smith@smithmanage.com if they want to receive notice when these postings are updated.

QUESTIONS, COMMENTS, ADDITIONAL INFORMATION

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Economic Development

SB 8 – Senator [David Givens](#), Senator [John Schickel](#), Senator [Mike Wilson](#)

AN ACT relating to a one-stop-shop to conduct business in the Commonwealth and making an appropriation therefor, and declaring an emergency.

Create a new section of KRS Chapter 14 to require the Secretary of State to establish a business-one-stop electronic state business portal to facilitate interaction among businesses and governmental agencies in the Commonwealth, to mandate that certain elements be included in the development of the business portal, to coordinate with appropriate cabinet to develop certain aspects of the business portal, and to have the basics of the business portal operational by July 1, 2012; Amend KRS 11.202 to require the Commission on Small Business Advocacy to submit an annual report beginning December 1, 2012 to LRC and the Secretary of State with an analysis of how to improve the business-one-stop portal so that it is more user friendly; amend KRS 42.730 to direct the executive director of the Commonwealth Office of Technology to conduct research regarding the various technical and filing requirements necessary for the successful development of the business portal, to submit a report to the Legislative Research Commission no later than December 31, 2011; make an appropriation to the Commonwealth Office of Technology for a study; EMERGENCY.

SB 8 - AMENDMENTS

SCS - Retain the original provisions of the bill except with the following changes; permit electronic filings by local governments; provide for the core standards rather than the basics of the portal to be operational by a date certain; include the secretary of the Finance and Administration Cabinet as one of the coordinating principals in the development of certain aspects of the business portal; reduce from \$250,000 to \$150,000 the amount of money to be appropriated from the General Fund for a study.

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[HCS](#) - Retain provisions of SCS, except add Cabinet for Economic Development, Finance and Administration, and the Commonwealth Office of Technology as agencies responsible for establishing portal; create an Advisory Committee composed of representatives from various state agencies to make assessments and recommendations; specify issues to be included in the committee's assessment, and in the one-stop portal; remove appropriation.

[HCA \(1\)](#)/Title, R. Palumbo) - Make title amendment.

Jan 4-introduced in Senate; to Licensing, Occupations, & Administrative Regulations (S); taken from Licensing, Occupations, & Administrative Regulations (S); 1st reading; returned to Licensing, Occupations, & Administrative Regulations (S)

Jan 5-reported favorably, 2nd reading, to Rules with Committee Substitute ; posted for passage in the Regular Orders of the Day for Thursday, January 6, 2011

Jan 6-3rd reading, passed 38-0 with Committee Substitute

Jan 7-received in House

Feb 1-to Economic Development (H)

Feb 23-posting waived

Feb 24-reported favorably, 1st reading, to Calendar with Committee Substitute, committee amendment (1-title)

Feb 25-2nd reading, to Rules

Feb 28-posted for passage in the Regular Orders of the Day for Tuesday, March 1, 2011

Mar 3-3rd reading, passed 99-0 with Committee Substitute, committee amendment (1-title) ; received in Senate

Mar 4-posted for passage for concurrence in House Committee Substitute, committee amendment (1-title) ; Senate concurred in House Committee Substitute, committee amendment (1-title) ; passed 37-0; enrolled, signed by each presiding officer; delivered to Governor

[SB 50](#) – Senator [Tom Jensen](#)

AN ACT relating to the capture and transportation of carbon dioxide.

Amend Subchapter 27 of KRS Chapter 154 to include carbon dioxide transmission pipeline eligibility for Incentives for Energy Independence Act; grant companies constructing carbon dioxide transmission pipelines eminent domain powers; require carbon dioxide transmission pipeline to obtain construction certificate from the Ky State Board on Electric Generation and Siting; amend KRS 154.27-010, 154.27-020, 278.495, 278.700, and 278.714 to conform.

[SB 50](#) - AMENDMENTS

[SCS](#) - Retain original provisions of SB 50; amend 278.495 to delete the Public Service Commission's responsibility to monitor compliance of the federal pipeline safety laws; amend KRS 278.714 to allow the Kentucky State Board on Electric Generation and Siting to hire a consultant to review the pipeline plans and provide recommendations to the board; allow the consultant to prepare a formal report and provide that the pipeline pays for the consultant; allow for a public hearing upon a request by three people who reside where the pipeline will be built; delete from the board's consideration factors pertaining to adverse impacts on private landowners, cost effectiveness of the pipeline, and environmental factors.

[HFA \(1\)](#)/Title, G. Stumbo) - Make title amendment.

[HFA \(2\)](#), G. Stumbo) - Direct PSC to expedite review for purchase power contracts with Kentucky generation facilities that meet certain requirements

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Jan 5-introduced in Senate
 Jan 6-to Natural Resources and Energy (S)
 Feb 9-reported favorably, 1st reading, to Calendar with Committee Substitute
 Feb 10-2nd reading, to Rules
 Feb 15-posted for passage in the Regular Orders of the Day for Tuesday, February 15, 2011; 3rd reading, passed 37-0 with Committee Substitute
 Feb 16-received in House
 Feb 17-to Tourism Development & Energy (H)
 Feb 18-posted in committee
 Feb 24-reported favorably, 1st reading, to Calendar
 Feb 25-2nd reading, to Rules; floor amendments (1-title) and (2) filed
 Feb 28-posted for passage in the Regular Orders of the Day for Tuesday, March 1, 2011
 Mar 1-3rd reading, passed 80-17
 Mar 2-received in Senate
 Mar 3-enrolled, signed by President of the Senate
 Mar 4-enrolled, signed by Speaker of the House; delivered to Governor

HB 259 – Representative [Brent Yonts](#), Representative [Jim Gooch Jr.](#), Representative [John Short](#)

AN ACT relating to economic development.

Create new sections of KRS Chapter 353 to define terms; state legislative findings; direct Energy and Environment Cabinet to seek one to five projects demonstrating injection of carbon dioxide into geologic storage; provide a process for pooling of pore space necessary to create underground carbon storage reservoirs; create a process whereby ownership of and liability for stored carbon dioxide will pass to the federal or state government following a period of monitoring of the storage facility; direct the Energy and Environment Cabinet to undertake discussions with surrounding states concerning accidental migration of geologically stored carbon across state lines; require annual reports.

[HB 259](#) - AMENDMENTS

[HCS](#) - Direct the division to seek primary jurisdiction permissive rather than mandatory; require pooling changed from 51% of surface acreage to interest in the necessary pore space; require pooling order to set compensation for interest holders.

[HFA \(1, B. Yonts\)](#) - Replace references to "owners and leaseholders" with "pore space owners" in Sections 4 and 5.

Feb 1-introduced in House
 Feb 2-to Natural Resources & Environment (H)
 Feb 7-posted in committee
 Feb 10-reported favorably, 1st reading, to Calendar with Committee Substitute
 Feb 11-2nd reading, to Rules; posted for passage in the Regular Orders of the Day for Monday, February 14, 2011; floor amendment (1) filed to Committee Substitute
 Feb 14-3rd reading, passed 91-8 with Committee Substitute, floor amendment (1)
 Feb 15-received in Senate
 Feb 17-to Natural Resources and Energy (S)
 Feb 23-reported favorably, 1st reading, to Calendar

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Feb 24-2nd reading, to Rules
 Feb 28-posted for passage in the Regular Orders of the Day for Monday, February 28, 2011; 3rd reading, passed 38-0
 Mar 1-received in House
 Mar 2-enrolled, signed by Speaker of the House
 Mar 3-enrolled, signed by President of the Senate; delivered to Governor

Energy

HB 385 – Representative [Jim Gooch Jr.](#), Representative [Fitz Steele](#)

AN ACT relating to coal.

Amend KRS 350.060 to require as of the effective date of the Act that any determination by the cabinet to change a bond requirement or bond amount currently in use result in a new administrative regulation that includes all bond requirements including the bond amount; proscribe bond amounts from being instituted as policy; require after the effective date of the Act an administrative regulation that fails to include bond amounts to be declared automatically deficient.

HB 385 - AMENDMENTS

HCS - Retain original provisions of HB 385; delete bond amounts and replace with bond protocol.

SCS - Retain original provisions of HB 385/GA, except create a new section of Subchapter 10 of KRS Chapter 224 to allow the Energy and Environment Cabinet to promulgate administrative regulations to: establish standards for the operation of laboratories relating to testing for wastewater pollution, set fees for certification, evaluate the competency of the laboratories, and establish a certification program for laboratories that submit environmental data relating to tests for all types of wastewater pollution; require that all environmental samples collected be submitted to a certified laboratory once the administrative regulations have been promulgated; invalidate samples submitted by uncertified laboratories one year after the effective date of the administrative regulations.

SCA (1/Title, B. Smith) - Make title amendment.

Feb 8-introduced in House
 Feb 9-to Natural Resources & Environment (H)
 Feb 14-posted in committee
 Feb 17-reported favorably, 1st reading, to Consent Calendar with Committee Substitute
 Feb 18-2nd reading, to Rules
 Feb 22-posted for passage in the Consent Orders of the Day for Wednesday, February 23, 2011
 Feb 23-3rd reading, passed 99-0 with Committee Substitute
 Feb 24-received in Senate
 Feb 28-to Natural Resources and Energy (S)
 Mar 2-reported favorably, 1st reading, to Consent Calendar
 Mar 3-2nd reading, to Rules
 Mar 4-taken from Rules (S); recommitted to Natural Resources and Energy (S); reported favorably, to Rules with Committee Substitute, committee amendment (1-title) as a Consent Bill; posted for passage in the Regular Orders of the Day for Friday, March 4, 2011; 3rd reading, passed 36-1 with Committee Substitute, committee amendment (1-title) ; received in House; to Rules (H)
 Mar 7-posted for passage for concurrence in Senate Committee Substitute, committee amendment (1-

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title) ; House concurred in Senate Committee Substitute, committee amendment (1-title) ; passed 98-0; enrolled, signed by each presiding officer; delivered to Governor

Environment and Conservation

HB 26 - Representative [Linda Belcher](#)

AN ACT relating to wastewater.

Create new sections of KRS Chapter 65 to express the findings of the General Assembly regarding wastewater and to authorize the creation of a regional wastewater commission as a pilot project area within Bullitt, Hardin, Jefferson, Meade, Nelson, Oldham, and Spencer Counties; establish definitions for "commission," "member entity," "organizing official," "wastewater," and "sources of collected water," allow 2 or more member entities owning wastewater systems to acquire, construct, operate, and improve those systems; establish a method for member entities to form a regional wastewater commission; require the governing body of any member entity proposing participation in the commission to publish notice of a public hearing in accordance with KRS Chapter 424 at least 30 days' prior to the hearing; establish appointments of 1 commissioner to represent each member entity; require that the commissioner be a customer, resident, or authorized representative of the member entity; require no less than 3 commissioners and set the terms for the commissioners at 4 years; allow the commission to appoint a chair and officers; allow member entities to join existing commissions at any time; allow the commission salaries for other officers and employees; allow the commission's fund to pay expenses of commissioners and employees; require bonding for commissioners and other minor officials and bonds paid by the commission fund; require commission meetings and records be subject to open meetings and open records laws; allow removal of a commissioner for cause; establish a method for a member entity to withdraw from the commission; establish the commission as a public body corporate and politic; allow the commission to execute contracts, make loans, issue and repay revenue bonds, receive proceeds from loans or grants, purchase, acquire, hold, and dispose of real and personal property, and exercise powers granted under KRS Chapters 58 and 224A; allow the commission to have full and complete supervision, management, and control over all of its facilities; require construction or expansion of any wastewater facility proposed be approved by either the Division of Water or the United States Environmental Protection Agency; exempt the commission from taxation; require the commission to procure the services of a certified public accountant to conduct an audit of all funds and fiscal transactions annually; exempt the commission from regulation by the Public Service Commission, except for contracts between the commission and a utility regarding provision of services that would result in an increase in rates paid by customers of that utility subject to approval by the Public Service Commission; allow the commission to set its rates and terms through contracts with member entities, nonmember entities, and neighboring states; establish minimum contract requirements; require a vote by the commission for rate changes and adjustments and notice requirements prior to rate changes; require the commission to procure professional or independent accounting to determine operating, maintenance, and debt service costs and provide recommendations for specific rates to offset the costs every 5 years; require the commission to determine final rates and charges based on the 5-year study consultation; require the commission to provide at least 60 days' written notice to the governing bodies of the member entities prior to the effective date of any change in rates or charges for service; amend KRS 58.010 to include a regional wastewater commission in the definition of "governmental agency"; amend KRS 224A.011 to include a regional wastewater commission in the definition of "governmental agency," and to include facilities related to the collection, transportation, and treatment of wastewater in the definitions of "infrastructure project" and "water resources project"; amend KRS 278.010 to exclude a regional wastewater commission from the definition of "public utility."

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HB 26 – AMENDMENTS

HCS - Retain original provisions of the bill, but in Section 1, remove Spencer County from list of counties that the pilot project can include; amend subsection 3 of Section 10 of the bill regarding costs that are attributable to the agreement between two service providers from being "other costs directly attributable", to be rather "any costs attributable" to be retired in whole or in part from revenue generated from providing the service without releasing the entity from the service agreement; amend subsection 1 of Section 11 regarding the levying of special rates under certain circumstances to allow the levying of special rates but to ensure that such rates do not affect the benefits to nonmembers.

SCS (1) - Retain original provisions of HB 26/GA; remove Nelson county from counties eligible to participate in wastewater commission; amend the definition of organizing official to include a member entity elected by the majority of member entities; create new sections of KRS Chapter 220 to require financial information of sanitation districts be available on the Internet; require that rates of a wastewater commission be fair, just, and reasonable; require rates of a wastewater commission to be provisional until approved by a majority of the legislative bodies that contain the member entity; require approval by the fiscal court if the member entity of the waste water commission is a special district or an agency of state or federal government; create a new section of KRS Chapter 220 to require sanitation district user fees, charges, and rates to be approved by the majority of the fiscal courts that participate in the district; amend KRS 220.035 to require service charges, rates, and user fees of districts not governed by KRS 220.135 to be approved by county fiscal courts.

SCS (2) - Retain original provisions of HB 26/GA; remove Nelson county from counties eligible to participate in wastewater commission; amend the definition of organizing official to be a member entity elected by the majority of member entities; create new sections of KRS Chapter 220 to require financial information of sanitation districts be available on the Internet unless the district has less than 10,000 customers; require that rates of a wastewater commission be fair, just, and reasonable; require rates of a wastewater commission to be provisional until approved by a majority of the legislative bodies that contain the member entity; require approval by the fiscal court if the member entity of the waste water commission is a special district or an agency of state or federal government; create a new section of KRS Chapter 220 to require sanitation district user fees, charges, and rates to be approved by the majority of the fiscal courts that participate in the district if the rate is five percent or greater and by the chief executive of the counties and the mayor of a consolidated local government if less than five percent; amend KRS 220.035 to conform.

SCS (3) - Retain original provisions of HB 26/GA; remove Nelson county from counties eligible to participate in wastewater commission; amend the definition of organizing official to be a member entity elected by the majority of member entities; create new sections of KRS Chapter 220 to require financial information of sanitation districts be available on the Internet unless the district has less than 10,000 customers; require that rates of a wastewater commission be fair, just, and reasonable; require rates of a wastewater commission to be provisional until approved by a majority of the legislative bodies that contain the member entity if the rate increase is greater than 5 percent; require that rate increases of 5 percent or more not occur more than once in a 12 month period; require approval by the fiscal court if the member entity of the waste water commission is a special district or an agency of state or federal government; create a new section of KRS Chapter 220 to require sanitation district user fees, charges, and rates to be approved by the majority of the fiscal courts that participate in the district if the rate is 5 percent; delete requirement if the KRS Chapter 220 district has 10,000 or less customer accounts; amend KRS 220.035 to restore permissive authority of fiscal courts to approve rate increases if those increases are less than 5 percent and the district within the county has fewer than 10,000 customer accounts; require that rate increases not occur more than once within a 12 month period.

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[SFA \(1\)](#), J. Higdon) - Amend HB 26/GA to remove Nelson County from regional waste water authority.
[SFA \(2\)](#), D. Seum) - Amend definition of organizing official to make it elected from the member entities.

(Prefiled by the sponsor(s).)

Oct 6-To: Interim Joint Committee on Natural Resources and Environment

Jan 4-introduced in House; to Local Government (H)

Feb 1-posting waived

Feb 9-reported favorably, 1st reading, to Consent Calendar with Committee Substitute

Feb 10-2nd reading, to Rules; posted for passage in the Consent Orders of the Day for Friday,

February 11, 2011

Feb 11-taken from the Consent Orders of the Day, placed in the Regular Orders of the Day

Feb 15-3rd reading, passed 65-30 with Committee Substitute

Feb 16-received in Senate

Feb 17-floor amendment (1) filed

Feb 18-to State & Local Government (S)

Feb 25-taken from State & Local Government (S); 1st reading; returned to State & Local Government (S)

Feb 28-taken from State & Local Government (S); 2nd reading; returned to State & Local Government (S)

Mar 2-reported favorably, to Rules with Committee Substitute ; floor amendment (2) filed to Committee Substitute

Mar 3-recommitted to State & Local Government (S); reported favorably, to Rules with Committee Substitute (2) as a Consent Bill; posted for passage in the Regular Orders of the Day for Thursday, March 3, 2011; passed over and retained in the Orders of the Day

Mar 4-taken from the Regular Orders of the Day; returned to State & Local Government (S); reported favorably, to Rules with Committee Substitute (3) ; posted for passage in the Regular Orders of the Day for Friday, March 4, 2011; 3rd reading; Committee Substitutes (1), (2) withdrawn; floor amendments (1) and (2) withdrawn ; passed 28-8 with Committee Substitute (3) ; received in House; to Rules (H)

Mar 7-posted for passage for concurrence in Senate Committee Substitute (3) ; House concurred in Senate Committee Substitute (3) ; passed 68-22; enrolled, signed by each presiding officer; delivered to Governor

[HB 433](#) – Representative [Tom McKee](#), Representative [Lonnie Napier](#), Representative [Rita Smart](#)

AN ACT relating to waste tires.

Create new section of Subtitle 50 of KRS Chapter 224 to establish a five-member waste tire working group in the Energy and Environment Cabinet; prescribe the duties of the Waste Tire Working Group; amend KRS 224.50-868 to require retailers of new passenger tires to distribute an information sheet on how to dispose of a waste tire to customers and require the cabinet to develop the information sheet in conjunction with the Waste Tire Working Group; amend KRS 224.50-874 to require the transporter or processor that contracts for out-of-state final disposal of the tires to return a receipt to the retailer showing who took final custody of the tires; require the retailer to contact the cabinet if a receipt has not been tendered by the transporter or processor within 30 days of receiving the tires.

[HB 433](#) - AMENDMENTS

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[HCS](#) - Retain original provisions of HB 433; delete requirement for retailers to provide information sheet to customer; require the information on waste tire disposal be on cabinet website or available in print upon request; impose 25 percent cap on the cabinet's use of the waste tire fund for administrative purposes.

[HFA \(1, M. Denham\)](#) - Make grammatical corrections; clarify that the 25 percent cap is applied only to the cabinet's utilization of the overall waste tire fund for administrative costs and cannot be applied to particular programs under the fund.

Feb 10-introduced in House

Feb 14-to Natural Resources & Environment (H)

Feb 15-posted in committee

Feb 17-reported favorably, 1st reading, to Calendar with Committee Substitute

Feb 18-2nd reading, to Rules

Feb 22-posted for passage in the Regular Orders of the Day for Wednesday, February 23, 2011; floor amendment (1) filed to Committee Substitute

Feb 23-3rd reading, passed 99-0 with Committee Substitute, floor amendment (1)

Feb 24-received in Senate

Feb 28-taken from Committee on Committees (S); 1st reading; returned to Committee on Committees (S); to State & Local Government (S)

Mar 1-taken from State & Local Government (S); 2nd reading; returned to State & Local Government (S)

Mar 2-reported favorably, to Rules as a Consent Bill

Mar 3-posted for passage in the Consent Orders of the Day for Thursday, March 3, 2011; 3rd reading, passed 37-0; received in House; enrolled, signed by each presiding officer; delivered to Governor

[SB 70](#) – Senator [Bob Leeper](#)

AN ACT relating to environmental protection.

Amend KRS 224.1-530 to require use of Regional Screening Level Table for US EPA Region 3 rather than Region 9 and the guidance in the Risk-Based Concentration Table User's Guide rather than the Region 9 Preliminary Remediation Goals.

Jan 7-introduced in Senate

Feb 1-taken from Committee on Committees (S); 1st reading; returned to Committee on Committees (S); to Natural Resources and Energy (S)

Feb 2-reported favorably, 2nd reading, to Rules

Feb 8-posted for passage in the Regular Orders of the Day for Tuesday, February 8, 2011; 3rd reading, passed 35-0

Feb 9-received in House

Feb 14-to Natural Resources & Environment (H)

Feb 23-posting waived; posted in committee

Feb 24-reported favorably, 1st reading, to Consent Calendar

Feb 25-2nd reading, to Rules

Feb 28-posted for passage in the Consent Orders of the Day for Tuesday, March 1, 2011

Mar 1-3rd reading, passed 99-0

Mar 2-received in Senate

Mar 3-enrolled, signed by President of the Senate

Mar 4-enrolled, signed by Speaker of the House; delivered to Governor

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[HCR 37](#) – Representative [Adam Koenig](#), Representative [Addia Wuchner](#), Representative [Kevin Sinnette](#)

Express support for federal legislation requiring the United States Environmental Protection Agency to consider affordability when implementing its combined sewer overflow control measures.

Jan 7-introduced in House
 Feb 1-to Natural Resources & Environment (H)
 Feb 7 – posted in committee
 Feb 17-reported favorably, 1st reading, to Consent Calendar
 Feb 18-2nd reading, to Rules
 Feb 22-posted for passage in the Consent Orders of the Day for Wednesday, February 23, 2011
 Feb 23-3rd reading, adopted 99-0
 Feb 24-received in Senate
 Feb 28-to Natural Resources and Energy (S)
 Mar 2-reported favorably, 1st reading, to Consent Calendar
 Mar 3-2nd reading, to Rules; posted for passage in the Consent Orders of the Day for Friday, March 4, 2011
 Mar 4-3rd reading, adopted 36-1; received in House; enrolled, signed by each presiding officer; delivered to Governor

Building & Construction

[SB 39](#) – Senator [Vernie McGaha](#)

AN ACT relating to state government contracts.

Amend KRS 14A.9-010 to require certain exempt foreign entities to obtain a certificate of authority from the Secretary of State in order to be awarded a state construction contract; amend KRS 45A.480 and 176.085 to require that certain persons exempt from having to obtain a certificate of authority under KRS 14A.9-010 must produce the certificate if awarded a state construction contract.

[SB 39](#) - AMENDMENTS

[HFA \(1, M. Cherry\)](#) - Retain original provisions of the bill; require the Secretary of State to promulgate administrative regulations outlining the procedures for a general partnership to obtain a certificate of authority necessary to be eligible for award of a state contract under KRS Chapter 45A or 176, and allow the administrative regulations to include appropriate filing fees.

Jan 4-introduced in Senate
 Jan 6-to State & Local Government (S)
 Feb 1-taken from State & Local Government (S); 1st reading; returned to State & Local Government (S)
 Feb 2-reported favorably, 2nd reading, to Rules
 Feb 8-posted for passage in the Regular Orders of the Day for Tuesday, February 8, 2011; 3rd reading, passed 36-0
 Feb 9-received in House
 Feb 14-to State Government (H)
 Feb 22-posted in committee
 Feb 24-reported favorably, 1st reading, to Consent Calendar

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Feb 25-2nd reading, to Rules

Feb 28-posted for passage in the Consent Orders of the Day for Tuesday, March 1, 2011

Mar 1-taken from the Consent Orders of the Day, placed in the Regular Orders of the Day

Mar 2-floor amendment (1) filed

Mar 3-3rd reading, passed 98-1; received in Senate; enrolled, signed by President of the Senate

Mar 4-enrolled, signed by Speaker of the House; delivered to Governor

Medicaid Budget

[HB 305](#) - [R. Rand](#), [G. Stumbo](#), [R. Adkins](#), [L. Clark](#), [R. Damron](#), [Ji. Lee](#), [R. Palumbo](#), [A. Simpson](#), [T. Thompson](#)

AN ACT amending the 2010-2012 executive branch budget bill, relating to Medicaid and Postsecondary Education, making an appropriation therefor, and declaring an emergency.

Amend 2010 (1st Extra. Sess.) Kentucky Acts Chapter 1, the state/executive branch budget, to reallocate funds from fiscal year 2011-2012 to fiscal year 2010-2011 for Medicaid and Postsecondary Institutions; EMERGENCY.

[HB 305](#) - AMENDMENTS

[HFA \(1\)](#), J. DeCesare) - Amend the Medicaid Benefits appropriation to adjust the reallocation of General Fund moneys and Federal Funds from fiscal year 2011-2012 to 2010-2011.

[SCS](#) - Amend 2010 (1st Extra. Sess.) Kentucky Acts Chapter 1, the state/executive branch budget, to: reduce General Fund appropriations by 0.525 percent in the last quarter of fiscal year 2010-2011 and by 2.26 percent in fiscal year 2011-2012, except for the Local Government Economic Assistance Fund (LGEAF), Local Government Economic Development Fund (LGEDF), Support Education Excellence in Kentucky (SEEK), Finance Cabinet's debt service, and Postsecondary Education; decrease the School Facilities Construction Commission's General Fund appropriation by \$7,800,000; decrease the Teachers' Retirement System's General Fund appropriation by \$19,600,000; provide that local school districts may choose not to provide a kindergarten aide for each 24 full-time equivalent kindergarten students enrolled and are encouraged to use parent volunteers; provide that a local board of education may adopt a staffing policy that allows individual schools within the district to exceed the maximum class sizes established in statute; provide that local school districts may employ preschool teachers who meet the certification standards that were in place prior to the 2002-2003 school term; reduce SEEK's General Fund appropriation by 1.33 percent in fiscal year 2011-2012; provide \$166,500,000 of additional General Fund moneys to Medicaid Benefits; delete Medicaid Benefits budget surplus language; prohibit Medicaid savings from being used to increase or expand optional services, optional beneficiaries, or Medicaid reimbursement rates, unless the expansion of existing services by a managed care provider can be demonstrated to provide an overall cost savings and improved outcome; require the Department for Medicaid Service to reinstate face-to-face interviews for determining eligibility for all applicants and for the renewal of current beneficiaries for the Kentucky Children's Health Insurance Program; require the Department of Medicaid Services to continue face-to-face interviews for all applicants and for the renewal of current Medicaid beneficiaries, excluding institutionalized Medicaid recipients; provide \$18,943,800 of General Fund moneys to postsecondary institutions by reallocating fiscal year 2011-2012 appropriations to fiscal year 2010-2011; reduce postsecondary institutions' General Fund appropriations by 2.26 percent in fiscal year 2011-2012; restore reduction amounts vetoed in fiscal year 2011-2012 for General Fund expenditure reductions, non-merit employee reductions, and contract expenditure reductions; provide that

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no debt service savings or savings from debt restructuring shall be used to comply with the expenditure reductions mandated for fiscal year 2011-2012; limit the total amount of General Fund debt restructuring for the 2010-2012 fiscal biennium to \$202,853,800, the amount originally enacted by the 2010 Special Session of the General Assembly; limit the total amount of Road Fund debt restructuring for the 2010-2012 fiscal biennium to \$105,000,000, the amount originally enacted by the 2010 Special Session of the General Assembly; appropriate \$22,400,000 of General Fund in fiscal year 2010-2011, which is in addition to the Consensus Forecasting Group estimate; direct any unspent debt service to be transferred to the Budget Reserve Trust Fund Account; require the Governor to report monthly to the Legislative Research Commission the status of all budgetary savings and efficiencies that have been achieved; prohibit any language expressing legislative intent regarding a specific appropriation from being reduced by a greater percentage than the reduction the General Fund appropriation for that budget unit; suspend permissive furlough language until all savings from expenditure reductions, non-merit employee reductions, and contract reductions have been achieved; provide \$4,600,000 in fund transfers to the General Fund; amend 2010 (1st Extra. Sess.) Kentucky Acts Chapter 3, the Transportation Cabinet budget, to: reduce General Fund appropriations by 0.525 percent in the last quarter of fiscal year 2010-2011 and by 2.26 percent in fiscal year 2011-2012; provide \$1,600,000 in fund transfers to the General Fund; amend 2010 Kentucky Acts Chapter 154, the judicial branch budget, to: reduce General Fund appropriations by 0.525 percent in the last quarter of fiscal year 2010-2011 and by 2.26 percent in fiscal year 2011-2012, except for judicial retirement; amend 2010 Kentucky Acts Chapter 156, the legislative branch budget, to: reduce General Fund appropriations by 0.525 percent in the last quarter of fiscal year 2010-2011 and by 2.26 percent in fiscal year 2011-2012; declare and EMERGENCY.

[SCA \(1, B. Leeper\)](#) - Delete Teachers' Retirement System's debt service reduction in fiscal year 2010-2011 and appropriate \$22,400,000 of General Fund in fiscal year 2011-2012, which is in addition to the Consensus Forecasting Group estimate.

[SCA \(2/Title, B. Leeper\)](#) - Make title amendment.

[SFA \(1, T. Shaughnessy\)](#) - Retain original provisions, except urge the owners of the Passport Health Plan to escrow funds in amounts equal to those received in cash distributions during 2008 and 2009 and declare an EMERGENCY as to this section.

[SFA \(2, T. Shaughnessy\)](#) - Retain original provisions, except urge the owners of the Passport Health Plan to escrow funds in amounts equal to those received in cash distributions during 2008 and 2009.

[SFA \(3, T. Shaughnessy\)](#) - Retain original provisions, except require the Council on Postsecondary Education to establish by August 30, 2011, a system to collect data on the number of attempted and earned course credit hours for each beginning freshman and transfer student entering each public university and college in the fall 2011 semester and subsequently; track each student across each term of enrollment until credential, associate degree, or bachelor's degree completion; report to the Legislative Research Commission by November 1, 2013, and annually thereafter on the number of students who complete credentials and degrees by the number of terms and years taken for completion; report the total number of hours attempted and earned; the average hours earned per term; report the number of students who complete credentials and degrees at the school or origin and the number of transfer students; report the average time to credential or degree completion reported in 4, 5, 6, or more increments for students who attend full-time or part-time, and declare an emergency as to these provisions; EMERGENCY.

[SFA \(4, T. Shaughnessy\)](#) - Retain original provisions, except require the Council on Postsecondary Education to establish by August 30, 2011, a system to collect data on the number of attempted and earned course credit hours for each beginning freshman and transfer student entering each public university and college in the fall 2011 semester and subsequently; track each student across each term of enrollment until credential, associate degree, or bachelor's degree completion; report to the Legislative Research Commission by November 1, 2013, and annually thereafter on the number of students who

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complete credentials and degrees by the number of terms and years taken for completion; report the total number of hours attempted and earned; report the average hours earned per term; report the number of students who complete credentials and degrees at the school of origin and the number of transfer students; report the average time to credential or degree completion reported in 4, 5, 6, or more increments for students who attend full-time or part-time.

[CCR](#) - Cannot agree.

Feb 2-introduced in House

Feb 3-to Appropriations & Revenue (H)

Feb 4-posted in committee

Feb 8-reported favorably, 1st reading, to Calendar

Feb 9-2nd reading, to Rules; posted for passage in the Regular Orders of the Day for Thursday, February 10, 2011

Feb 10-floor amendment (1) filed ; 3rd reading, passed 80-19

Feb 11-received in Senate

Feb 15-to Appropriations & Revenue (S)

Feb 23-taken from Appropriations & Revenue (S); 1st reading; returned to Appropriations & Revenue (S)

Feb 24-taken from Appropriations & Revenue (S); 2nd reading; returned to Appropriations & Revenue (S)

Feb 28-floor amendments (1) (2) (3) and (4) filed

Mar 2-reported favorably, to Rules with Committee Substitute, committee amendments (1) and (2-title) ; posted for passage in the Regular Orders of the Day for Wednesday, March 2, 2011; 3rd reading; floor amendments (1) (2) (3) and (4) withdrawn ; passed 24-12 with Committee Substitute, committee amendments (1) and (2-title)

Mar 3-received in House; posted for passage for concurrence in Senate Committee Substitute, committee amendments (1) and (2-title); House refused to concur in Senate Committee Substitute, committee amendments (1) and (2-title) ; received in Senate

Mar 4-posted for passage for receding from Senate Committee Substitute, committee amendments (1) and (2-title) ; Senate refused to recede from Committee Substitute, committee amendments (1) and (2-title) ; Conference Committee appointed in House and Senate; Conference Committee report filed in House and Senate; Conference Committee report adopted in Senate; Free Conference Committee appointed in Senate

Mar 7-Conference Committee report adopted in House; Free Conference Committee appointed in House

High School Dropout Age

[HB 225/FN](#) (BR 801) - [J. Greer](#), [R. Meeks](#), [R. Adkins](#), [J. Bell](#), [J. Carney](#), [L. Clark](#), [H. Collins](#), [J. Comer Jr.](#), [W. Coursey](#), [R. Damron](#), [T. Edmonds](#), [D. Graham](#), [K. Hall](#), [J. Hoover](#), [D. Horlander](#), [J. Jenkins](#), [M. Marzian](#), [R. Nelson](#), [R. Rand](#), [J. Richards](#), [S. Riggs](#), [T. Riner](#), [C. Rollins II](#), [S. Santoro](#), [J. Short](#), [W. Stone](#), [G. Stumbo](#), [T. Thompson](#), [J. Tilley](#), [J. Wayne](#), [A. Webb-Edgington](#), [A. Wuchner](#), [B. Yonts](#), [J. York](#)

AN ACT relating to school dropout prevention.

Amend KRS 159.010 to require compulsory attendance for children ages 6 to 17 by July 1, 2015, and for children ages 6 to 18 by July 1, 2016; continue dropout conferences until July 1, 2016; make technical corrections; amend KRS 159.020 to conform; create new sections of KRS Chapter 158 to clarify the purpose of alternative education programs; require the Kentucky Board of Education to promulgate administrative regulations establishing definitions, policies, and guidelines for student assignment and

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data collection protocols relative to alternative education programs; require local school districts to track the academic progress of students enrolled in alternative education programs; require the Kentucky Department of Education to file a data report by December 1, 2012, and annually thereafter, to the Interim Joint Committee on Education; require the use of experienced and certified teachers; prohibit the use of probationary teachers and staff; require appropriate staff development; require districts to track expenditures and report them to the Kentucky Department of Education; amend KRS 158.812 to add language stating to the intent of the General Assembly relative to career and technical education programs.

[HB 225](#) - AMENDMENTS

[HCS/FN](#) - Retain original provisions except clarify that the Commissioner of Education may grant waivers from the experienced teacher requirement and that teachers and staff being disciplined shall not be assigned to alternative education programs; change reporting department reporting date to December 1, 2013.

Jan 7-introduced in House

Feb 1-to Education (H); posting waived; posted in committee

Feb 3-reported favorably, 1st reading, to Calendar with Committee Substitute

Feb 4-2nd reading, to Rules; recommitted to Appropriations & Revenue (H); posted in committee

Feb 8-reported favorably, to Rules

Feb 9-posted for passage in the Regular Orders of the Day for Thursday, February 10, 2011

Feb 10-3rd reading, passed 91-8 with Committee Substitute

Feb 11-received in Senate

Feb 15-to Education (S)

Feb 25-taken from Education (S); 1st reading; returned to Education (S)

Feb 28-taken from Education (S); 2nd reading; returned to Education (S)

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