

STRATEGIC PLAN
2018-2024:
September 1, 2018
Progress Report





Matthew G. Bevin
Governor

PUBLIC PROTECTION CABINET
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K. Gail Russell
Acting Secretary

September 6, 2018

Dear Director John E. Chilton:



In compliance with KRS 48.810(2), I am pleased to submit the Public Protection Cabinet’s September 1, 2018 Progress Report. This report provides a synopsis of advancements in meeting established goals as measured by performance indicators in the Cabinet’s Strategic Plan 2018-2024. As you review this report, I have included a visual representation of the work of the Cabinet: a ✓ indicates that a performance measure was achieved during this reporting period and a 🔄 reflects those performance measures that remain in progress.

The Public Protection Cabinet (“Cabinet”) has made significant strides toward accomplishing its six-year strategic plan. A hallmark of the Cabinet’s progress is reflected in its momentum in support of Governor Bevin’s Red Tape Reduction Initiative. In fact, the Cabinet has reviewed the vast majority of its regulations and has repealed many which were outdated and unnecessary. As of this date, the Cabinet has eliminated nearly 20% of its regulations. It is my goal that by December 2018, the Cabinet will have reduced by 30% the number of regulations within its authority, thus eliminating burdensome red tape that stifles economic growth. Moving forward, the Cabinet’s agencies continue to amend those regulations remaining—with special emphasis on those regulatory schemes adversely affecting individuals and small businesses. In fact, one recent set of agency amendments eliminated 25 unnecessary forms that were previously required.

In addition, the Cabinet has achieved a number of its operational goals, including the establishment of the Master Inspector Branch at the Department of Housing, Buildings and Construction. Previously, divisions assigned multiple inspectors to the same project, wasting time and valuable resources while burdening residents and businesses. Consistent with this administration’s fresh and novel approach to reforming state government, I issued an administrative order in August 2018 establishing the Master Inspector Branch, which will deploy state inspectors with multiple

certifications. This action allows the Department to dispatch one cross-trained inspector, which will result in timely and more efficiently conducted inspections.

I am thankful for the serious effort of the many dedicated employees throughout the Cabinet who have made our progress possible. They have risen to the Governor's challenge to reform state government while better serving the Commonwealth as they exemplify professionalism and the true spirit of our fellow citizens.

I look forward to helping achieve significant results during the next reporting period. It is with confidence that I envision reporting even more momentous accomplishments and reforms as this Cabinet serves the people of this Commonwealth.

Sincerely,



K. Gail Russell
Acting Secretary
Public Protection Cabinet

PUBLIC PROTECTION CABINET STRATEGIC PLAN 2018-2024

Cabinet/Agency

Cabinet Budget Number: 58

Cabinet Name: Public Protection Cabinet (PPC)

Strategic Plan Origination Date

October 16, 2017

I. Mission Statement

The mission of the Public Protection Cabinet (PPC) is to provide reasonable regulation, licensure, and consumer protection for Kentucky citizens, businesses, and institutions in an atmosphere that promotes compliance and fosters growth.

II. Vision Statement

The Public Protection Cabinet will promote a regulatory environment that simultaneously encourages growth, success, innovation, and consumer protection throughout the Commonwealth.

III. Organizational Core Values

The Public Protection Cabinet will utilize the following core values to implement its mission and vision statement:

- Consumer Protection
 - The Public Protection Cabinet promotes policies that educate and protect Kentucky citizens.
- Reasonable Regulation
 - The Public Protection Cabinet champions reasonable regulation and discourages regulations that are burdensome, outdated, and serve no legitimate public protection purpose.
- Efficiency
 - The Public Protection Cabinet operates as a good steward of the Commonwealth's resources by promoting efficient processes and eliminating waste.
- Innovation
 - The Public Protection Cabinet is forward-thinking and provides Kentuckians with cutting-edge services.
- Collaboration
 - The Public Protection Cabinet shares ideas and encourages partnerships, agreements, and affiliations.

- Technology
 - The Public Protection Cabinet incorporates the latest research and developments into everyday practices.

IV. Statement of Alignment with the Governor’s Strategic Themes and Goals

Governor Bevin’s clear vision for the Commonwealth is the cornerstone of the Public Protection Cabinet’s 2018-2024 strategic plan. Governor Bevin has established the following priorities that serve as the base of PPC’s daily work and the goals outlined in the strategic plan:

Strengthening Kentucky’s Financial Foundation: The Public Protection Cabinet will implement programs and policies that are efficient and fiscally responsible. The Cabinet will eliminate existing backlogs, streamline services, and find cost savings.

Growing Kentucky’s Economy: The Public Protection Cabinet is committed to promoting economic opportunities for the professionals, businesses, and institutions it regulates. The Cabinet will work with other government agencies and members of the private sector to remove barriers to growth.

Red Tape Reduction Initiative: The Public Protection Cabinet will cut red tape across all Cabinet agencies and remove the regulatory barriers that stifle progress and success, focusing on antiquated, artificial, and arbitrary rules.

V. Statement of Alignment with the Cabinet’s Budget Request and Six-Year Capital Plan

The Public Protection Cabinet’s 2018-2020 biennial budget submission and the six-year capital plan are supported by the goals and objectives outlined in the 2018-2024 strategic plan.

The Public Protection Cabinet chose to outline a six-year strategic plan, rather than the traditional four-year plan, because the Cabinet underwent significant changes during the regular sessions of the 2016 and 2017 General Assembly, including a reorganization of several Public Protection Cabinet agencies, that have rendered the current 2016-2020 strategic plan outdated.

During this time, the Cabinet also began pursuing cost efficiencies within the Cabinet to reduce regulatory red tape and improve public protection services for Kentuckians.

The 2018-2024 strategic plan will reflect the updated Cabinet structure and outline corresponding goals.

VI. Situational Analysis/Environmental Analysis Overview of the Public Protection Cabinet

The Public Protection Cabinet is the chief regulatory cabinet for the Commonwealth and is tasked with ensuring that professionals, industries, and institutions can operate safely and successfully in Kentucky. PPC’s agencies and departments are diverse, but each provides vital

services to the Commonwealth and all share a common mission to regulate, to license, and to provide consumer protection.

The Public Protection Cabinet is comprised of the following offices, agencies, and departments:

- The Office of the Secretary
 - The Office of Legal Services
 - The Office of Communications and Public Outreach
 - The Office of Administrative Services
 - The Office of Administrative Hearings
- The Department of Alcoholic Beverage Control
- The Department of Charitable Gaming
- The Department of Housing, Buildings and Construction
- The Department of Financial Institutions
- The Department of Insurance
- The Kentucky Boxing and Wrestling Commission
- The Kentucky Horse Racing Commission
- The Department of Professional Licensing
- The Kentucky Claims Commission

Under the authority of KRS Chapter 12, the Secretary of the Public Protection Cabinet has been vested with duty for overall stewardship of the agencies organized under the Cabinet. The respective departments and agencies administer statewide regulatory programs under the following authority: Department of Alcoholic Beverage Control, KRS Chapters 241-244 and 438; Department of Charitable Gaming, KRS Chapter 238; Department of Housing, Buildings and Construction, KRS Chapters 198B (Building Code), 227 (Fire Prevention and Protection), 227A (Electricians and Electrical Contractors), 234 (Liquefied Petroleum Gas and other flammable liquids), 236 (Boiler and Pressure Vessel Safety), and 318 (State Plumbing Code); Department of Financial Institutions, KRS Chapters 286 and 292; Department of Insurance, KRS Chapter 304; Kentucky Boxing and Wrestling Commission, KRS Chapter 229; Kentucky Horse Racing Commission, KRS Chapter 230; Department of Professional Licensing, KRS Chapter 324B; Kentucky Claims Commission, KRS Chapter 49.

The Office of the Secretary

The Office of the Secretary of the Public Protection Cabinet includes the Secretary's supporting staff, the Office of Legal Services, the Office of Communications and Public Outreach, the Office of Administrative Services and the Office of Administrative Hearings. Each of these offices provides services to the Cabinet's agencies and departments:

- The Office of Legal Services (OLS) consists of six legal divisions. The executive director oversees all legal and administrative operations in OLS and serves as front-line counsel to the Office of the Secretary and the Cabinet. OLS is the point of contact on all litigation and on open records and open meetings matters, legislation, regulations, and ethics. OLS also oversees Red Tape Reduction efforts for the Cabinet and has charged each PPC agency with undertaking a comprehensive review of its regulations.

The six legal divisions within OLS represent the six principal programmatic agencies in the Cabinet: the Department of Alcoholic Beverage Control, the Department of Charitable Gaming, the Department of Housing, Buildings and Construction, the Department of Financial Institutions, the Department of Insurance, and the Department of Professional Licensing.

- The Office of Communications and Public Outreach (OCPO) provides strategic communications support to the Cabinet. The communications office:
 - Produces, approves, and distributes critical policy and communication documents for internal and external audiences.
 - Ensures Cabinet publications, such as reports, press releases, and published articles, conform to PPC's goals and messages.
 - Responds to all media inquiries and requests for information.
 - Manages, reviews, and approves all content and page design for the Cabinet website.
 - Monitors PPC's social media accounts including Facebook, Twitter, and YouTube.
 - Markets Cabinet and department programs, special events, and campaigns.
 - Plans and promotes special events for the Cabinet and its agencies.
 - Provides strategic communication guidance for the public rollout of policy initiatives.

- The Office of Administrative Services provides human resources and budget support to the Cabinet's agencies. The Office is comprised of two divisions: the Division of Fiscal Responsibility and the Division of Human Resources.

- The Office of Administrative Hearings is staffed by dedicated hearing officers who provide services to the Cabinet and other state agencies. Hearing officers conduct prehearing conferences, provide mediation services when requested, hold final hearings, and submit recommended orders to agency heads. Cases are administered pursuant to KRS Chapter 13B and agency specific laws.

The Department of Alcoholic Beverage Control

The Department of Alcoholic Beverage Control (ABC) administers all statutes relative to, and regulates traffic in, alcoholic beverages. To meet its statutory mission, ABC promulgates reasonable administrative regulations relative to the traffic of alcoholic beverages. ABC's principal leadership consists of the Commissioner of the Department, the Malt Beverage Administrator, and the Distilled Spirits Administrator. ABC's leadership regulates and oversees the alcoholic beverage industry and adjudicates and levies fines pursuant to its statutory authority in KRS Chapters 241-244 and Chapter 438. ABC is also tasked with enforcement of the state's tobacco laws and works with the Food and Drug Administration to dissuade sales of tobacco products to minors.

ABC includes three divisions: the Division of Distilled Spirits, the Division of Malt Beverages, and the Division of Enforcement. Two of the department's divisions, the Division of Distilled Spirits and Division of Malt Beverages, oversee alcohol licenses in their respective areas. The third

division, the Division of Enforcement, includes an Investigative Branch with three regional sections and an Operational Branch. The department also includes an Administrative Services Branch, Information Technology Branch, and Education and Training Branch. The Education and Training Branch offers the Server Training in Alcohol Regulations (STAR) classes and provides public materials to encourage social responsibility in the alcohol and tobacco industries.

The Department of Charitable Gaming

The Department of Charitable Gaming (DCG) provides a regulatory framework for Kentucky's charitable gaming industry, allowing licensed charitable organizations to utilize gaming as a viable fundraising mechanism.

The department is comprised of the Division of Licensing and Compliance and the Division of Enforcement. The divisions work together to ensure the productivity of charitable gaming through appropriate regulation, oversight, enforcement, and education.

The department is committed to public safety and, in recent years, has placed a greater emphasis on developing new training opportunities for licensees. Currently, the department conducts regular trainings through FacebookLive and web streaming, saving financial resources and time for both the department and licensees.

The Department of Housing, Buildings and Construction

The Department of Housing, Buildings and Construction (HBC) enforces statewide standards for building construction. The department licenses approximately 40,000 construction professionals each year, including plumbers, heating, ventilation, and air conditioning (HVAC) technicians, electricians, boiler contractors, building inspectors, continuing education providers, and sprinkler and fire alarm contractors.

The department is focused on providing more efficient and effective services for licensees and companies involved in Kentucky's construction industry. HBC shortened the turnaround time for plan review from fifty-five working days in 2016 to five working days in 2017. The department is also in the testing phase for online plan review and online licensing renewal.

House Bill 394, passed during the 2017 regular session of the General Assembly, streamlined eight construction-related boards within the department and formed the Housing, Buildings and Construction Advisory Committee. The new advisory committee has improved efficiencies and increased collaboration across the divisions of HBC.

Over 200 department employees work in the department's five divisions, which include building code enforcement; HVAC; plumbing; fire prevention; and electrical.

The Division of Building Codes Enforcement is responsible for plan review and inspection of public buildings. The division also oversees elevator equipment, manufactured housing, Kentucky industrialized buildings and all associated licenses, continuing education and contractor requirements for elevator contractors, electrical contractors, building inspectors, and manufactured home installers.

The Division of HVAC is responsible for the permitting and field inspections of new construction, investigating complaints regarding installation and unlicensed contractors, verification of licensure, continuing education for HVAC contractors, and license renewals.

The Division of Plumbing is responsible for the review and inspection of plumbing for residential and commercial buildings. The division also provides licenses and inspections for boilers.

The Division of Fire Prevention includes the Office of the Kentucky State Fire Marshal. The Fire Marshal's office is comprised of five sections, including hazardous materials, general inspections, fire protection systems, fireworks, and fire-safe cigarettes.

The Electrical Division is responsible for licensing electricians, master electricians, and electrical contractors. The division also certifies state and local electrical inspectors, approves electrical training and continuing education programs, and inspects all electrical projects that are not under the authority of a local jurisdiction.

The Department of Financial Institutions

The Department of Financial Institutions (DFI) charters, licenses, and regulates all state banks and branches, trust departments, independent trust companies, state credit unions, state savings and loan associations, consumer and industrial loan companies, mortgage loan companies, mortgage loan brokers, companies selling money orders, check-cashing institutions, payday lending institutions, money transmitters, and consumer and industrial loan companies. DFI also regulates all securities activities in the state and provides licensing and regulatory oversight of broker dealers, investment advisers, and issuer agents.

DFI encourages the growth and success of Kentucky's financial institutions by promoting reasonable regulation. In 2016, Kentucky's 133 state-chartered banks had assets ranging from \$23 million to \$4.8 billion. The Commonwealth's 24 state-chartered credit unions had assets ranging from \$700,000 to \$1.1 billion. DFI also concentrates on consumer protection and outreach through programs such as the Senior Scam Jam, Kentucky Saves Week, and the Cybersecurity Task Force.

DFI has three programmatic divisions: the Division of Depository Institutions, the Division of Non-Depository Institutions, and the Division of Securities. Licensing, enforcement, and compliance are a part of the work of each division. The Division of Depository Institutions regulates state-chartered banks, trust companies, state chartered credit unions, and savings and loan associations.

The Division of Non-Depository Institutions regulates consumer loan companies, industrial loan companies, mortgage loan companies, mortgage loan brokers, mortgage loan originators and processors, titled pledge lenders, money transmitters, and deferred deposit companies, including check cashers and payday lenders.

The Division of Securities regulates securities offerings and the people who sell them, including broker-dealers and agents, investment advisers, investment adviser representatives, and issuer agents.

The Department of Insurance

The Kentucky Department of Insurance (DOI) regulates the Commonwealth's insurance market, licenses agents and other insurance professionals, monitors the financial condition of companies, provides consumer education materials, and ensures Kentuckians are treated fairly in the marketplace.

DOI underwent a reorganization following the passage of legislation in the 2017 General Assembly. The reorganization merged two DOI divisions – the Division of Life and Health and the Division of Property and Casualty – into the Division of Insurance Product Regulation.

DOI's five divisions are tasked with varied regulatory functions relating to Kentucky's insurance market:

- The Agent Licensing Division oversees licensing for all individuals and business entities engaged in insurance transactions.
- The Consumer Protection Division handles consumer complaints against health, life, auto, homeowners, and commercial insurance; complaints regarding actions of an agent or agency; and complaints from health care providers regarding the timeliness of claim payments.
- The Division of Insurance Product Regulation is charged with the approval and regulation of all insurance products sold to residents of the Commonwealth, including health, life and property, and casualty lines. This division reviews and approves all rate and form filings submitted by companies operating in the state.
- The Financial Standards and Examination Division provides administrative oversight, financial analysis, and financial examinations of insurance companies and other entities authorized to conduct business in Kentucky.
- The Insurance Fraud Investigation Division is the criminal law enforcement body within DOI. This division investigates allegations of fraudulent insurance acts involving agents, providers, and claimants.

The Kentucky Boxing and Wrestling Commission

Governor Bevin reorganized the former Kentucky Boxing and Wrestling Authority in May 2016 to form the Kentucky Boxing and Wrestling Commission (KBWC). The Kentucky Boxing and Wrestling Commission oversees combat sports in the Commonwealth, including boxing, wrestling, mixed martial arts (MMA), and other full contact competitive bouts and exhibitions. The Commission licenses all contestants, officials, trainers, and promoters that engage in Kentucky's combat sports industry.

The commission is comprised of four members appointed by the Governor, including a medical doctor, an attorney, an individual with sports marketing experience, and a general member with no financial interest in the industry. The Secretary of the Public Protection Cabinet also serves as an ex-officio voting member.

The former authority's Medical Advisory Panel was also reorganized as part of Governor Bevin's executive order, and, for the first time, medical professionals were appointed to serve on the panel. The KBWC Medical Advisory Panel reviews and studies cutting-edge combat sports research to make informed decisions regarding the health and welfare of combat sports participants.

The KBWC and Medical Advisory Panel work diligently to encourage the growth of the industry while protecting participants and spectators of the sport. In 2016, the Commission repealed nearly 40 percent of its regulations and 55 percent of its previously duplicative and cumbersome licensing forms, all while adding new health and safety requirements. In 2017, KBWC sponsored the first Combat Sports Health and Safety Symposium. The event highlighted the latest developments in athlete health, including the management of sports-related injuries, hand health, facial trauma, and orthopedic conditions.

The Kentucky Horse Racing Commission

The Kentucky Horse Racing Commission (KHRC) is administratively attached to the Public Protection Cabinet. The commission is charged with the responsibility of regulating the conduct of horse racing and pari-mutuel wagering on horse racing and related activities within the Commonwealth. The KHRC is a leader in both the safety and integrity of the sport as well as the welfare of the horse.

KHRC consists of the Office of the Executive Director and six divisions, including the Division of Licensing, the Division of Enforcement, the Division of Incentives and Development, the Division of Veterinary Services, the Division of Pari-Mutuel Wagering and Compliance, and the Division of Stewards.

Pursuant to KRS 230.225, KHRC consists of fifteen members appointed by the Governor. The Secretaries of the Public Protection Cabinet, the Cabinet for Economic Development, and the Tourism, Arts and Heritage Cabinet serve as ex-officio members.

There are ten committees within the Kentucky Horse Racing Commission:

- The Equine Drug Research Council* makes recommendations to the KHRC regarding equine racing medication rules and policies.
- The Rules Committee reviews the regulatory structure of the Kentucky Horse Racing Commission and makes recommendations regarding regulations governing the racing industry.
- The Safety and Welfare Committee identifies issues of concern and makes recommendations to promote human and equine safety and welfare in Kentucky horseracing.
- The Waging Integrity Committee advises the KHRC on matters relating to the security and integrity of the tote system.
- The Race Dates Committee reviews the racetrack and simulcast facility license applications and race date requests.
- The License Review Committee,* pursuant to 810 KAR 1:025, is comprised of commissioners and staff members who review license applications that require more

detailed scrutiny and background research than a routine application.

- The Kentucky Horse Breeders' Incentive Advisory Committee* consists of three members appointed by the chairman of the KHRC by July 1 of each year. One of the members is recommended by the Kentucky Equine Education Project (KEEP). Each member serves on the committee from July 1 through June 30 of the following year. The purpose of the committee is to advise and assist the KHRC on the registration process and award distribution plans for each member breed organization. Any change to the program is reviewed by the committee with a formal recommendation to the KHRC.
- The Kentucky Standardbred Development Fund & Kentucky Standardbred Breeders' Incentive Fund Advisory Panel* consists of at least one representative from each of the following organizations: Kentucky Horse Racing Commission, Kentucky Harness Horseman's Association, host racetrack, Kentucky Standardbred Breeders Association, and the owner of a stallion registered to the Kentucky Standardbred Development Fund. The purpose of the committee is to annually review the purse distributions of revenue for the Kentucky Sire Stakes.
- The Kentucky Thoroughbred Breeders' Incentive Advisory Committee* consists of five members appointed by the chairman of the commission on an as needed basis. The committee consists of three commissioners and two Kentucky breeders. The purpose of the committee is to review program requirements and confirm the program is supporting the mission of the fund.
- The Kentucky Thoroughbred Development Advisory Committee* consists of five members appointed by the chairman of the commission by July 1 of each year. The committee consists of two thoroughbred breeders recommended by Kentucky Thoroughbred Owners and Breeders Association (KTOBA), one thoroughbred owner recommended by the Kentucky Horsemen's Benevolent and Protection Association (KyHBPA), one officer or director of a licensed association conducting thoroughbred racing in Kentucky, and one member of the Kentucky Horse Racing Commission. The purpose of the committee is to advise and assist the commission in the development of the supplemental purse program for Kentucky bred thoroughbreds.

*Denotes committees established by statute or regulation.

The Department of Professional Licensing

On December 1, 2016, Governor Bevin issued Executive Order 2017-325 altering the Office of Occupations and Professions to create the Department of Professional Licensing (DPL). That Executive Order was subsequently codified by the General Assembly in 2017. The department provides administrative support to twenty-three independent occupational licensing boards. Services include processing applications, maintaining databases, fee collection, website maintenance, and budget management.

DPL oversees four real estate-related licensing boards comprising the Kentucky Real Estate Authority, which includes the Kentucky Real Estate Commission, the Real Estate Appraisers Board, the Board of Auctioneers, and the Kentucky Board of Home Inspectors.

DPL has worked with the technology support staff of the Department of Insurance to build an

online licensing renewal platform for each of the twenty-three boards serviced by DPL. The department also developed an online licensing directory that allows users to locate Kentucky licensed professionals throughout the Commonwealth. These online platforms have provided efficiencies and cost savings for licensed professionals and the department.

Kentucky Claims Commission

In August 2016, Governor Bevin issued Executive Order 2016-576, which created the Kentucky Claims Commission (KCC). Consolidating the Crime Victims Compensation Board, the Board of Claims, and the Board of Tax Appeals, the new administrative body oversees tax appeals, crime victim compensation claims, and negligence claims against the state. The General Assembly codified the Governor's Executive Order during its 2017 regular session.

The Governor's reorganization of the Commission immediately reduced the compensation of board members by nearly \$370,000. Additional cost savings resulted from reduced salaries for executive staff and the consolidation of office space and resources among the former three boards.

Victim advocates, Kentucky legislators, and law enforcement heralded the reorganization. Since the reorganization, the Claims Commission has worked tirelessly to reduce the backlog of crime victim compensation claims.

VII. Strategic Plan Progress Report on Goals and Objectives Operable in the Last Year

The Public Protection Cabinet's 2018-2024 strategic plan will serve as the cornerstone for the Cabinet's operations. Many of the objectives outlined in the Cabinet's six-year plan were achieved during the last year.

Cabinet Goals:

1. Support Governor Bevin's Red Tape Reduction Initiative by cutting, amending, and updating overly burdensome and bureaucratic regulations.
2. Move all Cabinet licensing to online platforms, eliminating the need for manual data input, paper processing, and postage.
3. Find new and innovative ways to deliver critical services while simultaneously protecting Kentuckians, promoting efficiencies, and increasing cost savings across the Cabinet.
4. Promote licensee and consumer protection through active public outreach and education.

Cabinet Goal 1: Support Governor Bevin's Red Tape Reduction Initiative by cutting, amending, and updating overly burdensome and bureaucratic regulations.

- Objective 1.1—Undertake a comprehensive review of all agency regulations and identify those regulations that are candidates for Red Tape Reduction.
 - Tactic 1.1.1—The Public Protection Cabinet will designate a Red Tape Reduction

liaison for each agency. The liaison will be responsible for overseeing the review of each agency's regulations.

- Performance Measure: Liaisons will submit quarterly updates to the Cabinet's Office of Legal Services to determine agency and department progress.
 - **9-1-18 Progress Report:** ✓
While the reduction of regulations will remain ongoing, Departments across the Cabinet have worked in conjunction with and regularly updated the Cabinet's Office of Legal Services (OLS) as part of Governor Bevin's Red Tape Reduction. In the past year, the Cabinet has eliminated 13.4 percent of regulations. Below is a summary of reduction by agency since January 1, 2016:
 - ABC – Repealed 25; Amended 10
 - DOI – Repealed 28; Amended 12
 - DFI – Repealed 13; Amended 3
 - DCG – Repealed 18; Amended 11
 - HBC – Repealed 25; Amended 37
 - KBWC – Repealed 9; Amended 9
 - KHRC – Repealed 3; Amended 0
 - KCC – Repealed 10; Amended 1
 - DPL – Repealed 5; Amended 1
- Tactic 1.1.2—Work with the Public Protection Cabinet's agencies and departments to implement the regulatory sunset provisions mandated by House Bill 50, passed during the regular session of the 2017 General Assembly.
 - Performance Measure: Agencies and departments will work with the Legislative Research Commission to track the effective dates of all regulations and will track the regulations that will sunset each year. The agencies and departments will work with the Cabinet's Office of Legal Services to determine if regulations require certification for renewal.
 - **9-1-18 Progress Report:** 🔄
This measure is in effect across the Cabinet and each department is currently preparing for the first round of expirations in 2019. Those licensure boards connected to the Department of Professional Licensing have been made aware of this new requirement and are reviewing regulation effective dates to prepare to comply with the sunset law. Several of DPL's boards have submitted or are close to submitting revised regulations, including the Board of Examiners of Psychology, the Board of Podiatry, the Board of Applied Behavior Analysts, Secondary Metals Recyclers, and Athlete Agents.
- Tactic 1.1.3—Ensure that regulations on the books are consistent with statutory

authority, modern accreditation requirements, federal laws, and association guidelines, as applicable.

- Performance Measure: The Department of Alcoholic Beverage Control will review current statutes and regulations to ensure laws are consistent with the Alcohol and Tobacco Tax and Trade Bureau (TTB).
 - **9-1-18 Progress Report:** ✓
ABC succeeded in accomplishing significant review and reduction of their regulations, all while ensuring compliance with federal regulations, reducing ABC’s regulations by 40 percent (down from 58 to 35; repealed 25 and amended ten not including one repealer and one amendment that will be filed this month). ABC also reduced license application processing turnaround time from an average of 60 days to an average of 30 days, while also increasing accuracy in processing.
- Performance Measure: DOI will review all current regulations and identify regulations that are part of model law or are necessary for accreditation. Those regulations will be examined to determine if they require repeal or amendment as part of the Red Tape Reduction Initiative.
 - **9-1-18 Progress Report:** ✓
In reviewing and identifying its regulations, DOI has reformed 18 percent of its regulations (repealed or pending repeal of 28 regulations; amended 12).
- Objective 1.2—Streamline existing regulations to improve efficiency and public understanding. Work with the General Assembly to initiate statutory changes, as needed.
 - Tactic 1.2.1—Identify and eliminate redundant and burdensome regulations. Initiate statutory changes when necessary.
 - Performance Measure: The Kentucky Horse Racing Commission will streamline redundant regulations in Titles 810 and 811 regarding Standardbred, Thoroughbred, and Quarter Horses. The remaining regulations will be combined into a regulatory scheme supporting Flat Racing. This will reduce the Commission’s regulations by approximately 40 percent.
 - **9-1-18 Progress Report:** 🔄
KHRC thoroughly reviewed Title 810 (Thoroughbred and Steeplechase racing) and 811 (Standardbred, Quarter Horse, Paint Horse, Appaloosa, and Arabian racing) to streamline and combine all regulations under Title 810 with new chapters addressing licensing, flat and steeplechase racing, Standardbred racing, pari-mutuel wagering, incentive and development,

medication guidelines, and hearings and appeals. This process is roughly 75 percent complete with an anticipated filing date of October 15, 2018. KHRC estimates this will reduce regulations from 112 to 50, a 55 percent overall reduction.

- Performance Measure: Work with those boards under and attached to the Department of Professional Licensing to set licensing fees by regulation rather than statute. When necessary, the Cabinet’s Legislative Liaison will work with the boards to initiate statutory changes that allow licensing fees to be established by regulation. This will allow the boards to have greater flexibility when establishing licensing fees and will make it easier to reduce license fees as efficiencies and cost savings are realized.

- **9-1-18 Progress Report:** 🔄

DPL and its boards are actively in the process of this review, but at this time, have not yet identified any statutory changes necessary to accomplish this goal. In fact, DPL found the vast majority of the boards under DPL already have regulatory leeway to set fees by regulation, usually with a statutory maximum. However, there have been fee reductions made in some boards’ regulations, including the Secondary Metals Recyclers Registry and the Athlete Agents Registry. Several other boards have submitted or are close to submitting revised regulations, including the Board of Examiners of Psychology, the Board of Podiatry, the Board of Applied Behavior Analysts, Secondary Metals Recyclers, and Athlete Agents.

- Performance Measure: The Department of Financial Institutions will work with the General Assembly to modernize the Consumer Loan Statute by improving and implementing the supervisory procedures outlined in the statute.

- **9-1-18 Progress Report:** 🔄

Despite extensive dialogue and discussions with representatives of the industry during the previous legislative session, DFI’s proposed amendments to the Consumer Loan Act were unable to gain complete industry support when last-minute disagreements arose between stakeholders. DFI has already begun efforts to reach out to industry to see if a consensus on the bill might be reached during the 2019 session.

- Performance Measure: The Department of Charitable Gaming will amend its existing regulatory structure to keep pace with developments in electronic gaming systems.

- **9-1-18 Progress Report:** ✓

DCG proposed regulatory reduction and revision that will keep pace with the modernization of electronic gaming, including

electronic pulltabs, bingo and raffles. These new regulations will take effect in early 2019, if not sooner, and will make gaming more effective and efficient for organizations, without promoting the commercialization of the industry.

- Performance Measure: As Kentucky-bred Standardbreds continue to grow in popularity, the Kentucky Horse Racing Commission will work to re-establish the Kentucky County Fair system under the jurisdiction of the Commission and further improve the Standardbred racing circuit.
 - **9-1-18 Progress Report:** ✓
KHRC continues to work with the Kentucky Fairs and the Kentucky Colt Association to monitor the success of the county fairs and the Standardbreds racing in the fair circuit. Annually, the Kentucky Standardbred Development Fund/Kentucky Standardbred Breeders' Incentive Fund advisory panel reviews the purses offered and paid, the cost associated with the fair for race officials and others and considers the funding for the following year. This year is the inaugural Fayette County Fair, which will be held at The Red Mile on September 16, 2018, and which will include the Kentucky Sire Stakes Championship races.

Cabinet Goal 2: Move all Cabinet licensing to online platforms, eliminating the need for manual data input, paper processing, and postage.

- Objective 2.1—Establish an in-house development and information systems team within the Public Protection Cabinet to build and maintain online licensing platforms.
 - Tactic 2.1.1—Utilize current information technology (IT) employees in the Department of Insurance to develop a plan for moving all Cabinet licensing platforms online.
 - Performance Measure: The IT team will develop a four-year plan to move all Cabinet licensing functions to online platforms.
 - **9-1-18 Progress Report:** 🔄
The Cabinet continues to work toward establishing a four-year plan to make all licensing functions available on online platforms. In the interim, several agencies have moved to online licensing, including ABC. In addition, 90% of all licensing boards attached to the Department of Professional Licensing now conduct renewals online.
 - Tactic 2.1.2—Cross-train current Cabinet employees to assist the in-house IT team with online licensing platform development and support.
 - Performance Measure: Develop a training schedule for PPC employees to learn basic IT support skills for new online licensing platforms.
 - **9-1-18 Progress Report:** 🔄

Training employees to assist IT with development remains in progress. At DPL, employees are regularly in contact with and assist the internal IT developers with this project, including providing the developers with information needed for program design and feedback as to the functionality of the programs as designs progress. DPL is also involved with implementing programs as they are completed, notifying boards and licensees of their progress, and assisting with learning and implementation of the programs into board operations

- Objective 2.2—Transition all licensing boards within the Department of Professional Licensing to online platforms for initial licensing and renewals.
 - Tactic 2.2.1—Identify online licensure needs for each occupational licensing board within and attached to the Department of Professional Licensing.
 - Performance Measure: Develop an online platform that allows Kentucky occupational licensees to submit initial licensure applications, renewals, reinstatements, and reciprocity applications electronically.
 - **9-1-18 Progress Report:** 🔄
To date, approximately 90 percent of DPL boards have moved their license renewals online, which has resulted in significant cost savings and eased personnel demands. However, the process remains ongoing, as described in Tactic 2.2.1.
 - Performance Measure: Allow continuing education providers and supervisors to submit background checks, supervisor attestations, and completion certificates for licensees through the online licensing platform to streamline the reporting requirements for licensees and eliminate paper files.
 - **9-1-18 Progress Report:** 🔄
DPL currently has one board that has integrated the ability for supervisors to approve supervisees' hours through the online portal. DPL is continuing to work to provide continuing education providers with the ability to upload course completion certifications.
 - Tactic 2.2.2—Develop a rollout schedule for moving each board to an online licensing platform.
 - Performance Measure: Create a two-year schedule for moving each board within and attached to the Department of Professional Licensing to an online licensing system. This schedule will coincide with the Cabinet's four-year online licensing plan.
 - **9-1-18 Progress Report:** 🔄
This is an ongoing project with DPL personnel and IT developers (see Tactic 2.2.1). The order of proceeding with development of

programs and software rollout is based upon an analysis of the respective needs of DPL's boards and the adaptability of their licensure and renewal needs to online servicing.

- Objective 2.3—Secure online software-licensing platforms for agencies that need updated systems.
 - Tactic 2.3.1—Determine a department's or agency's licensing needs and discuss platform creation with the in-house IT team or secure acquisition from an outside vendor.
 - Performance Measure: Develop a licensing renewal software platform for the Department of Housing, Buildings and Construction. Build a list of software requirements that can be used by the in-house technical support team to build a licensing platform. If the platform cannot be built in-house, the requirements will be used to develop a request for proposal (RFP).
 - **9-1-18 Progress Report:** 🔄

HBC has contracted with SmartGov to establish a computer program to use with plan review, permitting, and inspection. The first phase of the program is currently being implemented in Building Codes, Manufactured Housing, and the Electrical Inspection Division, with full implementation for all divisions towards the end of 2018. SmartGov also includes a licensing model, which HBC will use, which will include online renewals, as well as online renewal notification, giving HBC the ability to greatly reduce costly and timely mailing with renewal processing. This will also allow the public the ability to renew at times when HBC is closed. Finally, SmartGov will allow HBC to make configuration changes, which may eliminate the need for outside IT work and programming.
 - Performance Measure: Secure a new database for the Kentucky Horse Racing Commissions' Kentucky Breeders' Incentive Fund. The database will be acquired through cooperation with the Jockey Club, the Kentucky Finance and Administration Cabinet, and the Commonwealth Office of Technology.
 - **9-1-18 Progress Report:** ✓

KHRC has made tremendous progress on this objective in 2018, and its efforts are expected to reduce database costs by half over the next five years. In conjunction with the Commonwealth Office of Technology and the Finance and Administration Cabinet, KHRC has contracted with the Jockey Club Information Systems to design a user-friendly database that tracks all nominations and award payments related to the Kentucky

Breeders' Incentive Fund. The database is designed to encourage participants to nominate online, reducing paper, postage and in-house processing. KHRC is currently in the testing phase, and it is anticipated the database will be complete by December 2018. After completion KHRC will meet with boarding farms, breeders, farm managers, and other stakeholders to demonstrate the new system and its capabilities.

- Performance Measure: The Department of Alcoholic Beverage Control has worked to implement a comprehensive, internal software/platform; however, after an assessment of its overall needs, the costs associated with continuing to develop this platform internally and the availability of accessing existing software in the market, the Department will cease the internal project efforts. It will work with an outside vendor, either through an existing master agreement or the RFP process, to purchase and implement the appropriate online platform/software that will integrate all divisions and offices serving the Department.
 - **9-1-18 Progress Report:** 🔄
ABC has worked to implement a comprehensive, internal software/platform; however, after an assessment of its overall needs, the costs associated with continuing to develop this platform internally and the availability of accessing existing software in the market, ABC will cease the internal project efforts. It will work with an outside vendor, either through an existing master agreement or the RFP process, to purchase and implement the appropriate online platform/software that will integrate all divisions and offices serving ABC.
- Objective 2.4—Develop and maintain an auditing plan to ensure that all online licensing platforms are compliant with current statutory and regulatory licensing requirements.
 - Tactic 2.4.1—Ensure that regulatory, statutory, technology, and hardware advancements are integrated with online licensing platforms.
 - Performance Measure: Establish a “continuous improvement team” within the Cabinet comprised of legal, information technology, licensing, and department and agency staff to keep pace with licensing demands and technological advancements.
 - **9-1-18 Progress Report:** 🔄
The Cabinet plans to establish a “continuous improvement team” once initial licensing platforms are fully established and all boards are integrated.
- Objective 2.5—Ensure that licensing agencies have the authority to develop a regulatory

scheme for online licensing.

- Tactic 2.5.1—Examine statutory authority of each licensing agency and board to ensure that regulations may be promulgated in support of online licensing, including fee structure (if necessary), and continuing education requirement reporting.
 - Performance Measure: Work with the Cabinet’s Legislative Liaison to propose legislation or regulations that are required to support an agency’s or board’s online licensing platform.
 - **9-1-18 Progress Report:** 🔄
This initiative remains in progress across the Cabinet. At DPL, none of the boards have identified any enabling statute where developing a regulatory scheme for online licensing is a problem. The boards are charged with administration and regulation of a given occupation or profession as a general responsibility, and they are free to develop their means for doing so via regulation. There do not appear to be any obstacles to boards using online licensing.

Cabinet Goal 3: Find new and innovative ways to deliver critical services while simultaneously protecting Kentuckians, promoting efficiencies, and increasing cost savings across the Cabinet.

- Objective 3.1—Develop online training opportunities for licensees and the public.
 - Tactic 3.1.1—Work with the Department of Charitable Gaming to increase online training opportunities through Facebook Live.
 - Performance Measure: Through a more efficient and visible online training program, the Department of Charitable Gaming will develop a more experienced and skilled pool of charitable gaming licensees and volunteers. The online training will allow new volunteers to be trained quickly upon their entrance into the industry. Livestream training will also decrease the cost of travel incurred by the department’s training staff.
 - **9-1-18 Progress Report:** ✓
DCG developed an online training system through social media outreach, which reduces the need for organizations to travel outside their home counties to attend trainings on vital reporting and compliance requirements. This continues to help develop a more experienced and skilled pool of charitable gaming licensees and volunteers. The online training allows new volunteers to be trained quickly upon their entrance into the industry. This form of livestream training and social media outreach has eliminated costly hotel and travel expenses for

- onsite training. It has also built and continues to grow a video training bank that is accessible by licensees and their volunteers at any time via Facebook, DCG’s website, or YouTube.
 - Tactic 3.1.2—Develop a system to measure participant comprehension and completion of online training.
 - Performance Measure: Ensure that online training will count toward a licensee’s training requirements, when applicable, by developing a testing mechanism to ascertain training comprehension. Completion of the test will result in training certification.
 - **9-1-18 Progress Report:** 🔄
DPL is currently in discussions with COT, DOI, and other strategic partners to explore options and determine the best way to implement online training and testing for the comprehension of such training. The implementation and success of this tactic will be predicated on the success of 2.5.1.
 - Tactic 3.1.3—Transition classroom education classes offered by the Department of Alcoholic Beverage Control to an online portal.
 - Performance Measure: Develop online and livestream curriculum for 90 percent of ABC education classes. Topics will include sales to minors, disorderly premises, over service, basics of the application process, retail sales, and other areas.
 - **9-1-18 Progress Report:** ✓
ABC has transitioned its education component to primarily an online service. Currently, it has 100 percent online participation with a 96 percent passage rate. The Department continues to improve its class offerings and streamline the process to make education more accessible to licensees. For example, it has nearly finalized a blended learning component which will allow STAR participants to test online or using personal devices such as cell phones and iPads. Expanded learning topics will include sales to minors, disorderly premises, over service, basics of the application process, retail sales, and other areas.
- Objective 3.2—Modernize public reporting systems and create new opportunities for the public to engage with PPC agencies online.
 - Tactic 3.2.1—Process requests for services through online platforms.
 - Performance Measure: Develop an online inspection request portal for the public through the Department of Housing, Buildings and Construction. The portal will allow the department to receive and process inspections requests quickly and efficiently.
 - **9-1-18 Progress Report:** 🔄
Effective August 1, 2018, through an administrative

reorganization, HBC has begun the process of transitioning all license and certification programs to one “License Branch” under the Commissioner’s office and administrative regulations have been filed. This allows individuals who hold multiple licenses to deal with one entity, and also provides the ability to pool resources for the administration of licenses and certificates. Through this reorganization, HBC will more easily be able to transition its services to an online portal.

- Performance Measure: The Department of Housing, Buildings and Construction will implement electronic plan review. Electronic plan review will decrease turnaround time and will eliminate postage and printing costs associated with paper plan review.
 - **9-1-18 Progress Report:** 🔄
HBC’s Building Code Enforcement Division is in the progress of adopting electronic plan review, with the goal of January 2019 to incorporate fully electronic plan review to a public portal. The public portal will give the public the ability to submit plans directly through a terminal instead of submitting paper plans. This will also decrease the postage costs for HBC by eliminating the need to mail the plans back to the submitter.
- Performance Measure: Promote the Kentucky Boxing and Wrestling Commission’s online complaint form as a means for the public to report licensee violations.
 - **9-1-18 Progress Report:** 🔄
Inspectors are promoting the online complaint form via word of mouth at shows and events. The Commission has received two online complaints so far in 2018 verses zero online complaints in 2017.
- Tactic 3.2.2—Use and improve agency-generated data to inform agency operations and provide the public with accurate and real-time information.
 - Performance Measure: Promote transparency of information on Kentucky’s licensed professionals, including license verification, complaints, and disciplinary actions, by continuing to update the Department of Professional Licensing’s “Active License Directory.”
 - **9-1-18 Progress Report:** ✓
DPL board websites, accessible through the main DPL webpage, are all connected to an active license directory that allows the public instant access to information on whether a particular individual’s occupational or professional license is active and in good standing. The system also displays the name of the licensee, type of license, whether there have been any

- disciplinary actions, licensure date, and expiration date.
- Performance Measure: The Kentucky Department of Financial Institutions will use technology-based solutions and access industry data to assess the risk of supervisory activities, including registration, examination, and enforcement. DFI will assign risk categories to regulated entities and use the categories to determine examination frequency and scope. DFI will work with the Cabinet’s Legislative Liaison to implement the statutory change(s) needed to provide flexibility to the examination approach.
 - **9-1-18 Progress Report:** 🔄
DFI’s Depository Division continues to risk-scope examinations, as well as exploring new data sources (e.g., Qaravan and CSBS Outliers Report) to fine tune their risk scoping. DFI’s Nondepository and Securities divisions continue to look for technology-based solutions that will provide efficiencies and cost-savings, while still protecting the public and promoting appropriate regulation.
 - Performance Measure: Update and improve the Department of Charitable Gaming’s online file management system to keep up with the increasing demands of the industry.
 - **9-1-18 Progress Report:** 🔄
DCG has prioritized aligning its regulatory framework with the modernizing industry. Some of the more important updates will include a publicly accessible online portal that will allow visitors and licensees to fill out and submit gaming applications and regulatory forms. The new system will also modernize and streamline internal data processing and file management within the department by allowing the compliance, auditing, and enforcement branches to work within the same file, and vice versa, with proper security access permissions.
- Objective 3.3—Improve existing Cabinet services provided to the public and eliminate any backlog.
 - Tactic 3.3.1—Develop processes to improve and streamline PPC services.
 - Performance Measure: Develop benchmarks for adjudicating tax appeals and claims cases before the Kentucky Claims Commission to ensure adjudication is accomplished in a timely manner.
 - **9-1-18 Progress Report:** 🔄
KCC implemented a new policy to process all negligence and tax appeal claims in 2018. KCC developed a revised intake process, resulting in a rapid response for all new filings. In addition, the Office of Administrative Hearings is now used to ensure all cases

are heard and decided within statutory guidelines Continuous process improvements have made it difficult to develop accurate benchmarks. KCC is now developing benchmarks necessary to ensure adjudication is accomplished in a timely manner.

- Performance Measure: Create a policies and procedure manual for the Audit Branch of the Kentucky Department of Charitable Gaming. The manual will identify the methodological differences between an audit and an examination. Examinations will allow the department to examine the charitable gaming funds for efficiency without conducting a large- scale audit. The examinations will allow for comprehensive audits as they are required.

- **9-1-18 Progress Report:** 🔄

At present, DCG plans to revise previous policies to meet this performance measure.

- Performance Measure: Continue reforming the Department of Insurance’s new Division of Insurance Product Regulation and Division of Administrative Services.

- **9-1-18 Progress Report:** 🔄

The reorganization of the Division of Insurance Product Regulation continues to show signs of progress. The previously separate divisions now have one director overseeing both branches. The unification allows the branches to work collaboratively and removes the previous operational silos in place. For example, the two branches are collaborating on needed reforms to the open records process. The two groups are seeing how each operated in the past, and are working together to streamline the entire process. The simplification should yield great benefits to the public as we transition to an online portal providing more immediate access to form and rate filings received by the Department. Additionally, the process will reduce internal Department resources spent on satisfying open records requests for these document, and allow analysts to focus on more critical duties. This transition expected to be completed in the first quarter of 2019 was made possible by the reorganization.




- Performance Measure: Update and modernize medication and testing protocols used by the Kentucky Horse Racing Commission to stay ahead of the evolving medication testing environment and to ensure Kentucky remains a leader in both the safety of race participants and the integrity of horse racing and pari-mutuel wagering.

- **9-1-18 Progress Report:** ✓

KHRC routinely provides information to stakeholders on issues related to medication regulation, equine health, and safety via stakeholder meetings, e-mail distribution lists, bulletins posted at racetracks, postings on KHRC's website, and presentations at Stewards' and Veterinarians' continuing education courses. Among other research, the Equine Drug Research Council supported research into emerging threats to the integrity of racing by funding studies on Etizolam, andarine, and ostarine—all substances having the potential to impact a horse's racing performance and thus the outcome of a race. Finally, among other initiatives, the Pari-Mutuel Wagering Division has expanded the on-site testing of the totalizator and video systems at each racing association prior to the opening of a race meet. This is to ensure that wagers are calculated correctly and that the information displayed to the public is accurate and timely. The division has also increased the auditing of live and simulcast reports, and improved the monitoring of the information submitted to the Department of Revenue.

- Performance Measure: The Kentucky Horse Racing Commission will establish new security protocols for the state's horse racing tracks, using a combination of employees from the division of enforcement and improved back-side camera security systems.
 - **9-1-18 Progress Report:** ✓
KHRC has purchased a portable camera security system that is moved around the racetrack to locations that warrant the need. On big event racing days, such as Kentucky Derby, Oaks, Bluegrass Stakes, and Breeders' Cup World Championships, KHRC partners with the Big Event Team, which consists of security personnel from multiple racing jurisdictions in North America. Additionally, KHRC works with city and state police and local humane societies on any humane violations occurring on the backside, such as drug and/or horse abuse.
- Tactic 3.3.2—Explore new methods for eliminating existing backlog of services.
 - Performance Measure: Eliminate the backlog of crime victim compensation claims by negotiating with medical service providers and by seeking out new funding mechanisms to assist with the payment of claims.
 - **9-1-18 Progress Report:** ✓
By using effective negotiating techniques with medical providers, KCC eliminated the entire backlog in February 2018, which included approximately 300 claims totaling two million

dollars.

- Objective 3.4—Develop new processes for outdated, inefficient, or non-working agency functions or services.
 - Tactic 3.4.1—Review methodology for carrying out agency-level services and determine if cost reductions or efficiencies can be achieved.
 - Performance Measure: The Kentucky Department of Financial Institutions will review potential changes in assessment methods and income streams to ensure all divisions generate sufficient income to cover current and projected operating costs.
 - **9-1-18 Progress Report:**  DFI will continue to work on this goal. Currently, the Securities Division generates more than sufficient income, but the Depository and Non-Depository Divisions do not generate sufficient income independently of DFI as a whole.
 - Performance Measure: Work with the Department of Financial Institutions to identify additional examiners with the requisite skills to perform online examinations for the Depository, Non-Depository, and Securities Divisions.
 - **9-1-18 Progress Report:**  DFI is beginning to explore options for online or off-site examinations. The Depository Division continues to perform a limited amount of examination duties off-site. To further this goal, the Division’s Bank Branch will conduct an examination pilot in either the fourth quarter of 2018 or the first quarter of 2019, in which multiple examiners will perform a majority of the financial work off-site. Due to technology limitations at most of DFI’s institutions, loan review will remain primarily onsite. Recently, the Division’s Credit Union Branch moved its six-month reviews for certain credit unions off-site. The Non-Depository Division is attempting more electronic/image review of exams to reduce travel. The Securities Division plans to evaluate the examination risk rating system used by the Compliance Branch to determine accuracy and possibility for off-site examinations.
 - Performance Measure: The Kentucky Boxing and Wrestling Commission will explore hiring part-time regional inspectors to decrease time and travel to combat sports events.
 - **9-1-18 Progress Report:**  The KBWC has hired one part-time regional inspector that has inspected ten shows under the supervision of another inspector. After a training period, the KBWC should begin to see the

benefits of an additional inspector soon, as the inspector begins to attend shows with no supervision.

- Tactic 3.4.2—Develop new methods to carry out agency services.
 - Performance Measure: Because DOI supports a system where Kentucky is able to assume the primary role of insurance regulation, the Department will evaluate the merits of a Section 1332 State Innovation Waiver from the federal government. Kentucky has been plagued with decreased insurer participation, premium increases, and narrowed networks, especially in the individual market. A Section 1332 waiver may permit the Commonwealth to take a leading role in needed reforms.
 - **9-1-18 Progress Report:** 🔄
DOI continues to evaluate the merits of a Section 1332 waiver. While Kentucky has continued to have a decrease in participation of insurance carriers in the individual market, DOI reports that Anthem Blue Cross Blue Shield plans to increase their footprint in Kentucky for next year. Anthem will be expanding into 34 more counties for 2019, allowing consumers to have a choice of carriers again in those areas.
 - Performance Measure: Implement a master inspector job class series at the Department of Housing, Buildings and Construction. The series will remove the silos created by the four divisions within the department and will incorporate multiple qualifications into one job series. Currently, many department employees possess expertise in multiple trades, but they cannot conduct inspections in more than one area. The master inspector job will allow employees to utilize their full skill set and will create both cost savings and efficiencies for the department.
 - **9-1-18 Progress Report:** ✓
The Master Inspector Branch was established August 15, 2018. HBC is in the process of posting the first five positions within this new personnel series to recruit Master Inspectors. Within the first year of this program, HBC estimates it is possible to have 15 to 20 of these positions in place, allowing HBC to become more efficient in field inspections. This will also benefit the public, as the inspectors could serve smaller areas, providing more timely inspections. Finally, the Master Inspector position provides a promotional pathway for HBC employees. This would provide the incentive to stay with HBC that is greatly needed.
- Objective 3.5—Encourage cross-collaboration among agencies, states, associations, and other regulatory bodies to improve efficiencies and streamline public protection services.

- Tactic 3.5.1—Encourage multi-state projects and agreements.
 - Performance Measure: The Department of Financial Institutions will work with the Conference of State Bank Supervisors to develop “Vision 2020,” which will focus on improving application, registration, renewal, and supervisory processes relating to non-depository companies that are operating in multiple states. These non-depository companies offer services over the internet and frequently have physical locations in only two or three states while offering services to residents in all states. This creates a challenge regarding examination resources and effective supervision that can be rectified through multi-state collaboration.
 - **9-1-18 Progress Report:** 🔄
DFI continues to work on this specific measure, but has succeeded in encouraging multi-state projects and agreements. For example, DFI’s Non-Depository Division currently uses a multi-state exam process when examining money transmitters and some mortgage entities. The Division also uses a national online licensing system for some industries that allows the licensee to register in multiple states with one application.
 - Performance Measure: Work with occupational licensing boards within and attached to the Department of Professional Licensing to develop reciprocity agreements with neighboring states.
 - **9-1-18 Progress Report:** 🔄
DPL has worked with its boards to develop proper methods for obtaining criminal background checks with the Kentucky State Police and Federal Bureau of Investigation. DPL has worked with the Cabinet for Health and Family Services (CHFS) to develop procedures for CHFS to obtain licensure information for billing of Medicaid services. Finally, DPL has encouraged its boards to implement regulations for licensure reciprocity and portability, and for provision of Telehealth services.
 - Performance Measure: As a member of the National Occupational Policy Learning Consortium, Kentucky will work with other participating states to develop best practices for addressing multi-state collaboration among licensed occupational professionals.
 - **9-1-18 Progress Report:** ✓
Several Cabinet officials are active participants in the National Occupational Policy Learning Consortium, and they participated in drafting a grant application that obtained \$450,000 from the Federal Department of Labor for implementation of Consortium recommendations.
 - Performance Measure: The Department of Insurance will work to grow

within the captive market. Captives, a form of self-insurance for specific insurance needs, are becoming domiciled in multiple states, and growth should be encouraged in Kentucky.

- **9-1-18 Progress Report:** 🔄

- To date, DOI has grown the captive market by 12 licensees, and continues to encourage growth in this market.

- Performance Measure: The Kentucky Boxing and Wrestling Commission will forge strong relationships with other government agencies to encourage the growth of combat sports events in Kentucky. The Commission will pursue collaboration with the Cabinet for Economic Development and the Tourism, Arts, and Heritage Cabinet with the goal of increasing revenue to \$1,000,000 by 2024.

- **9-1-18 Progress Report:** 🔄

- The Kentucky Boxing and Wrestling Commission (KBWC) is working to grow combat sport events in Kentucky. This year, KBWC contacted event site vendors across the state and published a list of venues to all boxing and MMA promoters to increase events in Eastern, Western, and Southern Kentucky.

- Objective 3.6—Introduce new programs and initiatives to improve the safety and well-being of licensees.

- Tactic 3.6.1.—The Boxing and Wrestling Commission will integrate the latest health and safety research into new and existing programs for combat sports athletes.

- Performance Measure: Develop a wellness program for the Commission’s annual Combat Sports Symposium. This wellness program will teach athletes about common combat sports injuries and will provide wellness tips related to healthy eating, exercise, and other areas.

- **9-1-18 Progress Report:** 🔄

- KBWC is developing a wellness program, which includes information on healthy eating and lifestyle, facial cuts, weight cutting, and hydration, to present at the next Combat Sports Symposium. The symposium is tentatively set for mid-October to early November 2018.

- Performance Measure: Implement C3 Logic testing for combat sports athletes. The testing establishes a baseline that an athlete must meet if he or she is knocked out or receives a concussion and ensures that athletes fully recover from concussions.

- **9-1-18 Progress Report:** 🔄

- The Commission is continuing to discuss the logistics of C3 Logic implementation. Further, the Chair of the Commission, and

former chair of the Commission's Medical Advisory Panel, have recently resigned. The Commission will prioritize this performance measure moving forward and determine continued feasibility.

- Performance Measure: The Kentucky Boxing and Wrestling Commission will implement a training curriculum for certified ring physicians with the goal of increasing the number of certified ring physicians in Kentucky.
 - **9-1-18 Progress Report:** 🔄
KBWC is in the process of developing a training curriculum for ringside physicians to ensure consistency at the ringside in regard to cuts, contusions, concussions, and medical clearance for orthopedic and/or neurologic issues sustained in a bout. KBWC is also in the process of writing a curriculum for Boxing and MMA Judge training in order to license more judges for each discipline. As the number of events increase, KBWC will need to increase the number of judges.

Cabinet Goal 4: Promote licensee and consumer protection through active public outreach and education

- Objective 4.1—Update public communication materials to ensure relevance and accuracy.
 - Tactic 4.1.1—Review stock communication documents to ensure they meet communication needs and comply with current regulations and statutes.
 - Performance Measure: The Department of Financial Institutions will review, revise, and improve regulatory reports and examinations to ensure they continue to function as an effective communication tool. The reports are a communication tool sent to a licensed or chartered entity after an examination to memorialize the examination findings and to enumerate recommendations for improvement.
 - **9-1-18 Progress Report:** 🔄
Overall, DFI has begun to evaluate the Report of Examination used in all divisions and made some minor revisions, but review and revision will continue. For credit unions, the reports have been revised from writing comments based on separate risk areas to writing comments based on the CAMEL (capital; asset quality; management; earnings; liquidity/asset-liability management) components and ratings. DFI will continue to revise the report format to ensure they are as effective as possible, expanding the areas that could be more informative and condensing the areas that could be more efficient.

- Objective 4.3—Evaluate existing public outreach programs and identify new technologies or strategies for improving their reach.
 - Tactic 4.3.1—Increase the reach of existing public outreach campaigns within the Cabinet.
 - Performance Measure: Work with the Department of Alcoholic Beverage Control to recruit more high-school students for the FDA’s Investigative Aide program. Social media, online videos, and speaking engagements will be utilized to increase recruitment.
 - **9-1-18 Progress Report:** 🔄
ABC is working to recruit more high school students for both the ABC Alcohol Investigative Aide program and the FDA Investigative Aide program. Social media, online videos, and speaking engagements will be used to increase recruitment.
 - Performance Measure: Grow the capacity of the Department of Financial Institution’s Senior Scam Jam Program, which provides senior citizens with information regarding potential scams and identity theft.
 - **9-1-18 Progress Report:** ✓
DFI has expanded the Senior Scam Jam program’s speaker lineup by adding presentations by the Department of Insurance and Department of Revenue. DFI also works to expand event reach by increased and more localized promotion, which in turn has increased overall audience attendance.
 - Performance Measure: Develop a series of “how to” videos to teach Cabinet licensees about new online licensing services or platforms offered by each agency or department.
 - **9-1-18 Progress Report:** 🔄
The Office of Communications and Public Outreach has completed two videos for the Kentucky Real Estate Commission, teaching licensees how to renew their licenses online. OCPO has also produced a video on the importance of open enrollment for health insurance on behalf of the Kentucky Department of Insurance. This goal remains in progress.