

**STRATEGIC
PLAN
2018-2024**

PPC **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 - The Public Protection Cabinet champions reasonable regulation and discourages regulations that are burdensome, outdated, and serve no legitimate public protection purpose.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.

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 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, 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 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 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's most recent success includes the passage of House Bill 183 during the 2017 General Assembly. The legislation cuts red tape in the alcoholic beverage industry while promoting safe and responsible business practices and recognizing current business needs. The department has also reduced licensing turnaround time from six months in January 2016 to twenty-one days in September 2017. To date, ABC has accomplished reasonable regulation of the alcoholic beverage industry by cutting nearly 34 percent of its regulations without sacrificing its public protection mission. Cutting red tape clarifies the regulatory scheme, simplifies enforcement for state personnel, and eases the burden on one of the Commonwealth's signature industries as it seeks to grow.

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.

The department 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 the department. 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 voting 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 horse racing.
- 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 eight members appointed by the chairman of the commission on an as needed basis. The committee consists of three commissioners and five 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. 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.

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

VII. Goals, Tactics, and Key Performance Measures

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.
 - 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.
 - 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).
 - Performance Measure: The Kentucky Department of Insurance 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.

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

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.

- 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.
- 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.
 - 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.
 - 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.
- 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).
 - 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.
 - Performance Measure: Complete implementation of the Department of Alcoholic Beverage Control’s Business, Education, Licensing, Legal, and

Enforcement (BELLE) online portal. The portal will fully integrate all online services and functions provided by ABC and will allow internal divisions to share licensing information.

- 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.
- 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.

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 FacebookLive.
 - 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.
 - 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.

- 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.
- 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.
 - 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.
 - Performance Measure: Promote the Kentucky Boxing and Wrestling Commission’s online complaint form as a means for the public to report licensee violations.
 - 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.”
 - 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.
 - 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.
- 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.
 - 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.
 - Performance Measure: Continue reforming the Department of Insurance's new Division of Insurance Product Regulation and Division of Administrative Services.
 - 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.
 - 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.
 - 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.
- 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.
 - 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.

- Performance Measure: The Kentucky Boxing and Wrestling Commission will explore hiring part-time regional inspectors to decrease time and travel to combat sports events.
 - Tactic 3.4.2—Develop new methods to carry out agency services.
 - Performance Measure: Because the Department of Insurance 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.
 - 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.
- 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.
 - Performance Measure: Work with occupational licensing boards within and attached to the Department of Professional Licensing to develop reciprocity agreements with neighboring states.
 - 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.

- 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.
 - 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.
 - 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.
 - 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.
 - 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.

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.
 - Performance Measure: Work with Kentucky Interactive to redesign the Public Protection Cabinet’s website (ppc.ky.gov) to ensure that it serves as a resource to the public for current agency and department information.
- Objective 4.2— Increase the availability of online consumer tools and utilize cutting-edge technology to deliver real-time public protection information.
 - Tactic 4.2.1—The Cabinet’s Office of Communications and Public Outreach will work with each agency and department to develop public outreach campaigns to convey important public protection initiatives.
 - Performance Measure: The Department of Financial Institutions will develop a campaign to increase awareness of potential cyber security threats and vulnerabilities for financial institutions.
 - Performance Measure: Increase the reach of the Department of Insurance by encouraging Kentuckians to consult the insurance.ky.gov website and the department’s social media accounts for the latest insurance information.
 - Performance Measure: The Kentucky Boxing and Wrestling Commission will develop a campaign to encourage fitness through combat sports. The campaign will include a youth outreach component and potential partnerships with local gyms.
- 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 Food and Drug Administration’s (FDA) Investigative Aide program. Social media, online videos, and speaking engagements will be utilized 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.
 - 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.

VIII. 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. As previously stated, the Cabinet experienced significant changes in 2016 and 2017, which necessitated a six-year strategic plan that could be implemented beginning in 2018. However, despite these changes, many of the goals outlined in the current 2016-2020 plan have been achieved during the last year:

Cabinet Goal 1—Enhance the integrity, operation, and administration of regulatory programs and policies that are in the best interest of the general public.

- Objective 1.1—Ensure the safety, soundness, and compliance of our regulated communities.
 - Progress report: The Cabinet worked with the 2017 General Assembly to pass legislation that promotes reasonable regulation and compliance among PPC's regulated communities. This legislation included House Bill 183, which revised outdated and inconsistent statutory language pertaining to the alcohol industry. House Bill 394 consolidated eight boards with duplicative layers of bureaucracy under the Department of Housing, Buildings and Construction and formed a single advisory committee with representation from cross-sections of the building industry. This committee encourages cross-collaboration among industry experts, which has already led to a more efficient and streamlined regulatory process.
- Objective 1.2—Enhance paperwork reduction efforts cabinet-wide.
 - Progress report: Across the Cabinet, initiatives have been undertaken to reduce paperwork. Approximately 90 percent of boards attached to the Department of Professional Licensing are currently using the department's online renewal services rather than paper licensing. The Kentucky Boxing and Wrestling Commission also instituted online licensure renewal and will provide initial online licensing by November 2017.
- Objective 1.3—Enhance and ensure appropriate information sharing opportunities between government entities.
 - Progress report: The information services team within the Department of Insurance has developed online licensing systems for other PPC agencies. These new systems will integrate best practices and data resources from the online system used by the Department of Insurance.
- Objective 1.4—Identify and aggressively seek grant opportunities from all possible sources that are in alignment with agency strategic plans.
 - Progress report: The Kentucky Claims Commission was awarded a grant from the Department of Justice to assist the commission in eliminating the backlog of crime victim compensation claims.

- Objective 1.5—Maximize efficiencies by the cross-training of employees in appropriate areas and workgroups.
 - Progress report: The Department of Alcoholic Beverage Control and Department of Charitable Gaming cross-trained enforcement and compliance staff to assist with training and education opportunities for both departments’ licensees.

Cabinet Goal 2—Develop the highest quality services to our regulatory community and the public at large.

- Objective 2.1—Improves customers’ access to information about the responsibilities and services of our Cabinet.
 - Progress report: The Cabinet continues to engage in an aggressive public outreach campaign to educate licensees and the public about the services provided by PPC. For example, the Department of Professional Licensing developed an online active license directory so that members of the public can search for a licensed occupational professional by region, county, or license type. In addition, the Department of Charitable Gaming implemented FacebookLive training to provide additional opportunities for licensees and volunteers.
- Objective 2.2—Provide timely, consistent, and accurate responses to customers.
 - Progress report: The Office of Communications and Public Outreach strives for a 24-hour turnaround on all public and media inquiries. Across the Cabinet, PPC agencies have reduced processing time for licensing applications. The Department of Alcoholic Beverage Control reduced licensing turnaround time from six months in 2016 to twenty-one days in 2017. The Department of Housing, Buildings and Construction reduced plan review turnaround time from fifty-five days in 2016 to five days in 2017.

Cabinet Goal 3—Hire, train, and retain a knowledgeable, diverse, and effective workforce.

- Objective 3.1—Provide programs to routinely update employees on agency issues.
 - Progress report: The Office of Communications and Public Outreach has worked to increase the Cabinet’s social media presence among employees and provide real-time updates via social media on building closures and other issues impacting employees.
- Objective 3.2—Establish hiring and retention strategies to encourage and produce a more diverse work force.
 - Progress report: The Cabinet will continue to focus on veteran preference and hiring. Many Cabinet agencies have cross-trained personnel to provide employees with new skill sets and increased opportunities.
- Objective 3.3—Empower a skilled, healthy, and diverse work force.
 - Progress report: The Cabinet encourages employees to participate in the Living Well promise offered through the Personnel Cabinet. PPC also works with the

Personnel Cabinet to provide resources to employees that encourage health and well-being.

- Objective 3.4—Identify and provide opportunities for continuous learning that strengthens the quality of the workforce.
 - Progress report: In an effort to better serve employees, the Cabinet’s human resources liaisons participate in regular trainings with the Personnel Cabinet’s Office of Diversity, Equality, and Training (ODET).
- Objective 3.5—Research and implement innovative ways to supplement the workforce.
 - Progress report: Cabinet human resources professionals participated in the International Public Management Association for Human Resources’ Competencies for Success training program. This competency model encourages government agencies to utilize private-sector human resources strategies.
- Objective 3.6—Retain quality employees.
 - As the demand for skilled building professionals increases, the Department of Housing, Buildings and Construction has cross-trained inspectors to provide employees with new opportunities for professional growth and upward mobility within the department.
- Objective 3.7—Provide a harassment-free workplace.
 - Progress report: The Cabinet provides current resources regarding harassment to each agency’s Equal Employment Opportunity coordinator. These coordinators also receive up-to-date training and work with Cabinet-level human resources liaisons to ensure that harassment complaints are investigated and handled properly.

Cabinet Goal 4—Support Kentucky’s economic growth and development through responsive, responsible, and reasonable enforcement and administration of regulatory laws.

- Objective 4.1—Elevate Kentucky’s national presence by nurturing dynamic regulatory programs that are innovative and efficient.
 - Progress report: Cabinet agencies are dedicated to reducing red tape and promoting a regulatory environment that eliminates unnecessary regulation while also promoting consumer safety. Since January 2016, four Cabinet agencies have repealed or amended 10 percent or more of existing regulations.
- Objective 4.2—Through innovation and responsible regulation, facilitate interest in industries, companies, and individuals to invest in Kentucky.
 - Progress report: The Cabinet has fostered a business-friendly environment throughout the state by working to reduce red tape in the industries we regulate and serve. PPC has also partnered with other cabinets in state government, including the Cabinet for Economic Development and the Tourism, Arts and Heritage Cabinet, to assist businesses that are interested in locating in Kentucky.

- Objective 4.3—To better ensure the safety and integrity of the horse racing industry, the Cabinet will actively participate with the Kentucky Horse Racing Commission in the implementation of policies and procedures to improve efficiency and effectiveness of agency operations both overall and by division.
 - Progress report: The Cabinet partnered with the Kentucky Horse Racing Commission to amend approximately four percent of the agency’s regulations, with an eye toward amending additional regulations to improve efficiencies and to make the regulations easier to navigate and understand.
- Objective 4.4—Support Kentucky’s economic growth and development through the Cabinet’s participation in the Kentucky One Stop Business Portal.
 - As a greater number of Cabinet services are moved online, PPC has used the e-services system to integrate licensing and payment services.