

# Summary of BR1, KY General Assembly, Special Session 2022

*Summary is current as of 2:00pm ET on August 24, 2022. Please note that this bill may change as it goes through the legislative process.*

## Section 1

- Establishes the Eastern Kentucky State Aid Funding for Emergencies fund (EKSAFE) to be administered by the Department of Military Affairs and Division of Emergency Management and used to provide financial relief in areas designated by the federal disaster declaration.
- Restricts agencies from soliciting contributions from the general public that could impact other fundraising efforts
- Clarifies eligible entities that may receive EKSAFE funds
  - Local governments
  - Nonprofit or public utility service providers
  - State agencies
  - School districts
- All eligible entities must be in the area of the federal disaster declaration and have disaster-related needs
- Prohibits the use of funds for new construction inside the 100-year floodplain area
- Clarifies eligible expenses (all limited to repairing damage associated with the flooding), e.g. (read a full list on pp. 2-3 of the bill draft):
  - Replacement and renovation of publicly-owned buildings
  - Reimbursement for expenses associated with recovery response
  - Expenses associated with planning efforts for recovery and rebuilding
  - Financial support for school districts that may experience a default in bond payments
  - Contracting of personnel to administer and/or report on use of EKSAFE funds
- Sets document retention and reimbursement requirements for eligible entities that receive funds
- Clarifies that funds may be used as advances in cases where an eligible entity is awaiting reimbursement from the federal government or an insurance claim and establishes a process whereby fund recipients can repay the fund
- Requires reimbursement to the fund if an eligible entity receives other sources of funding for an eligible expense
- Establishes legislative reporting requirements for the Office of the State Budget Director and Department of Education

## Section 2

- Allows funds in the Western Kentucky State Aid Funding for Emergencies fund (WKSAFE) to carry over through June 30, 2026
- Creates a new eligible expense for WKSAFE funds to include the recovery of local revenues lost to due to the tornadoes (applies to cities, counties, and school districts). This gradually phases out through 2025.

## Section 3 through Section 8

- Appropriates \$200m from the state's Budget Reserve Trust Fund to EKSAFE

- \$75m for “financial assistance” in accordance with Section 1 of the Act
- \$40m for advances to “school districts and nonprofit or public utility service providers”
- \$40m for school districts
- \$45m for infrastructure (to KYTC)

### **Section 9**

- Appropriates \$12.6m in ARPA funds (State Fiscal Recovery Fund) to EKSAFE for water and sewer infrastructure repairs related to the flooding

### **Section 10**

- Allows state budget units that receive insurance claim receipts to request increases in Restricted Fund appropriations

### **Section 11**

- Addresses issues with attendance days requirements, instructional hours, and remote learning for students in districts impacted by the flooding

### **Section 12**

- Emergency clause