

## **Motorcycle Safety Education Commission Meeting**

**Kentucky State Police  
380 Coffee Tree Road, Frankfort, KY 40601**

**10:00am – 12:00pm  
December 18, 2017**

- ❖ **Commission members present:**  
Rick Schad, Jeanie Petty, Jay Huber, Steve Hanlon, Bob Heckel, and Fred Williams
  - ❖ **Commission members absent:** Glenda Hobbic
  - ❖ **Justice and Public Safety Cabinet Staff present:**  
Davis Paine, Kelci Webb, Stacy Woodrum and Brad Holajter
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### ➤ **Welcome/Call to Order:**

The December 18, 2017 meeting of the Kentucky Motorcycle Safety Education Commission (KMSEC) was called to order by Chairman Steve Hanlon. Chairman Hanlon stated that the commission had a quorum and distributed the meeting agenda. He then gave everyone a few minutes to read the minutes from the previous minutes and called for a motion to approve the minutes. Chair Hanlon made a motion to accept the minutes from the September 25 meeting and Jay Huber seconded the motion. The minutes were approved as submitted. Chairman Hanlon then called for an update from the Eastern Kentucky University representative.

### ➤ **EKU KMP Update:**

Kelci Webb noted that the KMP Update from January 1 – December 15, 2017 was added to the back of the agenda. This included the 2016 training session and the 2017 session. Steven Hanlon directed members to please review the update. He noted, "It looks like there were a lot more classes in 2017". Hanlon asked if there was any discussion about the ECU report. There was none. Jay Huber asked Brad about an addition expenditure report that normally gets sent through LRC, but Brad said that he had not received anything and would keep an eye out for that. Mr. Holajter mentioned that the ECU team was unable to attend the meeting due to the

schedule change. Chair Hanlon called for a motion to accept the ECU KNP Update and the motion was seconded by Jeanie Petty.

➤ **Website RFP**

Mr. Holjater began by speaking to the Commission about the update with the RFP, "The last time we left this we were looking at doing a combined media campaign so that the bidder could submit a proposal with both. We have decided to separate those because of an issue that we have found with COT. I have not seen it yet, but I have heard that there will be a COT reorganization that will create a new contractual office. Since they will be redoing all of the way then handle business, our website RFP will be required to get approved by COT because of standard language changes. That will 1) delay that process for us and will put a hold on us. 2) They will become a lot stricter what they allow to do what as far as outsourcing since COT will be able to do more now. So I gave them background as to why this contract was going outside of COT, but COT has assured me that they are able to do the payment system and that was the only road block that I believe we had. Correct?"

Mr. Huber then replied, "I know that at first we were going through COT, but then I was told that they were not going to have the time to do it or resources. They would incorporate the MSF program, but the security protocols and program didn't line up. We went through that for maybe 2 years with COT back and forth, and they finally said no we can't do it."

"Moving forward, there is a new CIO that is the head of COT and I have direct communication with him to track problems. I have asked him that he will give it to COT if we move forward with the RFP. I want to make sure that we are in line with the requirements that are already in place and the new standards that they will put out. At the same time, I think that moving ahead through the COT contract may be the best option. Jay sent me 3 websites, but my thought would be that we just go through a process to combine them into 1. I think that as long as we are able to set up payment through COT we can just bypass the RFP and go through the steps to go through COT. The only issue is that we do not have a specific office of technology at Justice, so my thought was to contact Transportation to see if they could potentially be the nexus

between Justice and COT to get issues fixed instead of using an RFP. We would just write an MOA using Motorcycle Program funds to compensate their staff.”

Mr. Huber said that he did like this pathway, but wanted to know if there would be a way to also go through the Clerk’s office so that individual’s information would be able to come up automatically so that riders are not needing different cards and so that riders are able to pay/renew online.

Mr. Holjater said that he has not logistically taken any steps to move forward in talking with Transportation because he wanted to get the approval from the Commission prior to going ahead and discussing the website RFP with Transportation since the funds would be coming from the Motorcycle Safety Program.

Mr. Huber asked Mr. Holjater, “I know that this is probably number 4 on the priority list, but is there any way that we can get an answer from them with regards to how long this would take. If they could get us a quicker answer this time instead of taking a couple of years then that would be great. You know maybe 3, 4, 5,6, months this time. And if we could get this resolved before the start of the season that would be great since the site provider RFP is silent on how they receive payment. Could we just have them use standard procedures now since the COT change has not yet been made? That could be in the RFP version while the other stuff is getting figured out.”

Mr. Holjater replied, “We can try to come up with suggestions, but we will need to take some guidance from Finance before we make any final decisions as to what is the most appropriate way... so to sum that up, is it the will of the Commission to combine all of these sites into one content and through the process we will decide the content and then have one website most likely run on a state contract through COT to be kept up by the Cabinet or by Transportation to facilitate the website?”

Chair Hanlon asked if the Commission along with Justice will still be the ones controlling the content even if the Justice cabinet does have to utilize the IT staff at Transportation and Mr.

Holajter said yes, the content will still be run by the Commission and the Justice Cabinet staff regardless. We just need to figure out the best way and most efficient way to do it.

Before moving to the next topic Brad updated everyone about information regarding the current service provider, ECU: "I have received word from ECU that they have officially opted out as our current service provider. They are taking steps to wind down through the close of the year. They have requested from the Cabinet an extension on the budget through February 28 since we have not had a yearlong budget and have been doing 6 month approvals. They just opted out and decided given the budget constraints and the uncertainty of the program they no longer want to participate. I have given them the written authority to extend the current budget through February to facilitate the close of the season, to bring the bikes in, get them maintained. That authorization maintains that we have to expressly approve any single purchase over \$1000, and single purchase that is outside of any line item on the current budget being approved, and any item in the budget that exceeds a pro-rated 2-month amount. I have reached out to them to see if they would rent their current space for the bikes to the Cabinet before they hold an auction for the bikes, but I have yet to receive word back. Depending on the rental that would be cheaper than totally relocating the bikes and renting them somewhere else."

➤ **Structure Update**

Mr. Huber wanted to provide a general structure update for potential site providers. He said, "We are looking to in large part the same way that we are running now. The MOA for the site contract was before coming from Easter, and now the contracts will come from Justice directly. This would essentially eliminate one step in the site provider process. The sponsor would take on more responsibility in finding their own bikes and finding folks that would be willing to become coaches. Then they can contract out through some of the current trainers to hold a class in your area so they can become certified as well. We are hoping this will help to get more coaches since we are aware

that this has been a problem over the last few years. The more administrative issues would be handled directly through the site provider and the Justice cabinet. Also, there would be a larger reimbursement that is still being determined. This means that the \$70-\$80 that sites are already getting will be increased by some amount to cover the additional time, motorcycles, maintenance, and other equipment. Hopefully we can get the website up and going so you can submit things online for payment and do registrations online so that everything is somewhere seamless if at all possible. Once they complete the course they will cut the provider a check and then the student can go to the Clerk's office. Maybe we could even tie it in with the insurance department as well later down the road, so maybe riders could get a discount for taking the course. If we have a central website, it will be easier for people to sign up which has been an issue recently. There are plenty of advantages doing this in a centralized fashion."

Mr. Huber said that there is not real information about when classes would begin since the RFP is going on. The back and forth with Finance may cause a delay.

Mr. Holjater said that the courses should be able to be up and running by March as long as everything works out and we do in fact get bidders. This would allow for classes to start in April like they normally do. It could take a little longer depending on the bidders, and any push back that we may get from COT and from Finance.

➤ **Closed session**

Mr. Hanlon made a motion to move into closed session. The motion was approved by Mr. Huber and seconded by Mr. Heckel.

Mr. Hanlon asked if the sites would have any assistance in buying the bikes because that could be a legitimate burden on some of the smaller sites. Mr. Huber replied to him explaining that through the auction the bikes should not be more than a couple hundreds of dollars per bike

which is not too bad. Mr. Hanlon agreed, but noted that when you are getting a larger number of bikes that would be more restrictive for the bidders who are not able to purchase.

Mr. Heckel said, "This will only be a problem for those who are not wanting to run classes, or those who know that they will not have a lot of classes. Which isn't that the purpose to begin with? That's the whole idea. We want providers who will grow the program. I understand the Louisville Air Guard, but if they are not going to run many classes they should start sending their people elsewhere. It is possible for them to get training elsewhere and the military may be able to pay for it.

Mr. Hanlon said that he just wanted to head off any potential issues.

Brad said, "If we do this then it allows people to not shell out the money for courses and it will increase costs. This way it allows us to spend more money on site providers instead of maintenance and administrative costs. At the forefront it may be harder for providers to do this stuff, but it will end up being better overall. We could work it into the RFP where there is a small stipend for a start-up cost, but there are some who will not need it so then you are giving a stipend out for start-up costs that is getting used for something else. There's conflict with any model, but we need to figure out which model is the best. I will have to look into that. We are short on time so let's move forward"

Mr. Huber asked, "Would the media RFP one become separate now since we are separating the website RFPs?"

Mr. Holjater, "Yes, they would. My question for the Commission is, would you all want to proceed or put a hold until we figure out what is going on with the website?"

Mr. Huber said that he would rather hold on until we get new information about that. That way we are not putting the cart before the horse. They need to somewhat be tied together in

timing, but they can go to the back burner right now since the start of the season is pretty jammed pack.”

Mr. Huber wanted to see if it would be possible to add marketing materials for companies who sponsor and give cash. Their logo would just go on signage and materials. He wanted to ensure that there would be no legal problems with that, and Brad said that it should be fine, but he will have to double check.

Moving forward Jay Huber asked if we would set how the payments would work. He questioned whether it would be per class or per student for the train the trainer courses. Mr. Holjater replied by saying that the RFP is written completely open and we can work through the bidder or new supplier for that. We will set the requirement for the proposal format. What the cost is will be completely open, so the bidder would provide that information. Huber wanted to know if we needed to set parameters that it be on a per class basis, but Brad said they will set the format.

Mr. Huber said, “If a site provider has a number of potential coaches is how we were thinking. They can get together and say we have 5-6 people here that would be good coaches and they can come in and teach the class. That’s why I was thinking on a per class basis.” Mr. Hanlon agreed.

Mr. Holjater replied, “Okay that’s fine. How about we set up criteria that within their response they have to highlight the number of classes they intend to teach, students per class, and the cost per student. And then we sort of set the minimum number of students. We can do a cost per class or per student, but if we do that I would encourage you all to set a minimum number of students. If you choose to do a cost per class, then they are getting paid whether they have 5 students or 25 students.

Mr. Huber said, "We could set a minimum for the classes as well. That's what I was thinking. If you do 3 or 4 classes, you get paid X amount of money." Brad asked what should the minimum be for students.

Mr. Heckel said, "No less than 3 students because the way the MSF curriculum works is that there is a lot of interaction between riders. They spend time putting the class on. If there are less than 3 then you are really not able to do a whole lot."

Brad agreed saying that 3 -4 would be reasonable. Chair Hanlon said to go with 3.

Mr. Heckle asked, "In the RFP should it say curriculum will be approved by MSF OR NITSA"

Holjater looked over it and said it should be "as approved by", but Mr. Heckel said shouldn't it just be the Motorcycle Safety Foundation. Huber said, "Shouldn't it just be the Motorcycle Safety Commission?"

Holjater said he believes it was written wrong and should read, "Curriculum that follows or meets the standard for NITSA or is approved by the Commission."

Mr. Paine said, "The statute said that it can be any NHTSA certified curriculum, correct?" Huber said it doesn't say NHTSA yet it was a proposal, but it says MSF or other equivalent program is how KRS reads now.

Paine said, "I am pretty certain it says NITSA certified." Huber said that could not be because at the time the law was written there was no NHTSA.

Brad asked should we just cut the part out that mentions NITSA and say curriculum approved by the Commission, but Hanlon and Heckle said that it should follow NHTSA, and still be approved by the Commission. The "and" is important because we should not use or. It should



be approved by both entities. Heckle said the minimum needs to be that it is NHTSA certified because if you don't then there is a liability there and Brad agreed saying "That's why I think that it should be "and" instead of "or", so Stacy will make that change".

The Commission began to discuss how they will assure that the bikes are being maintained properly and Mr. Heckle said that is why he thinks that the provider should purchase the bikes. This gives them a vested interest in the bikes since they are the ones purchasing them instead of the Cabinet. They will spend the money to keep the bikes up to manufacture standards.

Mr. Holjater said they will discuss that point further in the next meeting and at the Cabinet and moved on to pricing since the meeting was short of time.

He began, "So, we are requiring a \$50 non-refundable deposit for registration and then the tuition will be at \$150. One price is much easier and that goes back to the administration costs. Once we get some data for the upcoming season we can choose to break it down and charge less for the basic class if we so chose, but we really should keep it at one cost for the first year."

Mr. Huber: "I can see that, but my concern is that the BRC 1 class takes 2 days and that one should cost more than the 1-day course. So we should come up with 2 prices just to make it fair"

Mr. Heckel said, "I agree that one price may be easier, but I think that we should totally cap it at \$150. Then the provider can decide whether they want to do \$150 for both courses or do \$125 for the 1 day and \$150 for the 2 day or however they decide to do it."

Mr. Holjater: If we say up to \$150 that could cause problems because someone may charge \$110 and someone may charge \$149 for the same course

Mr. Heckel: Well, that just means that there will be good competition. Ideally we won't wind up with a bunch of sites at one location.

Chair Hanlon entered into the conversation saying, "We have always had a maximum per student and that seems to have worked fairly well. I mean, there is only so low that people can go in charging.

Brad: So, up to \$150 with \$50 of that being a non-refundable deposit for no shows.

Mr. Heckel said that having a lower non-refundable deposit could be more harmful and helpful because if someone has something come up or they choose to spend a day with their kid they are not going to worry about that \$50. Mr. Huber interjected and asked what he thinks the deposit should be and Heckel replied saying that \$100 would be better. It will deter people from just skipping the class. When they skip the provider still has to pay the instructor the \$100 for the day, but the provider now gets no reimbursement.

Mr. Holjater said they could make the entire payment non-refundable if that is what the Commission wanted to do and felt it necessary, but Mr. Huber said the only way I know they do that is when the rider is under 18 to make sure they show because if they don't show they are losing that \$150, but if they show up then the deposit will be refunded.

The Commission decided to go with a deposit up to \$150 and the provider can make that decision, but it is completely capped at \$150.

Mr. Holjater: Alright, part number 2 I believe that after our meeting with Treasury the provider can retain the tuition but that it does have to come into the treasury for us to pay it back. We will obviously continue to monitor that if it changes and if it does we will collect it and reimburse it back. Regardless of that, the \$150 tuition... we need to figure out what to cap the reimbursement at. Notice that in the RFP it says it is subject to fund availability. We need to

build capacity for growth so if we set the reimbursement at last year's numbers and we exceed then there is no more funds, so that doesn't foster growth. We need to pick a number. I looked at 3000 because we have been under that for a few years now. So, we had 2600 students and that allows us to plan for 400 growths and if we don't get that then the amount just stays in the account."

Mr. Heckel said that leaving it at 3000 is definitely the way to go knowing that we are going to wind up losing some sites with.

Mr. Holjater, "So, I used 3000 and a budget of \$900. If you take \$200 reimbursement and multiple that by 3000 that's \$600,000, 150 is \$450,000. My point is that \$250 will take it too high. We should go with \$150 or \$200. \$200 doesn't allow for growth by a lot. \$150 is cost effective, but it may not be enough since they are buying equipment. My thought is to ask the board for approval to ask the Commission to grant the Cabinet to take 10% of the commission like you would with a grant. This would cover administrative costs. And we are planning to hire someone that would help with this. We are looking at a temporary employee, but we are not sure yet. I am looking at what would be the most cost effective."

Mr. Huber said that he would support the \$150 for the cap and do a reimbursement of \$200 for every site provider and do a full non-refundable deposit for students under 18 years old.

Chair Hanlon agreed to the statement made by Mr. Huber and that concluded the closed session.

➤ **Closing:**

Brad said that the RFP's will all be cleaned up and sent over to everyone on the Commission. He asked if the Commission was okay for him to just contact Jay and Steve in the case that they need any answers quickly to move forward.

➤ **Adjournment:**

Chairman Hanlon made the motion to adjourn the meeting around noon. That motion was seconded by Mr. Heckle and was approved unanimously. The next meeting is set for February 2018.