

**ETHICS REPORTER**

**January, 2021**

Kentucky Legislative Ethics Commission

22 Mill Creek Park, Frankfort, Kentucky 40601-9230

Phone: (502) 573-2863

<http://klec.ky.gov>

***Lobbying spending dips for 2020 as pandemic hits***

Kentucky lobbying spending for 2020, in which a global pandemic hit during the 60-day legislative session, dipped from an all-time yearly high of $23.1 million for the last “long session” of 2018 to $20.9 million in 2020.

A record 733 lobbying businesses and organizations registered to lobby in Kentucky in 2020, spending $20.2 million. Of that amount, employers reported 35% less spending on expenses from 2018 to 2020, going from $992,150 to $639,555. Spending on receptions, meals and events, and advertising also dropped by about a third for the same periods.

 In 2020, 607 lobbyists were paid $19 million in compensation, and also incurred $618,620 in expenses. Expenses that lobbyists paid for receptions, meals, and events paid for by lobbyists dropped from $14,908 in 2018 to $5,606 in 2020, also reflecting the social distancing imposed by the pandemic.

 2020's top lobbying spender was **Kentucky Chamber of Commerce,** with $329,185, representing a relatively small decrease in its spending from 2018 ($352,425), but a cliff dive from 2018’s previous top spender, **Altria Client Services**, which had shelled out $552,103 to earn the top spot that year. **Altria Client Services**, now in the #2 spot, spent $314,627 on lobbying in 2020.

 The rest of the top five spenders include: **Kentucky Hospital Association** ($187,991); **Juul Labs** ($178,225), which was not registered to lobby until 2019; and **Kentucky League of Cities** ($164,744) which increased its spending from $136,839 in 2018.

 Others in the top 10 were: **Kentucky Justice Association** ($145,116); **Marsy’s Law for All** ($141,319); **Justice Action Network** ($140,502); **HCA Healthcare** ($140,410); and **Kentucky Retail Federation** ($130,067).

 The rest of the top 20 spenders: **Humana** ($127,139); **Anthem Inc.** ($125,692); **United Healthcare Services** ($121,427); **LG&E and KU Energy** ($121,165); **Charter Communications** ($118,943); H**ome Builders Association of KY** ($117,298); **CSX Corp.** ($114,999); **Kentucky Medical Association** ($110,562); **LifePoint Corporate Services** ($110,002); and **Kentucky Association of Manufacturers** ($106,666).

***Newly-registered lobbying employers & terminations***

 The following businesses and organizations recently registered to lobby in Kentucky: **Ainsworth Game Technology**; **AirBnb**; **Association of periOperative Registered Nurses**; **Ban Conversion Therapy KY**; **Beyond Type 1**; **Commonwealth Alliance Voter Engagement**; **Commonwealth Policy Center**; **Davis Fitness Development**; **DraftKings**; **Fletcher Group**; **Impetus**; **Indiana/KY/Ohio Concrete Pipe Association**; **Interactive Education Concepts**; **Jackson BioEnergy**; **John Wiley & Sons**; **KY Center for Economic Policy**; **KY Competes**; **KY Hemp Association**; **KY Science Center**; **Philips North America**; **Riverside Generating Company (LS Power); Stronach Group (The)**; **TC Energy**; **and Zalla Family Enterprises.**

 Several businesses and organizations terminated their registration, and are no longer lobbying the Kentucky General Assembly: **1800Contacts**; **Animal Policy Group**; **Campaign for Tobacco Free Kids**; **Corizon Health**; **First Southern Funding**; **Parity For Pumps**; **Passport Health Plan**; **Pet Food Institute**; **Ranzetta, Tim; Rhino Resource Partners**; **U.S. Chamber Institute for Legal Reform**; **and**

**Universal Guaranty Life Insurance Company.**

***Legislator, major management personnel, and lobbying report deadlines***

Members of the General Assembly and major management personnel within the legislative branch are required to file their annual financial disclosure statements by **Tuesday, February 16, 2021**, due to the February 15 legislative holiday for President’s Day. The statements are for the 2020 calendar year.

Also, by **Monday, February 15, 2021** all lobbyists and employers are required to file Updated Registration Statements for the period of January 1 through January 31, 2021**.**

The easiest and quickest way for lobbyists and employers to file is to visit the Commission’s website <https://apps.klec.ky.gov/lec/onlinefiling.aspx>

#### ***Training for Lobbyists and Employers on video***

#### The Legislative Ethics Commission has a training video from one of our in-person lobbyist and employer trainings on the LRC Capitol Connection YouTube page, for viewing at any time. The link is on our website, and also on the LRC Capitol Connection page at <https://www.youtube.com/watch?v=ojKIWUNV8po&feature=youtu.be>. The video walks through the online filing process in step-by-step detail. Please call us with any questions!

#### ***Overview of Legislative Ethics Code online***

#### The Legislative Ethics Commission has a PowerPoint overview of the Legislative Ethics Code available for reference. The link is on our website, and also on the LRC Capitol Connection page at <https://www.youtube.com/watch?v=I4FJvhrSoao>. Feel free to watch!

#### ***Commission Office Procedures and COVID-19***

#### Due to the current COVID-19 pandemic and following guidance from federal, state, and local officials, the Commission halted in-person services at its Frankfort office as of Tuesday, March 17. Email notifications were made to legislators and staff, as well as lobbyists, and employers, and a notice was placed on the Commission’s website and office door.

 Legislators, staff, lobbyists, employers, and the public may continue to contact the office by phone at (502) 573-2863, by fax at (502) 573-2929, and via the email addresses listed on the staff page: <https://klec.ky.gov/About-KLEC/Pages/Commission-Staff.aspx.>

####  Additionally, new lines for direct access to Commission staff have been added. You may reach Laura Hendrix, Executive Director, at (502) 573-2910, and Emily Dennis, Counsel, at (502) 573-2911. You may still reach Donnita Crittenden and Lori Smither at the main Commission number, (502) 573-2863.

####  If you need to send the Commission copies of paperwork, please scan and email it to the email addresses as listed on the staff page, or fax to the number above.

####  Continued thanks to the many lobbying entities who have honored our request to begin filing online, and those who have utilized this service for many years. If a lobbyist or employer is currently filing disclosures by paper and would like to file online, please email us and we can contact you with an ID and password.

####  If an entity needs to register as a lobbyist or employer, please email the required scanned paperwork to Donnita Crittenden or Lori Smither at the staff emails in the link above or fax them to (502) 573-2929. Blank forms may be found at <https://klec.ky.gov/Forms/Pages/Get-Blank-Forms.aspx.>

####  All provisions of the Code of Legislative Ethics are in force during this time. If there is a need for an opinion about the application of the Code to any particular ethical issue that may arise, please continue to contact us and we will answer your questions.

 

***Ethics & Lobbying News from around the U.S.***

***Barred from Capitol due to pandemic, CT lobbyists face hurdles during critical legislative session***

**CONNECTICUT** – ***Hartford Business Journal*** -- by Matt Pilon *--* January 25, 2021

 **Hartford** — Swearing in of lawmakers, organizational committee meetings, and other rituals marking the start of the state legislative session may seem a tad corny or incidental for some, but you can bet your bottom dollar that most lobbyists will be present.

 Count DeVaughn Ward among them. A lobbyist for the Marijuana Policy Project, Ward will be fighting this session to push a recreational pot legalization bill over the finish line, something that’s proven difficult during recent attempts, despite support from Gov. Ned Lamont and public polls.

 So Ward would surely seize on an opportunity to be seen, shake some hands, trade intel and chat up powerful committee chairs and newly-elected freshmen lawmakers alike.

 Instead, thanks to COVID-19 safety precautions, Ward on Jan. 6 — opening day of the 2021 legislative session — was at home 40 miles away from downtown Hartford, watching the swearing in of lawmakers and other proceedings online.

 Lobbyists are known for their ability to work a room, but those recently interviewed by Hartford Business Journal said the pandemic has thrown that element out the window. With the public (which includes lobbyists) barred from entering the Capitol for at least the next few months, if not the entire 2021 regular legislative session that runs until early June, Ward and his peers in the state’s $90 million lobbying industry will be forced to rely on phone calls, emails, texts and videoconferences to connect with lawmakers and staff.

 “A lot of these conversations and introductions are being done electronically — you’re emailing and saying ‘hey I’m with the Marijuana Policy Project,’ ” said Ward, who’s grateful that he’s worked in the Capitol for the past decade and can get in touch quickly with key players. “It’s really hard if you don’t have existing connections with folks. I don’t have as big of a barrier, but it is tough.”

 Lobbyists report that legislative leaders and rank-and-file lawmakers are doing their best to be reachable in a timely fashion, but they worry there’s simply no substitute for the steady frenzy of in-person interaction that typically happens inside the Capitol during the legislative session.

 At stake, of course, are the interests of their clients, many of which include major businesses, hospitals, nonprofits and other organizations that are the lifeblood of Connecticut’s economy.

 “Being able to have a face-to-face conversation with a legislator or staff member prior to a public hearing, committee vote, or floor vote about information that is relevant to their decision is often critical,” said Patrick McCabe, managing partner at Capitol Strategies Group, a Hartford-based firm that’s lobbied for fantasy sports operators **DraftKings** and **FanDuel**, which will continue their push this session to legalize sports betting in Connecticut.

 Patricia “Paddi” LeShane, CEO of Hartford’s Sullivan & LeShane Inc., one of the largest lobbying firms in the state, said she has worked hard to maintain contact with lawmakers amid the increased precautions and restrictions.

 That’s included virtual luncheons and other events, like, back in the fall, mingling at an outdoor, socially-distanced barbecue. LeShane’s client roster includes the **Coca-Cola Bottling Company of Northern New England**, **Connecticut State Medical Society** and various energy developers and other firms, and she will be pursuing reforms to the state’s bottle bill and to make permanent the telemedicine services that have become permissible and popular during the COVID-19 pandemic, among other policies, she said.

 LeShane said there’s no question lobbying remotely will present challenges, but she takes comfort in the fact that her peers and competitors are in the same boat.

 “Virtual is great, but it really plays down the people part of the process,” LeShane said. “I think everybody is concerned about the fact that you can’t just yell down from the second floor saying ‘hey can you grab so and so and meet me in the office to talk about this bill?’ ”

**Making new connections, planning ahead**

 No matter who lobbyists have on speed dial, several said it’s been tougher than normal to get acquainted with the legislature’s crop of newly-elected members. While they may be less politically powerful, freshman lawmakers still cast votes and can act as catalysts for legislation if they feel strongly about it.

 “Sometimes the newer folks are much more enamored about getting things done quickly,” said William “Bill” Malitsky, co-principal of FOCUS Government Affairs, a West Hartford-based lobbying firm that counts **AIG**, **IBM**, **Knights of Columbus** and **Greater New Haven Chamber** among its clients.

 Some firms are tweaking their staffing and workflow to ensure lobbyists can keep adequate track of hearings and meetings that will be broadcast on CT-N and YouTube. Advanced planning and scheduling of calls with lawmakers and others is a bigger focus in the remote environment, but the session is still young, and the situation has even the most senior Capitol lobbyists wondering how it’s going to play out, particularly as various bills and budget negotiations enter their later, more nitty-gritty stages.

 “It’s a mystery as to how it’s going to work, to some degree,” said Jay F. Malcynsky, managing partner at Gaffney, Bennett and Associates, who has lobbied at the Capitol since the 1980s and counts **Eversource,** **General Electric** and other major companies as clients.

 “It’ll be about trying to adjust to changes in how the building normally works. As much as legislating can be characterized as organized chaos, there is some magic about the way that building works when people have access to it.”

 Some hope the Capitol building will reopen by April or May, though they continue to plan based on the assumption that the entire session will be remote.

 “I think we have to prepare for that possibility,” said FOCUS co-principal James S. Paolino. “But we are hopeful to be back in the building. We’re so used to it, it’s ingrained in our DNA, it’s how we do things.”

 However, House Speaker Matt Ritter said no one should count on returning to the building this spring, despite the COVID vaccine rollout underway.

 “The reality is I would be surprised if between now and June 9 [when the session ends] we’re going to allow the public in the building, but we’ll never foreclose that possibility,” Ritter said.

 Lobbyists aren’t the only ones challenged by the new reality.

 Ritter said remote legislating is bound to slow down the normal pace of business over the coming months for lawmakers too, particularly during the flurry of negotiations over budget and policy bills later in the session.

 “Negotiations are always easier in person,” he said. “It’s hard to read body language on a computer, sometimes people speak over each other or they break up, but we will get things done, it will just be harder to get things done.”

**Slower process**

 With legislators slowed by remote processes, they are expected to prioritize what legislation they raise, which means interest groups may have to compete for limited opportunities.

 However, some are anticipating that there will be more provisions crammed into bills by the time they get toward the finish line.

 That puts additional pressure on lobbyists, said FOCUS’ Malitsky, who referred to the potentially thicker bills as “aircraft carriers.”

 “It makes our job perhaps that much more critical,” he said.

 Malcynsky, of Gaffney, Bennett and Associates, said many lobbying clients understand they should temper their expectations for legislative wins this session, especially with a lot of focus likely to be on policies meant to lessen pandemic-related human and economic suffering. But that doesn’t mean clients are sitting the session out either.

 “Clients with a perennial presence at the Capitol realize they still need to be in the game, whatever the rules are,” Malcynsky said. “Things haven’t changed in that regard.”

 House Minority Leader Vincent Candelora said he’s concerned that lawmakers being further removed from the public could embolden support for legislative initiatives that his party and constituents oppose, such as a public-option-style healthcare plan.

 “I am concerned with the number of bills [some] are raising and the issues they are going to pursue, because we have to recognize that public input is more limited,” Candelora said.

**The bright side**

 While there are lots of cons to a remote legislative session, there are some pros too, depending on who you ask.

 For example, the public can testify at bill hearings from the comfort of their homes, without having to alter their regular schedules to drive to the Capitol and wait in a potentially lengthy line of speakers. Every legislative meeting will also be streamed online this year, as opposed to only certain meetings in prior sessions. For those who earn their living from the legislative session, the remote nature this year may mean there’s technically no reason to physically be in Connecticut at all.

 Ward, the marijuana lobbyist, said he may travel to Hawaii in the coming weeks and do his lobbying work remotely.

 “For me, this is kind of a once-in-a-lifetime opportunity that I have to be able to work anywhere in the world,” he said.