

1 AN ACT relating to barbering.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO  
4 READ AS FOLLOWS:

5 **(1) As used in this section:**

6 **(a) "Agencies" means the Finance and Administration Cabinet, the**  
7 **Commonwealth Office of Technology, and the Department of Revenue;**

8 **(b) "Aggregated format" means the smallest possible combination of data to**  
9 **ensure that no specific taxpayer is identified, generally with no more than**  
10 **three (3) taxpayers combined into a single line of data;**

11 **(c) "Committee" means the:**

12 **1. Interim Joint Committee on Appropriations and Revenue; or**

13 **2. a. Senate Standing Committee on Appropriations and Revenue;**

14 **and**

15 **b. House Standing Committee on Appropriations and Revenue;**

16 **and**

17 **(d) "Data" means all tax return data, accounts receivable data, refund data,**  
18 **tax expenditure data, or any other information required to make sound tax**  
19 **policy decisions by the General Assembly as it relates to businesses**  
20 **operating and citizens living in the Commonwealth.**

21 **(2) The agencies shall cooperatively provide to the committee all data in an**  
22 **aggregated format.**

23 **(3) A working group containing employees from the agencies and the committee is**  
24 **hereby created to accomplish an efficient and effective delivery of the data**  
25 **required in subsection (2) of this section in an aggregated format which is easily**  
26 **accessible, adaptable, and useable by staff of the committee and on a timeline**  
27 **which meets the needs of the committee.**

1 **(4) (a) By June 1, 2022, the secretary of the Finance and Administration Cabinet**  
 2 **shall submit the names and contact information of staff from the agencies**  
 3 **to the committee.**

4 **(b) The first meeting of the working group shall occur no later than June 30,**  
 5 **2022, with monthly meetings to be held thereafter until the delivery**  
 6 **timeline, format, and methodology for each type of data has been**  
 7 **determined and the first submission of each type of data has been received.**

8 **(5) (a) Failure by the agencies to comply with this section may result in a reduction**  
 9 **of up to fifty percent (50%) of the appropriation for each budget unit of the**  
 10 **agencies during the next regular session of the General Assembly.**

11 **(b) All reductions under paragraph (a) of this subsection shall lapse to the**  
 12 **general fund surplus fund account created in KRS 48.700.**

13 ➔Section 2. KRS 48.020 is amended to read as follows:

14 Each branch of government shall have in continuous process of preparation and revision,  
 15 in the light of its direct studies of the operations, plans and needs of its budget units and  
 16 of the existing and prospective sources of income, a branch budget recommendation for  
 17 the next two (2) fiscal years for which a budget recommendation is required to be  
 18 prepared. Upon receipt of the estimates from its budget units, each branch of government  
 19 shall check these estimates in the light of its own information, and shall make such  
 20 further inquiries and investigations and revise its branch budget recommendation as it  
 21 deems warranted.~~[ The branch budget recommendation when approved shall be certified~~  
 22 ~~together with the budget statements provided for in KRS 48.110 and submitted as~~  
 23 ~~provided for in KRS 48.100.]~~

24 ➔Section 3. KRS 48.040 is amended to read as follows:

25 (1) On or before April 1 of each odd-numbered year, representatives designated by the  
 26 Governor, the Chief Justice and the Legislative Research Commission for their  
 27 respective branches shall propose drafts of uniform forms to be used by all budget

1 units in submitting their budget estimates, requests and recommendations, and shall  
 2 recommend to the Legislative Research Commission such rules and regulations  
 3 deemed necessary for the preparation of such budget estimates, requests and  
 4 recommendations.

5 (2) On or before July 1 of each odd-numbered year, the Legislative Research  
 6 Commission shall prescribe uniform forms, records, and instructions to be used by  
 7 branch budget units. Included in such forms shall be a section requiring budget  
 8 units to identify the amount of funds to be spent on agency publications.

9 (3) (a) On or before August 15 of each odd-numbered year, each of the state-  
 10 administered retirement systems as defined by KRS 6.350(5) shall submit to  
 11 the state budget director's office and the Legislative Research Commission a  
 12 preliminary projection of the actuarially required contribution rates payable  
 13 for the budget biennium that begins in the following fiscal year.

14 (b) On or before October~~November~~ 15 of each odd-numbered year, the state-  
 15 administered retirement systems as defined by KRS 6.350(5) shall submit  
 16 revised projections to the state budget director's office and the Legislative  
 17 Research Commission, based upon the most recently completed actuarial  
 18 valuation, of the actuarially required contribution rates payable for the budget  
 19 biennium that begins in the following fiscal year.

20 (c) The Legislative Research Commission shall distribute the information  
 21 received under this subsection to the committee staff and co-chairs of any  
 22 committee that has jurisdiction over a state-administered retirement system.

23 (4) On or before September 1 of each odd-numbered year, the Finance and  
 24 Administration Cabinet shall supply each branch of government with at least three

25 (3) complete sets of the prescribed uniform forms and instructions for the  
 26 preparation of estimates and statements, and one (1) copy of the complete statement  
 27 of the expenditures of each budget unit of the branch to aid each branch of

1 government in preparing its estimates and statements.

2 (5) Upon request, the Finance and Administration Cabinet shall provide such additional  
3 assistance to each branch of government as may be required.

4 ➔Section 4. KRS 48.050 is amended to read as follows:

5 The head of each budget unit shall submit its budget unit request to the Office of State  
6 Budget Director, in the case of the executive branch, to the Chief Justice, in the case of  
7 the judicial branch, to the director of the Legislative Research Commission, in the case of  
8 the legislative branch; and to the Legislative Research Commission, not later than  
9 October~~November~~ 15 of each odd-numbered year.

10 ➔Section 5. KRS 48.110 is amended to read as follows:

11 Each branch budget recommendation shall contain a complete financial plan for the  
12 branch of government for each of the next two (2) fiscal years. **Each branch budget**  
13 **recommendation and all supporting documentation shall be submitted in a form and**  
14 **format cooperatively developed by each respective branch of government and the**  
15 **General Assembly and approved by the Legislative Research Commission.** Each branch  
16 budget recommendation shall include:

17 (1) A budget message signed by:

18 (a) The Governor for the executive branch;

19 (b) The Chief Justice for the judicial branch; and

20 (c) The co-chairmen of the Legislative Research Commission for the legislative  
21 branch;

22 (2) (a) Statements of income and receipts for the two (2) fiscal years last concluded,  
23 and the estimated income and receipts, for each budget unit of the branch of  
24 government for the current fiscal year and each of the next two (2) fiscal  
25 years.

26 (b) The statements of income and estimated income shall be itemized by budget  
27 unit and fund, and shall show separately receipts from:

- 1           1.    Current income;
  - 2           2.    Refunds and reimbursements of expenditures;
  - 3           3.    The sale of assets; and
  - 4           4.    Receipts on account of the income of prior years.
- 5           (c) Existing sources of income and receipts shall be analyzed as to their equity,  
6           productivity and need for revision, and any proposed new sources of income  
7           or receipts shall be explained;
- 8    (3) A statement of the surplus in any account and in any special fund of the branch of  
9           government. If a surplus exists in any account of the branch of government the  
10           statement shall show the excess of all current assets over all current liabilities as of  
11           the beginning of each of the two (2) fiscal years last concluded, and all changes in  
12           these accounts during each of such two (2) fiscal years;
- 13   (4) A statement as of the close of the last completed fiscal year and as of the close of  
14           the current fiscal year showing, for each budget unit the total funded debt, the value  
15           of sinking fund assets, the net funded debt, the floating liabilities as of the end of  
16           the current fiscal year, and the total debt as of the close of the last completed fiscal  
17           year and as of the close of the current fiscal year;
- 18   (5) Summary and detailed comparative statements of expenditures itemized by budget  
19           unit for each of the two (2) fiscal years last concluded and requests for  
20           appropriations by funds or accounts, the budget of the current year, and the  
21           recommendations for appropriations for each of the next two (2) fiscal years.  
22           Following the lists of actual and proposed expenditures of each budget unit there  
23           shall be a detailed explanation of the actual and proposed expenditures, to include  
24           activities, beneficiaries and expected results of the programs or services of the  
25           budget units;
- 26   (6) A draft of the proposed branch budget bill containing:
- 27           (a) Recommendations of the branch of government for appropriations for the next

- 1 two (2) fiscal years, and drafts of such revenue and other acts as may be  
2 recommended for implementing the proposed financial plan;
- 3 (b) Recommended appropriations for extraordinary expenses and capital outlays,  
4 which shall be itemized in the proposed branch budget bill for the branch by  
5 budget unit. The title of each budget unit shall be worded to limit each  
6 appropriation to the specific use or purpose intended;
- 7 (c) A plan for the reduction of the branch budget if there is a revenue shortfall of  
8 five percent (5%) or less in the general fund or road fund. In recommending  
9 budget reductions, the Governor, the Chief Justice, and the Legislative  
10 Research Commission shall not recommend universal percentage reductions,  
11 but shall weigh the needs of all budget units and shall strive to protect the  
12 highest possible level of service in their respective branches. Services which  
13 are not essential to constitutional functions shall be subject to reduction.  
14 Transfer of funds may be authorized by the budget reduction plan;
- 15 (d) 1. A plan for the expenditure of a general fund or road fund surplus of up  
16 to two and one-half percent (2.5%).
- 17 2. The plan shall include provisions for the expenditure of a surplus, and  
18 may provide for additional moneys for nonrecurring expenditures for  
19 which an appropriation was not made in a branch budget bill, or for a  
20 program or service authorized by law for which an appropriation was  
21 not made, or which was not fully funded.
- 22 3. In lieu of recommending the appropriation of funds, the plan may  
23 instead recommend the retention of surplus funds in the surplus account  
24 of the general fund or road fund for investment until appropriated by the  
25 General Assembly;
- 26 (e) 1. A recommended state capital projects program and a recommended  
27 program for the purchase of major items of equipment.

- 1           2.    The recommended capital construction program shall include:
- 2           a.    A complete list and summary description of each specific capital
- 3                 construction project recommended for funding during the
- 4                 biennium; and
- 5           b.    For each project:
- 6                 i.    The agency and purpose for which it will be used;
- 7                 ii.   The justification for the project;
- 8                 iii.   Its estimated completion date;
- 9                 iv.   The total estimated cost of completing the project;
- 10                v.    The estimated cost of the project during the biennium;
- 11                vi.   The recommended sources of funds for the entire project;
- 12                 and
- 13                vii.   The dollar amounts recommended for appropriation and the
- 14                 dollar amounts, listed by source, that are anticipated
- 15                 from every other source of funds for the biennium.
- 16           3.    All information required by subparagraph 2. of this paragraph shall be
- 17                 included in each branch budget recommendation. Each branch budget
- 18                 bill shall contain only a complete list of the specific capital construction
- 19                 projects recommended for funding during the biennium and, for each
- 20                 project, the information specified in subparagraph 2.b.v., vi., and vii. of
- 21                 this paragraph.
- 22           4.    A report which details the effect of recommended new debt on the debt
- 23                 position of the Commonwealth shall be submitted at the same time the
- 24                 recommended capital program is submitted. Information shall be
- 25                 presented separately, and in total, for the general fund, road fund, and
- 26                 any affected restricted fund account.
- 27           5.    Information in the report shall include but not be limited to the

- 1 following:
- 2 a. Debt service on existing appropriation-supported debt, as a
- 3 percentage of anticipated total revenues;
- 4 b. Debt service on existing appropriation-supported debt, as a
- 5 percentage of anticipated available revenues;
- 6 c. The sum of debt service on existing appropriation-supported debt
- 7 and debt service on recommended new appropriation-supported
- 8 debt, as a percentage of anticipated total revenues;
- 9 d. The sum of debt service on existing appropriation-supported debt
- 10 and debt service on recommended new appropriation-supported
- 11 debt, as a percentage of anticipated available revenues;
- 12 e. The sum of debt service on existing appropriation-supported debt
- 13 and debt service on recommended new appropriation-supported
- 14 debt, as a percentage of estimated state total personal income; and
- 15 f. The sum of existing appropriation-supported debt and
- 16 recommended new appropriation-supported debt, as a percentage
- 17 of estimated state total personal income.
- 18 6. The recommended program for the purchase of major items of
- 19 equipment submitted by the head of each branch of government shall
- 20 include:
- 21 a. A complete list and summary description of each specific major
- 22 item of equipment recommended for purchase during the
- 23 biennium; and
- 24 b. For each major item of equipment:
- 25 i. The agency and purpose for which it will be used;
- 26 ii. The justification for the purchase;
- 27 iii. The estimated cost of the item, including ancillary expenses



1                   and any expenses necessary to make the equipment  
2                   functional and operational;

3                   iv.    The recommended sources of funds; and

4                   v.    The dollar amounts recommended for appropriation and  
5                   anticipated from every other source of funds for the  
6                   purchase.

7                   7.    All information required by subparagraph 5. of this paragraph shall be  
8                   included in the executive branch budget recommendation. The branch  
9                   budget bill for the executive branch shall contain only a complete list of  
10                  each specific item of major equipment recommended for purchase  
11                  during the biennium and, for each item, the information specified in  
12                  subparagraph 6.b.iii., iv., and v. of this paragraph;

13               (f)   The branch budget recommendation for the Transportation Cabinet shall  
14               include the following information:

15               1.    A separate branch budget bill;

16               2.    A recommended biennial highway construction plan, which shall be  
17               presented as a separate bill, and which shall include a list of individual  
18               transportation projects included in the last four (4) years of the six (6)  
19               year road plan, not to exceed ten percent (10%) of the recommended  
20               biennial highway construction appropriation, which can be advanced if:

21               a.    Additional funds are received; and

22               b.    All projects included in the biennial highway construction plan  
23               have been advanced or completed to the extent possible; and

24               3.    The six (6) year road plan. The Governor shall have ten (10) working  
25               days after submission of the branch budget recommendation and the  
26               recommended biennial highway construction plan to submit the six (6)  
27               year road plan. The six (6) year road plan shall be submitted in a form

1 and format cooperatively developed by the Transportation Cabinet and  
 2 the General Assembly and approved by the Legislative Research  
 3 Commission; and

- 4 (g) 1. In the executive branch budget recommendation, as a separate section,  
 5 an amount sufficient to meet unexpected contingencies or emergencies,  
 6 including but not limited to natural or man-made disasters, civil  
 7 disorders, court orders requiring or resulting in the expenditure of state  
 8 funds, or other related causes.
- 9 2. The amount shall be based on the nature, type, and frequency of named  
 10 categories of events which may, from past experience, be reasonably  
 11 anticipated.
- 12 3. This portion of the budget recommendation shall detail similar incidents  
 13 and the nature and amount of the expenditures for each during the ten  
 14 (10) years immediately preceding.

15 The total amount of appropriations recommended from any fund shall not exceed  
 16 the cash resources estimated to be available and to become available to meet  
 17 expenditures under the appropriations;

18 (7) A certificate of the branch of government as to the accuracy of the statements of  
 19 financial condition, of income and receipts, and of expenditures; and

20 (8) Such other information as is deemed desirable, or is required by law or regulation.

21 ➔Section 6. KRS 48.120 is amended to read as follows:

22 (1) By August 15 of each odd-numbered year, the Office of State Budget Director, in  
 23 conjunction with the consensus forecasting group, shall provide to each branch of  
 24 government a budget planning report. The budget planning report shall include:

- 25 (a) A baseline analysis and projections of economic conditions and outlook;  
 26 (b) Any potential consequences of the analysis and projections for the  
 27 Commonwealth's fiscal condition;

- 1 (c) The revenue estimates and implications for the general fund and road fund for  
2 the current fiscal year and next four (4) fiscal years; and
- 3 (d) Projections of personal income, employment, and economic indicators that  
4 reflect economic conditions.
- 5 (2) By October 15 of each odd-numbered year, the Office of State Budget Director  
6 shall provide to each branch of government preliminary revenue estimates made by  
7 the consensus forecast group for the general fund and road fund for the current and  
8 next two (2) fiscal years, including explanatory statements, and a comparative  
9 record of the actual revenues of these funds for each of the last two (2) years  
10 concluded.
- 11 (3) **By December 20 of each odd-numbered year**~~[On or before the fifteenth legislative~~  
12 ~~day]~~, the Office of State Budget Director shall certify and present to the **Legislative**  
13 **Research Commission**~~[General Assembly]~~ the official revenue estimates made by  
14 the consensus forecasting group for the general fund and road fund for the current  
15 and next two (2) fiscal years.
- 16 (4) Appropriations made in the branch budget bills enacted for each branch of  
17 government shall be based upon the official revenue estimates presented to the  
18 **Legislative Research Commission**~~[General Assembly]~~ by the Office of State  
19 Budget Director under subsection (3) of this section, as modified by the General  
20 Assembly.
- 21 (5) The enacted estimates shall become the official revenue estimates of the  
22 Commonwealth upon the branch budget bills becoming law, and shall remain the  
23 official revenue estimates of the Commonwealth until revised by the consensus  
24 forecasting group as provided in KRS 48.115.

25 ➔Section 7. KRS 48.170 is amended to read as follows:

26 In addition to the requirements set forth in this chapter, the **standing**~~[appropriations]~~  
27 committees of each house or the Legislative Research Commission, as appropriate, may

1 require additional information and ~~shall~~~~may~~ prescribe the form in which such  
 2 additional information shall be submitted as a part of, or in support of, a branch budget  
 3 recommendation. **The information shall be submitted within fourteen (14) days of the**  
 4 **request unless an extension is granted by the requesting staff person. The extension**  
 5 **shall not exceed seven (7) days from the date the extension was granted.**

6 →Section 8. KRS 48.300 is amended to read as follows:

7 (1) The financial plan for each fiscal year~~as presented in the branch budget~~  
 8 ~~recommendation~~ shall be adopted, with any modifications made by the General  
 9 Assembly, by the passage of a branch budget bill for each branch of government,  
 10 and any revenue and other acts as necessary.

11 (2) With regard to the Transportation Cabinet, the General Assembly shall:

12 (a) Enact, as a separate bill, a branch budget for the Transportation Cabinet;

13 (b) Enact, as a separate bill, the biennial highway construction plan, as amended  
 14 by the General Assembly, including identification of projects from the last  
 15 four (4) years of the six (6) year road plan that may be moved forward, and  
 16 the conditions and requirements under which the identified projects may be  
 17 moved forward; and

18 (c) Adopt the last four (4) years of the six (6) year road plan, as amended by the  
 19 General Assembly, as a joint resolution.

20 →Section 9. KRS 48.810 is amended to read as follows:

21 Each~~program~~ cabinet, the Department for Local Government, the Department of  
 22 Military Affairs, and the Commonwealth Office of Technology shall develop and submit  
 23 a four (4) year strategic plan to meet the broad goals outlined by the Governor and shall  
 24 submit an electronic copy of the full plan and an electronic copy of a brief summary of  
 25 that plan to the state budget director, the secretary of the Executive Cabinet, and the  
 26 Legislative Research Commission with each biennial budget request.

27 (1) Each strategic plan shall include but not be limited to:

- 1 (a) A statement of the cabinet or administrative entity's value, vision, and  
2 mission;
- 3 (b) A statement of how the cabinet or administrative entity's strategic plan is  
4 aligned with the Governor's goals and linked to the budget request **by**  
5 **program** and the six (6) year capital plan of the cabinet or administrative  
6 entity;
- 7 (c) A brief summary of a situation analysis conducted by the ~~program~~ cabinet or  
8 administrative entity;
- 9 (d) Identification of measurable goals for the next four (4) years **by program**;
- 10 (e) Specification of objectives to meet the stated goals **by program**;
- 11 (f) Identification of performance indicators to be used to measure progress  
12 toward meeting goals and objectives **by program**; and
- 13 (g) A progress report providing data and information on the performance  
14 indicators set forth in the ~~program~~ cabinet or administrative entity's most  
15 recent strategic plan.
- 16 (2) On or before September 1 of each even-numbered fiscal year, ~~program~~ cabinets  
17 and administrative entities which have submitted strategic plans in the previous  
18 fiscal year shall submit a progress report to the Office of ~~the~~ State Budget  
19 Director, or its designee, which provides data and information regarding the  
20 progress the ~~program~~ cabinet or entity has made toward meeting its goals as  
21 measured by performance indicators set forth in the cabinet's or entity's most recent  
22 strategic plan.
- 23 (3) The state budget director shall designate an entity to develop and implement a  
24 methodology for strategic planning and progress reporting for use by ~~program~~  
25 cabinets and administrative entities submitting strategic plans and progress reports  
26 pursuant to this section. The entity designated by the state budget director shall  
27 develop and make available a training course in strategic planning that is

1 appropriate for and targeted to state government managers, and shall make that  
 2 training course available to state managers and their designees who have  
 3 responsibility for the completion of a strategic plan as required by this section.

- 4 (4) The Commonwealth Office of Technology shall maintain uniform electronic  
 5 strategic plan and progress report submission forms and a procedure that allows all  
 6 plans and progress reports to be entered into an electronic database that is  
 7 searchable by interested parties. The database shall be developed and maintained in  
 8 a form that complies with all provisions of KRS 48.950, 48.955, and 48.960. The  
 9 Commonwealth Office of Technology shall develop and maintain a program to  
 10 provide public access to submitted plans and progress reports.

11 ➔Section 10. KRS 48.950 is amended to read as follows:

- 12 (1) In order to effectuate the constitutional power and duty of the General Assembly to  
 13 raise and appropriate revenue and approve and adopt a balanced budget, and in  
 14 order that members and committees of the General Assembly and the Legislative  
 15 Research Commission may be informed on a continuous basis about current and  
 16 prospective financial conditions and budgetary needs of the Commonwealth and its  
 17 budget units, the Kentucky General Assembly finds and declares that uniform  
 18 detailed budget data and records relating to expenditures, receipts and activities and  
 19 the budgetary operations of all budget units must be available in electronic and  
 20 print form to the General Assembly and the Legislative Research Commission on a  
 21 continuous and timely basis, **including the electronic accounting and budgeting**  
 22 **systems utilized by all branches of state government such as the Enhanced**  
 23 **Management Administrative Reporting System and the Kentucky Budgeting**  
 24 **System.**

- 25 (2) The contents of all electronic and print forms, records, data and procedures  
 26 established under KRS 48.955 and 48.960 shall pertain to:

- 27 (a) The submission of budget unit requests and branch budget recommendations;

- 1 (b) The adoption of budget bills;
- 2 (c) The allotments under, and authorized adjustments and revisions to, the  
3 enacted budget;
- 4 (d) The receipts and disbursements of budget funds pursuant to appropriations  
5 enacted by the General Assembly; and
- 6 (e) The financial and budgetary conditions of the Commonwealth and branch  
7 budget units.

8 These contents, forms and records shall be standard and uniform for all budget  
9 units.

- 10 (3) The Governor, the Chief Justice and the Legislative Research Commission for their  
11 respective branches and budget units, shall cause to be created, maintained and  
12 transmitted in electronic form the data, records and procedures necessary to fulfill  
13 the intent and purposes of KRS 48.955 and 48.960 and which may be provided by  
14 KRS 48.955 and 48.960.

15 ➔SECTION 11. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO  
16 READ AS FOLLOWS:

17 **(1) The General Assembly hereby establishes the statewide Healthcare Worker Loan**  
18 **Relief Program designed to be in alignment with the federally funded state loan**  
19 **repayment program authorized under KRS 211.165 in providing student loan**  
20 **repayment for eligible healthcare workers within the Commonwealth. The**  
21 **Healthcare Worker Loan Relief Program shall be administered by the University**  
22 **of Kentucky through the Center of Excellence in Rural Health, and all costs**  
23 **associated with the program, including the reimbursement of any expenses**  
24 **incurred by the center in its administration of the program, shall be funded by**  
25 **state appropriations and other funds held in the healthcare worker loan relief**  
26 **fund, which shall be excluded from the comprehensive funding model established**  
27 **in KRS 164.092.**

1 (2) The board of trustees of the University of Kentucky, on behalf of the Center of  
2 Excellence in Rural Health, shall adopt policies for the administration of the  
3 program that are in alignment with the policies implemented in the  
4 administration of KRS 211.165 and the federally funded state loan repayment  
5 program it authorizes, and shall include:

6 (a) The professional, certification, education, employment, and worksite  
7 eligibility requirements, except that the professional requirements shall also  
8 grant eligibility to ophthalmologists, optometrists, and audiologists;

9 (b) Student loan eligibility requirements;

10 (c) A process to consider applications from eligible healthcare workers, except  
11 the policy shall include an application cycle that is open at least twice a  
12 year;

13 (d) Program admission guidelines;

14 (e) The conditions under which admitted healthcare workers shall receive  
15 awards;

16 (f) To the extent that funding is available, the process for determining award  
17 amounts, which shall include the tiering of award amounts based on  
18 provider type, student loan amounts, and other factors, except that the  
19 policy shall not require a dollar-for-dollar match component from admitted  
20 healthcare workers' employers; and

21 (g) Procedures to provide repayment to loan servicers.

22 (3) (a) The healthcare worker loan relief fund is hereby created as a trust fund in  
23 the State Treasury to be administered by the University of Kentucky on  
24 behalf of the Center of Excellence in Rural Health for the purpose of  
25 providing loan repayment as described in this section.

26 (b) The trust fund shall consist of state general fund appropriations, gifts and  
27 grants from public and private sources, and federal funds. All moneys



1 *included in the fund shall be appropriated for the purposes set forth in this*  
 2 *section.*

3 *(c) Any unallotted or unencumbered balances in the trust fund shall be*  
 4 *invested as provided in KRS 42.500(9). Income earned from the investments*  
 5 *shall be credited to the trust fund.*

6 *(d) Notwithstanding KRS 45.229, any fund balance at the close of the fiscal*  
 7 *year shall not lapse but shall be carried forward to the next fiscal year and*  
 8 *continuously appropriated only for the purposes specified in this section.*

9 ➔Section 12. KRS 164.937 is amended to read as follows:

- 10 (1) The University of Kentucky shall maintain a Center of Excellence in Rural Health.
- 11 (2) The mission of the Center of Excellence in Rural Health shall be the improvement  
 12 of the health of all rural Kentuckians and the improvement of rural health care  
 13 systems through education, research, and service.
- 14 (3) The Center of Excellence in Rural Health shall:
- 15 (a) Support a site-based director, core faculty, and staff;
- 16 (b) Collect and maintain statistical and other information relating to rural health  
 17 status, rural health care systems, rural health policy, and other issues affecting  
 18 the health and well-being of rural populations;
- 19 (c) Collect, analyze, interpret, disseminate, and make recommendations regarding  
 20 the availability, distribution, and sufficiency of the health professions  
 21 workforce;
- 22 (d) Provide educational opportunities for students committed to rural health care:
- 23 1. To obtain education in needed health professions as determined by the  
 24 workforce analyses, rotating these programs as necessary;
- 25 2. By testing and developing innovative models for learning; and
- 26 3. By reserving funds budgeted for specific educational programs that in  
 27 the future are deemed no longer necessary for use for educational

- 1 programs for other health professions;
- 2 (e) Maintain site-based family practice residencies;
- 3 (f) Serve as the federally designated Office of Rural Health and perform the
- 4 duties prescribed by the United States Health Resources and Services
- 5 Administration;

6 **(g) Administer the Healthcare Worker Loan Relief Program established under**  
 7 **Section 11 of this Act;**

8 **(h)**~~(g)~~ Demonstrate or provide innovative programs that improve the health of  
 9 rural Kentuckians and strengthen rural health care systems; and

10 **(i)**~~(h)~~ Advocate for rural health care.

11 (4) To the extent additional funds are appropriated, the Center of Excellence in Rural  
 12 Health shall establish additional sites throughout the Commonwealth as necessary  
 13 to achieve the mission of the center.

14 (5) Nothing in this section shall be construed to restrict the study of rural health  
 15 policies, workforce analyses, or the training of health professionals in or for rural or  
 16 medically underserved areas by other state universities.

17 (6) The University of Kentucky shall report to the Council on Postsecondary Education  
 18 and the Legislative Research Commission a detailed, audited statement of  
 19 expenditures for each program function in the Center of Excellence for Rural  
 20 Health Care by September 1 of each year which enumerates expenditures for the  
 21 preceding fiscal year.

22 ➔SECTION 13. A NEW SECTION OF KRS CHAPTER 210 IS CREATED TO  
 23 READ AS FOLLOWS:

24 **(1) As used in this section:**

25 **(a) "Cabinet" means the Cabinet for Health and Family Services;**

26 **(b) "CMHC" means a community mental health center;**

27 **(c) "Fund" means the mobile crisis services fund; and**

1 (d) "Mobile unit" means any vehicle which a CMHC uses to travel within its  
 2 region to provide community services for Kentuckians who experience  
 3 issues with mental health, developmental and intellectual disabilities, and  
 4 substance use disorder.

5 (2) (a) The mobile crisis services fund is hereby established within the cabinet to  
 6 provide loans to CMHCs for:

7 1. Increasing access to mental health services; and

8 2. Providing services to individuals who lack sufficient access to  
 9 transportation and who are:

10 a. Residing in rural areas;

11 b. Residing in homeless shelters; or

12 c. Disadvantaged mentally, physically, or economically.

13 (b) Any loan issued by the cabinet shall not exceed a five (5) year term and the  
 14 interest rate shall not exceed one percent (1%).

15 (3) The cabinet shall:

16 (a) Determine the terms and conditions of each loan, including the repayment  
 17 to be deposited back in the fund for issuance of future loans to other  
 18 CMHCs;

19 (b) Review and adjudicate applications submitted by CMHCs that apply for a  
 20 loan;

21 (c) Monitor the performance of each CMHC in the program; and

22 (d) By December 1, 2022, and by each December 1 thereafter, report to the  
 23 Interim Joint Committee on Health, Welfare, and Family Services  
 24 information about each CMHC in the program, including:

25 1. The name and location of each CMHC that received a loan;

26 2. The amount of principal originally loaned; and

27 3. How each CMHC used the funds.

1 (4) In order to apply for loan, a CMHC shall:

2 (a) Submit an application to the cabinet;

3 (b) Agree to use the funds for the purchase, operation, or establishment of  
4 mobile units; and

5 (c) Agree to provide services to individuals who lack sufficient access to  
6 transportation and who are:

7 1. Residing in rural areas;

8 2. Residing in homeless shelters; or

9 3. Disadvantaged mentally, physically, or economically.

10 (5) (a) The fund created in subsection (2) of this section shall be a trust and agency  
11 account.

12 (b) The fund shall be administered by the cabinet.

13 (c) The fund shall include moneys appropriated by the General Assembly,  
14 contributions, donations, gifts, or federal funds.

15 (d) Moneys in the fund shall be used by the cabinet to administer this section.

16 (e) Notwithstanding KRS 45.229, any moneys remaining in the fund at the  
17 close of the fiscal year shall not lapse but shall be carried forward into the  
18 succeeding fiscal year.

19 (f) Interest earned on any moneys in the fund shall accrue to the fund.

20 (g) Moneys deposited in the fund are hereby appropriated for the sole purpose  
21 of providing loans to CMHCs.

22 (6) The Cabinet for Health and Family Services may promulgate administrative  
23 regulations in accordance with KRS Chapter 13A to implement this section.

24 ➔Section 14. KRS 262.330 is amended to read as follows:

25 (1) The board may make available or lease, on such terms as it prescribes, to  
26 landowners and occupiers within the district, agricultural and engineering  
27 machinery and equipment, including heavy or specialized equipment acquired

1 pursuant to Section 15 of this Act, fertilizer, seeds, seedlings and such other  
 2 material or equipment as will assist the landowners and occupiers to carry on  
 3 operations upon their lands for the conservation of soil resources and for the  
 4 prevention and control of soil erosion.

- 5 (2) As a condition to the extending of any benefits under this chapter to, or the  
 6 performance of work upon, any lands not owned or controlled by this state or any  
 7 of its agencies, the board may require contributions in money, services, materials or  
 8 otherwise to any operations conferring such benefits, and require landowners and  
 9 occupiers to enter into and perform such agreements or covenants as to the  
 10 permanent use of their lands as will tend to prevent or control erosion.

11 ➔Section 15. KRS 262.610 is amended to read as follows:

- 12 (1) (a) The Soil and Water Conservation Commission as referred to in KRS Chapter  
 13 146, subject to the supervision of the commissioner of the Department for  
 14 Natural Resources~~[for natural resources]~~, to the restrictions provided in  
 15 Section 14 of this Act and KRS 262.610 to 262.660, and to the requirements  
 16 of KRS Chapters 42 and 45A, is hereby authorized to acquire and to make  
 17 available, or to assist in acquiring or making available to soil and water  
 18 conservation districts, heavy or specialized equipment or infrastructure which  
 19 an individual district cannot itself economically obtain.

20 (b) A district may submit a request to the commission for the acquisition of  
 21 heavy or specialized equipment jointly with a person residing within the  
 22 district to whom the district has agreed to lease the equipment in the event  
 23 that it is acquired or made available. The district and the person shall  
 24 submit all information with their joint request for heavy or specialized  
 25 equipment as may be required by the commission in the administrative  
 26 regulations promulgated under Section 16 of this Act. Any application made  
 27 by a district, or two (2) or more districts acting jointly pursuant to KRS

1                    **262.650, to the commission to acquire or make available infrastructure, or**  
 2                    **to assist in doing so, shall not be made jointly with any person.**

3        (2) When the commission acquires or makes available to any district the equipment or  
 4        infrastructure above referred to, it shall require said district to fully amortize, in the  
 5        form of rentals or payments, to the Division of Conservation, as referred to in KRS  
 6        Chapter 146, any amount so expended by the commission for such assistance. The  
 7        amount and method of amortization for each piece of heavy equipment or  
 8        infrastructure shall be determined by the commission, subject to approval of the  
 9        commissioner of **the Department for Natural Resources**~~[natural resources]~~. The  
 10       amount and method of amortization for each piece of heavy or specialized  
 11       equipment shall be determined on the basis of **the lease or** a rental **fee** to be charged  
 12       by the district to the **lessee or other** user of equipment sufficient to:

- 13        (a) Fully amortize to the division the capital outlay for the machinery itself over  
 14        the period of its reasonably anticipated full usefulness;
- 15        (b) Cover the cost of operation, maintenance and repairs;
- 16        (c) Pay the usual cost of providing an operator; and
- 17        (d) Compensate the district for the usual costs of transportation from one (1) job  
 18        to another.

19        (3) In giving effect to all of the foregoing, the commission shall estimate the amount of  
 20        time such equipment would ordinarily be idle.

21        ➔Section 16. KRS 262.660 is amended to read as follows:

22        **(1)** The commission, with the approval of the commissioner **of the Department for**  
 23        **Natural Resources**~~[for natural resources]~~, is hereby authorized to promulgate such  
 24        other rules and regulations or methods of accounting as may be necessary or  
 25        expedient to give effect to the purposes expressed in KRS 262.610 to 262.650.

26        **(2) On or before January 1, 2023, the commission, with the approval of the**  
 27        **commissioner of the Department for Natural Resources, shall promulgate**

1 administrative regulations pursuant to KRS Chapter 13A that shall at a minimum  
 2 set forth:

3 (a) The form and manner in which a person and a district may jointly request  
 4 the acquisition of heavy or specialized equipment pursuant to subsection  
 5 (1)(b) of Section 15 of this Act, including but not limited to any financial or  
 6 other disclosures the commission may require;

7 (b) The terms, conditions, and repayment of loans for heavy or specialized  
 8 equipment that the commission makes available to districts for lease to  
 9 persons within those districts; and

10 (c) The terms and conditions for lease agreements between districts and  
 11 persons for the use of acquired heavy or specialized equipment, including  
 12 but not limited to permissible uses of the equipment, care and maintenance  
 13 of the equipment, liability assumptions for property damage or bodily injury  
 14 caused by the equipment, insurance requirements, availability of the  
 15 equipment for use by others in the district, and the keeping of public records  
 16 regarding the use of the equipment. Notwithstanding any provision of this  
 17 chapter or KRS Chapter 42 or 45A to the contrary, lease agreements shall  
 18 allow a lessee to use acquired heavy or specialized equipment outside of his  
 19 or her district with prior approval of the board for the leasing district.

20 ➔ Section 17. KRS 15A.065 is amended to read as follows:

21 (1) The Department of Juvenile Justice shall be headed by a commissioner and shall  
 22 develop and administer programs for:

23 (a) Prevention of juvenile crime;

24 (b) Identification of juveniles at risk of becoming status or public offenders and  
 25 development of early intervention strategies for these children, and, except for  
 26 adjudicated youth, participation in prevention programs shall be voluntary;

27 (c) Providing educational information to law enforcement, prosecution, victims,

- 1 defense attorneys, the courts, the educational community, and the public  
2 concerning juvenile crime, its prevention, detection, trial, punishment, and  
3 rehabilitation;
- 4 (d) The operation of or contracting for the operation of postadjudication treatment  
5 facilities and services for children adjudicated delinquent or found guilty of  
6 public offenses or as youthful offenders;
- 7 (e) The operation or contracting for the operation, and the encouragement of  
8 operation by others, including local governments, volunteer organizations,  
9 and the private sector, of programs to serve predelinquent and delinquent  
10 youth;
- 11 (f) Utilizing outcome-based planning and evaluation of programs to ascertain  
12 which programs are most appropriate and effective in promoting the goals of  
13 this section;
- 14 (g) Conducting research and comparative experiments to find the most effective  
15 means of:
- 16 1. Preventing delinquent behavior;
- 17 2. Identifying predelinquent youth;
- 18 3. Preventing predelinquent youth from becoming delinquent;
- 19 4. Assessing the needs of predelinquent and delinquent youth;
- 20 5. Providing an effective and efficient program designed to treat and  
21 correct the behavior of delinquent youth and youthful offenders;
- 22 6. Assessing the success of all programs of the department and those  
23 operated on behalf of the department and making recommendations for  
24 new programs, improvements in existing programs, or the modification,  
25 combination, or elimination of programs as indicated by the assessment  
26 and the research; and
- 27 (h) Seeking funding from public and private sources for demonstration projects,



1 normal operation of programs, and alterations of programs.

2 (2) The Department of Juvenile Justice may contract, with or without reimbursement,  
3 with a city, county, or urban-county government, for the provision of probation,  
4 diversion, and related services by employees of the contracting local government.

5 (3) The Department of Juvenile Justice may contract for the provision of services,  
6 treatment, or facilities which the department finds in the best interest of any child,  
7 or for which a similar service, treatment, or facility is either not provided by the  
8 department or not available because the service or facilities of the department are at  
9 their operating capacity and unable to accept new commitments. The department  
10 shall, after consultation with the Finance and Administration Cabinet, promulgate  
11 administrative regulations to govern at least the following aspects of this  
12 subsection:

13 (a) Bidding process; and

14 (b) Emergency acquisition process.

15 (4) The Department of Juvenile Justice shall develop programs to:

16 (a) Ensure that youth in state-operated or contracted residential treatment  
17 programs have access to an ombudsman to whom they may report program  
18 problems or concerns;

19 (b) Review all treatment programs, state-operated or contracted, for their quality  
20 and effectiveness; and

21 (c) Provide mental health services to committed youth according to their needs.

22 (5) (a) The Department of Juvenile Justice shall have an advisory board appointed by  
23 the Governor, which shall serve as the advisory group under the Juvenile  
24 Justice and Delinquency Prevention Act of 1974, Pub. L. No. 93-415, as  
25 amended, and which shall provide a formulation of and recommendations for  
26 meeting the requirements of this section not less than annually to the  
27 Governor, the Justice and Public Safety Cabinet, the Department of Juvenile

1 Justice, the Cabinet for Health and Family Services, and the Interim Joint  
 2 Committee~~[Committees]~~ on Judiciary ~~[and on Appropriations and Revenue]~~  
 3 of the Legislative Research Commission when the General Assembly is not in  
 4 session, and the Judiciary Committee~~[and the Appropriations and Revenue~~  
 5 ~~Committees]~~ of the House of Representatives and the Senate when the  
 6 General Assembly is in session. The advisory board shall develop program  
 7 criteria for early juvenile intervention, diversion, and prevention projects,  
 8 develop statewide priorities for funding, and make recommendations for  
 9 allocation of funds to the Commissioner of the Department of Juvenile  
 10 Justice. The advisory board shall review grant applications from local juvenile  
 11 delinquency prevention councils and include in its annual report the activities  
 12 of the councils. The advisory board shall meet not less than quarterly.

- 13 (b) The advisory board shall be chaired by a private citizen member appointed by  
 14 the Governor and shall serve a term of two (2) years and thereafter be elected  
 15 by the board. The members of the board shall be appointed to staggered terms  
 16 and thereafter to four (4) year terms. The membership of the advisory board  
 17 shall consist of no fewer than fifteen (15) persons and no more than thirty-  
 18 three (33) persons who have training, experience, or special knowledge  
 19 concerning the prevention and treatment of juvenile delinquency or the  
 20 administration of juvenile justice. A majority of the members shall not be full-  
 21 time employees of any federal, state, or local government, and at least one-  
 22 fifth (1/5) of the members shall be under the age of twenty-four (24) years at  
 23 the time of appointment. On July 15, 2002, any pre-existing appointment of a  
 24 member to the Juvenile Justice Advisory Board and the Juvenile Justice  
 25 Advisory Committee shall be terminated unless that member has been re-  
 26 appointed subsequent to January 1, 2002, in which case that member's  
 27 appointment shall continue without interruption. The membership of the

1 board shall include the following:

- 2 1. Three (3) current or former participants in the juvenile justice system;
- 3 2. An employee of the Department of Juvenile Justice;
- 4 3. An employee of the Cabinet for Health and Family Services;
- 5 4. A person operating alternative detention programs;
- 6 5. An employee of the Department of Education;
- 7 6. An employee of the Department of Public Advocacy;
- 8 7. An employee of the Administrative Office of the Courts;
- 9 8. A representative from a private nonprofit organization with an interest  
10 in youth services;
- 11 9. A representative from a local juvenile delinquency prevention council;
- 12 10. A member of the Circuit Judges Association;
- 13 11. A member of the District Judges Association;
- 14 12. A member of the County Attorneys Association;
- 15 13. A member of the County Judge/Executives Association;
- 16 14. A person from the business community not associated with any other  
17 group listed in this paragraph;
- 18 15. A parent not associated with any other group listed in this paragraph;
- 19 16. A youth advocate not associated with any other group listed in this  
20 paragraph;
- 21 17. A victim of a crime committed by a person under the age of eighteen  
22 (18) not associated with any other group listed in this paragraph;
- 23 18. A local school district special education administrator not associated  
24 with any other group listed in this paragraph;
- 25 19. A peace officer not associated with any other group listed in this  
26 paragraph; and
- 27 20. A college or university professor specializing in law, criminology,

1                    corrections, psychology, or similar discipline with an interest in juvenile  
2                    corrections programs.

3            (c) Failure of any member to attend three (3) meetings within a calendar year  
4                    shall be deemed a resignation from the board. The board chair shall notify the  
5                    Governor of any vacancy and submit recommendations for appointment.

6    (6) The Department of Juvenile Justice shall, in cooperation with the Department of  
7            Public Advocacy, develop a program of legal services for juveniles committed to  
8            the department who are placed in state-operated residential treatment facilities and  
9            juveniles in the physical custody of the department who are detained in a state-  
10            operated detention facility, who have legal claims related to the conditions of their  
11            confinement involving violations of federal or state statutory or constitutional  
12            rights. This system may utilize technology to supplement personal contact. The  
13            Department of Juvenile Justice shall promulgate an administrative regulation to  
14            govern at least the following aspects of this subsection:

15            (a) Facility access;

16            (b) Scheduling; and

17            (c) Access to residents' records.

18    (7) The Department of Juvenile Justice may, if space is available and conditioned upon  
19            the department's ability to regain that space as needed, contract with another state  
20            or federal agency to provide services to youth of that agency.

21            ➔Section 18. KRS 18A.2255 is amended to read as follows:

22    ~~{(1)}~~ The secretary of the Personnel Cabinet shall submit to the Advisory Committee of  
23            State Health Insurance Subscribers established in KRS 18A.225, at least thirty (30) days  
24            prior to issuing requests for proposals, the health benefit plans that will be submitted to  
25            carriers. The secretary of the Personnel Cabinet shall also provide to employee  
26            organizations who are represented on the Advisory Committee of State Health Insurance  
27            Subscribers information necessary so that the member representing the organization can

1 fulfill his or her responsibilities under this section. The advisory committee shall submit  
 2 in writing to the secretary the committee's approval of the plans or its recommendations  
 3 on changes to the plans no later than seven (7) days prior to the issuance of requests for  
 4 proposals. The advisory committee shall advise the secretary on:

5 ~~(1)(a)~~ Health insurance benefit options that should be included in the program;

6 ~~(2)(b)~~ Procedures for soliciting bids or requesting proposals for contracts from  
 7 carriers for the program;

8 ~~(3)(e)~~ The implementation, maintenance, and administration of the health insurance  
 9 benefits under the program; and

10 ~~(4)(d)~~ The development of a uniform prescription drug formulary that contains fair  
 11 and reasonable standards and procedures for patient access to medically necessary  
 12 alternatives to the formulary and patient choice of higher-cost alternatives to the  
 13 formulary, and that ensures that discounts negotiated with drug manufacturers are  
 14 passed to the program.

15 ~~[(2) The secretary of the Personnel Cabinet shall, at the discretion of the co-chairs of the~~  
 16 ~~Interim Joint Committee on Appropriations and Revenue, either submit a written~~  
 17 ~~report to or testify before the Interim Joint Committee on Appropriations and~~  
 18 ~~Revenue on the state employee health insurance program for the next plan year~~  
 19 ~~prior to the issuance of the requests for proposals.]~~

20 ➔Section 19. KRS 39G.030 is amended to read as follows:

21 Each year by November 1, the executive director of the Kentucky Office of Homeland  
 22 Security shall submit a written report to the Governor, the Auditor of Public Accounts,  
 23 the Legislative Research Commission, and the Interim Joint Committee on Seniors,  
 24 Veterans, Military Affairs, and Public Protection. The written report shall:

25 (1) Assess the Commonwealth's preparedness to respond to acts of war or terrorism,  
 26 including nuclear, biological, chemical, electromagnetic pulse, agro-, eco-, or  
 27 cyber-terrorism;

- 1 (2) Identify the priority of needs, areas of improvement, and the overall progress made  
2 with regard to the Commonwealth's preparedness; and
- 3 (3) Provide a record of all federal homeland security funding, including grants,  
4 gathered under KRS 39G.020 since the last annual written report, as well as any  
5 other relevant homeland security funding information gathered by the Kentucky  
6 Office of Homeland Security. The record shall identify, at a minimum, the specific  
7 federal source, the amount, the specific recipient, the intended use of the funding,  
8 the actual use of the funding, and any unspent amount.
- 9 (4) The Auditor of Public Accounts shall conduct an examination of revenues and  
10 expenditures provided under the annual written report and under KRS  
11 39G.020(2)(c) and, if examination findings warrant, shall conduct audits. No later  
12 than January 30, the Auditor shall submit all examination and audit reports to the  
13 Senate Veterans, Military Affairs, and Public Protection Committee and the House  
14 Seniors, Military Affairs, and Public Safety Committee.
- 15 (5) (a) In addition to the annual report required under this section, the executive  
16 director of the Office of Homeland Security shall provide to the Legislative  
17 Research Commission and the Interim Joint Committee on Appropriations  
18 and Revenue an annual~~[a quarterly]~~ report on the receipt and expenditure of  
19 homeland security funds since the previous ~~[quarterly]~~ report.
- 20 (b) The report shall identify, at a minimum, the following:
- 21 1. Amount and specific source of any homeland security funds received;
- 22 2. Specific expenditures by amount, recipient, and intended or actual use;
- 23 and
- 24 3. Balance of funds remaining in the account.
- 25 (c) The initial annual~~[quarterly]~~ report shall be submitted by October 15,  
26 2022~~[2006]~~, and shall contain the required information on receipts and  
27 expenditures since the passage of the federal Homeland Security Act of 2002,

1 Pub. L. No. 107-296.

2 ➔Section 20. KRS 45.031 is amended to read as follows:

- 3 (1) Any department, board, commission, agency, advisory council, interstate compact,  
4 corporate body, or instrumentality of the Commonwealth of Kentucky applying for  
5 federal funds, aids, loans, or grants shall file a summary notification of the intended  
6 application with the Department for Local Government in accordance with the  
7 existing A-95 procedures.
- 8 (2) When as a condition to receiving federal funds, the Commonwealth of Kentucky is  
9 required to match the federal funds, a statement shall be filed with the notice of  
10 intent or summary of the application stating:
- 11 (a) The amount and source of state funds needed for matching purposes;
  - 12 (b) The length of time the matching funds shall be required;
  - 13 (c) The growth of the program;
  - 14 (d) How the program will be evaluated;
  - 15 (e) What action will be necessary should the federal funds be canceled, curtailed,  
16 or restricted; and
  - 17 (f) Any other financial and program management data required by the Finance  
18 and Administration Cabinet or by law.
- 19 (3) Any application for federal funds, aids, loans, or grants which will require state  
20 matching or replacement funds at the time of application or at any time in the  
21 future, must be approved by the secretary of the Finance and Administration  
22 Cabinet, the Legislative Research Commission, and the Chief Justice for their  
23 respective branches of government or their designated agents prior to its filing with  
24 the appropriate federal agency. Any application for federal funds, aids, loans, or  
25 grants which will require state matching or replacement funds at the time of  
26 application or at any time in the future, when funds have not been appropriated for  
27 that express purpose, must be approved by the General Assembly, if in session.

1 ~~[When the General Assembly is not in session, the application shall be reported to~~  
 2 ~~and reviewed by the Interim Joint Committee on Appropriations and Revenue, as~~  
 3 ~~provided by KRS 48.500(3).]~~

4 (4) When any federal funds, aids, loans, or grants are received by any department,  
 5 board, commission or agency of the Commonwealth of Kentucky, a report of the  
 6 amount of funds received shall be filed with the Finance and Administration  
 7 Cabinet; and this report shall specify the amount of funds which would reimburse  
 8 an agency for indirect costs as provided for under OMB Circular A-87.

9 (5) The secretary of the Finance and Administration Cabinet may refuse to issue his  
 10 warrant for the disbursement of any state or federal funds from the State Treasury  
 11 as the result of any application which is not approved as provided by this section, or  
 12 in regard to which the statement or reports required by this section were not filed.

13 (6) The secretary of the Finance and Administration Cabinet shall be responsible for  
 14 the orderly administration of this section and for issuing the appropriate guidelines  
 15 and regulations from each source of fund used.

16 ➔Section 21. KRS 45.241 is amended to read as follows:

17 (1) As used in this section:

18 (a) "Debt" means:

- 19 1. For agencies, a sum certain which has been certified by an agency as  
 20 due and owing; and
- 21 2. For local governments, a sum certain which has been certified by a local  
 22 government as due and owing, including but not limited to any  
 23 delinquent taxes or fees other than delinquent real and personal property  
 24 taxes;

25 (b) "Liquidated debt" means:

- 26 1. For agencies, a legal debt for a sum certain which has been certified by  
 27 an agency as final due and owing, all appeals and legal actions having



- 1           been exhausted;
- 2           2. For local governments, a legal debt for a sum certain which has been
- 3           certified by a local government as final due and owing, all appeals and
- 4           legal actions having been exhausted, including but not limited to any
- 5           delinquent taxes or fees other than delinquent real and personal property
- 6           taxes; and
- 7           3. For the Court of Justice, a legal debt including any fine, fee, court costs,
- 8           or restitution due the Commonwealth, which have been imposed by a
- 9           final sentence of a trial court of the Commonwealth and for which the
- 10          time permitted for payment pursuant to the provisions of KRS 534.020
- 11          has expired;
- 12          (c) "Agency" means an organizational unit or administrative body in the
- 13          executive branch of state government, as defined in KRS 12.010;
- 14          (d) "Department" means the Department of Revenue;
- 15          (e) "Court of Justice" means the Administrative Office of the Courts, all courts,
- 16          and all clerks of the courts;
- 17          (f) "Forgivable loan agreement" means a loan agreement entered into between an
- 18          agency and a borrower that establishes specific conditions, which, if satisfied
- 19          by the borrower, allows the agency to forgive a portion or all of the loan;
- 20          (g) "Improper payment" means a payment made to a vendor, provider, or
- 21          recipient due to error, fraud, or abuse; and
- 22          (h) "Local government" means any city, county, urban-county government,
- 23          consolidated local government, charter county, or unified local government of
- 24          the Commonwealth.
- 25          (2) Each agency and the Court of Justice shall develop, maintain, and update in a
- 26          timely manner an ongoing inventory of each debt owed to it, including debts due to
- 27          improper payments, and shall make every reasonable effort to collect each debt.

1           Within sixty (60) days after the identification of a debt, each agency shall begin  
2           administrative action to collect the debt.

3       (3)   The Auditor of Public Accounts shall review each agency's debt identification and  
4           collection procedures as part of the annual audit of state agencies.

5       (4)   An agency shall not forgive any debt owed to it unless that agency has entered into  
6           a forgivable loan agreement with a borrower, or unless otherwise provided by  
7           statute.

8       (5)   For those agencies without statutory procedures for collecting debts, the  
9           Department of Revenue shall promulgate administrative regulations in accordance  
10          with KRS Chapter 13A to prescribe standards and procedures with which those  
11          agencies shall comply regarding collection of debts, notices to persons owing debt,  
12          information to be monitored concerning the debts, and an appeals process.

13      (6)   (a)   Each agency and the Court of Justice shall identify all liquidated debts,  
14           including debts due to improper payments, and shall submit a list of those  
15           liquidated debts in the form and manner prescribed by the department to the  
16           department for review. The department shall review the information  
17           submitted by the agencies and the Court of Justice and shall, within ninety  
18           (90) days of receipt of the information, determine whether it would be cost-  
19           effective for the department to further pursue collection of the liquidated  
20           debts.

21      (b)   A local government, after making reasonable efforts to collect its debts, may  
22           by ordinance, resolution, or otherwise pursuant to law, submit a list of its  
23           liquidated debts that have been due and owing for more than ninety (90) days  
24           to the department for review to determine whether it would be cost-effective  
25           for the department to pursue collection of the liquidated debts. The  
26           department shall review the information submitted by a local government and  
27           shall, within ninety (90) days of receipt of the information, determine whether

1           it would be cost-effective for the department to further pursue collection of  
2           the liquidated debts.

3           (c) The department may, after consultation with the agency, Court of Justice, or a  
4           local government, return the liquidated debt to the entity submitting the  
5           liquidated debt if:

6                 1. The request for review contains insufficient information; or

7                 2. The debt is not feasible to collect.

8           Any return of a liquidated debt shall be in writing, and shall state why the  
9           debt is being returned.

10          (d) The department shall identify in writing to the submitting agency, Court of  
11          Justice, or local government, the liquidated debts it has determined that it can  
12          pursue in a cost-effective manner, and the agency, Court of Justice, or local  
13          government shall officially refer the identified liquidated debts to the  
14          department for collection.

15          (e) The agency, Court of Justice, and local government shall retain a complete  
16          record of all liquidated debts referred to the department for collection until the  
17          debt is collected, forgiven, or returned as uncollectible.

18          (f) Each agency, the Court of Justice, and local government shall make  
19          appropriate accounting of any uncollected debt as prescribed by law.

20          (7) (a) If the agency recovers the debt funds prior to referral to the department, the  
21          agency shall retain the collected funds in accordance with its statutory  
22          authority.

23          (b) 1. Upon referral of a liquidated debt to the department, the liquidated debt  
24          shall accrue the following amounts:

25                 a. Interest on the total amount of the debt plus legal accruals at the  
26                 tax interest rate provided in KRS 131.183, from the time of  
27                 referral until paid; and

- 1                   b.    A one (1) time twenty-five percent (25%) collection fee on the  
2                               total amount of the debt plus legal accruals, as of the time of  
3                               referral;  
4                               unless the interest and collection fee are waived by the department.
- 5                   2.    The interest and collection fee shall be in addition to any other costs  
6                               accrued prior to the time of referral.
- 7                   3.    The department may deduct and retain from the liquidated debt  
8                               recovered an amount equal to the lesser of the collection fee or the  
9                               actual expenses incurred in the collection of the debt.
- 10                  4.    In the case of agencies and the Court of Justice, any funds recovered by  
11                               the department after the deduction of the department's cost of collection  
12                               expenses may, at the discretion of the secretary of the Finance and  
13                               Administration Cabinet, be returned to the agency identifying the  
14                               liquidated debt or to the Court of Justice for allocation as otherwise  
15                               provided by law. If the recovered funds and interest are not returned to  
16                               the agency or Court of Justice, the amounts shall be deposited in the  
17                               general fund, except for Medicaid benefits funds and funds required by  
18                               law to be remitted to a federal agency, which shall be remitted as  
19                               required by law.
- 20                  5.    In the case of local governments, any funds recovered by the department  
21                               after the deduction of the department's cost of collection expenses shall  
22                               be returned to the local government referring the liquidated debt, for  
23                               allocation as provided by ordinance, resolution, or as otherwise  
24                               provided by law.
- 25                  (c)   Nothing in this section shall prohibit the department from entering into a  
26                               memorandum of agreement with an agency pursuant to KRS 131.130(11), for  
27                               collection of debts prior to liquidation. If an agency enters into an agreement

1 with the department, the agency shall retain funds collected according to the  
2 provisions of the agreement.

3 (d) This section shall not affect any agreement between the department and an  
4 agency entered into under KRS 131.130(11) that is in effect on July 13, 2004,  
5 that provides for the collection of liquidated debts by the department on  
6 behalf of the agency.

7 (e) This section shall not affect the collection of delinquent taxes by sheriffs or  
8 county attorneys under KRS 91A.070 or 134.504.

9 (f) This section shall not affect the collection of performance or reclamation  
10 bonds.

11 (8) Upon receipt of a referred liquidated debt and after its determination that the debt is  
12 feasible and cost-effective to collect, the department shall pursue collection of the  
13 referred debt in accordance with KRS 131.030.

14 (9) By administrative regulation promulgated under KRS Chapter 13A, the department  
15 shall prescribe the electronic format and form of, and the information required in, a  
16 referral.

17 (10) ~~{(a)}~~ The department shall report annually by October 1 to the Interim Joint  
18 Committee on Appropriations and Revenue on the collection of debts,  
19 including debts due to improper payments, referred by agencies and the Court  
20 of Justice. The report shall include the total amount by agency and fund type  
21 of liquidated debt that has been referred to the department; the amount of each  
22 referring agency's liquidated debt, by fund type, that has been collected by the  
23 department; and the total amount of each referring agency's liquidated debt,  
24 by fund type, that the department determined to be cost-ineffective to collect,  
25 including the reasons for the determinations.

26 ~~{(b) Each cabinet shall report annually by October 1 to the Interim Joint~~  
27 ~~Committee on Appropriations and Revenue on:~~

- 1           ~~1. The amount of previous fiscal year unliquidated debt by agency,~~  
 2           ~~including debts due to improper payments, fund type, category, and age,~~  
 3           ~~the latter to be categorized as less than one (1) year, less than five (5)~~  
 4           ~~years, less than ten (10) years, and over ten (10) years; and~~
- 5           ~~2. The amount, by agency, of liquidated debt, including debts due to~~  
 6           ~~improper payments, not referred to the department; a summary, by~~  
 7           ~~criteria listed in subsection (6)(a) of this section, of reasons the~~  
 8           ~~department provided for not requesting referral of those liquidated~~  
 9           ~~debts; and a summary of the actions each agency is taking to collect~~  
 10          ~~those liquidated debts.~~

11          ~~(c) Beginning on October 1, 2005, the Court of Justice shall report annually by~~  
 12          ~~October 1 of each year to the Interim Joint Committee on Appropriations and~~  
 13          ~~Revenue the amount of previous fiscal year unliquidated debt by county and~~  
 14          ~~whether in the Circuit Court or District Court; and fund type and age, the~~  
 15          ~~latter categorized as less than one (1) year, less than five (5) years, less than~~  
 16          ~~ten (10) years, and over ten (10) years. The first year for which the Court of~~  
 17          ~~Justice shall be required to report is the fiscal year beginning on July 1, 2004~~  
 18          ~~and ending on June 30, 2005. The Court of Justice shall not be required to~~  
 19          ~~report unliquidated debts in existence prior to July 1, 2004.~~

20          ~~(d) The Finance and Administration Cabinet shall report annually by October 1 to~~  
 21          ~~the Interim Joint Committee on Appropriations and Revenue on the amount of~~  
 22          ~~the General Government Cabinet's unliquidated debt by agency, fund type,~~  
 23          ~~and age, the latter categorized as less than one (1) year, less than five (5)~~  
 24          ~~years, less than ten (10) years, and over ten (10) years.]~~

25          (11) At the time of submission of a liquidated debt to the department for review, the  
 26          referring agency, the Court of Justice, or, where feasible, the local government shall  
 27          provide information about the debt to the State Treasurer for the Treasurer's action

1 under KRS 44.030(1).

2 ➔Section 22. KRS 45.812 is amended to read as follows:

3 (1) Prior to the issuance of the revenue bonds or notes authorized by an appropriation  
 4 of the General Assembly, or by or on behalf of any Kentucky school district, the  
 5 agency, corporation, or school district authorized to issue the bonds or notes shall  
 6 furnish to the Capital Projects and Bond Oversight Committee~~and the Interim~~  
 7 ~~Joint Committee on Appropriations and Revenue~~, and make available to the public,  
 8 a listing of all costs associated, either directly or indirectly, with the issuance of the  
 9 revenue bonds or notes. The costs shall be itemized as to amount and name of  
 10 payee, and shall include fees or commissions paid to, or anticipated to be paid to,  
 11 issuers, underwriters, placement agents and advisors, financial advisors,  
 12 remarketing agents, credit enhancers, trustees, accountants, and the counsel of all  
 13 these persons, bond counsel, and special tax counsel, and shall include the  
 14 economic benefits received or anticipated to be received by any other persons from  
 15 any source in return for services performed relating to the issuance of the bonds or  
 16 notes. Changes in amounts or names of payees or recipients, or additions of  
 17 amounts or names of payees or recipients, to the listing furnished and made  
 18 available pursuant to this subsection, shall be furnished to the Capital Projects and  
 19 Bond Oversight Committee~~and the Interim Joint Committee on Appropriations~~  
 20 ~~and Revenue~~ and made available to the public within three (3) days following the  
 21 change.

22 (2) The costs required to be furnished under the provisions of subsection (1) of this  
 23 section shall not include the payment of wages or expenses to full-time, permanent  
 24 employees of the Commonwealth of Kentucky.

25 ➔Section 23. KRS 45.814 is amended to read as follows:

26 Prior to the issuance of the revenue bonds or notes authorized by a branch budget bill, the  
 27 agency authorized to issue the bonds or notes shall furnish to the Capital Projects and

1 Bond Oversight Committee ~~and the Interim Joint Committee on Appropriations and~~  
 2 ~~Revenue~~], and make available to the public, a listing of all costs associated, either  
 3 directly or indirectly, with the issuance of the revenue bonds or notes. The costs shall be  
 4 itemized as to amount and name of payee, and shall include fees or commissions paid to,  
 5 or anticipated to be paid to issuers, underwriters, placement agents and advisors, financial  
 6 advisors, remarketing agents, credit enhancers, trustees, accountants, and the counsel of  
 7 all these persons, bond counsel, and special tax counsel, and shall include the economic  
 8 benefits received or anticipated to be received by any other persons from any source in  
 9 return for services performed relating to the issuance of the bonds or notes. Changes in  
 10 amounts or names of payees or recipients, or additions of amounts or names of payees or  
 11 recipients, to the listing furnished and made available pursuant to this section shall be  
 12 furnished to the Capital Projects and Bond Oversight Committee ~~and the Interim Joint~~  
 13 ~~Committee on Appropriations and Revenue~~ and made available to the public within  
 14 three (3) days following the change.

15       ➔Section 24. KRS 45.816 is amended to read as follows:

16 Prior to the issuance of the revenue bonds or notes, the agency authorized to issue the  
 17 bonds or notes shall furnish to the Capital Projects and Bond Oversight Committee ~~and~~  
 18 ~~the Interim Joint Committee on Appropriations and Revenue~~], and make available to the  
 19 public, a listing of all costs associated, either directly or indirectly, with the issuance of  
 20 the revenue bonds or notes. The costs shall be itemized as to amount and name of payee,  
 21 and shall include fees or commissions paid to, or anticipated to be paid to, issuers,  
 22 underwriters, placement agents and advisors, financial advisors, remarketing agents,  
 23 credit enhancers, trustees, accountants, and the counsel of all such persons, bond counsel  
 24 and special tax counsel, and shall include the economic benefits received or anticipated to  
 25 be received by any other persons from any source in return for services performed  
 26 relating to the issuance of the bonds or notes. Changes in amounts or names of payees or  
 27 recipients, or additions of amounts or names of payees or recipients, to the listing



1 furnished and made available pursuant to this section, shall be furnished to the Capital  
 2 Projects and Bond Oversight Committee and ~~the Interim Joint Committee on~~  
 3 ~~Appropriations and Revenue and~~ made available to the public within three (3) days  
 4 following the change.

5       ➔Section 25. KRS 56.863 is amended to read as follows:

6 The commission shall have the power and duty to:

- 7 (1) Maintain the records and perform the functions necessary and proper to accomplish  
 8 the purposes of KRS 56.860 to 56.869;
- 9 (2) Promulgate administrative regulations relating to KRS 56.860 to 56.869;
- 10 (3) Conduct analysis to determine the impact of fluctuating receipts of revenues on the  
 11 budget of the Commonwealth, fluctuating interest rates upon the interest-sensitive  
 12 assets and interest-sensitive liabilities of the Commonwealth, and the resulting  
 13 change in the net interest margin on the budget of the Commonwealth;
- 14 (4) Develop strategies to mitigate the impact of fluctuating receipts of revenues on the  
 15 budget of the Commonwealth and of fluctuating interest rates on the  
 16 Commonwealth's interest-sensitive assets and interest-sensitive liabilities;
- 17 (5) Report its findings to the State Investment Commission at least annually to assist  
 18 the State Investment Commission in developing and implementing its investment  
 19 strategy. The State Investment Commission shall provide the commission with a  
 20 copy of its monthly investment income report to aid the commission in developing  
 21 and implementing its strategies;
- 22 (6) Issue funding notes, project notes, and tax and revenue anticipation notes or other  
 23 obligations on behalf of any state agency to fund authorized projects or to satisfy  
 24 judgments;
- 25 (7) Refund any funding notes, project notes, or tax and revenue anticipation notes  
 26 issued under KRS 56.860 to 56.869 to achieve economic savings, to better match  
 27 receipts with expenditures, or as a part of a continuing finance program;

- 1 (8) Designate individual employees or officers of the Office of Financial Management  
2 within the Office of the Controller as agents for purposes of approving the principal  
3 amount of tax and revenue anticipation notes, the interest rate, the discount,  
4 maturity date, and other relevant terms of tax and revenue anticipation notes,  
5 project notes, and funding notes or refunding notes issued within constraints  
6 established by the commission and to execute agreements, including notes and  
7 financial agreements, for the commission;
- 8 (9) Enter into financial agreements for the purpose of hedging its current or projected  
9 interest-sensitive assets and interest-sensitive liabilities to stabilize the  
10 Commonwealth's net interest margin, as deemed necessary by the commission,  
11 subject to administrative regulations promulgated by the commission that limit the  
12 net exposure of the Commonwealth as a result of these financial agreements;
- 13 (10) Deposit net interest payments and premiums received by the commission under  
14 financial agreements into a restricted account, which shall not lapse at the end of  
15 the fiscal year but shall continue to accumulate to act as security for these financial  
16 agreements. This duty is mandatory in nature. Any accumulated funds in excess of  
17 the amount determined by the commission to be necessary to establish this security  
18 may be applied to debt service payments, net interest payments, and premiums and  
19 expenses related to interest-sensitive liabilities; and
- 20 (11) Report to the Capital Projects and Bond Oversight Committee ~~and the Interim~~  
21 ~~Joint Committee on Appropriations and Revenue~~ on a semiannual basis, by  
22 September 30 and March 31 of each year, the following:
- 23 (a) A description of the Commonwealth's investment and debt structure;
- 24 (b) The plan developed to mitigate the impact of fluctuating revenue receipts on  
25 the budget of the Commonwealth and fluctuating interest rates on the interest-  
26 sensitive assets and interest-sensitive liabilities of the Commonwealth,  
27 including an analysis of the impact that a change in the net interest margin

1 would have on the budget of the Commonwealth. The report due by March 31  
 2 of each year shall reflect the strategy for January through June of the fiscal  
 3 year, and the report due by September 30 shall reflect the strategy for July  
 4 through December of the fiscal year;

5 (c) The principal amount of notes issued, redeemed, and outstanding; and a  
 6 description of all financial agreements entered into during the reporting  
 7 period. The report due by March 31 shall include information about  
 8 agreements entered into from July through December of the fiscal year. The  
 9 report due by September 30 shall include information about agreements  
 10 entered into between January and June of the prior fiscal year; and

11 (d) A summary of gains and losses associated with financial agreements and any  
 12 other cash flow strategies undertaken by the commission to mitigate the effect  
 13 of fluctuating interest rates during each reporting period. The report due by  
 14 March 31 shall include information about agreements and strategies entered  
 15 into or undertaken from July through December of the fiscal year. The report  
 16 due by September 30 shall include information about agreements and  
 17 strategies entered into or undertaken from January through June of the prior  
 18 fiscal year.

19 ➔Section 26. KRS 151.720 is amended to read as follows:

20 The Kentucky River Authority is authorized and empowered to:

21 (1) Construct, reconstruct, provide for the major maintenance, or repair the locks and  
 22 dams on the Kentucky River and all real and personal property pertaining thereto,  
 23 as well as maintain the channel;

24 (2) Acquire by purchase, exercise of the rights of eminent domain, grant, gift, devise,  
 25 or otherwise, the fee simple title to or any acceptable lesser interest in any real or  
 26 personal property and by lease or other conveyance, contract for the right to use and  
 27 occupy any real or personal property selected in the discretion of the authority as

- 1 constituting necessary, desirable, or acceptable sites to fulfill its statutory authority  
2 and power;
- 3 (3) Lease its real or personal property to other state agencies, political subdivisions of  
4 the Commonwealth, corporations, partnerships, associations, foundations, or  
5 persons as the authority deems necessary to carry out the purposes of this section;
- 6 (4) Sell or otherwise dispose of its real or personal property in accordance with KRS  
7 56.463 and 45A.045;
- 8 (5) Collect water use fees from all facilities using water from the Kentucky River  
9 basin, except those facilities using water primarily for agricultural purposes.  
10 Facilities charged such a fee may pass on all or any part of the fee;
- 11 (6) Issue revenue bonds in accordance with KRS 151.730;
- 12 (7) Employ persons to carry out the authority's responsibilities with revenue from the  
13 water use fees, including an executive director who shall serve at the pleasure of the  
14 authority;
- 15 (8) Contract for services with other state agencies, political subdivisions of the  
16 Commonwealth, corporations, partnerships, associations, foundations, or persons to  
17 perform its duties;
- 18 (9) Promulgate administrative regulations providing for clean water, which shall not be  
19 less stringent than the state and federal regulations for clean water;
- 20 (10) Exercise all other powers necessary to perform its public purpose to implement and  
21 enforce the plans developed by the authority pursuant to this section and KRS  
22 151.727 and 151.728, and to enforce administrative regulations promulgated by the  
23 authority. The long-range water resource plan and drought response plan shall be  
24 implemented for the basin upon the direction of the authority;
- 25 (11) Develop comprehensive plans for the management of the Kentucky River within  
26 the basin, including a long-range water resource plan and a drought response plan.  
27 Each county within the basin shall develop a long-range water resource plan and

1 submit it to the authority. The authority, after consultation with the Energy and  
2 Environment Cabinet, shall develop a unified long-range water resource plan for  
3 the basin. The unified long-range water resource plan shall be implemented over  
4 short-range and long-range time periods. The short-range plan shall be for a period  
5 of six (6) years and the long-range plan shall be for a period of twenty (20) years.  
6 The authority shall conduct a public hearing on the plan prior to its adoption and  
7 amend the plan as appropriate based on the comments received. The Energy and  
8 Environment Cabinet shall review the draft unified plan and provide comment  
9 during the public comment period concerning the consistency of the plan with the  
10 state requirements under KRS Chapters 224 and 151. A drought response plan for  
11 the basin shall be developed by the authority and shall be coordinated with the  
12 Energy and Environment Cabinet to assure consistency with KRS Chapters 224 and  
13 151, and this plan shall be implemented for the basin upon the direction of the  
14 authority;

15 (12) Develop and promote a plan for the protection and use of groundwater within the  
16 basin. Administrative regulations may be promulgated implementing the plan, and  
17 these regulations shall not be less stringent than state and federal regulations  
18 protecting groundwater;

19 (13) Promote private investment in the installation of hydroelectric generating units on  
20 all existing constructed and reconstructed Kentucky River dams under the  
21 jurisdiction of the authority, by developing a standard lease, establishing reasonable  
22 financial responsibility requirements, verifying that the proposed installation of the  
23 hydroelectric unit will not adversely affect the structural integrity of the dam, and  
24 adopting a schedule of reasonable fees for water used in the generation of  
25 hydroelectric power;

26 (14) Develop recreational areas within the basin. These recreational areas may be  
27 operated and funded by the state Department of Parks, Office of Kentucky Nature

1 Preserves, or other governmental entity as specifically authorized or permitted  
 2 within the biennial executive budget. There is hereby created the Kentucky River  
 3 Park to be located as determined by the authority;

4 (15) Utilize funds provided for recreational purposes within the biennial executive  
 5 budget for major or minor maintenance if the authority certifies to the secretary of  
 6 the Finance and Administration Cabinet that a significant need exists for the repairs  
 7 and no other funds are available for the maintenance;

8 (16) Coordinate the Kentucky River basin water resources activities among state  
 9 agencies;

10 ~~(17) Report quarterly on all of its activities to the legislative Committee on~~  
 11 ~~Appropriations and Revenue;~~

12 ~~(18)~~ Receive reports from state agencies on litigation concerning the Kentucky River,  
 13 which agencies are hereby directed to report to the authority;

14 ~~(19)~~ (18) Credit to the authority any income derived from the interest earned on the  
 15 investment of the water use fees collected, which shall be available for the  
 16 authority's expenditure; and

17 ~~(20)~~ (19) Accomplish the watershed management mission of the authority, which is to  
 18 fulfill the provisions of this section for the Kentucky River basin, the boundary of  
 19 which shall be defined by a hydrologic map promulgated in an administrative  
 20 regulation.

21 ➔ Section 27. KRS 151.728 is amended to read as follows:

22 (1) Beginning with the 2000-2002 biennium and each biennium thereafter, the  
 23 authority shall submit to the General Assembly a six (6) year program of  
 24 preconstruction and construction activities to maintain or increase water available  
 25 within the Kentucky River. The program shall include a two (2) year construction  
 26 component that shall be implemented as authorized by the General Assembly in the  
 27 authority's biennial budget and a four (4) year preconstruction component that shall

1 advise the General Assembly of the consistency of ongoing and long-term planning  
2 with the construction activities funded by the General Assembly.

3 (2) The program shall be developed by considering, at a minimum, the following  
4 factors:

- 5 (a) The population to be served by the available water;
- 6 (b) The social, economic, and environmental impact of program elements;
- 7 (c) The condition of existing facilities critical to water availability;
- 8 (d) The cost of maintaining, improving, replacing, or removing facilities; and
- 9 (e) The dependence of communities within the river basin on specific Kentucky  
10 River dam pools or other sources of water.

11 (3) The program shall include a four (4) year planning document setting out  
12 preconstruction activities that include planning and design and an environmental  
13 analysis of projects to maintain or increase water available within the Kentucky  
14 River and geotechnical and stability evaluations of the Kentucky River locks and  
15 dams.

16 (4) The authority shall provide to the General Assembly a long-range planning  
17 document consisting of twenty (20) years for water supply projects being  
18 considered by the authority.

19 (5) The authority shall be responsible for the execution of each six (6) year program as  
20 approved and authorized in the budget by the General Assembly ~~and shall report~~  
21 ~~any anticipated deviations from the authorized construction funding or~~  
22 ~~preconstruction program to the Interim Joint Committee on Appropriations and~~  
23 ~~Revenue].~~

24 ➔Section 28. KRS 154.80-140 is amended to read as follows:

25 (1) There is created the riverport marketing assistance trust fund, to be administered by  
26 the Cabinet for Economic Development.

27 (2) The riverport marketing assistance trust fund may receive appropriations, federal

1 funds, contributions, gifts, and donations.

2 (3) The purpose of the riverport marketing assistance trust fund shall be to promote and  
3 market Kentucky's riverport to industrial, business, and commercial prospects, to  
4 attract economic development. To the extent funds are available, the fund shall  
5 make grants to riverport authorities for marketing activities, including research,  
6 advertising, participation in trade shows, and preparation of promotional materials.  
7 Grants shall not be used for activities such as salaries, administrative expenses, or  
8 internal newsletters.

9 (4) Notwithstanding KRS 45.229, moneys remaining in the fund at the close of a fiscal  
10 year shall not lapse but shall carry forward into the succeeding fiscal year. Interest  
11 earned on any moneys in the fund shall accrue to the fund. Amounts from the fund  
12 shall be disbursed and expended in accordance with this section.

13 (5) Grants under this section shall not exceed fifteen thousand dollars (\$15,000) per  
14 project or thirty thousand dollars (\$30,000) per applicant each year. Projects shall  
15 be completed within one (1) year of funding. To receive a grant, an applicant shall  
16 provide at least a fifty percent (50%) match, which may be obtained from any  
17 public or private source.

18 (6) (a) Grants shall be reviewed and awarded semiannually.

19 (b) The Cabinet for Economic Development shall submit all applications to the  
20 Water Transportation Advisory Board established by KRS 174.200 for  
21 evaluation and recommendations prior to awarding any grant funding under  
22 this section.

23 (c) Higher priority shall be given to applications with a larger share of match  
24 money, for those where the match money has already been obtained, and for  
25 projects with a detailed riverport marketing plan.

26 (7) The Cabinet for Economic Development shall on a semiannual basis submit a  
27 report detailing all grants awarded under this section to the Water Transportation



1        Advisory Board and<sup>[,]</sup> the Interim Joint Committee on Transportation~~[, and the~~  
2        ~~Interim Joint Committee on Appropriations and Revenue]~~.

3        ➔Section 29. KRS 171.027 is amended to read as follows:

4        There is established a public library facilities construction fund to assist local libraries  
5        with debt service payments for new library facilities and library improvements. The  
6        Department for Libraries and Archives is authorized to enter into long-term written  
7        memoranda of agreement with local libraries or other governing bodies to assist in debt  
8        service payments relating to library construction or renovation projects. The agreements  
9        shall specify the rights, duties, and obligations of both the local public library, or other  
10       governing body, and the department. The department shall promulgate administrative  
11       regulations to establish the application process, criteria for selecting projects for  
12       assistance, a minimum level of local participation, and the process to be followed in the  
13       construction of facilities.~~[The department shall report assistance awards to the Interim~~  
14       ~~Joint Committee on Appropriations and Revenue within thirty (30) days of execution of~~  
15       ~~any memorandum of agreement.]~~

16       ➔Section 30. KRS 174.210 is amended to read as follows:

- 17       (1) There is created a riverport financial assistance trust fund, to be administered by the  
18       Transportation Cabinet.
- 19       (2) The riverport financial assistance trust fund may receive appropriations, federal  
20       funds, contributions, gifts, and donations.
- 21       (3) The purpose of the riverport financial assistance trust fund shall be to improve  
22       riverport facilities and infrastructure, to capture the economic and trade potential  
23       offered by water transportation. To the extent funds are available, the fund shall  
24       make grants to riverport authorities for new construction and major replacement or  
25       repair projects, including but not limited to improvement of docks, wharves,  
26       equipment, port buildings, storage facilities, roads and railroads to facilitate the  
27       flow of commerce through the port, other on-site improvements, and related

1 professional services. Eligible projects shall not include routine operations,  
2 maintenance, or repair activities.

3 (4) Notwithstanding KRS 45.229, moneys remaining in the fund at the close of a fiscal  
4 year shall not lapse but shall carry forward into the succeeding fiscal year. Interest  
5 earned on any moneys in the fund shall accrue to the fund. Amounts from the fund  
6 shall be disbursed and expended in accordance with this section.

7 (5) To be eligible for a grant under this section, the applicant shall provide at least a  
8 twenty percent (20%) match, which may be obtained from any public or private  
9 source.

10 (6) (a) Grant applications shall be reviewed and awarded annually.

11 (b) The Transportation Cabinet shall submit all applications to the Water  
12 Transportation Advisory Board established by KRS 174.200 for evaluation  
13 and recommendations prior to awarding any grant funding under this section.

14 (c) Priority shall be given to applicants with a riverport master plan, for capital-  
15 intensive projects for which permits have been obtained, and for projects for  
16 which matching funds have been obtained.

17 (7) The Transportation Cabinet shall submit on an annual basis a report detailing all  
18 grants awarded under this section to the Water Transportation Advisory Board  
19 and the Interim Joint Committee on Transportation~~, and the Interim Joint~~  
20 ~~Committee on Appropriations and Revenue~~.

21 ➔Section 31. KRS 198A.090 is amended to read as follows:

22 (1) Except as provided in subsection (6) of this section, the corporation may provide  
23 for the issuance, at one (1) time or from time to time, of bonds of the corporation if  
24 the cumulative outstanding indebtedness of the corporation's bonds does not exceed  
25 five billion dollars (\$5,000,000,000), in order to carry out and effectuate its  
26 corporate purposes and powers.

27 (2) In anticipation of the issuance of bonds, the corporation may provide for the

1 issuance, at one (1) time or from time to time, of bond anticipation notes. The  
2 principal of and the interest on the bonds or notes shall be payable solely from the  
3 funds provided for the payment. Notes may be made payable from the proceeds of  
4 bonds or renewal notes or, if bond or renewal note proceeds are not available, notes  
5 may be paid from any available revenues or assets of the corporation.

- 6 (3) The bonds or notes of each issue shall be dated and may be made redeemable  
7 before maturity at the option of the corporation at a price and under terms and  
8 conditions determined by the corporation. Bonds or notes shall bear interest at a  
9 rate determined by the corporation. Notes shall mature at a time not exceeding ten  
10 (10) years from their date and bonds shall mature at a time not exceeding forty (40)  
11 years from their date, as determined by the corporation. The corporation shall  
12 determine the form and manner of execution of the bonds or notes, including any  
13 interest coupons to be attached thereto, and shall fix the denomination and the place  
14 of payment of principal and interest, which may be any bank or trust company  
15 within or without the Commonwealth. If an officer whose signature or a facsimile  
16 of whose signature appears on any bonds, notes, or coupons attached to them shall  
17 cease to be an officer before the delivery thereof, the signature or facsimile shall be  
18 valid and sufficient for all purposes as if he had remained in office until delivery.  
19 The corporation may provide for the authentication of the bonds or notes by a  
20 trustee or fiscal agent. The bonds or notes may be issued in coupon or in registered  
21 form, or both, as the corporation may determine, and provision may be made for the  
22 registration of any coupon bonds or notes as to principal alone and also as to both  
23 principal and interest, and for the reconversion into coupon bonds or notes of any  
24 bonds or notes registered as to both principal and interest, and for the interchange  
25 of registered and coupon bonds or notes. Upon the approval of a resolution of the  
26 corporation, authorizing the sale of its bonds or notes, the bonds or notes may be  
27 sold in a manner, either at public or private sale, and for a price the corporation

1 shall determine to be for the best interest of the corporation and best effectuate the  
2 purposes of this chapter, if the sale is approved by the corporation.

3 (4) The proceeds of any bonds or notes shall be used solely for the purposes for which  
4 they are issued and shall be disbursed in the manner and under the restrictions, if  
5 any, the corporation may provide in the resolution authorizing the issuance of  
6 bonds or notes or in the trust agreement securing the same.

7 (5) Prior to the preparation of definitive bonds, the corporation may, under like  
8 restrictions, issue interim receipts or temporary bonds, with or without coupons,  
9 exchangeable for definitive bonds when the bonds have been executed and are  
10 available for delivery. The corporation may also provide for the replacement of any  
11 bonds or notes which become mutilated, destroyed, or lost.

12 (6) (a) Prior to the issuance of any bonds or notes that are not secured by:

- 13 1. Direct obligations or obligations guaranteed by the United States of  
14 America; or
- 15 2. Obligations of federal agencies to the extent that the obligations are  
16 backed by the full faith and credit of the United States of America; or
- 17 3. Repurchase agreements with any primary dealer in securities fully  
18 secured by obligations described in subparagraphs 1. and 2. of this  
19 paragraph if the market value of the security is maintained at one  
20 hundred three percent (103%) of the principal amount of the repurchase  
21 agreement and the security is held by an independent third-party  
22 custodian financial institution; or
- 23 4. Insured or guaranteed construction loans or mortgage loans as defined  
24 by KRS 198A.010(10) and (11); or
- 25 5. Guaranty insurance policies which guarantee payment of the principal  
26 and interest on the bonds issued by a nationally recognized entity  
27 authorized to issue guarantees and rated in the highest rating category

1 by at least one (1) of the nationally recognized rating services;  
 2 the corporation shall obtain the approval of the issuance from the General  
 3 Assembly in accordance with the provisions of KRS 56.870(1), unless the  
 4 provisions of paragraph (b) of this subsection apply. This requirement shall  
 5 not apply to refunding bond or note issues which are for the purpose of  
 6 achieving debt service savings and which do not extend the term of the  
 7 refunded bonds or notes.

8 (b) The corporation may provide for the issuance, at any one (1) time or from  
 9 time to time, of bonds which do not satisfy the requirements of paragraph (a)  
 10 of this subsection without approval of the issuance by the General Assembly  
 11 if the cumulative outstanding indebtedness of the corporation that does not  
 12 meet the requirements of paragraph (a) of this subsection does not exceed  
 13 thirty million dollars (\$30,000,000).

14 ~~[(c) The corporation shall annually report on its housing and bonding programs to~~  
 15 ~~the Interim Joint Committee on Appropriations and Revenue.]~~

16 (7) The Finance and Administration Cabinet shall provide to the corporation fiscal  
 17 consultant services regarding revenue bond management as necessary.

18 ➔Section 32. KRS 214.544 is amended to read as follows:

19 (1) A Colon Cancer Screening and Prevention Advisory Committee shall be  
 20 established. The advisory committee shall include:

21 (a) One (1) member of the House of Representatives who shall be appointed by  
 22 the Speaker of the House;

23 (b) One (1) member of the Senate who shall be appointed by the President of the  
 24 Senate;

25 (c) The deputy commissioner of the Department for Public Health;

26 (d) The commissioner of the Department of Insurance, or his or her designee;

27 (e) The commissioner of the Department for Medicaid Services, or his or her

- 1           designee;
- 2           (f) Two (2) at-large members who shall be appointed by the Governor;
- 3           (g) One (1) member who shall be appointed by the Governor from a list of three
- 4           (3) names provided by the American Cancer Society;
- 5           (h) The director of the Kentucky Cancer Program at the University of Kentucky;
- 6           (i) The director of the Kentucky Cancer Program at the University of Louisville;
- 7           (j) The director of the Kentucky Cancer Registry;
- 8           (k) The director of the Colon Cancer Prevention Project;
- 9           (l) The chair of Kentucky African Americans Against Cancer; and
- 10          (m) The director of the Kentucky Cancer Consortium.
- 11          Members of the advisory committee shall be appointed for a term of four (4) years.
- 12          (2) (a) Members appointed under subsection (1)(a) to (g) of this section shall be
- 13               appointed as follows:
- 14               1. Members shall be appointed for a term of four (4) years, except as
- 15               provided in subparagraph 2. of this paragraph;
- 16               2. The initial appointments shall be for a period of two (2) years;
- 17               thereafter, the appointments shall be for a term of four (4) years; and
- 18               3. Members shall not serve more than two (2) terms of four (4) years.
- 19          (b) Members serving under subsection (1)(h) to (m) of this section shall serve by
- 20               virtue of their positions and shall not be subject to term limits.
- 21          (3) The chair of the advisory committee shall be elected from the membership of the
- 22               advisory committee to serve for a two (2) year term. A member of the advisory
- 23               committee may designate an alternate to attend meetings in his or her place.
- 24          (4) The advisory committee may add members from other organizations as deemed
- 25               appropriate.
- 26          (5) The advisory committee shall provide recommendations for the overall
- 27               implementation and conduct of the Colon Cancer Screening and Prevention

1 Program.

2 (6) The advisory committee shall establish and provide oversight for a colon cancer  
3 screening public awareness campaign. The Cabinet for Health and Family Services  
4 shall contract with the Kentucky Cancer Consortium at the University of Kentucky  
5 to provide the required support. The amount of the contract shall not be included in  
6 the base budget of the university as used by the Council on Postsecondary  
7 Education in determining the funding formula for the university.

8 (7) The Colon Cancer Screening and Prevention Advisory Committee shall provide an  
9 annual report on implementation and outcomes from the Colon Cancer Screening  
10 and Prevention Program and recommendations to the Legislative Research  
11 Commission, the Interim Joint Committee on Health, Welfare, and Family Services,  
12 ~~[the Interim Joint Committee on Appropriations and Revenue,]~~ the Governor, the  
13 secretary of the Cabinet for Health and Family Services, and the commissioner of  
14 the Department for Public Health.

15 (8) The Kentucky Cancer Program, jointly administered by the University of Kentucky  
16 and the University of Louisville, shall establish a colon cancer screening, education,  
17 and outreach program in each of the state area development districts. The colon  
18 cancer screening, education, and outreach program shall focus on individuals who  
19 lack access to colon cancer screening. The Cabinet for Health and Family Services  
20 shall contract with the University of Louisville and the University of Kentucky to  
21 provide the required support. The amount of the contract shall not be included in  
22 the base budgets of the universities as used by the Council on Postsecondary  
23 Education in determining the funding formula for the universities.

24 ➔Section 33. KRS 214.556 is amended to read as follows:

25 (1) There is hereby established within the Kentucky cancer program the Kentucky  
26 Cancer Registry and the cancer patient data management system for the purpose of  
27 providing accurate and up-to-date information about cancer in Kentucky and

1 facilitating the evaluation and improvement of cancer prevention, screening,  
2 diagnosis, therapy, rehabilitation, and community care activities for citizens of the  
3 Commonwealth. The cancer patient data management system shall be administered  
4 by the Lucille Parker Markey Cancer Center.

5 (2) Each licensed health facility which provides diagnostic services, or diagnostic  
6 services and treatment, or treatment to cancer patients shall report to the Kentucky  
7 Cancer Registry, through the cancer patient data management system and in a  
8 format prescribed by the Kentucky Cancer Registry, each case of cancer seen at that  
9 health facility. Failure to comply may be cause for assessment of an administrative  
10 fine for the health facility, the same as for violation of KRS 216B.250.

11 (3) Each health facility shall grant to the cancer registry access to all records which  
12 would identify cases of cancer or would establish characteristics of the cancer,  
13 treatment of the cancer, or status of any identified cancer patient. Hospitals actively  
14 participating and enrolled in the cancer patient data management system of the  
15 Kentucky Cancer Program as of July 13, 1990, shall be considered to be in  
16 compliance with this section. The Lucille Parker Markey Cancer Center shall  
17 provide staff assistance in compiling and reporting required information to hospitals  
18 which treat a low volume of patients.

19 (4) No liability of any kind or character for damages or other relief shall arise or be  
20 enforced against any licensed health facility by reason of having provided the  
21 information or material to the Kentucky Cancer Registry pursuant to the  
22 requirements of this section.

23 (5) The identity of any person whose condition or treatment has been reported to the  
24 Kentucky Cancer Registry shall be confidential, except that:

25 (a) The Kentucky Cancer Registry may exchange patient-specific data with any  
26 other cancer control agency or clinical facility for the purpose of obtaining  
27 information necessary to complete a case record, but the agency or clinical



1 facility shall not further disclose such personal data; and

2 (b) The Kentucky Cancer Registry may contact individual patients if necessary to  
3 obtain follow-up information which is not available from the health facility.

4 (6) All information, interviews, reports, statements, memoranda, or other data  
5 furnished by reason of this section, expressly including all portions, subsets,  
6 extracts, or compilations of the data as well as any findings or conclusions resulting  
7 from those studies, shall be privileged and shall not be considered public records  
8 under KRS 61.870 to 61.884. The Kentucky Cancer Registry may determine that  
9 certain extracts, subsets, or compilations of data do not reveal privileged  
10 information and may be published or otherwise shared to further the public health  
11 goals set forth herein.

12 (7) The Kentucky Cancer Registry shall make periodic reports of its data and any  
13 related findings and recommendations to the Legislative Research Commission, the  
14 Interim Joint Committee~~[Committees on Appropriations and Revenue and]~~ on  
15 Health and Welfare, the Governor, the Cabinet for Health and Family Services, the  
16 reporting health facility, and other appropriate governmental and nongovernmental  
17 cancer control agencies whose intent it is to reduce the incidence, morbidity, and  
18 mortality of cancer. The Kentucky Cancer Registry may conduct analyses and  
19 studies as are indicated to advance cancer control in the Commonwealth, either  
20 directly or by confidentially sharing data with third parties.

21 ➔Section 34. KRS 216.2929 is amended to read as follows:

22 (1) (a) The Cabinet for Health and Family Services shall make available on its Web  
23 site information on charges for health-care services at least annually in  
24 understandable language with sufficient explanation to allow consumers to  
25 draw meaningful comparisons between every hospital and ambulatory facility,  
26 differentiated by payor if relevant, and for other provider groups as relevant  
27 data becomes available.

- 1 (b) Any charge information compiled and reported by the cabinet shall include  
2 the median charge and other percentiles to describe the typical charges for all  
3 of the patients treated by a provider and the total number of patients  
4 represented by all charges, and shall be risk-adjusted.
- 5 (c) The report shall clearly identify the sources of data used in the report and  
6 explain limitations of the data and why differences between provider charges  
7 may be misleading. Every provider that is specifically identified in any report  
8 shall be given thirty (30) days to verify the accuracy of its data prior to public  
9 release and shall be afforded the opportunity to submit comments on its data  
10 that shall be included on the Web site and as part of any printed report of the  
11 data.
- 12 (d) The cabinet shall only provide linkages to organizations that publicly report  
13 comparative-charge data for Kentucky providers using data for all patients  
14 treated regardless of payor source, which may be adjusted for outliers, is risk-  
15 adjusted, and meets the requirements of paragraph (c) of this subsection.
- 16 (2) (a) The cabinet shall make information available on its Web site at least annually  
17 describing quality and outcome measures in understandable language with  
18 sufficient explanations to allow consumers to draw meaningful comparisons  
19 between every hospital and ambulatory facility in the Commonwealth and  
20 other provider groups as relevant data becomes available.
- 21 (b) 1. The cabinet shall utilize only national quality indicators that have been  
22 endorsed and adopted by the Agency for Healthcare Research and  
23 Quality, the National Quality Forum, or the Centers for Medicare and  
24 Medicaid Services; or
- 25 2. The cabinet shall provide linkages only to the following organizations  
26 that publicly report quality and outcome measures on Kentucky  
27 providers:

- 1           a.    The Centers for Medicare and Medicaid Services;
- 2           b.    The Agency for Healthcare Research and Quality;
- 3           c.    The Joint Commission; and
- 4           d.    Other organizations that publicly report relevant outcome data for
- 5                    Kentucky providers.
- 6           (c)   The cabinet shall utilize or refer the general public to only those nationally
- 7                    endorsed quality indicators that are based upon current scientific evidence or
- 8                    relevant national professional consensus and have definitions and calculation
- 9                    methods openly available to the general public at no charge.
- 10       (3)   Any report the cabinet disseminates or refers the public to shall:
- 11           (a)   Not include data for a provider whose caseload of patients is insufficient to
- 12                    make the data a reliable indicator of the provider's performance;
- 13           (b)   Meet the requirements of subsection (1)(c) of this section;
- 14           (c)   Clearly identify the sources of data used in the report and explain the
- 15                    analytical methods used in preparing the data included in the report; and
- 16           (d)   Explain any limitations of the data and how the data should be used by
- 17                    consumers.
- 18       (4)   The cabinet shall report at least biennially, no later than October 1 of each odd-
- 19                    numbered year, on the special health needs of the minority population in the
- 20                    Commonwealth as compared to the population in the Commonwealth as compared
- 21                    to the population at large. The report shall contain an overview of the health status
- 22                    of minority Kentuckians, shall identify the diseases and conditions experienced at
- 23                    disproportionate mortality and morbidity rates within the minority population, and
- 24                    shall make recommendations to meet the identified health needs of the minority
- 25                    population.
- 26       (5)   The report required under subsection (4) of this section shall be submitted to the
- 27                    Interim Joint Committee~~[Committees]~~ on ~~[Appropriations and Revenue and]~~ Health

1 and Welfare and to the Governor.

2 ➔Section 35. KRS 224.10-230 is amended to read as follows:

3 (1) The cabinet shall implement a time and accounting system to reasonably and  
4 accurately document its actual costs.

5 (2) ~~{The cabinet shall submit documentation of its costs to the Interim Joint  
6 Appropriations and Revenue Committee prior to the cabinet's submittal of its  
7 biennial budget request.~~

8 ~~(3)~~ The cabinet may promulgate regulations amending the fees set forth in KRS  
9 224.20-050, 224.46-012 to 224.46-018, and 224.70-120. The fees established in the  
10 promulgated regulations shall be based on the cabinet's actual costs.

11 ➔Section 36. KRS 342.1223 is amended to read as follows:

12 (1) The Kentucky Workers' Compensation Funding Commission is created as an  
13 agency of the Commonwealth for the public purpose of controlling, investing, and  
14 managing the funds collected pursuant to KRS 342.122.

15 (2) The commission shall:

16 (a) Hold, administer, invest, and reinvest the funds collected pursuant to KRS  
17 342.122 and its other funds separate and apart from all "state funds" or  
18 "public funds," as defined in KRS Chapter 446;

19 (b) Act as a fiduciary, as defined in KRS Chapter 386, in exercising its power  
20 over the funds collected pursuant to KRS 342.122, and may invest association  
21 funds through one (1) or more banks, trust companies, or other financial  
22 institutions with offices in Kentucky in good standing with the Department of  
23 Financial Institutions, in investments described in KRS Chapter 386, except  
24 that the funding commission may, at its discretion, invest in equity securities;

25 (c) Report to the General Assembly at each even-numbered-year regular session  
26 the actuarial soundness and adequacy of the funding mechanism for the  
27 special fund and other programs supported by the mechanism, including

- 1 detailed information on the investment of funds and yields thereon;
- 2 (d) Recommend to the General Assembly, not later than October 31 of the year
- 3 prior to each even-numbered-year regular legislative session, changes deemed
- 4 necessary in the level of the assessments imposed in this chapter;
- 5 (e) In conjunction with the Labor Cabinet, submit to the General Assembly, not
- 6 later than October 31 of the year prior to each even-numbered-year regular
- 7 legislative session, a proposed budget for the biennium beginning July 1
- 8 following the even-numbered-year regular session of the General Assembly;
- 9 (f) ~~[In conjunction with the Labor Cabinet, provide to the Interim Joint~~
- 10 ~~Committee on Appropriations and Revenue an annual budget and detailed~~
- 11 ~~quarterly financial reports;~~
- 12 (g) ~~]Conduct periodic audits, independently or in cooperation with the Labor~~
- 13 ~~Cabinet or the Department of Revenue, of all entities subject to the~~
- 14 ~~assessments imposed in this chapter; and~~
- 15 ~~(g)](h) Report monthly to the Committee~~[Committees on Appropriations and~~~~
- 16 ~~Revenue and]~~ on Economic Development and Workforce Investment its
- 17 monthly expenditures of restricted agency funds and the nature of the
- 18 expenditures.
- 19 (3) The commission shall have all of the powers necessary or convenient to carry out
- 20 and effectuate the purposes for which it was established, including, but not limited
- 21 to, the power:
- 22 (a) To sue and be sued, complain, or defend, in its name;
- 23 (b) To elect, appoint, or hire officers, agents, and employees, and define their
- 24 duties and fix their compensation within the limits of its budget approved by
- 25 the General Assembly. Notwithstanding any provision of KRS Chapter 18A
- 26 to the contrary, officers and employees of the funding commission may be
- 27 exempted from the classified service;

- 1 (c) To contract for investment counseling, legal, actuarial, auditing, and other  
 2 professional services in accordance with the provisions relating to personal  
 3 service contracts contained in KRS Chapter 45A;
- 4 (d) To appoint, hire, and contract with banks, trust companies, and other entities  
 5 to serve as depositories and custodians of its investment receipts and other  
 6 funds;
- 7 (e) To take any and all other actions consistent with the purposes of the  
 8 commission and the provisions of this chapter; and
- 9 (f) To make and promulgate administrative regulations.
- 10 (4) The Kentucky Workers' Compensation Funding Commission may utilize the  
 11 investment expertise and advice of the Office of Financial Management within the  
 12 Finance and Administration Cabinet. The Kentucky Workers' Compensation  
 13 Funding Commission may procure one (1) or more consulting firms and enter into a  
 14 personal service contract with such consulting firms to provide investment  
 15 advisory, investment counseling, or investment management services. The Office of  
 16 Financial Management shall participate in the selection of any firms for investment  
 17 services provided, however, the Kentucky Workers' Compensation Funding  
 18 Commission shall have the right to make the final decision on the selection of any  
 19 firms. Notwithstanding any provisions of this section to the contrary, all contracts  
 20 for investment advisory, investment counseling, or investment management  
 21 services or for the management of assets shall be subject to KRS Chapter 45A. The  
 22 fees charged by financial institutions for managing the investments of the funds of  
 23 the funding commission shall be paid from the investment earnings of the funds.
- 24 (5) The commission shall be attached to the Labor Cabinet for administrative purposes  
 25 only.
- 26 ➔Section 37. KRS 342.765 is amended to read as follows:
- 27 (1) Notwithstanding the provisions of KRS Chapter 342 to the contrary, the office of

1 the Attorney General shall be responsible for the administration of the uninsured  
 2 employers' fund and shall be charged with the conservation of the assets of the  
 3 fund. Funds to reimburse the Attorney General's office for expenses incurred in  
 4 litigation and administration in defense of the uninsured employers' fund shall be  
 5 transferred upon request of the Attorney General's office and approval by the  
 6 secretary of the Labor Cabinet.

7 (2) The office of the Attorney General shall report monthly to ~~the Interim Joint~~  
 8 ~~Committee on Appropriations and Revenue,~~ the Interim Joint Committee on  
 9 Economic Development and Workforce Investment~~],~~ and the commissioner the  
 10 amount of the agency fund expenditures in each month for the uninsured employers'  
 11 fund and the nature of these expenditures. In addition, the Office of the Attorney  
 12 General shall report quarterly to the commissioner on the amount of funds recouped  
 13 from uninsured employers.

14 ➔Section 38. KRS 353.776 is amended to read as follows:

15 By January 1 each year, the authority shall make an annual report of its activities for the  
 16 preceding fiscal year to the Office of the State Budget Director ~~and to the Interim Joint~~  
 17 ~~Committee on Appropriations and Revenue].~~ Each such report shall set forth a complete  
 18 operating and financial statement covering its operations during the year. The authority  
 19 shall provide for an audit of its books and accounts to be made within ninety (90) days  
 20 after the close of each fiscal year by certified public accountants and the cost thereof may  
 21 be treated as a part of the cost of construction of the project. Audits under this section  
 22 shall be public records within the meaning of KRS 61.870 to 61.884.

23 ➔Section 39. KRS 317.450 is amended to read as follows:

- 24 (1) (a) The board shall issue an apprentice license to practice barbering to any person  
 25 who:
- 26 1. Is at least seventeen and one-half (17-1/2) years of age;
  - 27 2. Is of good moral character and temperate habit;

- 1           3. Possesses a high school diploma, a High School Equivalency Diploma,  
2           or a transcript from an issuing institution that is recognized by the  
3           educational authority in the state from which the diploma, certificate, or  
4           transcript is issued;
  - 5           4. Has graduated from a licensed school of barbering;
  - 6           5. Has satisfactorily passed the apprentice examination prescribed by the  
7           barber board, which shall include a practical assessment of the  
8           applicant's skills, including but not limited to a taper haircut, shampoo,  
9           straight razor facial shave, facial, and a chemical application; and
  - 10          6. Has paid a fee as established in administrative regulations promulgated  
11          by the board in accordance with KRS Chapter 13A.
- 12          (b) A barber shall serve an apprentice period of at least six (6) months but not  
13          more than nine (9) months of continuous service from the effective date of the  
14          license issued pursuant to paragraph (a) of this subsection.
- 15          (c) In addition to the grounds for disciplinary action specified in KRS 317.590,  
16          the board may, during the apprentice period, require a licensee to retake any  
17          part or all of the written or practical examination, or both.
- 18          (d) At the end of the apprentice period, the board shall issue a license to practice  
19          barbering to an apprentice licensee who has:
- 20           1. Satisfactorily passed the barber examination prescribed by the board by  
21           administrative regulations promulgated in accordance with KRS  
22           Chapter 13A; and
  - 23           2. Complied with all other requirements of this subsection.
- 24          (e) The board may issue a barber license by endorsement to a resident of another  
25          state, district, or territory within the United States of America upon payment  
26          of a fee as established in administrative regulations promulgated by the board  
27          in accordance with KRS Chapter 13A, and upon submission of satisfactory



1 evidence that the requirements for licensure in the other state are substantially  
2 equivalent to the requirements of this state at the time of application. In the  
3 absence of the required equivalency, an applicant from another state, district,  
4 or territory within the United States of America, shall show proof of three (3)  
5 years or more experience immediately before making application and be  
6 currently licensed and in good standing with the state, district, or territory in  
7 which he or she is licensed. The board may also require an applicant under  
8 this section to pass a written and practical examination to establish  
9 equivalency.

10 (2) The board shall:

- 11 (a) Issue a license to operate a barber shop to any barber licensed under the  
12 provisions of this chapter upon application and payment of a fee as  
13 established in administrative regulations promulgated by the board in  
14 accordance with KRS Chapter 13A;
- 15 (b) Refuse to issue the license upon a failure of the licensed barber to comply  
16 with the provisions of this chapter or the administrative regulations  
17 promulgated by the board;
- 18 (c) Allow the licensed owner of a barber shop, which is licensed under this  
19 chapter, to rent or lease space in his or her barber shop to an independent  
20 contract owner; and
- 21 (d) Allow an unlicensed owner of a barber shop to rent or lease space in his or her  
22 barber shop to an independent contract owner, only if the shop owner has a  
23 licensed barber as a manager of the shop at all times. If the owner, manager,  
24 or location of a barber shop changes, the required form and fee shall be  
25 submitted to the board.

26 (3) The board shall issue a license to operate a school of barbering to any person, firm,  
27 or corporation who or which:

- 1 (a) Applies for a license upon forms furnished by the board;
- 2 (b) Has the equipment and facilities that may be required by administrative  
3 regulations promulgated by the board;
- 4 (c) Has furnished adequate evidence to the board that:
- 5 1. There is an intent to establish a bona fide school for the education and  
6 training of competent barbers; and
- 7 2. A sufficient number of teachers licensed by the board will be employed  
8 to conduct the school, including at least one (1) teacher with a minimum  
9 of twelve (12)~~thirty-six (36)~~ months' experience teaching in a barber  
10 school that includes administrative experience; and
- 11 (d) Pays a fee as established in administrative regulations promulgated by the  
12 board in accordance with KRS Chapter 13A.
- 13 (4) The board shall issue a student permit to any person enrolled in a licensed barber  
14 school upon payment of a fee as established in administrative regulations  
15 promulgated by the board in accordance with KRS Chapter 13A.
- 16 (5) The board shall issue a license to teach barbering to any person who:
- 17 (a) Is of good moral character and temperate habit;
- 18 (b) Possesses a high school diploma or a High School Equivalency Diploma;
- 19 (c) Has been a Kentucky-licensed and practicing barber for at least eighteen (18)  
20 months;
- 21 (d) Has satisfactorily passed the examination prescribed by the board by  
22 promulgation of administrative regulations; and
- 23 (e) Has paid a fee as established in administrative regulations promulgated by the  
24 board in accordance with KRS Chapter 13A.
- 25 (6) The board shall issue a license to any barber who holds an independent contract  
26 owner's license who:
- 27 (a) Is of good moral character and temperate habit;

- 1 (b) Possesses a high school diploma or a High School Equivalency Diploma;
- 2 (c) Is a licensed and practicing barber under this chapter; and
- 3 (d) Has paid a fee as established in administrative regulations promulgated by the
- 4 board in accordance with KRS Chapter 13A.
- 5 (7) The board shall issue a demonstration charity event permit to any licensed barber
- 6 who pays a fee as established in administrative regulations promulgated by the
- 7 board in accordance with KRS Chapter 13A.
- 8 (8) Applications for examination required in this section shall be accompanied by an
- 9 examination fee as established in administrative regulations promulgated by the
- 10 board in accordance with KRS Chapter 13A.
- 11 (9) (a) On and after July 1, 2016, a license issued pursuant to this section shall expire
- 12 on the first day of July next following the date of its issuance. A license shall
- 13 be renewed on June 1 through July 1 of each year.
- 14 (b) Any license shall automatically be renewed by the board:
- 15 1. Upon receipt of the application for renewal or duplicate renewal
- 16 application form and the required annual renewal license fee submitted
- 17 either in person or via written or electronic means; and
- 18 2. If the applicant for renewal is otherwise in compliance with the
- 19 provisions of this chapter and the administrative regulations of the
- 20 board.
- 21 (10) The annual renewal license fee for each type of license renewal shall be as
- 22 established in administrative regulations promulgated by the board in accordance
- 23 with KRS Chapter 13A.
- 24 (11) (a) The fee per year for the renewal of an expired license, if the period of
- 25 expiration does not exceed five (5) years, shall be as established by
- 26 administrative regulations promulgated by the board in accordance with KRS
- 27 Chapter 13A.

1 (b) An applicant who fails to renew a license within five (5) years of its  
2 expiration shall comply with the requirements for relicensure established by the board  
3 through promulgation of administrative regulations in accordance with KRS Chapter  
4 13A.

5 ➔Section 40. The Commonwealth West Healthcare Workforce Innovation Center  
6 shall be established to provide accessible, healthcare-specific educational pathways in the  
7 western region of the state for postsecondary, high school, and nontraditional students to  
8 address decreased student enrollment in healthcare-related fields, resulting in expanding  
9 the pipeline of qualified healthcare workers and reducing the shortage of qualified  
10 medical staff across the Commonwealth.

11 ➔Section 41. The center shall be a health education, innovation, and simulation  
12 facility located in Owensboro that offers a combination of instruction and hands-on  
13 experiential learning opportunities to students pursuing nursing and allied health  
14 credentials. The center shall be operated and maintained through a collaborative  
15 partnership between public and private organizations, including but not limited to Brescia  
16 University, Elizabethtown Community and Technical College, Henderson Community  
17 and Technical College, Hopkinsville Community and Technical College, Kentucky  
18 Wesleyan College, Madisonville Community and Technical College, Owensboro  
19 Community and Technical College, Western Kentucky University, Western Kentucky  
20 University-Owensboro, University of Louisville School of Nursing-Owensboro, and  
21 Owensboro Health, Inc.

22 ➔Section 42. The center shall provide in-person and virtual didactic instruction  
23 and hands-on, experiential learning opportunities while offering career paths to address  
24 immediate workforce needs, including but not limited to nursing, nursing assistant,  
25 medical office assistant, radiology science, long-term care, social work, clinical  
26 psychology, behavioral health, laboratory services, paramedic, and community healthcare  
27 workers.

1           ➔Section 43. The General Assembly shall provide funds for the initial start-up  
2 and operating costs of the center, including but not limited to faculty, personnel, facility,  
3 equipment, and furnishings in the form of a grant to be administered by the Kentucky  
4 Community and Technical College System and distributed to the collaborating partners  
5 and organizations in accordance with the agreements established for the center.

6           ➔Section 44. By January 1, 2023, and by November 1, 2024, the Kentucky  
7 Community and Technical College System shall provide a report to the Legislative  
8 Research Commission on the status of the center, including but not limited to operations,  
9 enrollment, expenditures, funding, and partnerships.

10          ➔Section 45. The offers of assistance for fiscal year 2022-2023 and fiscal year  
11 2023-2024 shall not be contingent upon the school district's use of available local  
12 resources. If a local school board uses the funds for renovations rather than new  
13 construction, up to 25 percent of the offers of assistance may be used to support  
14 renovations of other A1 schools that are ranked as Priority 1 or 2 on the local school  
15 district's facility plan. The local school board shall notify the Commissioner of Education  
16 that there will be no further need to construct a replacement facility for a school  
17 identified in these offers of assistance.

18          ➔Section 46. There is hereby appropriated General Fund moneys in the amount  
19 of \$4,000,000 in fiscal year 2022-2023 to the School Facilities Construction Commission  
20 as special offers of assistance for Rockcastle County Schools to use in the construction of  
21 a Rockcastle County middle school. Notwithstanding KRS 157.611 to 157.665, the offers  
22 of assistance shall not be contingent upon the school district's use of available local  
23 resources. If a local school board uses the funds for renovations rather than new  
24 construction, up to 25 percent of the offers of assistance may be used to support  
25 renovations of other A1 schools that are ranked as Priority 1 or 2 on the local school  
26 district's facility plan. The local school board shall notify the Commissioner of Education  
27 that there will be no further need to construct a replacement facility for a school

1 identified in these offers of assistance.

2 →Section 47. There is hereby appropriated Federal Funds moneys from the State  
3 Fiscal Recovery Fund from the American Rescue Plan Act of 2021 in the amount of  
4 \$5,000,000 in fiscal year 2022-2023 to the Learning and Results Services budget unit to  
5 support alternative paths to graduation through a partnership with Graduation Alliance.

6 →Section 48. There is hereby appropriated Federal Funds from the State Fiscal  
7 Recovery Fund from the American Rescue Plan Act of 2021 in the amount of \$1,500,000  
8 in fiscal year 2022-2023 to the Learning and Results Services budget unit to enrich  
9 science curriculums using Plasma Games' STEM and Chemistry education tool.

10 →Section 49. There is hereby appropriated General Fund moneys in the amount  
11 of \$150,000 in fiscal year 2022-2023 to the Department for Local Government to allocate  
12 to the Rough River Business & Tourism Association to provide accessibility to the  
13 marina and demolition of the abandoned intake structure.

14 →Section 50. There is hereby appropriated Federal Funds from the State Fiscal  
15 Recovery Fund from the American Rescue Plan Act of 2021 in the amount of \$5,000,000  
16 in fiscal year 2022-2023 to the Kentucky Center for the Arts for emergency repairs,  
17 maintenance, and operations.

18 →Section 51. There is hereby allocated from the Road Fund appropriation in the  
19 Highways budget unit \$421,300 in fiscal year 2023-2024 for GARVEE Bonds debt  
20 service payments relating to the Brent Spence Bridge project.

21 →Section 52. 2022 RS HB 242/EN is hereby amended as follows:

22 On page 50, after item number 4309, insert the following information under the  
23 column indicated consistent with the existing format:

24 "County: "Clinton";

25 Item No.: "8600";

26 Route: "US-127";

27 Description: "RELOCATION OF US 127 FROM KY 90 INTERSECTION TO

1 AARON RIDGE ROAD (MP 11.7 TO MP 16.315)"

2 Phase: "PL DN RW UT CN Project Cost:";

3 Insert "SPP" in the Fund column in each of the DN and RW rows;

4 Insert "4,800,000" under the FY 2023 column in the DN row; and

5 Insert "8,000,000" under the FY 2023 column in the RW row;"; and

6 On page 55, item number 10004, delete "36,500" and insert "306,500" in lieu  
7 thereof under the FY 2024 column in the CN row; and

8 On page 192, after the Total for Owsley county, insert the following information  
9 under the column indicated consistent with the existing format:

10 "County: "Pendleton";

11 Item No.: "80258";

12 Route: "KY-177";

13 Description: "RECONSTRUCTION FROM KY 3185 IN BUTLER TO KY  
14 467";

15 Phase: "PL DN RW UT CN Project Cost:";

16 Insert "SPP" in the Fund column in the DN row; and

17 Insert "1,996,800" under the FY 2023 column in the DN row;"; and

18 On page 222, item number 396.2000, insert "STPF" in the Fund column in the CN  
19 row; and

20 Insert "1,000,000" under the FY 2024 column in the CN row; and

21 On page 240, item number 911.5000, delete ", AND SCHOOL SAFETY  
22 PROJECTS"; and

23 Adjust subsequent subtotals and totals accordingly.

24 ➔Section 53. 2022 RS HJR 82/EN is hereby amended as follows:

25 On page 94, delete item number 528.0100 in its entirety; and

26 On page 209, item number 396.2000, delete "10,000,000" and insert "9,000,000" in  
27 lieu thereof under the FY 2025 column in the CN row; and

1           On page 224, item number 911.5000, delete ", AND SCHOOL SAFETY  
2 PROJECTS"; and

3           Adjust subsequent subtotals and totals accordingly.

4           ➔Section 54. The following KRS sections are repealed:

5       342.231 Monthly reports.

6       176.5066 Revenues relating to motorcycle safety education program fund -- Report.

7           ➔Section 55. Whereas the operations of governmental agencies are imperative for  
8 the betterment of the Commonwealth, an emergency is declared to exist, and this Act  
9 takes effect upon its passage and approval by the Governor or upon its otherwise  
10 becoming a law.