

**CHAPTER 38****(HB 171)**

AN ACT relating to reorganization.

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

Section 1. KRS 12.020 is amended to read as follows:

Departments, program cabinets and their departments, and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office, or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or statutorily authorized executive order; except in the case of the Personnel Board and where the attached department or administrative body is headed by a constitutionally elected officer, the attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of the department or administrative body.

I. Cabinet for General Government - Departments headed by elected officers:

1. The Governor.
2. Lieutenant Governor.
3. Department of State.
  - (a) Secretary of State.
  - (b) Board of Elections.
  - (c) Registry of Election Finance.
4. Department of Law.
  - (a) Attorney General.
5. Department of the Treasury.
  - (a) Treasurer.
6. Department of Agriculture.
  - (a) Commissioner of Agriculture.
  - (b) Kentucky Council on Agriculture.
7. Superintendent of Public Instruction.
8. Auditor of Public Accounts.

II. Program cabinets headed by appointed officers:

1. Justice Cabinet:
  - (a) Department of State Police.
  - (b) Department of Criminal Justice Training.
  - (c) Department of Corrections.

- (d) Department of Juvenile Justice.
  - (e) Office of the Secretary.
  - (f) Offices of the Deputy Secretaries.
  - (g) Office of General Counsel.
  - (h) Division of Kentucky State Medical Examiners Office.
  - (i) Parole Board.
  - (j) Kentucky State Corrections Commission.
  - (k) Commission on Correction and Community Service.
2. Education, Arts, and Humanities Cabinet:
- (a) Department of Education.
    - (1) Kentucky Board of Education.
    - (2) Education Professional Standards Board.
  - (b) Department for Libraries and Archives.
  - (c) Kentucky Arts Council.
  - (d) Kentucky Educational Television.
  - (e) Kentucky Historical Society.
  - (f) Kentucky Teachers' Retirement System Board of Trustees.
  - (g) Kentucky Center for the Arts.
  - (h) Kentucky Craft Marketing Program.
  - (i) Kentucky Commission on the Deaf and Hard of Hearing.
  - (j) Governor's Scholars Program.
  - (k) Governor's School for the Arts.
  - (l) Operations and Development Office.
  - (m) Kentucky Heritage Council.
  - (n) Kentucky African-American Heritage Commission.
  - (o) Board of Directors for the Center for School Safety.
3. Natural Resources and Environmental Protection Cabinet:
- (a) Environmental Quality Commission.
  - (b) Kentucky Nature Preserves Commission.
  - (c) Department for Environmental Protection.
  - (d) Department for Natural Resources.
  - (e) Department for Surface Mining Reclamation and Enforcement.
  - (f) Office of Legal Services.
  - (g) Office of Information Services.

- (h) Office of Inspector General.
- 4. Transportation Cabinet:
  - (a) Department of Highways.
    - 1. Office of Program Planning and Management.
    - 2. Office of Project Development.
    - 3. Office of Construction and Operations.
    - 4. Office of Intermodal Programs.
    - 5. Highway District Offices One through Twelve.
  - (b) Department of Vehicle Regulation.
  - (c) Department of Administrative Services.
  - (d) Department of Fiscal Management.
  - (e) Department of Rural and Municipal Aid.
  - (f) Department of Human Resources Management.
  - (g) Office of the Secretary.
  - (h) Office of General Counsel and Legislative Affairs.
  - (i) Office of Public Affairs.
  - (j) Office of Transportation Delivery.
  - (k) Office of Minority Affairs.
  - (l) Office of Policy and Budget.
- 5. Cabinet for Economic Development:
  - (a) Department of Administration and Support.
  - (b) Department for Business Development.
  - (c) Department of Financial Incentives.
  - (d) Department of Community Development.
  - (e) Tobacco Research Board.
  - (f) Kentucky Economic Development Finance Authority.
- 6. Public Protection and Regulation Cabinet:
  - (a) Public Service Commission.
  - (b) Department of Insurance.
  - (c) Department of Housing, Buildings and Construction.
  - (d) Department of Financial Institutions.
  - (e) Department of Mines and Minerals.
  - (f) Department of Public Advocacy.
  - (g) Department of Alcoholic Beverage Control.

- (h) Kentucky Racing Commission.
  - (i) Board of Claims.
  - (j) Crime Victims Compensation Board.
  - (k) Kentucky Board of Tax Appeals.
  - (l) Backside Improvement Commission.
  - (m) Office of Petroleum Storage Tank Environmental Assurance Fund.
  - (n) Department of Charitable Gaming.
7. Cabinet for Families and Children:
- (a) Department for Community Based Services.
  - (b) Department for Disability Determination Services.
  - (c) Public Assistance Appeals Board.
  - (d) Office of the Secretary.
    - (1) Kentucky Commission on Community Volunteerism and Service.
  - (e) Office of the General Counsel.
  - (f) Office of Program Support.
  - (g) Office of Family Resource and Youth Services Centers.
  - (h) Office of Technology Services.
  - (i) Office of the Ombudsman.
  - (j) Office of Performance Enhancement.
8. Cabinet for Health Services.
- (a) Department for Public Health.
  - (b) Department for Medicaid Services.
  - (c) Department for Mental Health and Mental Retardation Services.
  - (d) Kentucky Commission on Children with Special Health Care Needs.
  - (e) Office of Certificate of Need.
  - (f) Office of the Secretary.
  - (g) Office of the General Counsel.
  - (h) Office of Program Support.
  - (i) Office of the Inspector General.
  - (j) Office of Aging Services.
9. Finance and Administration Cabinet:
- (a) Office of Legal and Legislative Services.
  - (b) Office of Management and Budget.
  - (c) Office of Financial Management.

- (d) Office of the Controller.
  - (e) Department for Administration.
  - (f) Department of Facilities Management.
  - (g) State Property and Buildings Commission.
  - (h) Kentucky Pollution Abatement Authority.
  - (i) Kentucky Savings Bond Authority.
  - (j) Deferred Compensation Systems.
  - (k) Office of Equal Employment Opportunity Contract Compliance.
  - (l) Office of Capital Plaza Operations.
  - (m) County Officials Compensation Board.
  - (n) Kentucky Employees Retirement Systems.
  - (o) Commonwealth Credit Union.
  - (p) State Investment Commission.
  - (q) Kentucky Housing Corporation.
  - (r) Governmental Services Center.
  - (s) Kentucky Local Correctional Facilities Construction Authority.
  - (t) Kentucky Turnpike Authority.
  - (u) Historic Properties Advisory Commission.
  - (v) Kentucky Kare Health Insurance Authority.
  - (w) Kentucky Tobacco Settlement Trust Corporation.
10. Labor Cabinet:
- (a) Department of Workplace Standards.
  - (b) Department of Workers' Claims.
  - (c) Kentucky Labor-Management Advisory Council.
  - (d) Occupational Safety and Health Standards Board.
  - (e) Prevailing Wage Review Board.
  - (f) Workers' Compensation Board.
  - (g) Kentucky Employees Insurance Association.
  - (h) Apprenticeship and Training Council.
  - (i) State Labor Relations Board.
  - (j) Kentucky Occupational Safety and Health Review Commission.
  - (k) Office of Administrative Services.
  - (l) Office of Labor-Management Relations and Mediation.
  - (m) Office of General Counsel.

- (n) Workers' Compensation Funding Commission.
  - (o) Employers Mutual Insurance Authority.
11. Revenue Cabinet:
- (a) Department of Property Valuation.
  - (b) Department of Tax Administration.
  - (c) Office of Financial and Administrative Services.
  - (d) Department of Law.
  - (e) Department of Information Technology.
  - (f) Office of Taxpayer Ombudsman.
12. Tourism Development Cabinet:
- (a) Department of Travel.
  - (b) Department of Parks.
  - (c) Department of Fish and Wildlife Resources.
  - (d) Kentucky Horse Park Commission.
  - (e) State Fair Board.
  - (f) Office of Administrative Services.
  - (g) Office of General Counsel.
13. Cabinet for Workforce Development:
- (a) Department for Adult Education and Literacy.
  - (b) Department for Technical Education.
  - (c) Department of Vocational Rehabilitation.
  - (d) Department for the Blind.
  - (e) Department for Employment Services.
  - (f) State Board for Adult and Technical Education.
  - (g) The State Board for Proprietary Education.
  - (h) The Foundation for Adult Education.
  - (i) ***Department for***~~Office of~~ Training and Reemployment.
  - (j) Office of General Counsel.
  - (k) Office of Communication Services.
  - (l) Office of Development and Industry Relations.
  - (m) Office of Workforce Analysis and Research.
  - (n) Office for Administrative Services.
  - (o) Office for Policy and Budget.
  - (p) Office of Personnel Services.

- (q) Unemployment Insurance Commission.
- 14. Personnel Cabinet:
  - (a) Office of Administrative and Legal Services.
  - (b) Department for Personnel Administration.
  - (c) Department for Employee Relations.
  - (d) Kentucky Public Employees Deferred Compensation Authority.
  - (e) Kentucky Kare.
  - (f) Division of Performance Management.
  - (g) Division of Employee Records.
  - (h) Division of Staffing Services.
  - (i) Division of Classification and Compensation.
  - (j) Division of Employee Benefits.
  - (k) Division of Communications and Recognition.

III. Other departments headed by appointed officers:

1. Department of Military Affairs.
2. Council on Postsecondary Education.
3. Department for Local Government.
4. Kentucky Commission on Human Rights.
5. Kentucky Commission on Women.
6. Department of Veterans' Affairs.
7. Kentucky Commission on Military Affairs.
8. The Governor's Office for Technology.
9. Commission on Small Business Advocacy.

Section 2. KRS 151B.020 is amended to read as follows:

- (1) The Cabinet for Workforce Development is hereby created, which shall constitute a cabinet of the state government within the meaning of KRS Chapter 12. The cabinet shall consist of a secretary and those administrative bodies and employees as provided by law.
- (2) The cabinet, subject to the provisions of KRS Chapter 12, shall be composed of the major organizational units listed below, and other departments, divisions, and sections as are from time to time deemed necessary for the proper and efficient operation of the cabinet:
  - (a) The Department for Adult Education and Literacy, which is created by KRS 151B.023;
  - (b) The Department for Technical Education, which is created by KRS 151B.025;
  - (c) The Department of Vocational Rehabilitation, which is created by KRS 151B.185;
  - (d) The Department for the Blind, established by KRS 163.470;

- (e) The Department for Employment Services, which is created by KRS 151B.280;
  - (f) The State Board for Adult and Technical Education, which is created by KRS 151B.095;
  - (g) The State Board for Proprietary Education, established by KRS 165A.340;
  - (h) The Foundation for Adult Education, established by KRS 151B.130;
  - (i) The Unemployment Insurance Commission established by KRS 341.110; *and*
  - (j) The *Department for*~~Office of~~ Training and Reemployment created in KRS 151B.260~~;~~ *and*
  - ~~(k) The Office of School to Work, established by KRS 151B.250.~~
- (3) The executive officer of the cabinet shall be the secretary of the Cabinet for Workforce Development. The secretary shall be appointed by the Governor pursuant to KRS 12.040 and shall serve at the pleasure of the Governor. The secretary shall have general supervision and direction over all activities and functions of the cabinet and its employees and shall be responsible for carrying out the programs and policies of the cabinet. The secretary shall be the chief executive officer of the cabinet and shall have authority to enter into contracts, subject to the approval of the secretary of the Finance and Administration Cabinet, when the contracts are deemed necessary to implement and carry out the programs of the cabinet. The secretary shall have the authority to require coordination and nonduplication of services provided under the Federal Workforce Investment Act of 1998, 20 U.S.C. sec. 9201 et seq. The secretary shall have the authority to mandate fiscal responsibility dispute resolution procedures among state organizational units for services provided under the Federal Workforce Investment Act of 1998, 20 U.S.C. sec. 9201 et seq. The Office of the Secretary of the Cabinet for Workforce Development shall consist of the Offices of General Counsel, Communication Services, Development and Industry Relations, Workforce Analysis and Research, the Office for Policy and Budget, the Office of Personnel Services, and the Office for Administrative Services. The Office for Administrative Services shall contain the Divisions of Fiscal Services, Computer Services, and Facilities Management. Each division shall be headed by a director appointed by the secretary of the Cabinet for Workforce Development pursuant to KRS 12.050.
- (4) The secretary of the Cabinet for Workforce Development and his designated representatives, in the discharge of the duties of the secretary, may administer oaths and affirmations, take depositions, certify official acts, and issue subpoenas to compel the attendance of witnesses and production of books, papers, correspondence, memoranda, and other records considered necessary and relevant as evidence at hearings held in connection with the administration of the cabinet.
- (5) The secretary of the Cabinet for Workforce Development may delegate any duties of his office to employees of the cabinet as he deems necessary and appropriate, unless otherwise prohibited by statute.
- (6) The secretary of the Cabinet for Workforce Development shall promulgate, administer, and enforce administrative regulations that are necessary to implement programs mandated by federal law, or to qualify for the receipt of federal funds, and that are necessary to cooperate with other state and federal agencies for the proper administration of the cabinet and its programs.

Section 3. KRS 151B.250 is amended to read as follows:

- (1) It is the intent of the General Assembly to create and support a School-to-Careers System that involves business, labor, education, and government to prepare students for careers in an ever-changing economy.
- (2) ***The Department for Technical Education*** ~~within~~ ~~[It is the intent of the General Assembly that the Office of School-to-Work attached to the office of the secretary of]~~ the Cabinet for Workforce Development ***shall*** coordinate ***the School-to-Work effort*** ~~[its efforts]~~ with the Kentucky Department of Education ~~[in the implementation of this overall effort]~~. As the School-to-Work effort is a federally supported program that fits within the overall mission of the School-to-Careers System, it is critical that collaboration and coordination occur. The following elements shall be coordinated when possible:
  - (a) Planning and partner involvement of business, labor, education, government, community-based organizations, employers, parents, and students;
  - (b) Career awareness, exploration, preparation, and guidance incorporated in the school curriculum;
  - (c) A comprehensive system approach from the primary through postsecondary levels with all students having the opportunity to participate;
  - (d) Applied learning experiences;
  - (e) Integration of academic and occupational education;
  - (f) Performance assessment;
  - (g) Actual or simulated learning at the school or the worksite;
  - (h) Curriculum based on skill standards representing all aspects of an industry;
  - (i) Secondary to postsecondary articulation;
  - (j) Postsecondary articulation; and
  - (k) Professional development opportunities for all partners.
- ~~(3) The executive director of the Office of School-to-Work shall be appointed by the secretary of the Cabinet for Workforce Development pursuant to KRS 12.050.~~
- ~~(4)~~ The ***Department for Technical Education*** ~~[Office of School-to-Work]~~ may promulgate administrative regulations establishing policy for the development and implementation of a school-to-work transition system.
- ~~(4)~~~~(5)~~ The ***Department for Technical Education*** ~~[Office of School-to-Work]~~ shall comply with the provisions of the federal School-to-Work Opportunities Act, Pub.L. 103-239 as it is amended from time to time.

Section 4. KRS 151B.260 is amended to read as follows:

The ***Department for*** ~~[Office of]~~ Training and Reemployment is hereby created and established within the Cabinet for Workforce Development. ~~[The Office of Training and Reemployment shall be attached to the Office of the Secretary of the Cabinet for Workforce Development.]~~ The ***Department for*** ~~[Office of]~~ Training and Reemployment shall be headed by ***a commissioner*** ~~[an executive director]~~ who shall be appointed by the ***Governor under KRS 12.040*** ~~[secretary pursuant to KRS 12.050]~~.

Section 5. The General Assembly hereby confirms Executive Order 2000-1623, dated December 29, 2000, relating to the Cabinet for Workforce Development, to the extent not otherwise confirmed by this Act, which: renames and elevates the Office of Training and Reemployment, to the Department for Training and Reemployment, the department to be headed by a commissioner appointed by the Governor in accordance with KRS 12.040; the Department for Training and Reemployment shall be the agency solely designated for the purpose of assuming the role of administrative entity for Title I programs funded under the Workforce Investment Act passed by Congress on August 7, 1998, and implemented in the Commonwealth on July 1, 1999. Executive Order 2000-1623 further creates the Division of Workforce Investment within the Department for Training and Reemployment to be headed by a director appointed by the secretary under KRS 12.050; and, abolishes the Office of School-to-Work. All organizational units, personnel, records, equipment, duties, responsibilities, and funds shall be distributed, transferred, or otherwise disbursed in accordance with Executive Order 2000-1623, and any Administrative Order necessary to effectuate the implementation of that Executive Order.

**Approved March 15, 2001**