CHAPTER 57
( HB 184 )

AN ACT relating to reorganization.

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

Section 1. KRS 12.023 is amended to read as follows:

The following organizational units and administrative bodies shall be attached to the Office of the Governor:

(1) Department of Military Affairs;
(2) Department for Local Government;
(3) Early Childhood Advisory Council;
(4) Kentucky Commission on Human Rights;
(5) Kentucky Commission on Women;
(6) Kentucky Commission on Military Affairs;
(7) Agricultural Development Board;
(8) Kentucky Agricultural Finance Corporation;
(9) Office of Minority Empowerment;
(a) The Martin Luther King Commission; and

Section 2. KRS 164.518 is amended to read as follows:

(1) It is the intent of the General Assembly to create a seamless system to upgrade the professional development of persons who are employed or provide training in a child-care or early childhood setting through scholarships, merit awards, and monetary incentives, to assist these persons in obtaining a child development associate credential, post-secondary certificate, diploma, degree, or specialty credential in an area of study determined by the Early Childhood Advisory Council authority as recommended by the professional development council.
(2) Eligibility for scholarship funds shall be for individuals who do not have access to professional development funds from other education programs that receive state or federal funds, and who are:
(a) Employed at least twenty (20) hours per week providing services in a child-care or early childhood setting; or
(b) Involved in providing professional development training for teachers in an early childhood setting.
(3) The Kentucky Higher Education Assistance Authority, after consultation with the Early Childhood Advisory Council and the Cabinet for Health and Family Services, shall promulgate administrative regulations, including a system of monetary incentives for scholarship program participants for completing classes, in accordance with KRS Chapter 13A as necessary to implement this section.

Section 3. KRS 199.8941 is amended to read as follows:

(1) The Early Childhood Advisory Council shall, by administrative regulation promulgated in accordance with KRS Chapter 13A, establish a program of monetary incentives including but not limited to an increased child-care subsidy and a one-time merit achievement award for child-care centers and certified family child-care homes that are tied to a quality rating system for child care as established under KRS 199.8943.
(2) The monetary incentive program shall be reviewed annually by the council for the purpose of determining future opportunities to provide incentives.
(3) Participation in the program of monetary incentives and in the quality rating system by child-care centers and certified family child-care homes is voluntary.
The Cabinet for Health and Family Services shall encourage the professional development of persons who are employed or provide training in a child-care or early childhood setting by facilitating their participation in the scholarship program for obtaining a child development associate credential, postsecondary certificate, diploma, degree, or specialty credential as established under KRS 164.518.

Section 4.  KRS 199.8943 is amended to read as follows:

(1)  The Early Childhood Advisory Council, shall, in consultation with child-care providers, the Cabinet for Health and Family Services, and others, including but not limited to child-care resource and referral agencies and family resource centers, develop a voluntary quality-based graduated child-care rating system for licensed child-care and certified family child-care homes based on, but not limited to:

(a)  Child to caregiver ratios;
(b)  Child-care staff training;
(c)  Program curriculum; and
(d)  Program regulatory compliance.

Section 5.  KRS 199.8996 is amended to read as follows:

(1)  The Cabinet for Health and Family Services shall prepare the following reports to the General Assembly on child-care programs, and shall make them available to the public:

(a)  A quarterly report detailing the number of children and amounts of child-care subsidies provided in each area development district;
(b)  A quarterly report on administrative expenses incurred in the operation of child-care subsidy programs;
(c)  A quarterly report on disbursements of federal child-care block grant funds for training, resource and referral, and similar activities; and
(d)  Beginning July 15, 1993, an annual report summarizing the average child-care subsidy activities per month in all Kentucky counties.

(2)  The cabinet shall file an annual report on its evaluation of the adequacy of the child-care subsidy to enable low-income families in need of child-care services to obtain child care with the Early Childhood Advisory Council, and the Legislative Research Commission.

(3)  The cabinet shall file an annual report on the number of dedicated child-care licensing surveyor positions and the ratio of surveyors to child-care facilities with the Early Childhood Advisory Council, and the Legislative Research Commission.

Section 6.  KRS 200.700 is amended to read as follows:

(1)  The Early Childhood Advisory Council is established as a public agency and political subdivision of the Commonwealth with all powers, duties, and responsibilities conferred upon it by statute and essential to perform its functions including but not limited to employing other persons, consultants, attorneys, and agents. The council shall be attached to the Office of the Governor for administrative purposes and shall establish necessary advisory councils. The secretary of the Education and Workforce Development Cabinet or the secretary's designee shall be the appointing authority for the council pursuant to KRS Chapter 18A. The council shall have the ability to make expenditures from the early childhood development fund and shall ensure that expenditures made from the early childhood development fund are in conformance with its duties as established by the General Assembly.
(2) The council shall be headed by an executive director appointed by the Governor pursuant to KRS 12.040. The executive director shall report to the secretary of the Education and Workforce Development Cabinet or the secretary’s designee.

(3) The council shall consist of the following twenty-six (26) members:

(a) The state director of Head Start Collaboration [the Division of Early Childhood Development, who shall serve as chair];

(b) The secretary of the Education and Workforce Development Cabinet or designee;

(c) The secretary of the Cabinet for Health and Family Services or designee;

(d) One (1) nonvoting ex officio member from the House of Representatives who shall be appointed by and serve at the pleasure of the Speaker of the House;

(e) One (1) nonvoting ex officio member from the Senate who shall be appointed by and serve at the pleasure of the President of the Senate;

(f) Six (6) private sector members knowledgeable about the health, mental health, education, and development of prenatal to school entry [preschool] children who shall be appointed by the Governor. One [At least one] (1) private sector member shall be appointed from each congressional district;

(g) Seven (7) citizens at large of the Commonwealth who shall be appointed by the Governor; and

(h) One (1) early childhood development advocate who shall be appointed by the Governor;

(i) One (1) member representing higher education with expertise in early childhood who shall be appointed by the Governor; and

(j) Six (6) members appointed by the Governor, including one (1) member from a Head Start program located in the state, one (1) member from a local education agency, one (1) member from the state agency responsible for education, one (1) member from the state agency responsible for child care, one (1) member from the state agency responsible for Part C of the Individuals with Disabilities Education Act (IDEA), and one (1) member from the state agency for health and mental health.

(4) No later than thirty (30) days after July 14, 2000, the governing bodies of each of the following organizations shall recommend three (3) persons, at least one (1) of whom shall be male and at least one (1) of whom shall be female, as candidates for initial appointment by the Governor as private sector members to the authority:

(a) The Kentucky AFL-CIO;

(b) The Kentucky Chamber of Commerce;

(c) The Kentucky League of Cities;

(d) The Kentucky Medical Association;

(e) The Louisville Urban League and Lexington Urban League;

(f) The Kentucky County Judge/Executives Association; and

(g) The Kentucky Council on Postsecondary Education.

(4) The Governor shall select the private sector members of the authority by selecting one (1) nominee from each list of the three (3) nominees submitted to the Governor by each organization listed under subsection (3) of this section. The Governor shall fill a vacancy occurring before the expiration of the appointed term from the appropriate list of nominees. If there are no nominees remaining on the appropriate list, the Governor shall request a list of additional nominees from the appropriate organization.

(5) The initial terms of the private sector and citizen-at-large members of the council shall be for:

1. One (1) year for five (5) of the initial terms;
2. Two (2) years for five (5) of the initial terms;
3. Three (3) years for six (6) of the initial terms; and
4. Four (4) years for five (5) of the initial appointments.

(b) All succeeding appointments shall be for four (4) years from the expiration date of the preceding appointment. **The private and citizen-at-large members shall serve no more than two (2) full successive terms. A term shall expire on June 30 in the appropriate year.**

(c) Members shall serve until a successor has been appointed. **If a vacancy on the council occurs, the Governor shall appoint a replacement for the remainder of the unexpired term except for the members appointed by the Speaker of the House and President of the Senate.**

(d) **The members and nonmember appointees of the council shall comply with the gift and conflict of interest statutes in KRS Chapter 11A. Any conflict of interest issue shall be submitted to the Executive Branch Ethics Commission for resolution.**

(e) **The Governor shall appoint the chair of the council from the private sector or citizen-at-large membership.**

(f) **The chair may appoint nonmembers of the council to committees or workgroups.**

(5) Private sector and citizen-at-large members and nonmembers appointed to a committee or workgroup shall serve without compensation but shall be reimbursed for reasonable and necessary expenses in accordance with state travel expenses and reimbursement administrative regulations.

(6) In making appointments to the council, the Governor shall assure broad geographical, ethnic, and gender diversity representation from the major sectors of Kentucky's early childhood development community. In filling vacancies, the Governor shall attempt to assure the continuing representation on the council of broad constituencies of Kentucky's early childhood development community.

(8) Upon the expiration of the term of any member, the governing body of the organization that made the original recommendation shall recommend three (3) persons, at least one (1) of whom shall be male and at least one (1) of whom shall be female, between sixty (60) and thirty (30) days before the expiration of the term of any authority member who is appointed as a result of a previous recommendation. The Governor shall, during March of the year that any organization is to recommend three (3) persons, request the organization to recommend three (3) persons for possible appointment to the authority. If there is no response, the Governor shall make the appointment from the population of the Commonwealth.

(7) The council shall meet at least quarterly and at other times upon call of the chair or a majority of the council.

(8) Members of the council shall serve on a voluntary basis, receive a fixed per diem set by the authority, and be reimbursed for their expenses in accordance with state travel expense and reimbursement administrative regulations.

**Section 7.** KRS 200.703 is amended to read as follows:

1. **The Early Childhood Advisory Council is responsible for the following:**

   (a) Promoting the vision for Kentucky's early childhood system;
   
   (b) Advocating for improved quality of early childhood services;
   
   (c) Promoting the definition of school readiness and the expanded and appropriate use of the early childhood standards;
   
   (d) Strengthening state, regional, and local level coordination and collaboration among the various sectors and settings of early childhood programs in the state;
   
   (e) Identifying opportunities and strategies to reduce barriers to coordination and collaboration among existing private, federal, and state-funded early childhood programs;
   
   (f) Developing and implementing recommendations for:
   
      1. Increasing overall participation of children in existing federal, state, and local child care and early education programs, including outreach to underrepresented and special populations;
      
      2. Establishing or improving core elements of the state early childhood system;
      
      3. Enhancing the professional development system and career ladder for early childhood educators and caregivers; and
4. Promoting high-quality state early learning standards and undertaking efforts to ensure the development and use of high-quality comprehensive early learning standards, as appropriate;

(g) Assessing the capacity and effectiveness of institutes of higher education in the state toward supporting the development of early childhood educators;

(h) Facilitating the development or enhancement of high-quality systems of early childhood care and education designed to improve school readiness through one or more of the following activities:
   1. Promoting school preparedness of children from birth through school entry;
   2. Supporting professional development, recruitment, and retention initiatives for early childhood educators and caregivers;
   3. Enhancing existing early childhood education and development programs and services;
   4. Carrying out other activities consistent with the state's plan and application; and
   5. Establishing priorities for programs and the expenditure of funds that include but are not limited to the following:
      a. Implementation of public health initiatives identified by the General Assembly, including those listed in KRS 211.690 and 199.8945;
      b. Provision of preconception and prenatal vitamins, with priority for folic acid for the prevention of neural tube defects;
      c. Voluntary immunization for children not covered by public or private health insurance;
      d. Expanding availability of high-quality, affordable early child-care and education options; and
      e. Increasing public awareness of the importance of the early childhood years for the well-being of all of Kentucky's citizens;

(i) Requesting reports and issuing progress updates on state and federally funded services that impact the quality of Kentucky's early childhood system;

(j) Receiving, requesting, and utilizing, consistent with this section, federal, state, and private funds, including from philanthropic sources;

(k) Involving the corporate community, county judge/executives, and mayors in supporting issues of importance to working families with young children in the Commonwealth;

(l) Collecting and disseminating information about the various ways business and local government can become involved in supporting early childhood; and

(m) Other duties and responsibilities as designated by the Governor\[The \{authority\} shall establish priorities for programs and the expenditure of funds that include but are not limited to the following:\n      a. Implementation of public health initiatives identified by the General Assembly;
      b. Provision of preconceptional and prenatal vitamins, with priority for folic acid for the prevention of neural tube defects;
      c. Voluntary immunization for children not covered by public or private health insurance;
      d. Availability of high-quality, affordable early child-care and education options; and
      e. Increased public awareness of the importance of the early childhood years for the well-being of all Kentucky's citizens\].

(2) The council\[authority\] shall develop a state plan on a biennial basis that identifies early childhood development funding priorities. Every two (2) years the council\[authority\] shall review its priorities and make necessary adjustments to its state plan. The state plan shall incorporate priorities included in the final report and recommendations of the Governor's Task Force on Early Childhood Development and Education, November 2010, \"KIDS NOW: Kentucky Invests in Developing Success, a Report from the Governor's Early Childhood Task Force, November 1999,\" and recommendations identified by the community early childhood councils. The council\[authority\] shall file a report on the state plan with the Governor and the Legislative Research Commission by July 15 of odd-numbered years.
(3) Programs funded by the \textit{council[authority]} shall be implemented by the appropriate agencies within the Cabinet for Health and Family Services, the Education and Workforce Development Cabinet, the Finance and Administration Cabinet, or other appropriate administrative agency.

(4) The \textit{council[authority]} shall assure that a public hearing is held on the expenditure of funds. Advertisement of the public hearing shall be published at least once but may be published two (2) more times, if one (1) publication occurs not less than seven (7) days nor more than twenty-one (21) days before the scheduled date of the public hearing.

(5) The \textit{council[authority]} shall promulgate administrative regulations in accordance with KRS Chapter 13A to:

(a) Coordinate and improve early childhood development services, outcomes, and policies;

(b) Establish procedures that relate to its governance;

(c) Designate service areas of the Commonwealth where the community early childhood councils may be established to identify and address the early childhood development needs of young children and their families for the communities that they serve;

(d) Establish procedures that relate to the monitoring of grants, services, and activities of the community early childhood councils and their governance;

(e) Establish procedures for accountability and measurement of the success of programs that receive funds from the \textit{council[authority]}; and

(f) Establish standards for the payment of funds to a designated service provider and grantee of a community early childhood council. These standards shall include requirements relating to:

1. The financial management of funds paid to grantees;

2. The maintenance of records; and

3. An independent audit of the use of grant funds.

(6) The \textit{council[authority]} may disband or suspend a community early childhood council, and may remove one or more members for nonperformance or malfeasance. The \textit{council[authority]} may also recover funds that have been determined by the \textit{council[authority]} to have been misappropriated or misspent in relation to a grant award.

(7) An appeal to the \textit{council[authority]} may be made by a community early childhood council as to a decision made by the \textit{council[authority]} on the disbanding or suspension of a community early childhood council, service provider, or grantee on a determination that funds have been misappropriated or misspent and are subject to recovery. The appeal shall be conducted in accordance with KRS Chapter 13B.

(8) The \textit{council[authority]}, community early childhood councils established by the \textit{council[authority]}, and initiatives funded by the \textit{council[authority]} with expenditures from the early childhood development fund shall expire when:

(a) Funds are no longer designated to the Commonwealth from the master settlement agreement signed on November 22, 1998, between the participating tobacco manufacturers and the forty (40) settling states or related federal legislation; or

(b) Funds are no longer designated to the early childhood development fund from gifts, grants, or federal funds to fund the \textit{council[authority]}, the community early childhood councils established by the \textit{council[authority]}, or any programs that had been funded by the \textit{council[authority]} with expenditures from the early childhood development fund.

(9) \textit{(a)} The \textit{authority} shall establish a Healthy Babies Work Group, consisting of representatives from the Cabinet for Health and Family Services; public schools; local libraries; the Kentucky March of Dimes; family resource centers; agencies that provide benefits under the Special Supplementation Food Program for Women, Infants, and Children; the Folic Acid Awareness Campaign; physicians; secondary health education and consumer sciences teachers; the Spina Bifida Association of Kentucky; and other persons as appropriate. Representatives shall reflect the geographic, racial, and gender diversity of the Commonwealth.

\textit{(b)} The Healthy Babies Work Group shall collaborate on development and implementation of a public awareness campaign to inform the citizens of the Commonwealth about the benefits of good nutrition, folic acid, smoking cessation, and healthy lifestyle choices that lead to healthy babies, the effects of alcohol and substance abuse...
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on fetal and early childhood development, and the need for a vision examination of children at age three (3). The work group shall work with local health departments for the vision examination outreach program.

(10) The authority shall work with local entities, including but not limited to health departments and service providers, to establish to the extent of available funding a vision examination program for children who are not eligible for the Kentucky Children’s Health Insurance Program or Medicaid, and who do not have insurance coverage for a vision examination. The authority shall provide that primary students, regardless of age, who are having difficulty with reading may be referred and receive a second vision examination as described in KRS 156.160 at no cost to the parent.

(11) The council[authority] shall develop a request for proposal process by which local early childhood councils may request any funding appropriated to the council[authority] for use by the councils.

Section 8. KRS 200.707 is amended to read as follows:

(1) The Early Childhood Advisory Council may recognize and fund a community early childhood council. The family resource center and the child care resource and referral agency in the service area shall form a community early childhood council and appoint members to the council for each service area designated under KRS 200.703. A council shall be composed of no fewer than seven (7) and no more than twenty-seven (27) members. Each council shall be composed of at least one (1) member representing local agencies or organizations from profit, nonprofit, or family child care, Head Start or Early Head Start, and each school district in its designated service area. Other members may be appointed who represent local agencies and organizations, including, but not limited to, the organizations or agencies listed below, with no more than one (1) member from each:

(a) Early childhood advocate;
(b) Faith community;
(c) School district;
(d) Family resource center;
(e) Military establishment;
(f) Head Start or Early Head Start;
(g) Child care (profit, nonprofit, or family child care);
(h) Child-care resource and referral agency or child-care subsidy agent;
(i) Child-care consumer or parent;
(j) County cooperative extension service;
(k) Department for public health;
(l) University, college, or technical school;
(m) United Way;
(n) Kentucky Early Intervention System;
(o) Agency administering services to children with disabilities;
(p) Home visitation agency;
(q) Family literacy agency;
(r) Civic organization;
(s) Public library;
(t) Regional training center;
(u) Community action agency;
(v) Government;
(w) Business community;
(x) Home schooling association;
(v) Health care professional;
(w) Foster care parent; or
(x) Adoptive parent.

(2) Members shall serve on a community early childhood council on a voluntary basis and receive no compensation or expense reimbursement for their service.

(3) (a) Members shall serve for a term of two (2) years and until their successors are appointed, except that for those members initially appointed, the terms shall be as follows:
   1. One-third (1/3) of the members shall be appointed for three (3) years;
   2. One-third (1/3) shall be appointed for two (2) years; and
   3. One-third (1/3) shall be appointed for one (1) year.
(b) Vacancies shall be appointed for unexpired terms in the same manner as original appointments.

(4) A community early childhood council shall collaborate with the District Early Intervention Committee, the Preschool Interagency Planning Council, and other existing interagency groups in the service area.

(5) A community early childhood council may apply for a competitive grant from the Early Childhood Advisory Council, consistent with a state plan for grant participation as established by the Early Childhood Advisory Council. Grant proposals shall:
   (a) Include a needs assessment and budget proposal for the respective service area served by a community early childhood council;
   (b) Not include administrative costs that exceed five percent (5%); and
   (c) Contain a signed statement from each member of the community early childhood council certifying that no program, agency, or individual that may receive part of an award would constitute a conflict of interest under KRS Chapter 11A for the council member. Issues concerning conflicts of interest shall be submitted to the Executive Branch Ethics Commission for resolution.

(6) A community early childhood council shall submit an annual report to the Early Childhood Advisory Council that details the activities and services of the community early childhood council, including the progress that the community early childhood council has made toward addressing the early childhood development and school readiness goals for its designated service area and recommendations that may be included in the state plan.

(7) Any records that are in the custody of a community early childhood council, a designated service provider, or a grantee that contain personal and identifying information relating to a family or children receiving services through the council shall be confidential and not subject to public disclosure, except as otherwise authorized by law.

Section 9. KRS 211.647 is amended to read as follows:

(1) The commission, on receipt of an auditory screening report of an infant from a hospital or alternative birthing center in accordance with KRS 216.2970 shall review each auditory screening report that indicates a potential hearing loss. The commission shall contact the parents to schedule follow-up evaluations or make a referral for evaluations within three (3) business days.

(2) The commission shall secure information missing from birth certificates or hospital referral reports which is relevant to identifying infants with a hearing loss.

(3) The commission shall establish standards for infant audiological assessment and diagnostic centers based on accepted national standards, including but not limited to the "Guidelines for the Audiologic Assessment of Children From Birth to 5 Years of Age" as published by the American Speech-Language-Hearing Association (ASHA) and the "Year 2007 Position Statement: Principles and Guidelines for Early Hearing Detection and Intervention Programs" as published by the Joint Committee on Infant Hearing (JCIH). The commission may promulgate administrative regulations in accordance with KRS Chapter 13A to establish the standards for the centers.

(4) The commission shall maintain a list of approved infant audiological assessment and diagnostic centers that meet the standards established by the commission. An audiological assessment and diagnostic center included
on the list shall meet the standards established by the commission. An approved center may voluntarily choose not to be included on the list.

(5) An approved audiology assessment and diagnostic center shall agree to provide requested data to the commission for each infant evaluated and on any newly identified children ages birth to three (3) years with a permanent childhood hearing loss within forty-eight (48) hours and make a referral to the Kentucky Early Intervention System point of entry in the service area of the child’s residence for services under KRS 200.664. A center shall submit documentation to the commission of a referral made to the Kentucky Early Intervention System. A referral received by the Kentucky Early Intervention System from a center shall be considered a referral from the commission.

(6) If the audiological evaluation performed by the commission contains evidence of a hearing loss, within forty-eight (48) hours the commission shall:

(a) Contact the attending physician and parents and provide information to the parents in an accessible format as supplied by the Kentucky Commission on the Deaf and Hard of Hearing; and

(b) Make a referral to the Kentucky Early Intervention System point of entry in the service area of the child’s residence for services under KRS 200.664.

(7) The commission shall forward a report of an audiological evaluation that indicates a hearing loss, with no information that personally identifies the child, to:

(a) The Kentucky Commission on the Deaf and Hard of Hearing for census purposes; and

(b) The Kentucky Birth Surveillance Registry for information purposes.

(8) Cumulative demographic data of identified infants with a hearing loss shall be made available to agencies and organizations including but not limited to the Cabinet for Health and Family Services and the Early Childhood Advisory Council, requesting the information for planning purposes.

Signed by Governor March 21, 2013.