

## CHAPTER 59

( HB 207 )

AN ACT relating to reorganization.

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

➔Section 1. KRS 151B.010 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

As used in *Sections 1 to 31 of this Act*~~[this chapter]~~, unless the context indicates otherwise:

- (1) "Appointing authority" means the commissioner *of education*~~[for the Department of Workforce Investment]~~ or any person authorized by the commissioner to act on behalf of the Office of Career and Technical Education with respect to employee appointments, position establishments, payroll documents, reemployment lists, waiver requests, or other position actions. The designation shall be in writing and signed by both the commissioner and the designee;
- (2) "Base salary" means the compensation to which an employee is entitled under the salary schedule adopted pursuant to the provisions of *Section 7(3)(h) of this Act*~~[KRS 151B.035(3)(h)]~~;
- (3) "Board" means the Kentucky Technical Education Personnel Board established in *Section 23 of this Act*~~[KRS 151B.097]~~;
- (4) "Certified employees" means those employees who fill school or educational assignments requiring the issuance of a certificate. These employees in the Office of Career and Technical Education are subject to personnel administration under *Sections 1 to 31 of this Act*~~[this chapter]~~;
- (5) "Class" means a group of positions sufficiently similar as to the duties performed, scope of discretion and responsibility, minimum requirements of training, and other characteristics that the same title and the same schedule of compensation have been or may be applied to each position in the group;
- (6) "Classified" means status as merit system employees under the provisions of KRS Chapter 18A;
- (7) "Continuing status" means the acquisition of tenure with all rights and privileges granted by the provisions of *Sections 1 to 31 of this Act*~~[this chapter]~~ which must be preceded by four (4) years of successful employment;
- (8) "Demotion" means a change in an employee's position to another class having less discretion or responsibility;
- (9) "Emergency appointment" means employment for a maximum period of sixty (60) days without regard to the certification process for any position in the Office of Career and Technical Education requiring certification or its equivalent;
- (10) "Employee" means a person regularly employed in a position in the Office of Career and Technical Education for which compensation is on a full-time or part-time basis;
- (11) "Equivalent employees" means those employees with educational backgrounds similar to certified personnel in the administration and conduct of educationally related services. These employees in the Office of Career and Technical Education shall be subject to personnel administration under *Sections 1 to 31 of this Act*~~[this chapter]~~;
- (12) "Hearing officer" means a member of the board, a person hired for this purpose by personal service contract, or an assistant attorney general;
- (13) "Index" means the percentage add-on in a salary structure which compensates for the scope of discretion and responsibility of the position;
- (14) "Initial probation" means the one (1) year period following initial appointment of certified and equivalent employees under *Section 16 of this Act*~~[KRS 151B.070]~~ which requires special observation and evaluation of a person's work and which must be passed successfully before eligibility for renewal of limited status;
- (15) "Limited status" means employment that is renewable on an annual basis;
- (16) "Penalization" means actions including demotion, dismissal, suspension, involuntary transfer, reduction in rank or pay, or the abridgement or denial of rights granted to state employees or other disciplinary actions;
- (17) "Position" means employment involving duties requiring the services of one (1) person;

- (18) "Promotion" means changing an employee from a position in one (1) class to a position in another class carrying a greater scope of discretion and responsibility;
- (19) "Promotional probation" means the twelve (12) month period of service following the promotion of an employee with continuing status which must be successfully completed in order for the employee to remain in the position;
- (20) "Reemployment" means the rehiring of an employee with continuing status who has been laid-off;
- (21) "Reemployment list" means the separate list of names of persons who have been separated from certified or equivalent positions in the Office of Career and Technical Education by reason of lay-off. Reemployment lists shall be used as provided by the provisions of *Section 18 of this Act*~~{KRS 151B.080}~~;
- (22) "Reinstatement" means the restoration of a certified or equivalent employee who has resigned in good standing or who has been ordered reinstated by the board or a court to a position in the former class or to a position of like status and pay;
- (23) "Seasonal employees" means employees employed in a seasonal position. Seasonal position means a position that is temporary, and which coincides with a particular season or seasons of the year;
- (24) "Temporary employee" means an employee appointed to a temporary position. Temporary position means a position that is created for a definite period of time;
- (25) "Transfer" means a movement of any certified or equivalent employee from one (1) position to another having the same salary range and the same level of responsibility; and
- (26) "Unclassified employee" means any temporary or seasonal employee and any employee in a policymaking position who shall be exempt from the state service under KRS Chapter 18A and who is employed in the Office of Career and Technical Education under *Sections 1 to 31 of this Act*~~{this chapter}~~.

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

- (1) *The commissioner of education shall establish and appoint members to a Career and Technical Education Advisory Committee to advise the Department of Education on the development of a robust and effective career and technical education program.*
- (2) *The committee shall include representatives of business, industry, and the Kentucky Community and Technical College System; the commissioner of the Department of Workforce Investment; and any other individuals deemed appropriate by the commissioner of education.*

➔Section 3. KRS 151B.025 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

- (1) The Office of Career and Technical Education is hereby created within the *Department of Education*~~{and Workforce Development Cabinet}~~. The office shall consist of ~~{an executive director and}~~ those administrative bodies and employees provided by or appointed *by the commissioner of education* pursuant to *KRS 156.010*~~{Haw}~~.
- (2) *The commissioner of education may appoint an assistant, pursuant to KRS 156.010, and delegate authority to the assistant regarding*~~{chief executive officer of the office shall be the executive director of} the Office of Career and Technical Education. {The executive director shall be appointed to the unclassified service by the secretary of the Education and Workforce Development Cabinet with the approval of the Governor pursuant to KRS 12.050. The executive director shall have general supervision and direction over all functions of the office and its employees, and shall be responsible for carrying out the programs and policies of the office. The executive director may delegate authority to deputies who may then act on his or her behalf in performing the duties assigned in this subsection.}~~
- (3) The *Department of Education*~~{office}~~ shall have the responsibility for all administrative functions of the state in relation to the management, control, and operation of state-operated secondary area vocational education and technology centers. When appropriate, the *Department of Education*~~{office}~~ shall provide education training programs through contracts with private business and industries. These programs may be on a shared cost basis or on a total cost recovery basis.
- (4) The *commissioner of education*~~{executive director of the Office of Career and Technical Education}~~ shall have the authority to enter into agreements or contracts with other government or education agencies, including local school districts, in order to carry out services under the office's jurisdiction.

- (5) (a) Secondary area vocational education and technology centers shall be operated in compliance with program standards established by the Kentucky Board of Education. Principals, counselors, and teaching staff shall meet the qualifications and certification standards for all secondary vocational personnel as established by the Educational Professional Standards Board. ~~In addition to direct appropriations, funds appropriated to support the cost of operating area vocational education and technology centers shall be transferred annually from the secondary funds administered by the Kentucky Department of Education for that purpose.~~
- ~~(6) The Office of Career and Technical Education, in the operation and management of its schools and the programs at those schools, shall meet all required federal and state standards relating to facilities and personnel qualification; provided, however, that no license or license fee shall be required for any school or program operated by the Office of Career and Technical Education.~~
- ~~(7) (b)(a)~~ The **Kentucky Board of Education** ~~Office of Career and Technical Education~~ shall be the **eligible** ~~education~~ agency solely designated for the purpose of developing and approving state plans required by state or federal laws and regulations as prerequisites to receiving federal funds for vocational-technical or technology education. The **Kentucky Board of Education** ~~office~~ shall involve representatives from all eligible recipient categories in the development of the required plans.
- (c) ~~(b)~~ In accordance with 20 U.S.C. sec. 2302(12) ~~(9)~~, the Kentucky **Board of Education** ~~Workforce Investment Board~~ is hereby designated to be the "eligible agency" that is the sole state agency responsible for the administration of vocational and technical education and the supervision of the administration of vocational and technical education.
- (6) (a) ~~(8)~~ Except for the duties that the **Kentucky Board of Education** ~~Workforce Investment Board~~ must retain pursuant to 20 U.S.C. sec. 2341, the Kentucky **Board of Education** ~~Workforce Investment Board~~ shall be authorized to delegate all of the other duties and responsibilities of the eligible agency to the Office of Career and Technical Education within the **Department of Education** ~~and Workforce Development Cabinet~~, including but not limited to the administration, operation, and supervision of the Perkins program and the authority to receive, hold, and disburse funds awarded under the state plan.
- (b) *The Kentucky Board of Education shall delegate to the Kentucky Workforce Investment Board the state leadership activities referred to in 20 U.S.C. sec. 2344 to be conducted in accordance with the required and permissible uses of funds specified in the Carl D. Perkins Career and Technical Education Act of 2006 and subsequent amendments thereto. The maximum amount of funds allowed by 20 U.S.C. sec. 2322(a)(2) shall be reserved and made available for state leadership activities.*
- ~~(7) (9)~~ The **commissioner of education** ~~office~~ shall be permitted to enter into memorandums of agreement with individuals on a year-to-year basis to fill positions in hard-to-find teaching specialties. The agreements and compensation for hard-to-find teaching specialties shall be approved by the **commissioner of education** ~~executive director~~ and shall not be subject to the provisions of KRS Chapter 45A. All agreements shall be filed with the secretary of the Finance and Administration Cabinet.
- ~~(8) (10)~~ The **commissioner of education** ~~executive director of the Office of Career and Technical Education~~ shall, from time to time, prepare or cause to be prepared any bulletins, programs, outlines of courses, placards, and courses of study deemed useful in the promotion of the interests of technical and vocational education.
- ~~(11) The executive director of the Office of Career and Technical Education shall be responsible for the preparation of a biennial budget request, which shall be forwarded to the executive director of the Office of Budget and Administration within the Education and Workforce Development Cabinet for preliminary review and approval. Final approval shall be given by the secretary of the Education and Workforce Development Cabinet or his or her designee.~~

➔SECTION 4. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

- (1) *A local board of education may submit a request to the commissioner of education to assume authority for the management and control of a state-operated secondary vocational education and technology center. Upon agreement between the commissioner of education and the local board of education for the transfer of a state-operated secondary vocational education and technology center, all personnel, equipment, and supplies shall be transferred to the local board of education and shall be utilized for the operation of the locally operated vocational center.*
- (2) *A certified employee who is affected by a transfer to the local board of education under subsection (1) of this section shall be granted a one (1) year limited contract by the local board of education and shall be*

*employed on the local district salary schedule. A classified employee shall be guaranteed employment equal to his or her present status for at least one (1) complete school term. A transferred employee shall be provided the benefits of comparable employees in the district and shall be subject to all rules and policies of the local board of education, including but not limited to disciplinary and personnel actions that are the same as those that may be exercised by the district for any other employee in the district during a contract period.*

- (3) *A transferred employee who has accrued annual leave and compensatory time shall be paid a lump sum for the accrued time at the effective date of the transfer by the Department of Education. The employee shall be granted credit for accrued sick leave up to the maximum allowed for transfers of teachers between school districts. Sick leave credit shall be awarded to a classified employee based on the local board policy. Any excess sick leave that a classified or certified employee has earned that the district will not accept in the transfer may be requested to be held in escrow by the appropriate state personnel system under KRS Chapter 18A or Sections 1 to 31 of this Act, and the sick leave balance shall be restored to the employee if the employee returns to a state government position.*
- (4) *An employee who is to be transferred to a local board of education under provisions of this section but who chooses not to accept a one (1) year limited contract with the board shall be separated from the state system and the employee's position shall be abolished. The employee may apply for any state position for which the employee is qualified but shall not be granted priority over other applicants for a position because the employee's position was abolished due to a transfer of the vocational education and technology center. An employee who refuses a contract with the local board shall be provided a lump-sum payment for accrued annual leave and compensatory time, and the employee's sick leave balance shall be placed in escrow by the appropriate state personnel system under KRS Chapter 18A or Sections 1 to 31 of this Act. The sick leave balance shall be restored to the employee if the employee returns to a state government position.*
- (5) *A certified employee, other than a principal, who has earned continuing status in the state certified personnel system under Sections 1 to 31 of this Act may be granted tenure under the provisions of KRS 161.740(1)(c). A principal may be granted tenure as a teacher, but the provisions relating to demotion of the principal under KRS 161.765 shall apply.*
- (6) *An employee of the Office of Career and Technical Education who is transferred to the local school district and who occupies a position covered by the Kentucky Teachers' Retirement System shall remain in the Kentucky Teachers' Retirement System.*
- (7) *After the effective date of the transfer, the local board of education shall receive funding for the support of the local board of education center operations pursuant to Section 39 of this Act. In addition, the local board of education shall receive one hundred percent (100%) of the Support Education Excellence in Kentucky program funds from the Department of Education that are generated from students enrolled in the center.*

➔SECTION 5. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

- (1) *Notwithstanding Sections 7, 9, 10, 11, 13, and 16 of this Act, upon approval of the Kentucky Board of Education, a local board of education that has operated an area vocational education and technical center for at least five (5) years may relinquish authority for the management and control of the area vocational education and technical center to the Kentucky Department of Education. The local board of education shall transfer all personnel, equipment, and supplies to the Office of Career and Technical Education within the Kentucky Department of Education.*
- (2) *A certified employee who is affected by a transfer to the Office of Career and Technical Education under subsection (1) of this section shall be granted the same status by the Office of Career and Technical Education as he or she had at the close of employment with the local board of education and shall be employed on the state salary schedule. A classified employee shall be guaranteed employment equal to his or her status in the local school district for at least one (1) complete school term. A transferred employee shall be provided the benefits of comparable employees in the Office of Career and Technical Education and shall be subject to all rules and policies of the Office of Career and Technical Education, including but not limited to disciplinary and personnel actions that are the same as those that may be exercised by the office for any other employee in the Commonwealth during a contract period.*
- (3) *The employee shall be granted credit for accrued sick leave by the Office of Career and Technical Education up to the maximum allowed for transfers of teachers between school districts. The Office of Career and Technical Education shall award sick leave credit to a classified employee based on the sick*

*leave accumulated in the local district. Any excess sick leave that a classified or certified employee earned that had been held in escrow by the appropriate state personnel system under KRS Chapter 18A or Sections 1 to 31 of this Act when the transfer was made to the local board of education shall be restored to the employee.*

- (4) *An employee who is to be transferred to the Office of Career and Technical Education under provisions of this section but who chooses not to accept a contract with the Commonwealth shall be separated from the state system and the employee's position shall be abolished. The employee may apply for any state position for which the employee is qualified but shall not be granted priority over other applicants for a position because the employee's position was abolished due to a transfer of the area vocational education and technical center. An employee who refuses a contract with the Office of Career and Technical Education shall have the employee's sick leave balance placed in escrow by the state personnel system under KRS Chapter 18A or Sections 1 to 13 of this Act. The sick leave balance shall be restored to the employee if the employee returns to a state government position.*
- (5) *A certified employee, other than a principal, who has earned continuing status in the local school district under KRS 161.740(1), shall be granted continuing status under the provisions of Section 13 of this Act. A principal may be granted continuing status as a teacher, but the provisions relating to demotion of the principal under Section 13 of this Act shall apply.*
- (6) *An employee of a local board of education who is transferred to the Office of the Career and Technical Education and who occupies a position covered by the Kentucky Teachers' Retirement System shall remain in the Kentucky Teachers' Retirement System.*
- (7) *General fund moneys previously appropriated to a local board of education for support of the area vocational education and technical center shall be appropriated to the Department of Education.*

➔Section 6. KRS 151B.030 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

The Office of Career and Technical Education shall have the following organizational structure:

- (1) The *commissioner of education*~~[secretary of the Education and Workforce Development Cabinet]~~ shall appoint an *assistant*~~[executive director of career and technical education]~~ pursuant to KRS 12.050 *and 156.010* and assign duties as appropriate;
- (2)~~[There is hereby created a Division of Secondary Education and Technical Training within the Office of Career and Technical Education. The division shall be headed by a director appointed by the secretary of the Education and Workforce Development Cabinet under KRS 12.050. The division shall be composed of organizational entities as deemed appropriate by the secretary of the Education and Workforce Development Cabinet;~~
- (3)~~] The appointing authority shall appoint an ombudsman pursuant to KRS 12.050 and specify his or her functions and duties; and~~
- (3)~~[(4)] The Kentucky Technical Education Personnel Board, pursuant to *Section 23 of this Act*~~[KRS 151B.097]~~, shall be attached to the *Department of Education*~~[Office of Career and Technical Education]~~ for administrative purposes.~~

➔Section 7. KRS 151B.035 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

- (1) The *Kentucky Board of Education*~~[executive director of the Office of Career and Technical Education]~~ shall promulgate, by administrative regulations, personnel policies and procedures for all full-time and part-time unclassified employees, certified and equivalent staff, including administrative, teaching, and supervisory staff in the Office of Career and Technical Education central office and state-operated vocational facilities. All other staff shall remain under the authority of the Kentucky Personnel Cabinet and KRS Chapter 18A. Employees who transfer to or from the KRS Chapter 18A personnel system shall transfer accrued annual, compensatory, and sick leave.
- (2) As provided in *Sections 1 to 31 of this Act*~~[this chapter]~~, the *Kentucky Board of Education*~~[executive director of the Office of Career and Technical Education]~~ shall promulgate~~[comprehensive]~~ administrative regulations for the administration of a personnel system in the Office of Career and Technical Education which are consistent with the provisions of *Sections 1 to 31 of this Act*~~[this chapter]~~ and with federal standards for state government agencies receiving federal grants.

- (3) The **Kentucky Board of Education**~~[executive director of the Office of Career and Technical Education]~~ shall promulgate~~[comprehensive]~~ administrative regulations for full-time and part-time certified and equivalent staff governing:
- (a) Establishment and abolishment of positions, ***including a prohibition against eliminating funding for or abolishment of a teaching position at a state-operated secondary area vocational education and technology center during a school year in which students are enrolled in the program;***
  - (b) Applications;
  - (c) Classification and compensation plans;
  - (d) Incentive programs;
  - (e) Selection of employees;
  - (f) Types of appointments;
  - (g) Attendance, including hours of work, compensatory time, and annual, court, military, sick, voting, and special leaves of absence;
  - (h) Preparation, maintenance, and revision of a position classification plan and an equitable salary schedule for certified and equivalent staff based on qualifications, experience, and responsibilities;
  - (i) Extent and duration of the state-operated area vocational education and technology centers' school term, use of school days, and extended employment;
  - (j) Employee evaluations;
  - (k) Programs to improve the work effectiveness of employees including staff development;
  - (l) Demotion;
  - (m) Dismissal;
  - (n) Lay-offs;
  - (o) Suspensions and other disciplinary measures;
  - (p) Probationary periods, limited employment status, and continuing employment status;
  - (q) Promotion;
  - (r) Transfer;
  - (s) Appeals; and
  - (t) Employee grievances and complaints.
- (4) (a) Administrative regulations promulgated by the **Kentucky Board of Education**~~[executive director of the Office of Career and Technical Education]~~ shall comply with the provisions of **Sections 1 to 31 of this Act**~~[this chapter]~~ and KRS Chapter 13A and shall have the force and effect of law~~[, when approved by the commissioner of the Department of Workforce Investment and after compliance with the provisions of KRS Chapter 13A].~~
- (b) Administrative regulations promulgated by the **Kentucky Board of Education**~~[executive director of the Office of Career and Technical Education]~~ shall not expand or restrict rights granted to, or duties imposed upon, employees and administrative bodies by the provisions of **Sections 1 to 31 of this Act**~~[this chapter]~~.
- (c) No administrative body other than the **Kentucky Board of Education**~~[executive director of the Office of Career and Technical Education]~~ shall promulgate administrative regulations governing the subject matters specified in this section.
- (d) Policies and procedures for the implementation of administrative regulations shall be developed by the **Department of Education**~~[Office of Career and Technical Education]~~.
- (5) The commissioner **of education**~~[for the Department of Workforce Investment]~~ shall be the appointing authority with respect to all personnel actions for the Office of Career and Technical Education. The commissioner may authorize a designee to act on behalf of the agency with respect to employee appointments, position establishments, payroll documents, reemployment lists, waiver requests, or other position actions.

Any personnel designation shall be in writing. Authority to employ personnel may be delegated to the vocational school management by the commissioner. Any recommendation for employment from the local level shall be based on guidelines promulgated by the *commissioner of education*~~[executive director]~~ and shall be contingent upon confirmation by the *commissioner of education*~~[executive director]~~.

- (6) The *Kentucky Board of Education*~~[executive director of the Office of Career and Technical Education]~~ shall promulgate other administrative regulations to govern proceedings which relate to certified and equivalent employees and which shall provide for:
- (a) The procedures to be utilized by the Kentucky Technical Education Personnel Board in the conduct of hearings, consistent with KRS Chapter 13B;
  - (b) Discharge, as provided by this section;
  - (c) Imposition, as a disciplinary measure, of a suspension from service without pay for up to thirty (30) working days and, in accordance with the provisions of *Section 13 of this Act*~~[KRS 151B.055]~~, for the manner of notification of the employee of the discipline and right of appeal;
  - (d) Promotions which shall give appropriate consideration to the applicant's qualifications, record of performance, and conduct;
  - (e) Supplementary information for the salary schedule for certified and equivalent staff including teachers, counselors, administrators, managers, and educational consultants in state-operated vocational technical facilities, field offices, and central office in the Office of Career and Technical Education that shall provide uniformity, recognition of education, teaching, and supervisory experience and use as a base the average salary paid to beginning classroom teachers by all public schools in the state for personnel with comparable qualifications and experience. Indexes may be incorporated in the compensation plan for administrative responsibilities. The salary schedule shall be computed annually, and shall be submitted to and approved by the Governor;
  - (f) Reemployment of laid-off employees in accordance with the provisions of *Sections 1 to 31 of this Act*~~[this chapter]~~;
  - (g) Establishment of a plan for resolving employee grievances and complaints. The plan shall not restrict rights granted employees by the provisions of *Sections 1 to 31 of this Act*~~[this chapter]~~; and
  - (h) Any other administrative regulations not inconsistent with this chapter and KRS Chapter 13A proper and necessary for its enforcement.
- (7) The *Department of Education*~~[executive director of the Office of Career and Technical Education]~~ shall make investigations, either on petition of a citizen, taxpayer, interested party, or as deemed necessary by the *commissioner*~~[executive director]~~, concerning the enforcement and effect of *Sections 7 to 22 of this Act*~~[KRS 151B.035 to 151B.090]~~, shall require observance of the provisions and the administrative regulations promulgated pursuant to the provisions of *Sections 1 to 31 of this Act*~~[this chapter]~~ and KRS Chapter 13A, and shall make investigation as requested by the General Assembly or the Governor and to report thereon.
- (8) The *Kentucky Board of Education*~~[executive director of the Office of Career and Technical Education]~~ shall promulgate administrative regulations, pursuant to KRS Chapter 13A, for an appeal system for aggrieved certified or equivalent employees.
- (9) The Kentucky Technical Education Personnel Board shall hear appeals from applicants for positions or from certified, equivalent, and unclassified employees who have been dismissed, demoted, suspended, or otherwise penalized for cause. Effective August 15, 2000, appeals from assistants and secretaries in the Office of Career and Technical Education attached to policymaking positions shall be governed by KRS 18A.095. The State Personnel Board, established in KRS 18A.045, shall hear appeals that are pending as of August 15, 2000, from assistants and secretaries attached to policymaking positions in the Office of Career and Technical Education.
- (10) The Kentucky Technical Education Personnel Board may, any statute to the contrary notwithstanding, delegate the conduct of the hearing and the rendition of a recommended order to the full board, to a panel of the board, or to a hearing officer, relative to any hearing appeal, or decision, judicial or quasi-judicial in nature, which the board is empowered or directed, by *Sections 1 to 31 of this Act*~~[this]~~ or any other chapter, to conduct, hear, or make; provided, however, that the full board as provided by statute, makes the final order, based upon the evidence submitted.
- (11) The *Kentucky Board of Education*~~[executive director of the Office of Career and Technical Education]~~ shall promulgate administrative regulations, pursuant to KRS Chapter 13A, governing the unclassified service

including the preparation and maintenance of a salary schedule and other administrative regulations authorized by *Sections 1 to 31 of this Act*~~[this chapter]~~.

- (12) The annual percentage salary increment for all certified and equivalent employees subject to the personnel system established under *Sections 1 to 31 of this Act*~~[this chapter]~~ shall be at least equal to that funded and provided for other elementary and secondary teachers.
- (13) The positions of employees who are transferred, effective July 1, 1998, from the former Cabinet for Workforce Development to the Kentucky Community and Technical College System shall be abolished and the employees' names removed from the roster of state employees. Employees who are transferred, effective July 1, 1998, to the Kentucky Community and Technical College System under KRS Chapter 164 shall have the same benefits and rights as they had under KRS Chapter 18A and have under KRS 164.5805; however, they shall have no guaranteed reemployment rights in *Sections 1 to 31 of this Act*~~[the KRS Chapter 151B]~~ or KRS Chapter 18A personnel systems. An employee who seeks reemployment in a state position under *Sections 1 to 31 of this Act*~~[KRS Chapter 151B]~~ or KRS Chapter 18A shall have years of service in the Kentucky Community and Technical College System counted toward years of experience for calculating benefits and compensation.

➔Section 8. KRS 151B.037 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

All full-time vacancies shall be posted in all schools and offices ten (10) days prior to filling a certified or equivalent position in the classified section of the~~[KRS Chapter 151B]~~ personnel system *contained in Sections 1 to 31 of this Act*.

➔Section 9. KRS 151B.040 is repealed and reenacted as a new section of KRS Chapter 156 to read as follows:

- (1) All certified, equivalent, and unclassified employees in the Office of Career and Technical Education shall be:
- (a) Provided the same health insurance coverage as all other state government employees provided in KRS 18A.225;
  - (b) Eligible to participate in the deferred compensation system provided for all state government employees by KRS 18A.250 to 18A.265;
  - (c) Provided the same life insurance coverage provided all state employees pursuant to KRS 18A.205 to 18A.215;
  - (d) Reimbursed for all reasonable and necessary travel expenses and disbursements incurred or made pursuant to KRS 45.101 in the performance of their official duties; no part of the reimbursement shall be included in or accounted as a part of their salaries;
  - (e) Ensured equal employment opportunity regardless of race, color, religion, national origin, disability, sex, or age; and
  - (f) Given those holidays and rights granted state employees pursuant to KRS 18A.190.
- (2) Employees under the jurisdiction of the former Department for Technical Education who are members of a state retirement system as of June 30, 1990, shall remain in their respective retirement systems. All new certified and equivalent employees hired by the office shall be placed in the Kentucky Teachers' Retirement System.

➔Section 10. KRS 151B.045 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

- (1) The records of the Office of Career and Technical Education shall be public records and shall be open to public inspection, as provided in KRS 61.870 to 61.884.
- (2) (a) A personnel file shall be maintained by the *Department of Education*~~[and Workforce Development Cabinet]~~ for each employee. The files maintained by the *Department of Education*~~[and Workforce Development Cabinet]~~ shall be the official personnel file for the employees.
- (b) Each file shall include but not be limited to the employee's name, address, title of positions held, classifications, rates of compensation, and all changes in status, including evaluations, promotions, demotions, lay-offs, transfers, disciplinary actions, commendations, and awards. Each file shall contain the complete record and supporting documentation for each personnel action.



- (c) When an employee is reprimanded for misconduct, other infraction, or failure to perform duties in a proper or adequate manner, the supervising employee taking the action shall document the action in detail, and shall provide the employee with a copy of the documentation. The supervising employee shall inform the employee of his or her right to prepare a written response to the action taken after the employee has reviewed the written documentation prepared by the supervising employee. The employee's response shall be attached to the documentation prepared by the supervising employee. The supervising employee shall place a copy of the documentation and response in the employee's personnel file and shall transmit a copy to be placed in the central office personnel file of the employee. The supervising employee shall notify the employee that copies of the documentation and the response provided for in this subsection have been placed in the employee's personnel files.
- (3) Upon written request, an employee shall have the right to examine his or her personnel file. An employee may comment in writing on any item in the file. The comments shall be made a part of the file and shall be attached to the specific record or document to which they pertain.
- (4) No public agency, as defined by KRS 61.870, and no officer or employee shall deny, abridge, or impede the exercise of the rights granted in any manner by this section and by KRS 61.878.

➔Section 11. KRS 151B.050 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

Except as provided by the provisions of *Sections 1 to 31 of this Act*~~[this chapter]~~, the appointing authority or designee for the Office of Career and Technical Education may refuse to consider an applicant for a certified or equivalent position or, after consideration, may disqualify the applicant or may remove an employee already appointed if:

- (1) It is found that the person did not maintain certification or that certification has been revoked for the position;
- (2) The person is unable to perform the duties of the position;
- (3) The person made a false statement of material fact in the application;
- (4) The application was not submitted correctly or within the prescribed time limits;
- (5) The person has been convicted of a felony within the preceding five (5) years and has not had civil rights restored or has not been pardoned by the Governor;
- (6) The person has been convicted of a job related misdemeanor, except that convictions for violations of traffic regulations shall not constitute grounds for disqualification;
- (7) The person has previously been dismissed from a position in his department for cause or has resigned while charges for dismissal for cause of which the person had knowledge were pending; or
- (8) The person has otherwise violated the provisions of *Sections 1 to 31 of this Act*~~[this chapter]~~.

➔Section 12. KRS 151B.052 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

Subject to the provisions of *Section 13 of this Act*~~[KRS 151B.055]~~, any certified and equivalent employee who is convicted of a felony or job-related misdemeanor may be subject to any disciplinary action deemed appropriate, including dismissal.

➔Section 13. KRS 151B.055 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

- (1) All certified and equivalent employees who previously held merit status under KRS Chapter 18A shall become continuing status employees in the Office of Career and Technical Education.
- (2) Prior to dismissal, an employee with continuing status shall be notified in writing of the intent to dismiss. The notice shall also state:
  - (a) The specific reasons for dismissal including:
    1. The statutory or regulatory violation;
    2. The specific action or activity on which the intent to dismiss is based;
    3. The date, time, and place of the action or activity; and
    4. The name of the parties involved; and

- (b) That the employee has the right to appear personally, or with counsel if counsel has been retained, to reply to the appointing authority or a designee.
- (3) The Office of Career and Technical Education shall prescribe and distribute a form to be completed and forwarded by an employee who wishes to appear before the appointing authority or a designee. The form shall be attached to every notice of intent to dismiss, and shall contain written instructions explaining:
  - (a) The right granted an employee under the provisions of this section relating to pretermination hearings; and
  - (b) The time limits and procedures to be followed by all parties in pretermination hearings.
- (4) No later than five (5) working days after receipt of the notice of intent to dismiss, excluding the day of receipt of notice, the employee may request to appear, personally or with counsel if counsel is retained, to reply to the appointing authority or a designee.
- (5) The appearance shall be held six (6) working days after receipt of an employee's request to appear before the appointing authority or a designee, excluding the day the employee's request is received, unless the employee and the appointing authority or a designee agree to a later date.
- (6) No later than five (5) working days after the employee appears before the appointing authority or a designee, excluding the day of the appearance, the appointing authority or a designee shall:
  - (a) Determine whether to dismiss the employee or to alter, modify, or rescind the intent to dismiss; and
  - (b) Notify the employee in writing of the decision.
- (7) If the appointing authority or a designee determines that the employee shall be dismissed, the employee shall be notified in writing of:
  - (a) The effective date of dismissal or other penalization;
  - (b) The specific reason for the action, including:
    - 1. The statutory or regulatory violation;
    - 2. The specific action or activity on which the dismissal is based;
    - 3. The date, time, and place of the action or activities; and
    - 4. The names of the parties involved; and
  - (c) That the employee may appeal the dismissal to the Kentucky Technical Education Personnel Board within thirty (30) days after receipt of this notification, excluding the day the notice is received.
- (8) A certified or equivalent employee with continuing status who is demoted or suspended shall be notified in writing of:
  - (a) The demotion or suspension;
  - (b) The effective date of the demotion or suspension;
  - (c) The specific reason for the action including:
    - 1. The statutory or regulatory violation;
    - 2. The specific action or activity on which the demotion or suspension is based;
    - 3. The date, time, and place of the action or activity; and
    - 4. The name of the parties involved; and
  - (d) That the employee has the right to appeal to the Kentucky Technical Education Personnel Board within thirty (30) days, excluding the day of receipt of notification.
- (9) Any employee or applicant for employment may appeal to the board on the grounds that the right to inspect or copy records, including preliminary and other supporting documentation, relating to the employee has been denied, abridged, or impeded. The board shall conduct a hearing to determine if the records related to the employee or applicant, and if the right to inspect or copy was denied, abridged, or impeded. If the board determines that the records related to the employee and that the right to inspect or copy the records has been denied, abridged, or impeded, the board shall order that the records be made available for inspection and copying.

- (10) Any certified, equivalent, or unclassified employee may appeal an action alleged to be based on discrimination due to race, color, religion, national origin, sex, disability, or age to the board. Nothing in this section shall be construed to preclude any employee from filing with the Kentucky Commission on Human Rights a complaint alleging discrimination on the basis of race, color, religion, national origin, sex, disability, or age in accordance with KRS Chapter 344.
- (11) (a) Appeals to the Kentucky Technical Education Personnel Board shall be in writing on an appeal form prescribed by the Office of Career and Technical Education. Appeal forms shall be available at the employee's place of work. The Office of Career and Technical Education shall be responsible for the distribution of the forms.
- (b) The appeal form shall be attached to any notice, or copy of the notice, of dismissal, demotion, suspension, involuntary transfer, or other penalization, or notice of any other action an employee may appeal under the provisions of this section.
- (c) Upon receipt of the appeal by the board, the appointing authority or a designee shall be notified, and the board shall schedule a hearing that shall be conducted in accordance with KRS Chapter 13B.
- (12) (a) Except as provided in this section, an appeal shall be decided by the board only after a hearing. The board shall not deny, reject, or sustain an appeal, or make any other determination relating to an appeal, except after a hearing is conducted pursuant to the provisions of this section and KRS Chapter 13B.
- (b) The board may deny a hearing to an employee who has failed to file an appeal over which the board has jurisdiction or within the time prescribed by this section and to an unclassified employee who has failed to state the cause for dismissal. The board shall notify the employee of its denial in writing and shall inform the employee of his or her right to appeal the denial under the provisions of *Section 14 of this Act* [KRS 151B.060].
- (c) Any investigation by the board of any matter related to an appeal filed by an employee shall be conducted only upon notice to the employee, the employee's counsel, and the appointing authority. All parties to the appeal shall have access to information produced by the investigations and the information shall be presented at the hearing. Any party to the hearing shall be permitted an adequate opportunity to rebut or comment upon the information.
- (13) Each appeal shall be decided individually, unless otherwise agreed by the parties and the board. The board shall not:
- (a) Employ class action procedures; or
- (b) Conduct test representative cases.
- (14) Board members shall abstain from public comment about a pending or impending proceeding before the board. This shall not prohibit board members from making public statements in the course of their official duties or from explaining for public information the procedures of the board.
- (15) (a) If the board finds that the action complained of was taken by the appointing authority or designee in violation of laws prohibiting favor for, or discrimination against, or bias with respect to political or religious opinions or affiliations or ethnic origin, or in violation of laws prohibiting discrimination because of the individual's sex, age, or disability, the appointing authority or designee shall immediately reinstate the employee to his or her former position or a position of like status and pay, without loss of pay for the period of penalization, or otherwise make the employee whole;
- (b) If the board finds that the action complained of was taken without just cause, the board shall order the immediate reinstatement of the employee to his or her former position or a position of like status and pay, without loss of pay for the period of penalization, or otherwise make the employee whole;
- (c) If the board finds that the action taken by the appointing authority was excessive or erroneous in view of all the surrounding circumstances, the board shall alter, modify, or rescind the disciplinary action; and
- (d) In all other cases, the board shall rescind the action taken or grant other relief to which the employee is entitled.
- (16) If a final order of the board is appealed, a court shall award reasonable attorney's fees to an employee who prevails by a final adjudication on the merits as provided by KRS 453.260. The award shall not include attorney's fees attributable to the hearing before the board.

➔Section 14. KRS 151B.060 is repealed and reenacted as a new section of KRS Chapter 156 to read as follows:

- (1) Any final order of the board either upholding or invalidating the dismissal, demotion, suspension, or other penalization of a certified, equivalent, or unclassified employee may be appealed either by the employee or by the appointing authority.
- (2) The party aggrieved may appeal the final order by filing a petition with the clerk of the Franklin Circuit Court in accordance with KRS Chapter 13B.
- (3) If the appeal is from an order upholding the dismissal, demotion, suspension, or other penalization, the burden of appearing and defending the action of the board shall be upon the appointing authority. If the appeal is from an order refusing to uphold the dismissal, demotion, suspension, or other penalization, the burden of appearing and defending the action of the board shall be upon the employee.

➔Section 15. KRS 151B.065 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

- (1) (a) When a certified, equivalent, or unclassified employee has been finally ordered reinstated without loss of pay, pursuant to the provisions of *Section 14 of this Act* ~~[KRS 151B.060]~~, the board shall forward a certified copy of the order to the *Department of Education* ~~[Office of Career and Technical Education]~~. The *department* ~~[office]~~ shall process proper payment to the employee for the period of suspension, the payment to be made out of the agency's appropriations. If no funds or insufficient funds are available in the agency's appropriations, then payment shall be made out of the judgments section of the general fund of the biennial state budget.
- (b) Gross moneys which are earned by the employee from other sources during the period of suspension shall set off against the gross sum due the employee, to the extent that the moneys were earned in a number of hours comparable to the length of time the employee would have worked in the previous job where dismissal occurred. The executive director of the Office of Career and Technical Education shall by regulation provide an administrative procedure for determining reasonable earnings to be set off.
- (c) All other deductions shall be deducted as required by law or by other state regulation.
- (2) (a) Both the employee's and employer's contributions to the Kentucky Teachers' Retirement System or the Kentucky Employees Retirement System shall be based upon the gross amount due the employee, before set-off or deduction, except for set-off caused by earnings on which employee and employer contributions to the Kentucky Teachers' Retirement System or the Kentucky Employees Retirement System have been paid.
- (b) Member and employer contributions paid into the system in which the employee participated after dismissal shall be transferred to the system in which the employee participated prior to illegal dismissal. In the event of a difference in member or employer contribution rates between the retirement system under which the member was covered prior to dismissal and the retirement system of participation before reinstatement by the board, the member and employer shall pay or receive a refund in order to adjust their respective contribution to the appropriate rate for the system under which the employee would have participated if dismissal had not occurred.

➔Section 16. KRS 151B.070 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

- (1) All certified and equivalent employees shall serve a one (1) year probationary period for renewal of limited status. An employee may be separated from the position or reduced in class during this initial probationary period and shall not have a right to appeal except as provided in *Section 13 of this Act* ~~[KRS 151B.055]~~. If the employee is separated from the position, notice in writing shall be received at least ten (10) working days prior to separation. A copy of the notification shall be forwarded to the commissioner. Unless the commissioner notifies the employee of separation prior to the end of the initial probationary period, the employee shall be eligible for renewable limited status. Limited status employees are subject to reemployment on an annual basis. Limited status employees may be dismissed without cause before the annual anniversary date.
- (2) After completion of the initial probationary period, the individual shall be considered on limited status until successful completion of the fourth year, at which time the employee may be placed on continuing status.
- (3) An employee who has been assigned continuing status may not be demoted, disciplined, or dismissed without cause except as provided by provisions in *Sections 1 to 31 of this Act* ~~[this chapter]~~.

- (4) An employee with continuing status who has been promoted shall serve a probationary period of one (1) year in the new position. During the period of promotional probation, the employee shall retain the rights and privileges granted by the provisions of *Sections 1 to 31 of this Act*~~[this chapter]~~ to continuing status employees.
- (5) During the promotional probationary period, the employee with continuing status may be reverted at the discretion of the appointing authority to a position in the class formerly held.
- (6) A continuing status employee who has been laid-off may return to a position with continuing status if an appropriate position is available.

➔Section 17. KRS 151B.075 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

- (1) The *commissioner of education*~~[executive director of the Office of Career and Technical Education]~~ shall adopt written evaluation procedures for all certified and equivalent employees *of the Office of Career and Technical Education*. The procedures shall be based upon recommendations received from a committee composed of equal numbers of teachers, counselors, and administrators *of the Office of Career and Technical Education*.
- (2) Evaluations shall be in writing. An evaluator shall follow all statutory and regulatory provisions for evaluation and shall present and explain all documentation affecting an employee's evaluation, as well as discuss every aspect of performance with the employee at each evaluation. The evaluator shall solicit the employee's opinions and suggestions and shall advise the employee of the measures needed to improve performance.
- (3) Each full-time employee who has completed initial probation, and each part-time employee who works over one hundred (100) hours each month and who has completed initial probation shall be evaluated.
- (4)
  - (a) The first-line supervisor of an employee shall be the evaluator, providing the period of supervision has been for a period of at least ninety (90) calendar days.
  - (b) If the evaluator has supervised an employee for at least ninety (90) calendar days and ceases to be the employee's first-line supervisor after such period of time, the evaluation of the employee shall be at least five (5) working days prior to the day when the responsibility for supervision ceases.
  - (c) If the first-line supervisor ceases to be the supervisor of an employee due to the suspension, demotion, or dismissal of the first-line supervisor, paragraph (b) of this subsection shall not apply.
  - (d) If the first-line supervisor ceases to be an employee's supervisor because the employee transfers, the first-line supervisor shall evaluate the employee prior to transfer, if the period of supervision of the employee is not less than ninety (90) calendar days prior to notification of transfer.
- (5) Teachers and administrators in the state-operated secondary area vocational education and technology centers shall be evaluated in the following categories and appropriate criteria for each category shall be described in the written evaluation procedure:
  - (a) School or classroom management, as appropriate;
  - (b) Job knowledge and skills;
  - (c) Instructional management;
  - (d) Employee conduct; and
  - (e) Professional responsibility.
- (6) All other certified and equivalent staff in the field and in the central office shall be evaluated in the following categories with appropriate criteria described in written evaluation procedures:
  - (a) Job knowledge and skills;
  - (b) Quality of work;
  - (c) Employee conduct; and
  - (d) Professional responsibility.
- (7) There shall be established by the *commissioner of education*~~[executive director]~~ an evaluation appeals procedure for certified or equivalent personnel in the Office of Career and Technical Education.

- (8) (a) Within five (5) working days of an evaluation, an employee may request reconsideration of the evaluation by the evaluator.
- (b) Within five (5) working days of the reconsideration, an employee may:
1. Submit a written response to any evaluation which shall be attached to the evaluation; and
  2. Submit a written request for reconsideration of any evaluation to the second-line supervisor.
- (c) No later than fifteen (15) working days after receipt of the request, the second-line supervisor shall inform the employee and the evaluator in writing of the decision after the second-line supervisor has:
1. Obtained written statements from both the employee and the evaluator; or
  2. Met with the employee and the evaluator; and
  3. Reviewed the evaluation process according to statutory or regulatory requirements as well as the ratings.
- (9) Within thirty (30) days after the employee has received the written decision of the second-line supervisor, the employee may appeal an evaluation to the next level. For the state-operated secondary area vocational education and technology centers, this appeal shall go to the ombudsman for mediation. If not resolved at this level, the employee may file an appeal with the appointing authority or designee ~~of the Office of Career and Technical Education~~ who shall make a final ruling. For other employees in the Office of Career and Technical Education, this appeal shall go to the appropriate office head and then to the appointing authority or designee.
- (10) If an employee receives an overall unsatisfactory evaluation rating on two (2) successive evaluations, the employee shall be:
- (a) Demoted to a position commensurate with abilities; or
  - (b) Terminated.

➔Section 18. KRS 151B.080 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

- (1) It shall be unlawful to coerce certified and equivalent employees who may be or who are subject to lay-off to resign or retire in lieu of lay-off. Dismissals shall comply with applicable statutes and lay-offs shall not be utilized as a method of dismissal.
- (2) In the same office, county, and job classification, temporary, emergency, limited status, and probationary employees shall be laid-off before permanent full-time or permanent part-time employees with continuing status. The Office of Career and Technical Education shall not transfer positions, including vacant positions, in order to circumvent the provisions of this section.
- (3) If two (2) or more employees subject to lay-off in a lay-off plan submitted to the **commissioner of education** ~~executive director~~ have the same qualifications and similar performance evaluations, the employee with the lesser seniority shall be laid-off first.
- (4) An employee who is laid-off shall be placed on a reemployment list for the class of position from which laid-off and for any class for which such employee is qualified.
- (5) For a period of three (3) years, laid-off employees shall be considered before any applicant from outside the Office of Career and Technical Education, except another laid-off employee with more seniority who is already on the list.
- (6) For a period of three (3) years, a laid-off employee shall not be removed from the list unless:
  - (a) The laid-off employee notifies the office in writing that he or she no longer wishes to be considered for a position on the list;
  - (b) Two (2) written offers of appointment are declined, the offers to be for a position of the same classification and salary, and located in the same county or contiguous counties, as the position from which laid-off;
  - (c) Two (2) written offers to schedule an interview are made and the laid-off employee fails to respond to a certified letter requesting the laid-off employee to schedule an interview within ten (10) working days;
  - (d) The laid-off employee fails to report for an interview after notification in writing at least ten (10) calendar days prior to the date of the interview;

- (e) The laid-off employee cannot be located by postal authorities at the last address provided; or
  - (f) The laid-off employee has willfully violated the provisions of *Sections 1 to 31 of this Act*~~[this chapter]~~.
- (7) When a laid-off employee has accepted a bona fide offer of appointment to any position, effective on a specified date, the employee's name may be removed from the list for all classes for which the maximum salary is the same as or less than that of the class of appointment.
- (8) When a laid-off employee is removed from the reemployment list, the employee shall be notified in writing and shall be notified of the right to appeal to the board under provisions of *Section 13 of this Act*~~[KRS 151B.055]~~.

➔Section 19. KRS 151B.085 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

- (1) A lay-off of an employee with continuing status in the Office of Career and Technical Education due to the abolition of a position, lack of funds, or economic or employment trends resulting in a lack of work or a material change in duties or organization shall comply with the provisions of this section.
- (2) Prior to the notification of lay-off and prior to the lay-off of an employee, the *Department of Education*~~[office]~~ shall prepare a lay-off plan. The plan shall contain the name of the employee and the reasons, in detail, for the lay-off. Upon approval of the plan by the appointing authority or designee, the employee shall be notified of the pending lay-off, and of:
  - (a) The reason for the lay-off;
  - (b) The procedures established by the provisions of *Section 18 of this Act*~~[KRS 151B.080]~~ and this section for the lay-off of employees; and
  - (c) The rights granted employees subject to lay-off and to laid-off employees.
- (3) (a) An employee subject to lay-off shall be considered for a vacant position within the office of the same pay grade, level of duties, and responsibilities for which the employee is qualified.
  - (b) If a vacancy does not exist, the employee shall be considered for any vacant position within his office for which qualifications are held.
- (4) If no position is available to an employee subject to lay-off under the procedure established by subsection (3) of this section, the employee shall be notified of the layoff in writing at least thirty (30) days prior to implementation of the lay-off.

➔Section 20. KRS 151B.086 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

- (1) A continuing status employee may appeal his lay-off on the grounds that the procedures in *Section 19 of this Act*~~[KRS 151B.085]~~ were not followed.
- (2) An appeal filed by a continuing status employee shall be filed with the board within thirty (30) days of the effective date of the lay-off. The board shall hear any appeal filed by a continuing status employee within sixty (60) days of the filing date, and it shall render a final order within ninety (90) days of the filing date.

➔Section 21. KRS 151B.087 is repealed and reenacted as a new section of KRS Chapter 156 to read as follows:

- (1) A final order of the board either upholding or invalidating the lay-off of a continuing status employee may be appealed either by the employee or by the appointing authority.
- (2) The party aggrieved may appeal that order by filing a petition with the clerk of the Franklin Circuit Court in accordance with KRS Chapter 13B.

➔Section 22. KRS 151B.090 is repealed and reenacted as a new section of KRS Chapter 156 to read as follows:

- (1) No certified or equivalent employee shall be appointed or promoted to, or demoted or dismissed from, any position or in any way favored or discriminated against with respect to employment because of political or religious opinions or affiliations, ethnic origin, sex, disability, or age.
- (2) No person shall use or promise to use, directly or indirectly, any official authority to influence, whether possessed or anticipated, to secure or attempt to secure for any person an appointment or advantage in

appointment to a position requiring certification or equivalent, or an increase in pay or other advantage in employment in any such position, for the purpose of influencing the vote or political action of a person.

- (3) No certified or equivalent employee nor the commissioner shall directly or indirectly, pay or promise to pay any assessment for political purposes, or solicit or take any part in soliciting for any political party, or solicit or take any part in soliciting any political assessment, subscription, contribution, or service. No person shall solicit any political assessment, subscription, contribution, or service of any certified or equivalent employee.
- (4) No certified or equivalent employee shall be a member of any national, state, or local committee of a political party, or an officer or member of a committee of a partisan political club, or a candidate for nomination or election to any paid public office, or shall take part in the management or affairs of any political party or in any political campaign, except to exercise the right as a citizen privately to express an opinion and to cast a vote. Certified or equivalent employees may be candidates for and occupy a town or school district office if the office is one for which no compensation, other than a per diem payment, is provided and the election is on a nonpartisan basis.

➔Section 23. KRS 151B.097 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

- (1) The Kentucky Technical Education Personnel Board is hereby established to conduct personnel appeals from certified and equivalent employees in the Office of Career and Technical Education under **Sections 1 to 31 of this Act**~~[KRS Chapter 151B]~~. Appeals shall be conducted in accordance with the provisions established in KRS Chapter 13B. The board shall be attached to the **Department of Education**~~[Office of Career and Technical Education]~~ for administrative purposes.
- (2) The Kentucky Technical Education Personnel Board shall be composed of five (5) voting members, three (3) of whom shall be selected from employees~~[of agencies]~~ within the **Department of Education**~~[and Workforce Development Cabinet]~~, except no member shall be an employee within~~[the Office of the Secretary or]~~ the Office of Career and Technical Education. The remaining two (2) members shall be teachers employed by the Office of Career and Technical Education's Area Technology Centers. The election of the teacher representatives may be conducted by written ballot, Internet balloting, intranet balloting, or electronic mail. The teacher candidates may be present when the balloting is tallied. All votes cast shall be tallied by an independent entity.
  - (a) The Governor shall appoint the two (2) members elected by the teachers employed by the Office of Career and Technical Education's Area Technology Centers and the three (3) members selected from employees~~[of agencies]~~ within the **Department of Education**~~[and Workforce Development Cabinet]~~. All members shall be appointed by the Governor to four (4) year terms, and each term shall end on June 30 of the fourth year.
  - (b) Terms of new members or reappointed members shall begin on July 1 of the year beginning their term. If a vacancy occurs during a term, the Governor shall appoint a replacement to serve the remainder of the unexpired term within thirty (30) days of the vacancy. The Governor shall select a replacement from the group where the vacancy occurred. The manner of selection for the replacement shall be the same as the manner of the original selection.
  - (c)~~(b)~~ The members shall possess an understanding of the personnel system established in **Sections 1 to 31 of this Act**~~[KRS Chapter 151B]~~.
  - (d)~~(c)~~ A chair shall be elected annually by members of the board.
- (3) The board shall meet as necessary to comply with time frames for conducting personnel appeals under KRS Chapter 13B and **Sections 1 to 31 of this Act**~~[KRS Chapter 151B]~~, and at other times as deemed necessary by the chair of the board. For meetings of the board, a majority of the voting members shall be present to constitute a quorum for the transaction of business.
- (4) The Office of Career and Technical Education shall provide administrative, budgetary and support staff services for the board.
- (5) **Pursuant to KRS 156.010**, employees of the **Department of Education**~~[and Workforce Development Cabinet]~~ who serve as members of the board shall not receive additional salary for serving as members on the board. However, upon approval of the **commissioner of education**~~[executive director of the Office of Career and Technical Education]~~, board members shall be entitled to reimbursement of actual and necessary expenses incurred while performing their duties as an active member of the board.



- (6) During personnel appeals conducted by the board, both parties shall be given the opportunity to have a representative present at each step of the process.

➔Section 24. KRS 151B.112 is repealed and reenacted as a new section of KRS Chapter 156 to read as follows:

The Office of Career and Technical Education shall have the management and control of state-operated secondary area vocational education and technology centers, and all programs and services operated in these centers.

➔Section 25. KRS 151B.120 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

- (1) The vice president of the Kentucky Adult Education Program in the Council on Postsecondary Education and the *commissioner of education*~~[executive director of the Office of Career and Technical Education]~~ may enter into agreements to train workers for new manufacturing jobs in new or expanding industries characterized by one (1) or more of the following criteria: a high average skill, a high average wage, rapid national growth, or jobs feasible and desirable for location in rural regions. Such agreements~~[shall be subject to review and approval by the secretary of the Education and Workforce Development Cabinet and]~~ shall not be subject to the requirements of KRS 45A.045 and KRS 45A.690 to 45A.725 when awarded on the basis of a detailed training plan approved by the appropriate agency head. Reimbursement to the industry shall be made upon submission of documents validating actual training expenditure not to exceed the amount approved by the training plan.
- (2) The vice president and the *commissioner of education*~~[executive director]~~ may approve authorization for his or her agency to enter into agreements with industries whereby the industry may be reimbursed directly for the following services:
  - (a) The cost of instructors' salaries when the instructor is an employee of the industry to be served;
  - (b) Cost of only those supplies, materials, and equipment used exclusively in the training program; and
  - (c) Cost of leasing a training facility should a vocational education school or the industrial plant not be available.

➔Section 26. KRS 151B.145 is repealed and reenacted as a new section of KRS Chapter 156 to read as follows:

This state accepts and agrees to comply with all the provisions of the Acts of Congress of the United States approved February 23, 1917, and all subsequent acts relating to vocational education, the purpose of which is to provide training, develop skills, abilities, understandings, attitudes, work habits, and appreciation, and to impart knowledge and information needed by workers to enter into and make progress in their chosen vocations. These training opportunities shall be provided for the young people who are enrolled in the regular day schools and, also, for out-of-school youth and adults, both employed and unemployed, who are in need of and can profit by vocational training.

➔Section 27. KRS 151B.150 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

The *Kentucky Board of Education*~~[executive director of the Office of Career and Technical Education]~~ is vested with the authority to carry out the purposes of the program of vocational education and the provisions of the Acts of Congress accepted by *Section 26 of this Act*~~[KRS 151B.145]~~, and is given all the necessary power and authority in promulgating administrative regulations and administering vocational education and carrying out the provisions of the acts relating thereto.

➔Section 28. KRS 151B.155 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

The State Treasurer is custodian of all money received by the state from the federal government under the federal acts accepted by *Section 26 of this Act*~~[KRS 151B.145]~~, and the State Treasurer shall collect the money and pay it out upon the order of the *commissioner of education*~~[secretary of the Education and Workforce Development Cabinet]~~.

➔Section 29. KRS 151B.165 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

Tuition and fees for secondary pupils enrolled in the state secondary area vocational education and technology centers operated by the Office of Career and Technical Education shall be free to all residents of Kentucky. The *Kentucky Board of Education*~~[executive director of the Office of Career and Technical Education]~~ shall fix the rate of tuition and fees for adults who are enrolled in secondary programs in the state-operated area vocational education

and technology centers under its control. Adult students enrolled in full-time postsecondary programs under the jurisdiction of the Kentucky Community and Technical College System that are physically located in an area vocational education or technology center shall pay the tuition as established by the Council on Postsecondary Education and fees as established by the board of regents for the Kentucky Community and Technical College System.

➔Section 30. KRS 151B.170 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

The *commissioner of education*~~{executive director of the Office of Career and Technical Education}~~ may provide liability insurance for licensed and nonlicensed motor vehicles owned or operated by the Office of Career and Technical Education in vocational schools and centers. If the transportation of members of the student bodies is let out under contract, the contract shall require the contractor to carry an indemnity bond or liability insurance against negligence in such amounts as the *commissioner of education*~~{executive director of the Office of Career and Technical Education}~~ designates. In either case, the indemnity bond or insurance policy shall be issued by a surety or insurance company authorized to transact business in this state, and shall bind the company to pay any final judgment not to exceed the limits of the policy rendered against the insured for loss or damage to property of any student or other person, or death or injury of any student or other person.

➔Section 31. KRS 151B.175 is repealed, reenacted as a new section of KRS Chapter 156, and amended to read as follows:

- (1) The *Kentucky Board of Education*~~{executive director of the Office of Career and Technical Education}~~ is authorized to provide medical and accident insurance for students enrolled in the state secondary area technology centers and area vocational education centers. The *Department of Education*~~{Office of Career and Technical Education}~~ may enter into a contract or contracts with one (1) or more sureties or insurance companies or their agents to provide appropriate medical and accident insurance coverage and to provide group coverage to all students enrolled in state-operated schools under its jurisdiction. The appropriate group coverage shall be issued by one (1) or more sureties or insurance companies authorized to transact business in this state, and such coverage shall be approved by the commissioner of insurance.
- (2) The *Kentucky Board of Education*~~{executive director of the Office of Career and Technical Education}~~ shall promulgate administrative regulations to implement the medical and accident insurance program. The *Kentucky Board of Education*~~{executive director of the Office of Career and Technical Education}~~ may fix the rate of fees for all secondary students, the provisions of *Section 29 of this Act*~~{KRS 151B.165}~~ with respect to fees for secondary students notwithstanding, as he or she deems necessary to meet the expense in whole or in part for appropriate student medical and accident insurance.
- (3) The limits of liability and other appropriate provisions for student medical and accident insurance authorized by this section shall be set by the *Kentucky Board of Education*~~{executive director of the Office of Career and Technical Education}~~.

➔Section 32. KRS 151B.125 is repealed and reenacted as a new section of KRS Chapter 164 to read as follows:

- (1) For purposes of any public employment, a high school equivalency diploma or a regular high school diploma obtained through participation in the external diploma program shall be considered equal to a high school diploma issued under the provisions of KRS 158.140.
  - (a) A high school equivalency diploma shall be issued without charge upon successfully passing the test given by the Kentucky Adult Education Program's approved testing centers in conformance with requirements of the General Educational Development Testing Service of the American Council on Education. A fee may be assessed by the Kentucky Adult Education Program for the issuance of a duplicate high school equivalency diploma and for issuance of a duplicate score report. All fees collected for duplicate diplomas and score reports shall be used to support the adult education program.
  - (b) As an alternative to receiving a high school equivalency diploma, persons who are twenty-five (25) years or older may obtain a high school diploma through participation in the external diploma program. The diploma shall be issued upon achieving one hundred percent (100%) mastery on the competencies established by the American Council on Education. The Kentucky Adult Education Program may enter into agreements with local school districts to confer the high school diploma on successful participants in the external diploma program.

- (2) The Kentucky Adult Education Program is authorized to contract annually with an institution of higher education or other appropriate agency or entity for scoring the GED examination essay.

➔Section 33. KRS 151B.127 is repealed and reenacted as a new section of KRS Chapter 164 to read as follows:

The General Assembly recognizes the critical condition of the educational level of Kentucky's adult population and seeks to stimulate the attendance at, and successful completion of, programs that provide a high school equivalency diploma. Incentives shall be provided to full-time employees who complete a high school equivalency diploma program within one (1) year and their employers. For purposes of this section "equivalent diploma" means a high school equivalency diploma issued after successful completion of the General Educational Development tests.

- (1) The Kentucky Adult Education Program within the Council on Postsecondary Education shall promulgate administrative regulations to establish the operational procedures for this section. The administrative regulations shall include but not be limited to the criteria for:
- (a) A learning contract that includes the process to develop a learning contract between the student and the adult education instructor with the employer's agreement to participate and support the student;
  - (b) Attendance reports that validate that the student is studying for the high school equivalency diploma during the release time from work;
  - (c) Final reports that qualify the student for the tuition discounts under subsection (2)(a) of this section and that qualify the employer for tax credits under subsection (3) of the section.
- (2) (a) An individual who has been out of secondary school for at least three (3) years, develops and successfully completes a learning contract that requires a minimum of five (5) hours per week to study for the high school equivalency diploma tests, and passes the tests shall earn a tuition discount of two hundred fifty dollars (\$250) per semester for a maximum of four (4) semesters at one (1) of Kentucky's public postsecondary institutions.
- (b) The program shall work with the postsecondary institutions to establish notification procedures for students who qualify for the tuition discount.
- (3) An employer who assists an individual to complete his or her learning contract under the provisions of this section shall receive a state tax credit against the income tax imposed by KRS 141.020 or 141.040, and the limited liability entity tax imposed by KRS 141.0401, with credit ordering as provided in KRS 141.0205 for a portion of the released time given to the employee to study for the tests. The application for the tax credit shall be supported with attendance documentation provided by the Kentucky Adult Education Program and calculated by multiplying fifty percent (50%) of the hours released for study by the student's hourly salary, and not to exceed a credit of one thousand two hundred fifty dollars (\$1250).

➔Section 34. KRS 151B.130 is repealed, reenacted as a new section of KRS Chapter 164, and amended to read as follows:

- (1) There is hereby established a nonprofit foundation to be known as the "Foundation for Adult Education." The purpose of the foundation shall be to supplement public funding for adult training in order to expand existing basic skills training programs.
- (2) Funding for the foundation shall be obtained through contributions by the private sector. The foundation shall be empowered to solicit and accept funds from the private sector to be used for grants to local education agencies to fund adult basic education programs especially designed for business and industry. Contributors may specify that contributed funds be used to improve the educational level of their employees as it relates to the GED instruction program.
- (3) The foundation shall be governed by a board of trustees to be appointed by the *President of the Council on Postsecondary Education* ~~secretary of the Education and Workforce Development Cabinet~~ with responsibility for adult education programs based on recommendations from business, industry, labor, education, and interested citizens. Staff for the board of trustees shall be provided by the *council* ~~cabinet~~.
- (4) The foundation shall be attached to the office of the president of the Council on Postsecondary Education for administrative purposes.

➔Section 35. KRS 151B.410 is repealed and reenacted as a new section of KRS Chapter 164 to read as follows:

- (1) The Kentucky Adult Education Program shall promulgate necessary administrative regulations and administer a statewide adult education and literacy system throughout the state. The adult education and literacy system shall include diverse educational services provided by credentialed professionals, based on the learners' current needs and a commitment to lifelong learning.
  - (a) Services shall be provided at multiple sites appropriate for adult learning, including vocational and technical colleges, community colleges, comprehensive universities, adult education centers, public schools, libraries, family resource centers, adult correctional facilities, other institutions, and through the Kentucky Commonwealth Virtual University. Services shall be targeted to communities with the greatest need based on the number of adults at literacy levels I and II as defined by the 1997 Kentucky Adult Literacy Survey and other indicators of need.
  - (b) Access and referral services shall be initiated at multiple points including businesses, educational institutions, labor organizations, employment offices, and government offices.
  - (c) Multiple funding sources, program support, and partnerships to administer the adult education and literacy system may include student scholarship and grants; fees for services rendered; and other general, agency, local, state, federal, and private funds.
- (2) Services included as part of the adult education and literacy system shall include but not be limited to functionally-contexted workplace essential skills training based on employers' needs, leading to a competency-based certificate indicating proficiency in critical thinking, computing, reading, writing, communicating, problem-solving, team-building, and use of technology at various worksites regarding basic skills.
- (3) In administering an adult education and literacy system, the Kentucky Adult Education Program shall:
  - (a) Assist providers with the development of quality job-specific and workplace essential skills instruction for workers in business and industry, literacy and adult basic education, adult secondary education, including high school equivalency diploma preparation, the external diploma program, English as a second language, and family literacy programs, in cooperation with local business, labor, economic development, educational, employment, and service support entities;
  - (b) Provide assessments of each student's skill and competency level allowing assessments to be shared with other educational and employment entities when necessary for providing additional educational programs, taking into consideration student confidentiality;
  - (c) Assist adult educators to meet professional standards;
  - (d) Create an awareness program in cooperation with the Administrative Office of the Courts to ensure that District and Circuit Court Judges are aware of the provisions of KRS 533.200 and the methods to access adult education and literacy programs for persons sentenced under the statute;
  - (e) Develop administrative regulations including those for business and industry service participation and mechanisms for service funding through all appropriate federal, state, local, and private resources;
  - (f) Require and monitor compliance with the program's administrative regulations and policies; and
  - (g) Develop and implement performance measures and benchmarks.

➔ Section 36. KRS 164.007 is amended to read as follows:

As used in *Sections 32 to 35 of this Act* [KRS 151B.400 to 151B.410], unless the context indicates otherwise:

- (1) "Adult education" means, for programs funded under the Federal Workforce Investment Act of 1998, services or instruction below the postsecondary level for individuals:
  - (a) Who have attained the age of sixteen (16) years of age;
  - (b) Who are not enrolled or required to be enrolled in secondary school under state law; and
  - (c) Who:
    1. Lack sufficient mastery of basic educational skills to enable the individuals to function effectively in society;
    2. Are unable to speak, read, or write the English language; or
    3. Do not have a secondary school diploma or its recognized equivalent, and have not achieved an equivalent level of education;

- (2) "Family literacy services" means services that are of sufficient intensity in terms of hours, and of sufficient duration, to assist a family to make sustainable increases in its literacy level, and integrate the activities described in KRS 158.360; and
- (3) "Literacy" means an individual's ability to read, write, and speak in English and compute and solve problems at levels of proficiency necessary to function on the job and in society to achieve one's goals and develop one's knowledge and potential.

➔Section 37. 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. Auditor of Public Accounts.

II. Program cabinets headed by appointed officers:

- 1. Justice and Public Safety Cabinet:
  - (a) Department of Kentucky State Police.
  - (b) Department of Criminal Justice Training.
  - (c) Department of Corrections.
  - (d) Department of Juvenile Justice.
  - (e) Office of the Secretary.
  - (f) Office of Drug Control Policy.
  - (g) Office of Legal Services.
  - (h) Office of the Kentucky State Medical Examiner.
  - (i) Parole Board.
  - (j) Kentucky State Corrections Commission.

- (k) Office of Legislative and Intergovernmental Services.
  - (l) Office of Management and Administrative Services.
  - (m) Office of Investigations.
  - (n) Department for Public Advocacy.
2. Education and Workforce Development Cabinet:
- (a) Office of the Secretary.
    - 1. Governor's Scholars Program.
  - (b) Office of Legal and Legislative Services.
    - 1. Client Assistance Program.
  - (c) Office of Communication.
  - (d) Office of Budget and Administration.
    - 1. Division of Human Resources.
    - 2. Division of Administrative Services.
    - 3. Division of Technology Services.
  - (e) Office of Educational Programs.
  - (f) Board of Directors for the Center for School Safety.
  - (g) Council on Postsecondary Education.
    - 1. Foundation for Adult Education.
  - (h) Department of Education.
    - 1. Kentucky Board of Education.
    - 2. ***Kentucky Technical Education Personnel Board.***
  - (i) Department for Libraries and Archives.
  - (j) Department of Workforce Investment.
    - 1. Office for the Blind.
    - 2. Office of Vocational Rehabilitation.
    - 3. ~~Office of Career and Technical Education.~~
    - 4. Office of Employment and Training.
  - (k) Foundation for Workforce Development.
  - (l) Kentucky Office for the Blind State Rehabilitation Council.
  - (m) ~~Kentucky Technical Education Personnel Board.~~
  - ~~(n)~~ Kentucky Workforce Investment Board.
  - ~~(n)~~~~(o)~~ Statewide Council for Vocational Rehabilitation.
  - ~~(o)~~~~(p)~~ Statewide Independent Living Council.
  - ~~(p)~~~~(q)~~ Unemployment Insurance Commission.
  - ~~(q)~~~~(r)~~ Education Professional Standards Board.
    - 1. Division of Educator Preparation.
    - 2. Division of Certification.
    - 3. Division of Professional Learning and Assessment.
    - 4. Division of Legal Services.

- (r)~~(s)~~ Kentucky Commission on the Deaf and Hard of Hearing.
  - (s)~~(t)~~ Kentucky Educational Television.
  - (t)~~(u)~~ Kentucky Environmental Education Council.
3. Energy and Environment Cabinet:
- (a) Office of the Secretary.
    - 1. Office of Legislative and Intergovernmental Affairs.
    - 2. Office of General Counsel.
      - a. Environmental Protection Legal Division.
    - 3. Office of Administrative Hearings.
    - 4. Mine Safety Review Commission.
    - 5. Kentucky State Nature Preserves Commission.
    - 6. Kentucky Environmental Quality Commission.
    - 7. Kentucky Public Service Commission.
  - (b) Department for Environmental Protection.
    - 1. Office of the Commissioner.
    - 2. Division for Air Quality.
    - 3. Division of Water.
    - 4. Division of Environmental Program Support.
    - 5. Division of Waste Management.
    - 6. Division of Enforcement.
    - 7. Division of Compliance Assistance.
  - (c) Department for Natural Resources.
    - 1. Office of the Commissioner.
    - 2. Division of Technical and Administrative Support.
    - 3. Division of Mine Permits.
    - 4. Division of Mine Reclamation and Enforcement.
    - 5. Division of Abandoned Mine Lands.
    - 6. Division of Oil and Gas.
    - 7. Office of Mine Safety and Licensing.
    - 8. Division of Forestry.
    - 9. Division of Conservation.
  - (d) Department for Energy Development and Independence.
    - 1. Division of Efficiency and Conservation.
    - 2. Division of Renewable Energy.
    - 3. Division of Biofuels.
    - 4. Division of Energy Generation Transmission and Distribution.
    - 5. Division of Carbon Management.
    - 6. Division of Fossil Energy Development.
4. Public Protection Cabinet.

- (a) Office of the Secretary.
  - 1. Office of Communications and Public Outreach.
  - 2. Office of Legal Services.
    - a. Insurance Legal Division.
    - b. Charitable Gaming Legal Division.
    - c. Alcoholic Beverage Control Legal Division.
    - d. Housing, Buildings and Construction Legal Division.
    - e. Financial Institutions Legal Division.
- (b) Crime Victims Compensation Board.
- (c) Board of Claims.
- (d) Kentucky Board of Tax Appeals.
- (e) Kentucky Boxing and Wrestling Authority.
- (f) Kentucky Horse Racing Commission.
  - 1. Division of Licensing.
  - 2. Division of Incentives and Development.
  - 3. Division of Veterinary Services.
  - 4. Division of Security and Enforcement.
- (g) Department of Alcoholic Beverage Control.
  - 1. Division of Distilled Spirits.
  - 2. Division of Malt Beverages.
  - 3. Division of Enforcement.
- (h) Department of Charitable Gaming.
  - 1. Division of Licensing and Compliance.
  - 2. Division of Enforcement.
- (i) Department of Financial Institutions.
  - 1. Division of Depository Institutions.
  - 2. Division of Non-Depository Institutions.
  - 3. Division of Securities.
- (j) Department of Housing, Buildings and Construction.
  - 1. Division of Fire Prevention.
  - 2. Division of Plumbing.
  - 3. Division of Heating, Ventilation, and Air Conditioning.
  - 4. Division of Building Code Enforcement.
- (k) Department of Insurance.
  - 1. Property and Casualty Division.
  - 2. Health and Life Division.
  - 3. Division of Financial Standards and Examination.
  - 4. Division of Agent Licensing.
  - 5. Division of Insurance Fraud Investigation.



6. Consumer Protection Division.
7. Division of Kentucky Access.
- (l) Office of Occupations and Professions.
5. Labor Cabinet.
  - (a) Office of the Secretary.
    1. Division of Management Services.
    2. Office of General Counsel.
  - (b) Office of General Administration and Program Support for Shared Services.
    1. Division of Human Resource Management.
    2. Division of Fiscal Management.
    3. Division of Budgets.
    4. Division of Information Services.
  - (c) Office of Inspector General for Shared Services.
  - (d) Department of Workplace Standards.
    1. Division of Employment Standards, Apprenticeship, and Mediation.
    2. Division of Occupational Safety and Health Compliance.
    3. Division of Occupational Safety and Health Education and Training.
    4. Division of Workers' Compensation Funds.
  - (e) Department of Workers' Claims.
    1. Office of General Counsel for Workers' Claims.
    2. Office of Administrative Law Judges.
    3. Division of Claims Processing.
    4. Division of Security and Compliance.
    5. Division of Information and Research.
    6. Division of Ombudsman and Workers' Compensation Specialist Services.
    7. Workers' Compensation Board.
    8. Workers' Compensation Advisory Council.
    9. Workers' Compensation Nominating Commission.
  - (f) Workers' Compensation Funding Commission.
  - (g) Kentucky Labor-Management Advisory Council.
  - (h) Occupational Safety and Health Standards Board.
  - (i) Prevailing Wage Review Board.
  - (j) Apprenticeship and Training Council.
  - (k) State Labor Relations Board.
  - (l) Employers' Mutual Insurance Authority.
  - (m) Kentucky Occupational Safety and Health Review Commission.
6. Transportation Cabinet:
  - (a) Department of Highways.
    1. Office of Project Development.

2. Office of Project Delivery and Preservation.
  3. Office of Highway Safety.
  4. Highway District Offices One through Twelve.
  - (b) Department of Vehicle Regulation.
  - (c) Department of Aviation.
  - (d) Department of Rural and Municipal Aid.
    1. Office of Local Programs.
    2. Office of Rural and Secondary Roads.
  - (e) Office of the Secretary.
    1. Office of Public Affairs.
    2. Office for Civil Rights and Small Business Development.
    3. Office of Budget and Fiscal Management.
    4. Office of Inspector General.
  - (f) Office of Support Services.
  - (g) Office of Transportation Delivery.
  - (h) Office of Audits.
  - (i) Office of Human Resource Management.
  - (j) Office of Information Technology.
  - (k) Office of Legal Services.
7. Cabinet for Economic Development:
- (a) Office of Administration and Support.
  - (b) Department for New Business Development.
  - (c) Department of Financial Incentives.
  - (d) Department for Existing Business Development.
  - (e) Tobacco Research Board.
  - (f) Kentucky Economic Development Finance Authority.
  - (g) Office of Research and Information Technology.
  - (h) Department of Commercialization and Innovation.
  - (i) Office of Legal Services.
  - (j) Commission on Small Business Advocacy.
8. Cabinet for Health and Family Services:
- (a) Office of the Secretary.
  - (b) Office of Health Policy.
  - (c) Office of Legal Services.
  - (d) Office of Inspector General.
  - (e) Office of Communications and Administrative Review.
  - (f) Office of the Ombudsman.
  - (g) Office of Policy and Budget.
  - (h) Office of Human Resource Management.

- (i) Office of Administrative and Technology Services.
  - (j) Department for Public Health.
  - (k) Department for Medicaid Services.
  - (l) Department for Behavioral Health, Developmental and Intellectual Disabilities.
  - (m) Department for Aging and Independent Living.
  - (n) Department for Community Based Services.
  - (o) Department for Income Support.
  - (p) Department for Family Resource Centers and Volunteer Services.
  - (q) Kentucky Commission on Community Volunteerism and Service.
  - (r) Kentucky Commission for Children with Special Health Care Needs.
  - (s) Governor's Office of Electronic Health Information.
9. Finance and Administration Cabinet:
- (a) Office of General Counsel.
  - (b) Office of the Controller.
  - (c) Office of Administrative Services.
  - (d) Office of Public Information.
  - (e) Office of Policy and Audit.
  - (f) Department for Facilities and Support Services.
  - (g) Department of Revenue.
  - (h) Commonwealth Office of Technology.
  - (i) State Property and Buildings Commission.
  - (j) Office of Equal Employment Opportunity and Contract Compliance.
  - (k) Kentucky Employees Retirement Systems.
  - (l) Commonwealth Credit Union.
  - (m) State Investment Commission.
  - (n) Kentucky Housing Corporation.
  - (o) Kentucky Local Correctional Facilities Construction Authority.
  - (p) Kentucky Turnpike Authority.
  - (q) Historic Properties Advisory Commission.
  - (r) Kentucky Tobacco Settlement Trust Corporation.
  - (s) Kentucky Higher Education Assistance Authority.
  - (t) Kentucky River Authority.
  - (u) Kentucky Teachers' Retirement System Board of Trustees.
  - (v) Executive Branch Ethics Commission.
10. Tourism, Arts and Heritage Cabinet:
- (a) Kentucky Department of Travel and Tourism.
    - (1) Division of Tourism Services.
    - (2) Division of Marketing and Administration.
    - (3) Division of Communications and Promotions.

- (b) Kentucky Department of Parks.
  - (1) Division of Information Technology.
  - (2) Division of Human Resources.
  - (3) Division of Financial Operations.
  - (4) Division of Facilities Management.
  - (5) Division of Facilities Maintenance.
  - (6) Division of Customer Services.
  - (7) Division of Recreation.
  - (8) Division of Golf Courses.
  - (9) Division of Food Services.
  - (10) Division of Rangers.
  - (11) Division of Resort Parks.
  - (12) Division of Recreational Parks and Historic Sites.
- (c) Department of Fish and Wildlife Resources.
  - (1) Division of Law Enforcement.
  - (2) Division of Administrative Services.
  - (3) Division of Engineering.
  - (4) Division of Fisheries.
  - (5) Division of Information and Education.
  - (6) Division of Wildlife.
  - (7) Division of Public Affairs.
- (d) Kentucky Horse Park.
  - (1) Division of Support Services.
  - (2) Division of Buildings and Grounds.
  - (3) Division of Operational Services.
- (e) Kentucky State Fair Board.
  - (1) Office of Administrative and Information Technology Services.
  - (2) Office of Human Resources and Access Control.
  - (3) Division of Expositions.
  - (4) Division of Kentucky Exposition Center Operations.
  - (5) Division of Kentucky International Convention Center.
  - (6) Division of Public Relations and Media.
  - (7) Division of Venue Services.
  - (8) Division of Personnel Management and Staff Development.
  - (9) Division of Sales.
  - (10) Division of Security and Traffic Control.
  - (11) Division of Information Technology.
  - (12) Division of the Louisville Arena.
  - (13) Division of Fiscal and Contract Management.

- (14) Division of Access Control.
  - (f) Office of the Secretary.
    - (1) Office of Finance.
    - (2) Office of Research and Administration.
    - (3) Office of Governmental Relations and Tourism Development.
    - (4) Office of the Sports Authority.
    - (5) Kentucky Sports Authority.
  - (g) Office of Legal Affairs.
  - (h) Office of Human Resources.
  - (i) Office of Public Affairs and Constituent Services.
  - (j) Office of Creative Services.
  - (k) Office of Capital Plaza Operations.
  - (l) Office of Arts and Cultural Heritage.
  - (m) Kentucky African-American Heritage Commission.
  - (n) Kentucky Foundation for the Arts.
  - (o) Kentucky Humanities Council.
  - (p) Kentucky Heritage Council.
  - (q) Kentucky Arts Council.
  - (r) Kentucky Historical Society.
    - (1) Division of Museums.
    - (2) Division of Oral History and Educational Outreach.
    - (3) Division of Research and Publications.
    - (4) Division of Administration.
  - (s) Kentucky Center for the Arts.
    - (1) Division of Governor's School for the Arts.
  - (t) Kentucky Artisans Center at Berea.
  - (u) Northern Kentucky Convention Center.
  - (v) Eastern Kentucky Exposition Center.
11. Personnel Cabinet:
- (a) Office of the Secretary.
  - (b) Department of Human Resources Administration.
  - (c) Office of Employee Relations.
  - (d) Kentucky Public Employees Deferred Compensation Authority.
  - (e) Office of Administrative Services.
  - (f) Office of Legal Services.
  - (g) Governmental Services Center.
  - (h) Department of Employee Insurance.
  - (i) Office of Diversity and Equality.
  - (j) Center of Strategic Innovation.

## III. Other departments headed by appointed officers:

1. Department of Military Affairs.
2. Department for Local Government.
3. Kentucky Commission on Human Rights.
4. Kentucky Commission on Women.
5. Department of Veterans' Affairs.
6. Kentucky Commission on Military Affairs.
7. Office of Minority Empowerment.
8. Governor's Council on Wellness and Physical Activity.

➔Section 38. KRS 151B.020 is amended to read as follows:

- (1) The Education and Workforce Development Cabinet 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, units listed in KRS 12.020, 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 of Workforce Investment, which is hereby created and established within the Education and Workforce Development Cabinet. The department shall be directed and managed by a commissioner who shall be appointed by the Governor under the provisions of KRS 12.040, and who shall report to the secretary of the Education and Workforce Development Cabinet. The department shall be composed of the following offices:
    1. ~~1. The Office of Career and Technical Education, which is created by KRS 151B.025;~~
    2. ~~2. The Office of Vocational Rehabilitation, which is created by KRS 151B.185;~~
    2. ~~3. The Office for the Blind established by KRS 163.470; and~~
    3. ~~4. The Office of Employment and Training, which is created by KRS 151B.280. ~~4.~~~~
  - (b) ~~1. The Kentucky Technical Education Personnel Board established in KRS 151B.097; and~~
  - ~~2. The Unemployment Insurance Commission established by KRS 341.110.~~
- (3) The executive officer of the cabinet shall be the secretary of the Education and Workforce Development Cabinet. The secretary shall be appointed by the Governor pursuant to KRS 12.255 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. secs. 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. secs. 9201 et seq.
- (4) The secretary of the Education and Workforce Development Cabinet and the secretary's 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 Education and Workforce Development Cabinet may delegate any duties of the secretary's office to employees of the cabinet as he or she deems necessary and appropriate, unless otherwise prohibited by statute.
- (6) The secretary of the Education and Workforce Development Cabinet 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 except for programs and federal funds within the authority of the Council on Postsecondary Education, the Department of Education, the Kentucky Board of Education, and the Education Professional Standards Board.

➔Section 39. KRS 157.069 is amended to read as follows:

- (1) As used in this section:
  - (a) "Secondary area technology center" or "secondary area center" means a school facility dedicated to the primary purpose of offering five (5) or more technical preparation programs that lead to skill development focused on specific occupational areas. An area center may be called a "magnet technology center" or "career center" or may be assigned another working title by the parent agency. An area center may be either state or locally operated; and
  - (b) "Vocational department" means a portion of a school facility that has five (5) or more technical preparation programs that lead to skill development focused on specific occupational areas.
- (2) The Kentucky Department of Education shall distribute all general funds designated for locally operated secondary area centers and vocational departments, which have been receiving state supplemental funds prior to June 21, 2001, by a weighted formula, specified in an administrative regulation promulgated by the Kentucky Board of Education. The formula shall take into account the differences in cost of operating specific programs. The commissioner of *education shall determine*~~[the Kentucky Department of Education and the executive director of the Office of Career and Technical Education shall formally agree upon]~~ programs to be assigned to categories based on the descriptions found in paragraphs (a) to (c) of this subsection. Programs in Categories III and II shall be eligible for funding.
  - (a) Category III--High-cost technical programs: Programs in which students develop highly technical skills in specific occupational areas and that require high-cost equipment, materials, and facilities. This category may include selected industrial technology Level III programs as defined by the *Department of Education*~~[Office of Career and Technical Education]~~ and programs in other occupational areas as deemed appropriate~~[by both agencies]~~;
  - (b) Category II--Technical skill programs: Programs in which students develop technical skills focused in occupational areas and that require technical equipment but high-cost equipment, facilities, or materials are not necessary to operate the programs. This category may include selected industrial technology Level III programs as defined by the *Department of Education*~~[Office of Career and Technical Education]~~ and programs in other occupational areas as deemed appropriate~~[by both agencies]~~; and
  - (c) Category I--Orientation and career exploration programs: Programs that provide orientation and exploration of broad-based industries by giving students knowledge and experience regarding careers within these industries and develop some exploratory or hands-on skills used in the industry.

Notwithstanding paragraphs (a) and (b) of subsection (1) of this section, the Department of Education shall approve the combining of eligible secondary vocational programs into a single vocational department for purposes of funding for a school district that has been receiving state supplemental funds and has distributed its vocational programs, previously located in area centers, among magnet career academies.

- (3) For calculation purposes and after categorizing the programs as described in subsection (2) of this section, a weight shall be applied as a percentage of the base guarantee per pupil in average daily attendance as defined by KRS 157.320 under the Support Education Excellence in Kentucky Program, which shall be applied to full-time equivalent students in Categories II and III. Category I programs shall receive no weight. The full-time equivalent students shall be calculated on the basis of the total program enrollment divided by the length of the class period divided by six (6).

➔Section 40. KRS 157.395 is amended to read as follows:

- (1) Notwithstanding any other statute to the contrary, a public school teacher, or a secondary teacher employed in a Kentucky Tech school or *career and technical education* program operated by the *Department of Education*~~[and Workforce Development Cabinet]~~, who has attained certification from the National Board for Professional Teaching Standards as of July 14, 2000, or thereafter shall receive an annual national board certification salary supplement of two thousand dollars (\$2,000) for the life of the certificate. The supplement shall be added to:

- (a) The teacher's base salary on the local board's single salary schedule and shall be considered in the calculation for contributions to the Kentucky Teachers' Retirement System; or
- (b) The state-employed teacher's base salary and shall be considered in the calculation for contributions to the Kentucky Teachers' Retirement System.

If a nationally certified teacher becomes no longer employed as a classroom teacher or a teacher mentor in the field of his or her national certification, the supplement shall cease.

- (2) A local board of education or the *Department of Education* ~~and Workforce Development Cabinet~~ shall request reimbursement for these purposes from the fund to support education excellence described in KRS 157.330.

➔Section 41. KRS 158.808 is amended to read as follows:

- (1) Subject to the availability of funds, the ~~Kentucky~~ Department of Education ~~and the Department for Workforce Investment~~ shall establish an energy technology career track program. The purpose of the program is to provide grants to school districts to develop and implement an energy technology engineering career track across middle and high schools within the district. Program components may include but not be limited to career exploration and counseling, strategies to increase the rigor of instruction in pertinent core content areas, strategies to link core content to an energy technology career focus, professional development for teachers, and cooperative learning opportunities with industry and postsecondary institutions.
- (2) The Kentucky Board of Education shall promulgate administrative regulations for the administration of the energy technology career track program. The ~~Kentucky~~ Department of Education shall administer the program, approve grant recipients, and distribute the funds to local school districts.

➔Section 42. KRS 158.814 is amended to read as follows:

- (1) In order to ensure that high-quality, relevant secondary career and technical programs are available to students in all school districts that enable them to gain the academic and technical skills to meet high school graduation requirements and for successful transition to postsecondary education, work, or the military and to support present-day and future needs of Kentucky employers, the ~~Kentucky~~ Department of Education ~~and the Office of Career and Technical Education~~ shall ~~jointly~~:
  - (a) Review and revise as needed the equipment and facilities standards for each career and technical education program identified and described in the career and technical education supplement to the Kentucky program of studies and published by the ~~Kentucky~~ Department of Education; and
  - (b) Determine the statewide unmet needs for career and technical education capital projects, including renovations and expansions of existing facilities and the construction of new technology centers, through a needs assessment process. This process shall be tied to specific criteria in determining if the current programs or career pathways offered in locally and state-operated facilities are appropriate for the students in the school districts served as well as for determining if new programs are needed. The statewide assessment of capital needs for career and technical education shall be incorporated into the local school district facility plan as required by KRS 157.420. The Kentucky Board of Education shall incorporate criteria within the administrative regulations relating to school facility plan requirements to prioritize need for career and technical education programming, regardless of whether the programs are locally or state-operated.
- (2) *The Career and Technical Education Advisory Committee established in Section 2 of this Act*~~Representatives from local school districts, the Kentucky Community and Technical College System, the Office of Career and Technical Education in the Education and Workforce Development Cabinet, the Division of Career and Technical Education in the Kentucky Department of Education, business and industry, colleges, universities, and other appropriate agencies~~ shall be consulted in carrying out the requirements of this section.

➔Section 43. KRS 158.816 is amended to read as follows:

- (1) The ~~Kentucky~~ Department of Education ~~and the Office of Career and Technical Education in the Education and Workforce Development Cabinet~~, with involvement of representatives from the local school districts and teacher preparation institutions, shall ~~jointly~~ complete an annual statewide analysis and report of academic achievement of technical education students who have completed or are enrolled in a sequence of a technical program of at least three (3) high school credits.
- (2) (a) The analysis shall include the previous year's results from the state assessment program described in KRS 158.6453. The data shall be disaggregated for all high school students by career cluster areas of



agriculture, business and marketing, human services, health services, transportation, construction, communication, and manufacturing and by special populations. Where available, disaggregated data from other national assessments shall also be used.

- (b) In addition to assessment scores required under paragraph (a) of this subsection, the analysis shall include:
1. The number of students who took state or national assessments of skill standards and qualified for skills certificates;
  2. The number of senior concentrators as defined in the Carl D. Perkins Vocational and Technical Education Act, Pub. L. No. 105-332, who have attained a high school diploma or equivalent;
  3. The number of students who made successful transitions to work, military, or postsecondary education. A successful transition to postsecondary education means a student enters directly into advanced training, a certificate program, or a degree program without having to take remedial academic courses;
  4. The number of students employed in nontraditional careers; and
  5. Other factors deemed appropriate by the state education agencies or required under federal law.
- (3) (a) ~~The [Kentucky] Department of Education, with assistance from the Office of Career and Technical Education,~~ shall coordinate the development of a statewide technical assistance plan to aid providers of programs in identifying areas for improvement for those schools that do not meet their school performance goal and for those schools where technical students as a group do not score equal to or better than the school average in each of the academic areas. The plan shall address methodologies for further analysis at each school including but not limited to:
1. The academic course-taking patterns of the technical students;
  2. The rigor and intensity of the technical programs and expectations for student performance in reading, math, science, and writing and other academic skills as well as in technical skill development;
  3. The level of communication and collaboration between teachers in technical programs and academic programs, planning, and opportunity for analyzing student achievement, particularly between faculty in the comprehensive high schools with the faculty in state-operated or locally operated secondary area centers and vocational departments;
  4. The faculties' understanding of Kentucky's program of studies, academic expectations, and core content for assessment;
  5. The knowledge and understanding of academic teachers and technical teachers in integrating mutually supportive curricula content;
  6. The level of curricula alignment and articulation in grades eight (8) to sixteen (16);
  7. The availability of extra help for students in meeting higher standards;
  8. The availability and adequacy of school career and guidance counseling;
  9. The availability and adequacy of work-based learning;
  10. The availability and adequacy of distance learning and educational technology;
  11. The adequacy of involvement of business and industry in curricula, work-based learning, and program development; and
  12. The adequacy of teachers' preparation to prepare them for teaching both academic and technical skills to all students that are necessary for successful transition to postsecondary education, work, or the military.
- (b) 1. The department and the office, in cooperation with the Education Professional Standards Board, teacher preparation programs, postsecondary education institutions, and other appropriate partners, shall ensure that academic core content is embedded or integrated within the performance requirements for teacher education students.

2. Beginning with the 2013-2014 school year and thereafter, the Education Professional Standards Board shall, as a condition of program approval, require career and technical educator preparation programs to include instructional techniques for teacher education students to embed reading, mathematics, and science knowledge and skills into all career and technical education instruction at the secondary level.
- (c) The department ~~and the office~~, in cooperation with the Kentucky Community and Technical College System, shall encourage postsecondary education and business and industry to provide professional development and training opportunities to engage technical faculty in continuous improvement activities to enhance their instructional skills.
- (d) The department ~~and the office~~ shall continue efforts with business and industry to develop occupation skill standards and assessments. All efforts shall be made with the involvement of business, industry, and labor. Skill standards and assessments, where available, shall be used as the focus of the curricula.
- (4) The department ~~and the office~~ shall consult with the Education Professional Standards Board in carrying out the requirements of this section as they relate to teacher preparation.

➔Section 44. KRS 158.818 is amended to read as follows:

- (1) If funds are appropriated for the purposes of funding evidence-based instructional models or if internal state or federal funds are available, the Kentucky Department of Education, in collaboration with ~~the Office of Career and Technical Education in the Education and Workforce Development Cabinet,~~ the Kentucky Community and Technical College System, the Education Professional Standards Board, and other appropriate educational entities, shall recommend evidence-based models for addressing the needs of at-risk students.
- (2) The evidence-based models shall include a variety of programs and curricula proven to be effective for at-risk students, and shall focus on:
  - (a) Identification of students at risk for inadequate academic preparation for the next grade level or at risk for dropping out of school;
  - (b) Reduction in the number of students retained in grade nine (9) and reduction of high school failure rates;
  - (c) Improvement of student performance through grade-level standards in reading and mathematics with an emphasis on grade nine (9);
  - (d) Assistance to students and their parents or legal guardians in identifying students' career and educational goals, developing individual learning plans, and the appropriate programs of study to achieve these goals; and
  - (e) Assistance to adult students in obtaining a high school diploma or a recognized postsecondary education credential that has value in the workplace.
- (3) The evidence-based models shall include the following components designed to facilitate more students having a successful start in high school and successfully completing grade nine (9) requirements:
  - (a) The use of flexible scheduling as appropriate to increase students' time in the study of core language arts and mathematics;
  - (b) The assignment of the most effective teachers as leaders for instructional teams in grade nine (9) to improve instructional planning, delivery of instruction, and the use of reteaching strategies;
  - (c) The assignment of mentors to teach students study skills and habits necessary to become independent learners and, when possible, the use of career guidance coaches to advise students; and
  - (d) Career courses, including career exploration, in grade nine (9) to incorporate project-based instruction that requires the application of grade nine (9) level reading, mathematics, and science skills and that uses a wide variety of technology.
- (4)
  - (a) If state or federal funds are available, all career and technical education teachers who teach high school students shall receive training in how to embed reading, mathematics, and science knowledge and skills in specific career and technical education courses.
  - (b) Training required under paragraph (a) of this subsection may be provided by local school districts or postsecondary education institutions, including community and technical colleges, and outside providers that have a record of working effectively with schools in redesigning the ninth grade.

- (5) Career and technical education teachers shall provide evidence through the courses they teach that the students' academic achievement is increased as defined by administrative regulations promulgated by the Kentucky Board of Education and developed in collaboration with ~~the Education and Workforce Development Cabinet and~~ the Kentucky Community and Technical College System.
- (6) The evidence-based models shall be incorporated into career and technical education programs, career academies, and career pathway programs of study developed under KRS 157.072.

➔Section 45. KRS 161.133 is amended to read as follows:

- (1) There is hereby established a "Teachers' National Certification Incentive Trust Fund" in the State Treasury for the purposes of:
- (a) Funding stipends for teachers to prepare for certification by the National Board for Professional Teaching Standards;
  - (b) Reimbursing a portion of the certification fee to each teacher who is awarded national board certification;
  - (c) Reimbursing local boards of education or the *Department of* Education ~~and Workforce Development Cabinet~~ for persons who serve as substitute teachers for national board certification candidates; and
  - (d) Funding stipends for national board certified teachers who serve as mentors to other teachers within the school district or the Kentucky Tech system.
- (2) Appropriations by the General Assembly in each biennial budget for the purpose of supporting national board certification shall be credited to the fund and invested until needed. All money credited to the fund, including interest earned on money in the fund, shall be retained in the fund for reinvestment and used for the purposes of this section. Funds appropriated to the fund shall not lapse at the end of a fiscal year or a biennium.
- (3) The Education Professional Standards Board shall promulgate administrative regulations that establish the procedures for the administration of the funds as described in this section and the requirements for participating teachers, local boards of education, and the *Department of* Education ~~and Workforce Development Cabinet~~. The board shall allocate only those funds to teachers, school districts, or the *department* ~~cabinet~~ for the purposes in this section for which other sources of funds are not being received. The board may limit the number of participants accepted in any given enrollment or application period due to the lack of available funds.
- (4) Money in the fund shall be distributed to local boards of education, the *Department of* Education ~~and Workforce Development Cabinet~~, and teachers by the Education Professional Standards Board in compliance with the administrative regulations promulgated by the board.

➔Section 46. KRS 141.0205 is amended to read as follows:

If a taxpayer is entitled to more than one (1) of the tax credits allowed against the tax imposed by KRS 141.020, 141.040, and 141.0401, the priority of application and use of the credits shall be determined as follows:

- (1) The nonrefundable business incentive credits against the tax imposed by KRS 141.020 shall be taken in the following order:
- (a) 1. For taxable years beginning after December 31, 2004, and before January 1, 2007, the corporation income tax credit permitted by KRS 141.420(3)(a);
  2. For taxable years beginning after December 31, 2006, the limited liability entity tax credit permitted by KRS 141.0401;
  - (b) The economic development credits computed under KRS 141.347, 141.381, 141.384, 141.400, 141.401, 141.402, 141.403, 141.407, 141.415, 154.12-2088, and 154.27-080;
  - (c) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
  - (d) The health insurance credit permitted by KRS 141.062;
  - (e) The tax paid to other states credit permitted by KRS 141.070;
  - (f) The credit for hiring the unemployed permitted by KRS 141.065;
  - (g) The recycling or composting equipment credit permitted by KRS 141.390;

- (h) The tax credit for cash contributions in investment funds permitted by KRS 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS 154.20-258;
  - (i) The coal incentive credit permitted under KRS 141.0405;
  - (j) The research facilities credit permitted under KRS 141.395;
  - (k) The employer GED incentive credit permitted under *Section 33 of this Act* ~~KRS 151B.127~~;
  - (l) The voluntary environmental remediation credit permitted by KRS 141.418;
  - (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
  - (n) The environmental stewardship credit permitted by KRS 154.48-025;
  - (o) The clean coal incentive credit permitted by KRS 141.428;
  - (p) The ethanol credit permitted by KRS 141.4242;
  - (q) The cellulosic ethanol credit permitted by KRS 141.4244;
  - (r) The energy efficiency credits permitted by KRS 141.436;
  - (s) The railroad maintenance and improvement credit permitted by KRS 141.385;
  - (t) The Endow Kentucky tax credit permitted by KRS 141.438; and
  - (u) The New Markets Development Program tax credit permitted by KRS 141.434.
- (2) After the application of the nonrefundable credits in subsection (1) of this section, the nonrefundable personal tax credits against the tax imposed by KRS 141.020 shall be taken in the following order:
- (a) The individual credits permitted by KRS 141.020(3);
  - (b) The credit permitted by KRS 141.066;
  - (c) The tuition credit permitted by KRS 141.069;
  - (d) The household and dependent care credit permitted by KRS 141.067; and
  - (e) The new home credit permitted by KRS 141.388.
- (3) After the application of the nonrefundable credits provided for in subsection (2) of this section, the refundable credits against the tax imposed by KRS 141.020 shall be taken in the following order:
- (a) The individual withholding tax credit permitted by KRS 141.350;
  - (b) The individual estimated tax payment credit permitted by KRS 141.305;
  - (c) For taxable years beginning after December 31, 2004, and before January 1, 2007, the corporation income tax credit permitted by KRS 141.420(3)(c);
  - (d) The certified rehabilitation credit permitted by KRS 141.382(1)(b); and
  - (e) The film industry tax credit allowed by KRS 141.383.
- (4) The nonrefundable credit permitted by KRS 141.0401 shall be applied against the tax imposed by KRS 141.040.
- (5) The following nonrefundable credits shall be applied against the sum of the tax imposed by KRS 141.040 after subtracting the credit provided for in subsection (4) of this section, and the tax imposed by KRS 141.0401 in the following order:
- (a) The economic development credits computed under KRS 141.347, 141.381, 141.384, 141.400, 141.401, 141.402, 141.403, 141.407, 141.415, 154.12-2088, and 154.27-080;
  - (b) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
  - (c) The health insurance credit permitted by KRS 141.062;
  - (d) The unemployment credit permitted by KRS 141.065;
  - (e) The recycling or composting equipment credit permitted by KRS 141.390;
  - (f) The coal conversion credit permitted by KRS 141.041;

- (g) The enterprise zone credit permitted by KRS 154.45-090, for taxable periods ending prior to January 1, 2008;
  - (h) The tax credit for cash contributions to investment funds permitted by KRS 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS 154.20-258;
  - (i) The coal incentive credit permitted under KRS 141.0405;
  - (j) The research facilities credit permitted under KRS 141.395;
  - (k) The employer GED incentive credit permitted under KRS 151B.127;
  - (l) The voluntary environmental remediation credit permitted by KRS 141.418;
  - (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
  - (n) The environmental stewardship credit permitted by KRS 154.48-025;
  - (o) The clean coal incentive credit permitted by KRS 141.428;
  - (p) The ethanol credit permitted by KRS 141.4242;
  - (q) The cellulosic ethanol credit permitted by KRS 141.4244;
  - (r) The energy efficiency credits permitted by KRS 141.436;
  - (s) The ENERGY STAR home or ENERGY STAR manufactured home credit permitted by KRS 141.437;
  - (t) The railroad maintenance and improvement credit permitted by KRS 141.385;
  - (u) The railroad expansion credit permitted by KRS 141.386;
  - (v) The Endow Kentucky tax credit permitted by KRS 141.438; and
  - (w) The New Markets Development Program tax credit permitted by KRS 141.434.
- (6) After the application of the nonrefundable credits in subsection (5) of this section, the refundable credits shall be taken in the following order:
- (a) The corporation estimated tax payment credit permitted by KRS 141.044;
  - (b) The certified rehabilitation credit permitted by KRS 141.382(1)(b); and
  - (c) The film industry tax credit allowed in KRS 141.383.

➔Section 47. KRS 157.060 is amended to read as follows:

The officials of each educational institution and each school district supported in whole or in part from taxation shall make a report to the Kentucky Board of Education or the Kentucky Technical Education Personnel Board established in **Section 23 of this Act** ~~(KRS 151B.097)~~ at the close of each scholastic year, showing in detail all funds received from the state and from all other sources during the year, and a detailed statement of all expenditures for the year.

➔Section 48. The following KRS sections are repealed:

151B.250 School-to-Careers System -- Office of Career and Technical Education.

151B.255 Representative group for Office of School-to-Work.

➔Section 49. All Office of Career and Technical Education's central office employees and the career and technical education administrative support employees with the Education and Workforce Development Cabinet's Office of Budget and Administration and Office of Communication shall be merged with the Department of Education to provide uniform oversight of and guidance to career and technical programs within the Commonwealth of Kentucky. All classified, unclassified, and certified and equivalent employees shall remain in their present personnel system and those who are members of a state retirement system shall remain in their respective retirement system to the extent permitted by law.

➔Section 50. In order to reflect the reorganization effectuated by this Act, the reviser of statutes shall replace references in the Kentucky Revised Statutes to the agencies, subagencies, and officers affected by this Act with references to the appropriate successor agencies, subagencies, and officers established by this Act. The reviser of statutes shall base these actions on the functions assigned to the new entities by this Act and may consult with officers of the affected agencies, or their designees, to receive suggestions.

➔Section 51. (1) It is the intent of the General Assembly that the repeal and reenactment of statutes in this Act shall not serve to void amendments made to those sections by other bills enacted during the 2013 Regular Session of the General Assembly, regardless of whether this Act is enacted before or after those other Acts.

(2) Notwithstanding KRS 446.100 or 446.260 or any other statute to the contrary, the reviser of statutes shall give force and effect to other 2013 Acts that amend one or more sections contained in this Act and shall codify those amendments in accordance with KRS 446.250 and other applicable rules of codification.

➔Section 52. The General Assembly confirms Executive Order 2012-737, dated August 28, 2012, to the extent it is not otherwise confirmed or superseded by this Act.

**Signed by Governor March 22, 2013.**