

**CHAPTER 173****( HB 246 )**

AN ACT relating to reorganization.

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

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

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

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

- (1) The Governor.
- (2) Lieutenant Governor.
- (3) Department of State.
  - (a) Secretary of State.
  - (b) Board of Elections.
  - (c) Registry of Election Finance.
- (4) Department of Law.
  - (a) Attorney General.
- (5) Department of the Treasury.
  - (a) Treasurer.
- (6) Department of Agriculture.
  - (a) Commissioner of Agriculture.
  - (b) Kentucky Council on Agriculture.
- (7) 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) Department of Public Advocacy.
- (2) Education and Workforce Development Cabinet:
  - (a) Office of the Secretary.
    - 1. Governor's Scholars Program.
    - 2. Governor's School for Entrepreneurs 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.
  - (e) Office of Technology Services.
  - (f) Office of Educational Programs.
  - (g) Office for Education and Workforce Statistics.
  - (h) Board of the Kentucky Center for Education and Workforce Statistics.
  - (i) Board of Directors for the Center for School Safety.
  - (j) Department of Education.
    - 1. Kentucky Board of Education.
    - 2. Kentucky Technical Education Personnel Board.
  - (k) Department for Libraries and Archives.
  - (l) Department of Workforce Investment.
    - 1. Office for the Blind.
    - 2. Office of Vocational Rehabilitation.
    - 3. Office of Employment and Training.
      - a. Division of Grant Management and Support.
      - b. Division of Workforce and Employment Services.
      - c. Division of Unemployment Insurance.
      - d. *Division of Apprenticeship.***
    - 4. *Kentucky Apprenticeship Council.***
  - (m) Foundation for Workforce Development.
  - (n) Kentucky Office for the Blind State Rehabilitation Council.
  - (o) Kentucky Workforce Investment Board.
  - (p) Statewide Council for Vocational Rehabilitation.
  - (q) Unemployment Insurance Commission.
  - (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.
- (s) Kentucky Commission on the Deaf and Hard of Hearing.
- (t) Kentucky Educational Television.
- (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 Legal Services.
      - a. Legal Division I.
      - b. Legal Division II.
    3. Office of Administrative Hearings.
    4. Office of Communication.
    5. Mine Safety Review Commission.
    6. Office of Kentucky Nature Preserves.
    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 Mine Permits.
    3. Division of Mine Reclamation and Enforcement.
    4. Division of Abandoned Mine Lands.
    5. Division of Oil and Gas.
    6. Division of Mine Safety.
    7. Division of Forestry.
    8. Division of Conservation.
    9. Office of the Reclamation Guaranty Fund.
  - (d) Office of Energy Policy.
    1. Division of Energy Assistance.
  - (e) Office of Administrative Services.

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1. Division of Human Resources Management.
  2. Division of Financial Management.
  3. Division of Information Services.
- (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.
      - f. Professional Licensing Legal Division.
    3. Office of Administrative Hearings.
    4. Office of Administrative Services.
      - a. Division of Human Resources.
      - b. Division of Fiscal Responsibility.
  - (b) Kentucky Claims Commission.
  - (c) Kentucky Boxing and Wrestling Commission.
  - (d) Kentucky Horse Racing Commission.
    1. Office of Executive Director.
      - a. Division of Pari-mutuel Wagering and Compliance.
      - b. Division of Stewards.
      - c. Division of Licensing.
      - d. Division of Enforcement.
      - e. Division of Incentives and Development.
      - f. Division of Veterinary Services.
  - (e) Department of Alcoholic Beverage Control.
    1. Division of Distilled Spirits.
    2. Division of Malt Beverages.
    3. Division of Enforcement.
  - (f) Department of Charitable Gaming.
    1. Division of Licensing and Compliance.
    2. Division of Enforcement.
  - (g) Department of Financial Institutions.
    1. Division of Depository Institutions.
    2. Division of Non-Depository Institutions.
    3. Division of Securities.
  - (h) 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.
- (i) Department of Insurance.
  1. Division of Insurance Product Regulation.
  2. Division of Administrative Services.
  3. Division of Financial Standards and Examination.
  4. Division of Agent Licensing.
  5. Division of Insurance Fraud Investigation.
  6. Division of Consumer Protection.
  7. Division of Kentucky Access.
- (j) Department of Professional Licensing.
  1. Real Estate Authority.
- (5) Labor Cabinet.
  - (a) Office of the Secretary.
    1. Office of General Counsel.
      - a. Workplace Standards Legal Division.
      - b. Workers' Claims Legal Division.
    2. Office of Administrative Services.
      - a. Division of Human Resources Management.
      - b. Division of Fiscal Management.
      - c. Division of Professional Development and Organizational Management.
      - d. Division of Information Technology and Support Services.
    3. Office of Inspector General.
  - (b) Department of Workplace Standards.
    1. ~~Division of Apprenticeship.~~
    2. ~~2~~ Division of Occupational Safety and Health Compliance.
    2. ~~3~~ Division of Occupational Safety and Health Education and Training.
    3. ~~4~~ Division of Wages and Hours.
  - (c) Department of Workers' Claims.
    1. Division of Workers' Compensation Funds.
    2. Office of Administrative Law Judges.
    3. Division of Claims Processing.
    4. Division of Security and Compliance.
    5. Division of Information Services.
    6. Division of Specialist and Medical Services.
    7. Workers' Compensation Board.

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- (d) Workers' Compensation Funding Commission.
  - (e) Occupational Safety and Health Standards Board.
  - (f) ~~Apprenticeship and Training Council.~~
  - ~~(g)~~ State Labor Relations Board.
  - (g) ~~(h)~~ Employers' Mutual Insurance Authority.
  - (h) ~~(i)~~ Kentucky Occupational Safety and Health Review Commission.
  - (i) ~~(j)~~ Workers' Compensation Nominating Committee.
- (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 the Secretary.
    - 1. Office of Legal Services.
    - 2. Department for Business Development.
    - 3. Department for Financial Services.
      - a. Kentucky Economic Development Finance Authority.
      - b. Finance and Personnel Division.
      - c. IT and Resource Management Division.
      - d. Compliance Division.
      - e. Incentive Administration Division.

- f. Bluegrass State Skills Corporation.
  - 4. Office of Marketing and Public Affairs.
    - a. Communications Division.
    - b. Graphics Design Division.
  - 5. Office of Workforce, Community Development, and Research.
  - 6. Office of Entrepreneurship.
    - a. 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 Finance 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) Office for Children with Special Health Care Needs.
  - (r) Governor's Office of Electronic Health Information.
  - (s) Office of Legislative and Regulatory Affairs.
- (9) Finance and Administration Cabinet:
- (a) Office of the Secretary.
  - (b) Office of the Inspector General.
  - (c) Office of Legislative and Intergovernmental Affairs.
  - (d) Office of General Counsel.
  - (e) Office of the Controller.
  - (f) Office of Administrative Services.
  - (g) Office of Policy and Audit.
  - (h) Department for Facilities and Support Services.
  - (i) Department of Revenue.
  - (j) Commonwealth Office of Technology.

- (k) State Property and Buildings Commission.
  - (l) Office of Equal Employment Opportunity and Contract Compliance.
  - (m) Kentucky Employees Retirement Systems.
  - (n) Commonwealth Credit Union.
  - (o) State Investment Commission.
  - (p) Kentucky Housing Corporation.
  - (q) Kentucky Local Correctional Facilities Construction Authority.
  - (r) Kentucky Turnpike Authority.
  - (s) Historic Properties Advisory Commission.
  - (t) Kentucky Tobacco Settlement Trust Corporation.
  - (u) Kentucky Higher Education Assistance Authority.
  - (v) Kentucky River Authority.
  - (w) Kentucky Teachers' Retirement System Board of Trustees.
  - (x) Executive Branch Ethics Commission.
- (10) Tourism, Arts and Heritage Cabinet:
- (a) Kentucky Department of 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, Infrastructure, and Technology.
    - 4. Division of Fisheries.
    - 5. Division of Information and Education.
    - 6. Division of Wildlife.



7. Division of Marketing.
- (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 Government Relations and Administration.
  3. Office of Film and Tourism Development.
- (g) Office of Legal Affairs.
- (h) Office of Human Resources.
- (i) Office of Public Affairs and Constituent Services.
- (j) Office of Arts and Cultural Heritage.
- (k) Kentucky African-American Heritage Commission.
- (l) Kentucky Foundation for the Arts.
- (m) Kentucky Humanities Council.
- (n) Kentucky Heritage Council.
- (o) Kentucky Arts Council.
- (p) 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.

- (q) Kentucky Center for the Arts.
  - 1. Division of Governor's School for the Arts.
- (r) Kentucky Artisans Center at Berea.
- (s) Northern Kentucky Convention Center.
- (t) 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, Equality, and Training.
  - (j) Office of Public Affairs.

III. Other departments headed by appointed officers:

- (1) Council on Postsecondary Education.
- (2) Department of Military Affairs.
- (3) Department for Local Government.
- (4) Kentucky Commission on Human Rights.
- (5) Kentucky Commission on Women.
- (6) Department of Veterans' Affairs.
- (7) Kentucky Commission on Military Affairs.
- (8) Office of Minority Empowerment.
- (9) Governor's Council on Wellness and Physical Activity.
- (10) Kentucky Communications Network Authority.

➔Section 2. 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. The Office of Vocational Rehabilitation, which is created by KRS 151B.185;
    - 2. The Office for the Blind established by KRS 163.470; ~~and~~
    - 3. The Office of Employment and Training, which is created by KRS 151B.280; *and*

**4. *The Kentucky Apprenticeship Council, which shall be attached to the department for administrative purposes only.***

- (b) 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 Department of Education, the Kentucky Board of Education, and the Education Professional Standards Board.

➔Section 3. KRS 336.015 is amended to read as follows:

- (1) The secretary of the Labor Cabinet shall have the duties, responsibilities, power, and authority relating to labor, wages and hours, occupational safety and health of employees, child labor~~[-, apprenticeship]~~, workers' compensation, and all other matters previously under the jurisdiction of the Department of Labor.
- (2) The Labor Cabinet shall consist of the Office of the Secretary, the Department of Workers' Claims, and the Department of Workplace Standards.
- (3) The following agencies are attached to the cabinet for administrative purposes only:
- (a) Kentucky Occupational Safety and Health Review Commission;
  - (b) State Labor Relations Board;
  - (c) Workers' Compensation Funding Commission;
  - (d) Occupational Safety and Health Standards Board;
  - (e) ~~Apprenticeship and Training Council;~~
  - (~~f~~) Employers' Mutual Insurance Authority; and
  - (~~f~~)(~~g~~) Workers' Compensation Nominating Committee.

➔Section 4. KRS 336.020 is amended to read as follows:

- (1) The Department of Workplace Standards shall be headed by a commissioner appointed by the Governor in accordance with KRS 12.040 and shall be divided for administrative purposes into the ~~the Division of Apprenticeship, the~~ Division of Occupational Safety and Health Compliance, the Division of Occupational Safety and Health Education and Training, and the Division of Wages and Hours. Each of these divisions shall be headed by a director appointed by the secretary and approved by the Governor in accordance with KRS 12.050.

- (2) The Department of Workers' Claims shall be headed by a commissioner appointed by the Governor, and confirmed by the Senate in accordance with KRS 342.228. The department shall be divided for administrative purposes into the Office of Administrative Law Judges, the Division of Claims Processing, the Division of Security and Compliance, the Division of Workers' Compensation Funds, and the Division of Specialist and Medical Services. The Office of Administrative Law Judges shall be headed by a chief administrative law judge appointed in accordance with KRS 342.230. Each division in the department shall be headed by a director appointed by the secretary and approved by the Governor in accordance with KRS 12.050. The Workers' Compensation Board shall be attached to the Department of Workers' Claims for administrative purposes only.
- (3) The Office of General Counsel for the Labor Cabinet, the Office of Administrative Services, and the Office of Inspector General are attached to the Office of the Secretary of the Labor Cabinet.
- (4)
  - (a) The Office of General Counsel for the Labor Cabinet shall be headed by a general counsel appointed by the secretary with approval by the Governor in accordance with KRS 12.050 and 12.210.
  - (b) The Office of General Counsel shall be divided for administrative purposes into the Workplace Standards Legal Division and the Workers' Claims Legal Division.
  - (c) Each legal division shall be headed by a general counsel appointed by the secretary with approval by the Governor in accordance with KRS 12.050 and 12.210.
- (5)
  - (a) The Office of Administrative Services shall be headed by an executive director appointed by the Governor in accordance with KRS 12.040.
  - (b) The Office of Administrative Services shall be divided for administrative purposes into the Division of Fiscal Management, the Division of Human Resources Management, the Division of Information Technology and Support Services, and the Division of Professional Development and Organizational Management. Each division shall be headed by a director appointed by the secretary and approved by the Governor in accordance with KRS 12.050.
- (6) The Office of Inspector General shall be headed by an executive director appointed by the Governor in accordance with KRS 12.040.

➔Section 5. KRS 342.122 is amended to read as follows:

- (1)
  - (a) For calendar year 1997 and for each calendar year thereafter, for the purpose of funding and prefunding the liabilities of the special fund, financing the administration and operation of the Kentucky Workers' Compensation Funding Commission, and financing the expenditures for all programs in the Labor Cabinet, except the ~~Division of Apprenticeship and~~ Division of Wages and Hours in the Department of Workplace Standards, as reflected in the enacted budget of the Commonwealth and enacted by the General Assembly, the funding commission shall impose a special fund assessment rate of nine percent (9%) upon the amount of workers' compensation premiums received on and after January 1, 1997, through December 31, 1997, by every insurance carrier writing workers' compensation insurance in the Commonwealth, by every self-insured group operating under the provisions of KRS 342.350(4) and Chapter 304, and against the premium, as defined in KRS 342.0011, of every employer carrying his or her own risk.
  - (b) The funding commission shall, for calendar year 1998 and thereafter, establish for the special fund an assessment rate to be assessed against all premium received during that calendar year which shall produce enough revenue to amortize on a level basis the unfunded liability of the special fund as of June 30 preceding January 1 of each year, for the period remaining until December 31, 2029. The interest rate to be used in this calculation shall reflect the funding commission's investment experience to date and the current investment policies of the commission. This assessment shall be imposed upon the amount of workers' compensation premiums received by every insurance carrier writing workers' compensation insurance in the Commonwealth, by every self-insured group operating under the provisions of KRS 342.350(4) and Chapter 304, and against the premium, as defined in KRS 342.0011, of every employer carrying its own risk. On or before October 1 of each year, the commission shall notify each insurance carrier writing workers' compensation insurance in the Commonwealth, every group of self-insured employers, and each employer carrying its own risk, of the rates which shall become effective on January 1 of each year, unless modified by the General Assembly.

- (c) All assessments imposed by this section shall be paid to the Kentucky Workers' Compensation Funding Commission and shall be credited to the benefit reserve fund within the Kentucky Workers' Compensation Funding Commission.
  - (d) The assessments imposed in this chapter shall be in lieu of all other assessments or taxes on workers' compensation premiums.
- (2) (a) These assessments shall be paid quarterly not later than the thirtieth day of the month following the end of the quarter in which the premium is received. Receipt shall be considered timely through actual physical receipt or by postmark of the United States Postal Service. Employers carrying their own risk and employers defined in KRS 342.630(2) shall pay the annual assessments in four (4) equal quarterly installments.
- (b) Beginning on January 1, 2020, all assessments shall be electronically remitted to the funding commission quarterly not later than the thirtieth day of the month following the end of the quarter in which the premium is received. Receipt shall be considered timely when filed and remitted using the appropriate electronic pay system as prescribed by the funding commission. Employers carrying their own risk and employers defined in KRS 342.630(2) shall pay the annual assessments in four (4) equal quarterly installments.
- (3) The assessments imposed by this section may be collected by the insurance carrier from the insured. However, the insurance carrier shall not collect from the employer any amount exceeding the assessments imposed pursuant to this section. If the insurance carrier collects the assessment from an insured, the assessment shall be collected at the same time and in the same proportion as the premium is collected. The assessment for an insurance policy or other evidence of coverage providing a deductible may be collected in accordance with this chapter on a premium amount that equates to the premium that would have applied without the deductible. Each statement from an insurance carrier presented to an insured reflecting premium and assessment amounts shall clearly identify and distinguish the amount to be paid for premium and the amount to be paid for assessments. No insurance carrier shall collect from an insured an amount in excess of the assessment percentages imposed by this chapter. The assessment for an insurance policy or other evidence of coverage providing a deductible may be collected in accordance with this chapter on a premium amount that equates to the premium that would have applied without the deductible. The percentages imposed by this chapter for an insurance policy issued by an insurance company shall be those percentages in effect on the annual effective date of the policy, regardless of the date that the premium is actually received by the insurance company.
- (4) A self-insured group may elect to report its premiums and to have its assessments computed in the same manner as insurance companies. This election may not be rescinded for at least ten (10) years, nor may this election be made a second time for at least another ten (10) years, except that the board of directors of the funding commission may, at its discretion, waive the ten (10) year ban on a case-by-case basis after formal petition has been made to the funding commission by a self-insured group.
- (5) The funding commission, as part of the collection and auditing of the special fund assessments required by this section, shall annually require each insurance carrier and each self-insured group to provide a list of employers which it has insured or which are members and the amount collected from each employer. Additionally, the funding commission shall require each entity paying a special fund assessment to report the SIC code for each employer and the amount of premium collected from each SIC code. An insurance carrier or self-insured group may require its insureds or members to furnish the SIC code for each of their employees. However, the failure of any employer to furnish said codes shall not relieve the insurance carrier or self-insured group from the obligation to furnish same to the funding commission. The Office of Employment and Training, Education and Workforce Development Cabinet, is hereby directed to make available the SIC codes assigned in its records to specific employers to aid in the reporting and recording of the special fund assessment data.
- (6) Each self-insured employer, self-insured group, or insurance carrier shall provide any information and submit any reports the Department of Revenue or the funding commission may require to effectuate the provisions of this section. In addition, the funding commission may enter reciprocal agreements with other governmental agencies for the exchange of information necessary to effectuate the provisions of this section.
- (7) The special fund shall be required to maintain a central claim registry of all claims to which it is named a party, giving each such claim a unique claim number and thereafter recording the status of each claim on a current basis. The registry shall be established by January 26, 1988, for all claims on which payments were made since July 1, 1986, or which were pending adjudication since July 1, 1986, by audit of all claim files in the possession of the special fund.

- (8) The fund heretofore designated as the subsequent claim fund is abolished, and there is substituted therefor the special fund as set out by this section, and all moneys and properties owned by the subsequent claim fund are transferred to the special fund.
- (9) Notwithstanding any other provisions of this section or this chapter to the contrary, the total amount of funds collected pursuant to the assessment rates adopted by the funding commission shall not be limited to the provisions of this section.
- (10) All assessment rates imposed for periods prior to January 1, 1997, under KRS 342.122 shall forever remain applicable to premiums received on policies with effective dates prior to January 1, 1997, by every insurance carrier writing workers' compensation insurance in the Commonwealth, by every self-insured group operating under the provision of KRS 342.350(4) and Chapter 304, and against the premium, as defined in KRS 342.0011, of every employer carrying its own risk.

➔Section 6. KRS 343.010 is amended to read as follows:

As used in this chapter unless the context requires otherwise:

- (1) "Apprentice" means a worker at least sixteen (16) years of age, except where a higher minimum age standard is otherwise fixed by law, who is employed to learn an apprenticeable occupation as provided in 29 C.F.R. pt. 29;
- (2) "Apprenticeship agreement" means a written agreement, complying with 29 C.F.R. pt. 29 between an apprentice and either the apprentice's program sponsor, or an apprenticeship committee acting as agent for the program sponsors, which contains the terms and conditions of the employment and training of the apprentice;
- (3) "Commissioner" means commissioner of the Department of *Workforce Investment*~~[Workplace Standards]~~, under the direction and supervision of the secretary of the *Education and Workforce Development*~~[Labor]~~ Cabinet, or any person authorized to act in his or her behalf~~[, having jurisdiction over laws or regulations governing wages and hours of employees working in this state];~~;
- (4) "Council" means *the Kentucky Apprenticeship Council*~~[the Commonwealth's Apprenticeship and Training Council]~~, which provides advice and guidance to the Kentucky *Education and Workforce Development*~~[Labor]~~ Cabinet regarding the Commonwealth's apprenticeship program;
- (5) "Supervisor" means supervisor of apprenticeship~~[and training];~~;
- (6) "Trainee" means a person at least sixteen (16) years of age who has entered into an on-the-job training agreement with an employer or an association of employers or an organization of employees in a construction occupation under a program which has been approved by a federal agency as promoting equal employment opportunity in conjunction with federal-aid construction projects;
- (7) "Apprenticeship program" means a plan containing all terms and conditions for the qualification, recruitment, selection, employment, and training of apprentices as required under 29 C.F.R. pts. 29 and 30, including such matters as the requirement for a written apprenticeship agreement;
- (8) "On-the-job training program" means a plan containing all terms and conditions for the qualification, recruitment, selection, employment, and training of a trainee, including such matters as the requirement for a written on-the-job training agreement other than an apprenticeship program; provided, however, that said program has been approved by a federal agency as promoting equal employment opportunity in conjunction with federal-aid construction projects;
- (9) "Sponsor" means any person, association, committee, or organization in whose name or title the program is or is to be registered, irrespective of whether such entity is an employer;
- (10) "Employer" means any person or organization employing an apprentice or trainee whether or not such person or organization is a party to an apprenticeship or on-the-job training agreement with the apprentice or trainee; and
- (11) "Related instruction" means an organized and systematic form of instruction designed to provide the apprentice or trainee with knowledge of the theoretical and technical subjects related to the apprentice's occupation.

➔Section 7. KRS 343.020 is amended to read as follows:

- (1) *The Kentucky Apprenticeship Council is hereby created and established as an administrative body charged with providing advice to the commissioner on matters affecting apprenticeship policy.*

- (2) (a) *The Kentucky Apprenticeship Council shall consist of six (6) members appointed by the Governor as follows: two (2) members who shall represent employees or apprentices, two (2) members who shall represent employers or apprenticeship program sponsors, and two (2) [The Governor shall appoint an Apprenticeship and Training Council composed of four (4) representatives from employer organizations, four (4) representatives from employee organizations, and three (3) ]at-large members. **These six (6) members [who] shall serve for a term of four (4) years and until their successors are appointed and qualified. The [commissioner of the Department of Workplace Standards, the ]commissioner of the Department for Workforce Investment shall serve as the seventh member and be chair of the council.[, and the chancellor for the Technical Institutions' Branch in the Kentucky Community and Technical College System shall be ex officio members of the council. The chairman shall be elected by vote of the Apprenticeship and Training Council.***
- ~~(b) The regular members of the council shall each have one (1) vote. In the event of a tie vote among the regular members, the commissioner of the Department of Workplace Standards shall have the right to cast the tie breaking vote. Each member of the council shall receive his or her actual and necessary expenses incurred in attending its meetings.]~~
- ~~(b)[(c)] The council shall meet at the call of the commissioner[ and shall aid him or her in formulating policies for the effective administration of this chapter. The commissioner with the advice of the council shall have the authority to make and revise such rules and regulations as he or she may deem appropriate to carry out the provisions and purposes of this chapter]. **A majority of the members of the council, except for the commissioner of the Department of Workforce Investment, shall constitute a quorum for the transaction of business.**~~
- (c) *Any member appointed to fill a vacancy occurring for any reason other than by expiration of a term shall be appointed for the remainder of the unexpired term. Any member whose term has expired, however, shall serve until his or her successor is appointed and qualified.*
- (d) *Members shall be reimbursed for necessary expenses incurred in fulfillment of their duties on the council in the manner and amounts prescribed for state employees by KRS 45.101 and the administrative regulations promulgated under the authority of that statute. No member of the council, however, shall be paid for his or her attendance at any meeting.*
- ~~(2) (a) On July 15, 2014, the term of the at large members appointed on December 31, 2011, shall expire, and the Governor shall appoint three (3) at large members representing the general public to the Apprenticeship and Training Council.~~
- ~~(b) Members shall serve terms of four (4) years and shall serve until their successors are appointed and qualified.]~~
- (3) The council shall be attached to the *Department of Workforce Investment within the Education and Workforce Development*~~[Labor]~~ Cabinet for administrative purposes.

➔Section 8. KRS 343.030 is amended to read as follows:

The commissioner, with the approval of the Governor, may appoint a supervisor of apprenticeship ~~and training. This appointment shall be subject to the confirmation of the council by a majority vote].~~ He or she may also appoint such clerical, technical, and professional help as shall be necessary to effectuate the purposes of this chapter.

➔Section 9. KRS 343.040 is amended to read as follows:

The supervisor, under the direction of the commissioner ~~and with the advice and guidance of the council],~~ may:

- (1) Administer this chapter ~~in cooperation with the Apprenticeship and Training council];~~
- (2) Set up conditions and training standards for apprenticeship or on-the-job training programs and agreements;
- (3) Act as secretary to the council;
- (4) Approve, if in his or her opinion approval is to the best interest of both parties, any apprenticeship or on-the-job training program and agreement submitted to him or her by the parties thereto, that meets the standards established under this chapter;
- (5) Keep a record of apprenticeship and on-the-job training programs and agreements and their disposition;
- (6) Issue certificates of completion of apprenticeship and on-the-job training; and

(7) Perform such other duties as are necessary to carry out the intention of this chapter.

➔Section 10. KRS 164.7884 is amended to read as follows:

(1) As used in this section:

- (a) "Academic year" means July 1 through June 30 of each year;
- (b) "Apprentice" has the same meaning as in KRS 343.010;
- (c) "Eligible student" means an eligible high school student who has graduated from high school or a student eligible under KRS 164.7879(3)(e);
- (d) "Registered apprenticeship program" means an apprenticeship program that:
  - 1. Is established in accordance with the requirements of KRS Chapter 343;
  - 2. Requires a minimum of two thousand (2,000) hours of on-the-job work experience;
  - 3. Requires a minimum of one hundred forty-four (144) hours of related instruction for each year of the apprenticeship; and
  - 4. Is approved by the *Education and Workforce Development* ~~{Kentucky Labor}~~ Cabinet;
- (e) "Related instruction" has the same meaning as in KRS 343.010; and
- (f) "Sponsor" has the same meaning as in KRS 343.010.

(2) Notwithstanding KRS 164.7881, an eligible student who earned a KEES award and is an apprentice in a registered apprenticeship program shall be eligible for a Kentucky educational excellence scholarship.

- (3) (a) Beginning with the 2018-2019 academic year, an eligible student enrolled in a registered apprenticeship program may receive reimbursement of tuition, books, required tools, and other approved expenses required for participation in the registered apprenticeship program, upon certification by the sponsor and approval by the authority.
- (b) The reimbursement amount an eligible student may receive in an academic year shall not exceed the student's KEES award maximum.
- (c) The total reimbursement amount an eligible student may receive under this section shall not exceed the student's KEES award maximum multiplied by four (4).

(4) Eligibility for a KEES scholarship under this section shall terminate upon the earlier of:

- (a) The expiration of five (5) years following the eligible student's graduation from high school or receiving a GED, except as provided in KRS 164.7881(5); or
- (b) The eligible student's successful completion of the registered apprenticeship program.

(5) The authority shall promulgate administrative regulations establishing the procedures for making awards under this section in consultation with ~~{the Kentucky Labor Cabinet,}~~ the Kentucky Education and Workforce Development Cabinet~~{,}~~ and the Kentucky Economic Development Cabinet.

➔Section 11. KRS 198B.658 is amended to read as follows:

(1) An applicant for a master heating, ventilation, and air conditioning contractor's license shall:

- (a) Be at least eighteen (18) years of age;
- (b) Be a citizen of the United States or be a resident alien who is authorized to do work in the United States;
- (c)
  - 1. Have been regularly and principally employed or engaged in heating, ventilation, and air conditioning trades as a journeyman heating, ventilation, and air conditioning mechanic for not less than two (2) years under the direction and supervision of a master heating, ventilation, and air conditioning contractor; or
  - 2. Have been regularly and principally employed or engaged in the practice of heating, ventilation, and air conditioning contracting as a master heating, ventilation, and air conditioning contractor, or equivalent thereof, for not less than two (2) years in Kentucky or in a jurisdiction other than Kentucky, as demonstrated by verifiable documentation;



- (d) Have passed an examination prescribed by the department to determine the applicant's competency to practice heating, ventilation, and air conditioning contracting; and
  - (e) Have paid a fee as established in administrative regulations promulgated by the department.
- (2) An applicant for a journeyman heating, ventilation, and air conditioning mechanic's license shall:
- (a) Be at least eighteen (18) years of age;
  - (b) Be a citizen of the United States or be a resident alien who is authorized to do work in the United States;
  - (c)
    1. Have been regularly and principally employed or engaged in heating, ventilation, and air conditioning trades for not less than two (2) years under the direction and supervision of a master heating, ventilation, and air conditioning contractor; or
    2. Have been regularly and principally employed or engaged in the performance of heating, ventilation, and air conditioning work for not less than two (2) years in Kentucky or in a jurisdiction other than Kentucky, as demonstrated by verifiable documentation;
  - (d) Have passed an examination prescribed by the department to determine the applicant's competency to install, maintain, and repair heating and cooling systems, heating and cooling service, burner service, and hydronic systems; and
  - (e) Have paid a fee as established in administrative regulations promulgated by the department.
- (3) If an applicant has obtained, while exempt from licensure under 198B.674(2), (7), (8), (10), (13), or (14), work experience that the department determines to be equivalent to the requirements of subsection (1)(c) or (2)(c) of this section, that experience may be considered as equivalent to one (1) year of employment toward the licensure requirements for a master heating, ventilation, and air conditioning contractor or journeyman heating, ventilation, and air conditioning mechanic, as applicable, not to exceed one (1) year.
- (4) (a) The department shall issue an apprentice heating, ventilation, and air conditioning mechanic's certificate to any person who registers as an apprentice with the department.
- (b) The department shall establish by administrative regulation the minimum number of hours of experience required by apprentices and shall maintain an apprentice register to credit an apprentice for hours worked under the supervision of a master heating, ventilation, and air conditioning contractor and journeyman heating, ventilation, and air conditioning mechanic. Experience gained under the supervision of a Kentucky licensed master heating, ventilation, and air conditioning contractor while registered as an apprentice with the *Education and Workforce Development* [~~Kentucky Labor~~] Cabinet, Department of *Workforce Investment* [~~Workplace Standards~~], in cooperation with the United States Department of Labor, Bureau of Apprenticeship and Training shall be accepted toward the two (2) year experience requirement for a journeyman heating, ventilation, and air conditioning mechanic license.
- (c) The apprentice register shall include the name, address, Social Security number, employer, and dates of employment of the apprentice.
- (d) The apprentice shall notify the department in writing of any change in address or employer.
- (e) Apprentices and pre-apprentices shall not be required to pay a fee to obtain a certificate of registration or to renew a registration.
- (5) The satisfactory completion of one (1) academic year of a department-approved curriculum or one (1) year of professional training in heating, ventilation, and air conditioning work may be considered as equivalent to one (1) year of employment toward the licensure requirements for a journeyman heating, ventilation, and air conditioning mechanic, not to exceed one (1) year.
- (6) The satisfactory completion of one (1) academic year of teaching experience in a department-approved or state-approved technical education program in heating, ventilation, and air conditioning shall be considered as equivalent to one (1) year of employment, as required by subsection (1)(c) or (2)(c) of this section. No more than one (1) year of approved teaching experience may be used in meeting the requirements of subsection (1)(c) or (2)(c) of this section.

➔Section 12. The General Assembly confirms in part Executive Order 2018-586, dated July 17, 2018, to the extent that it is not otherwise confirmed or superseded by this Act. The General Assembly confirms the entirety of that order, except for Section (C) of Part VIII, which it does not confirm.

**Signed by Governor March 26, 2019.**