

CHAPTER 12**(SB 3)**

AN ACT relating to reorganization and declaring an emergency.

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

➔Section 1. KRS 11.400 is amended to read as follows:

- (1) In addition to the duties prescribed for the office by the Constitution of the Commonwealth of Kentucky, the duties of the Lieutenant Governor shall be as follows:
 - (a) To serve as vice chairman of the State Property and Buildings Commission as prescribed by KRS 56.450;
 - (b) To serve as vice chairman of the Kentucky Turnpike Authority as prescribed in KRS 175.430;
 - (c) ~~To serve as a member of the Kentucky Council on Agriculture in accordance with KRS 247.417;~~
 - ~~(d)~~ To serve as a member of the Board of the Kentucky Housing Corporation in accordance with KRS 198A.030; and
 - ~~(d)~~~~(e)~~ To serve as a member of Kentucky delegations on the following interstate compact commissions or boards:
 1. The Breaks Interstate Park Commission as provided in KRS 148.225;
 2. The Falls of the Ohio Interstate Park Commission pursuant to KRS 148.242;
 3. The Tennessee-Tombigbee Waterway Development Authority pursuant to KRS 182.305;
 4. The Interstate Water Sanitation Control Commissions as prescribed by KRS 224.18-710; and
 5. The Kentucky Mining Advisory Council for the Interstate Mining Compact as provided by KRS 350.310.
- (2) Nothing in this section shall prohibit the Governor and Lieutenant Governor from agreeing upon additional duties within the executive branch of the state government to be performed by the Lieutenant Governor.

➔Section 2. KRS 12.023 is amended to read as follows:

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

- (1) 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) Kentucky Commission on Military Affairs;
- (7) ~~Agricultural Development Board;~~
- ~~(8)~~ ~~Kentucky Agricultural Finance Corporation;~~
- ~~(9)~~ Office of Minority Empowerment;
 - (a) The Martin Luther King Commission;
- ~~(8)~~~~(10)~~ Office of Homeland Security; and
- ~~(9)~~~~(11)~~ Kentucky Communications Network Authority.

➔Section 3. 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) *Agricultural Development Board*~~[Kentucky Council on Agriculture]~~.
 - (c) *Kentucky Agricultural Finance Corporation*.
- (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.
 3. Office of the Kentucky Workforce Innovation Board.
 4. Foundation for Adult Education.
 5. Early Childhood Advisory Council.
- (b) Office of Legal and Legislative Services.
1. Client Assistance Program.
- (c) Office of Communication.
- (d) Office of Administrative Services.
1. Division of Human Resources.
 2. Division of Operations and Support Services.
 3. Division of Fiscal Management.
- (e) Office of Technology Services.
- (f) Office of Educational Programs.
- (g) Office of the Kentucky Center for Statistics.
- (h) Board of the Kentucky Center for 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 of Vocational Rehabilitation.
 - a. Division of Kentucky Business Enterprise.
 - b. Division of the Carl D. Perkins Vocational Training Center.
 - c. Division of Blind Services.
 - d. Division of Field Services.
 - e. Statewide Council for Vocational Rehabilitation.
 2. Office of Unemployment Insurance.
 3. Office of Employer and Apprenticeship Services.
 - a. Division of Apprenticeship.
 4. Office of Career Development.
 5. Office of Adult Education.
 6. Unemployment Insurance Commission.
 7. Kentucky Apprenticeship Council.
- (m) Foundation for Workforce Development.
- (n) Kentucky Workforce Investment Board.
- (o) 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.
- (p) Kentucky Commission on the Deaf and Hard of Hearing.
- (q) Kentucky Educational Television.
- (r) 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.
 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.

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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.
- (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 Occupational Safety and Health Compliance.
 2. Division of Occupational Safety and Health Education and Training.
 3. 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.
 - (d) Workers' Compensation Funding Commission.
 - (e) Occupational Safety and Health Standards Board.
 - (f) State Labor Relations Board.

- (g) Employers' Mutual Insurance Authority.
 - (h) Kentucky Occupational Safety and Health Review Commission.
 - (i) 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.

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- 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.
 - 1. Office of the Ombudsman and Administrative Review.
 - 2. Office of Public Affairs.
 - 3. Office of Legal Services.
 - 4. Office of Inspector General.
 - 5. Office of Human Resource Management.
 - 6. Office of Finance and Budget.
 - 7. Office of Legislative and Regulatory Affairs.
 - 8. Office of Administrative Services.
 - 9. Office of Application Technology Services.
 - (b) Department for Public Health.
 - (c) Department for Medicaid Services.
 - (d) Department for Behavioral Health, Developmental and Intellectual Disabilities.
 - (e) Department for Aging and Independent Living.
 - (f) Department for Community Based Services.
 - (g) Department for Income Support.
 - (h) Department for Family Resource Centers and Volunteer Services.
 - (i) Office for Children with Special Health Care Needs.
 - (j) Office of Health Data and Analytics.
- (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.
 - ~~(u)~~{~~(v)~~} Kentucky River Authority.
 - ~~(v)~~{~~(w)~~} Kentucky Teachers' Retirement System Board of Trustees.
 - ~~(w)~~{~~(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 4. KRS 18A.115 is amended to read as follows:
- (1) The classified service to which KRS 18A.005 to 18A.200 shall apply shall comprise all positions in the state service now existing or hereafter established, except the following:
 - (a) The General Assembly and employees of the General Assembly, including the employees of the Legislative Research Commission;
 - (b) Officers elected by popular vote and persons appointed to fill vacancies in elective offices;
 - (c) Members of boards and commissions;
 - (d) Officers and employees on the staff of the Governor, the Lieutenant Governor, the Office of the Secretary of the Governor's Cabinet, and the Office of Program Administration;
 - (e) Cabinet secretaries, commissioners, office heads, and the administrative heads of all boards and commissions, including the executive director of Kentucky Educational Television and the executive director and deputy executive director of the Education Professional Standards Board;
 - (f) Employees of Kentucky Educational Television who have been determined to be exempt from classified service by the Kentucky Authority for Educational Television, which shall have sole authority over such exempt employees for employment, dismissal, and setting of compensation, up to the maximum established for the executive director and his principal assistants;
 - (g) One (1) principal assistant or deputy for each person exempted under subsection (1)(e) of this section;

- (h) One (1) additional principal assistant or deputy as may be necessary for making and carrying out policy for each person exempted under subsection (1)(e) of this section in those instances in which the nature of the functions, size, or complexity of the unit involved are such that the secretary approves such an addition on petition of the relevant cabinet secretary or department head and such other principal assistants, deputies, or other major assistants as may be necessary for making and carrying out policy for each person exempted under subsection (1)(e) of this section in those instances in which the nature of the functions, size, or complexity of the unit involved are such that the board may approve such an addition or additions on petition of the department head approved by the secretary. Effective August 1, 2010:
1. All positions approved under this paragraph prior to August 1, 2010, shall be abolished effective December 31, 2010, unless reapproved under subparagraph 2. of this paragraph; and
 2. A position approved under this paragraph on or after August 1, 2010, shall be approved for a period of five (5) years, after which time the position shall be abolished unless reapproved under this subparagraph for an additional five (5) year period;
- (i) Division directors subject to the provisions of KRS 18A.170. Division directors in the classified service as of January 1, 1980, shall remain in the classified service;
- (j) Physicians employed as such;
- (k) One (1) private secretary for each person exempted under subsection (1)(e), (g), and (h) of this section;
- (l) The judicial department, referees, receivers, jurors, and notaries public;
- (m) Officers and members of the staffs of state universities and colleges and student employees of such institutions; officers and employees of the Teachers' Retirement System; and officers, teachers, and employees of local boards of education;
- (n) Patients or inmates employed in state institutions;
- (o) Persons employed in a professional or scientific capacity to make or conduct a temporary or special inquiry, investigation, or examination on behalf of the General Assembly, or a committee thereof, or by authority of the Governor, and persons employed by state agencies for a specified, limited period to provide professional, technical, scientific, or artistic services under the provisions of KRS 45A.690 to 45A.725;
- (p) Interim employees;
- (q) Officers and members of the state militia;
- (r) Department of Kentucky State Police troopers;
- (s) University or college engineering students or other students employed part-time or part-year by the state through special personnel recruitment programs; provided that while so employed such aides shall be under contract to work full-time for the state after graduation for a period of time approved by the commissioner or shall be participants in a cooperative education program approved by the commissioner;
- (t) Superintendents of state mental institutions, including heads of centers for individuals with an intellectual disability, and penal and correctional institutions as referred to in KRS 196.180(2);
- (u) Staff members of the Kentucky Historical Society, if they are hired in accordance with KRS 171.311;
- (v) County and Commonwealth's attorneys and their respective appointees;
- (w) Chief district engineers and the state highway engineer;
- (x) Veterinarians employed as such by the Kentucky Horse Racing Commission;
- (y) Employees of the Kentucky Peace Corps;
- (z) Employees of the Council on Postsecondary Education;
- (aa) Executive director of the Commonwealth Office of Technology;
- (ab) Employees of Serve Kentucky;

- (ac) Persons employed in certified teaching positions at the Kentucky School for the Blind and the Kentucky School for the Deaf; ~~and~~
 - (ad) Federally funded time-limited employees as defined in KRS 18A.005; *and*
 - (ae) *Employees of the Department of Agriculture who are employed to support the Agricultural Development Board and the Kentucky Agricultural Finance Corporation.*
- (2) Nothing in KRS 18A.005 to 18A.200 is intended, or shall be construed, to alter or amend the provisions of KRS 150.022 and 150.061.
 - (3) Nothing in KRS 18A.005 to 18A.200 is intended or shall be construed to affect any nonmanagement, nonpolicy-making position which must be included in the classified service as a prerequisite to the grant of federal funds to a state agency.
 - (4) Career employees within the classified service promoted to positions exempted from classified service shall, upon termination of their employment in the exempted service, revert to a position in that class in the agency from which they were terminated if a vacancy in that class exists. If no such vacancy exists, they shall be considered for employment in any vacant position for which they were qualified pursuant to KRS 18A.130 and 18A.135.
 - (5) Nothing in KRS 18A.005 to 18A.200 shall be construed as precluding appointing officers from filling unclassified positions in the manner in which positions in the classified service are filled except as otherwise provided in KRS 18A.005 to 18A.200.
 - (6) The positions of employees who are transferred, effective July 1, 1998, from the 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 that 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 the KRS Chapter 151B or KRS Chapter 18A personnel systems. An employee who seeks reemployment in a state position under KRS Chapter 151B or KRS Chapter 18A shall have years of service in the Kentucky Community and Technical College System counted towards years of experience for calculating benefits and compensation.
 - (7) On August 15, 2000, all certified and equivalent personnel, all unclassified personnel, and all certified and equivalent and unclassified vacant positions in the Department for Adult Education and Literacy shall be transferred from the personnel system under KRS Chapter 151B to the personnel system under KRS Chapter 18A. The positions shall be deleted from the KRS Chapter 151B personnel system. All records shall be transferred including accumulated annual leave, sick leave, compensatory time, and service credit for each affected employee. The personnel officers who administer the personnel systems under KRS Chapter 151B and KRS Chapter 18A shall exercise the necessary administrative procedures to effect the change in personnel authority. No certified or equivalent employee in the Department for Adult Education and Literacy shall suffer any penalty in the transfer.
 - (8) On August 15, 2000, secretaries and assistants attached to policymaking positions in the Department for Technical Education and the Department for Adult Education and Literacy shall be transferred from the personnel system under KRS Chapter 151B to the personnel system under KRS Chapter 18A. The positions shall be deleted from the KRS Chapter 151B system. All records shall be transferred including accumulated annual leave, sick leave, compensatory time, and service credit for each affected employee. No employee shall suffer any penalty in the transfer.
 - (9) On May 1, 2017, all contract employees of Eastern Kentucky University who are engaged in providing instructional and support services to the Department of Criminal Justice Training shall be transferred to the personnel system under KRS Chapter 18A. All records shall be transferred, including accumulated annual leave, sick leave, compensatory time, and service credit for each affected employee. The personnel officers who administer the personnel systems for Eastern Kentucky University and under KRS Chapter 18A shall exercise the necessary administrative procedures to effect the change in personnel authority. No employee shall suffer any penalty in the transfer.

➔Section 5. KRS 42.016 is amended to read as follows:

The following corporate bodies and instrumentalities of the Commonwealth shall be attached to the Office of the Secretary for administrative purposes and staff services:

- (1) State Property and Buildings Commission;
- (2) Kentucky Turnpike Authority;
- (3) State Investment Commission;
- (4) Kentucky Housing Corporation;
- (5) ~~Kentucky Tobacco Settlement Trust Corporation;~~
- ~~(6)~~ Kentucky River Authority; and
- ~~(6)~~~~(7)~~ Executive Branch Ethics Commission.

➔Section 6. KRS 246.030 is amended to read as follows:

The department shall consist of:

- (1) The Office of the Commissioner;
- (2) The Office of Agricultural Marketing, which shall include the following:
 - (a) The Promotion and Development Division;
 - (b) The Shows and Fairs Division;
 - (c) The Livestock Division;
 - (d) The Plant Division;
 - (e) The Education and Outreach Division; and
 - (f) The Direct Farm Marketing Division;
- (3) The Office for Consumer and Environmental Protection, which shall include the following:
 - (a) The Division of Regulation and Inspection;
 - (b) The Division of Food Distribution; and
 - (c) The Division of Environmental Services;
- (4) The Office of State Veterinarian, which shall include the following:
 - (a) The Division of Animal Health; and
 - (b) The Division of Producer Services;
- (5) The Office of Administrative Services, which shall include the following:
 - (a) The Division of Human Resources;
 - (b) The Division of Administrative Services; and
 - (c) The Division of Information Technology;
- (6) The Office of Communications;
- (7) The Office of Legal Services; ~~and~~
- (8) The State Board of Agriculture; *and*
- (9) ***The Kentucky Office of Agricultural Policy, which shall include the following:***
 - (a) ***Agricultural Development Board; and***
 - (b) ***Kentucky Agricultural Finance Corporation.***

➔Section 7. KRS 247.944 is amended to read as follows:

- (1) There is hereby created and established the Kentucky Agricultural Finance Corporation which shall be attached to the ***Department of Agriculture***~~{Office of the Governor for administrative purposes only}~~.
- (2) The corporation is created and established as a de jure municipal corporation and political subdivision of the Commonwealth to perform essential governmental and public functions and purposes in improving and

otherwise promoting the health and general welfare of the people through the promotion of agriculture through the Commonwealth.

- (3) The corporation shall be governed by a board of directors consisting of twelve (12) members, ten (10) of whom shall be appointed by the **Commissioner**~~{Governor}~~. The other two (2) members shall be the ~~Commissioner of the Department of Agriculture~~, who shall serve as chairperson, and the secretary of the Finance and Administration Cabinet. The Commissioner may designate a representative to serve as chairperson in the Commissioner's absence.
- (4) The **Commissioner**~~{Governor}~~ shall appoint ten (10) private members of the board to take office and to exercise all powers of the board immediately. The ten (10) directors of the corporation shall be appointed using staggered terms **and shall be subject to confirmation as provided in KRS 11.160(2)**. Of the ten (10) private members of the board appointed by the **Commissioner**~~{Governor}~~, two (2) may be officers from a commercial lending institution, one (1) may be an officer from a farm credit association, one (1) may be an agricultural economist, one (1) shall be a tobacco farmer, one (1) shall be a cash grain farmer, one (1) shall be a livestock farmer, one (1) shall be a dairy **or poultry** farmer, one (1) shall be a horticultural farmer, and one (1) shall be from the equine industry. To promote efficient use of agricultural resources and coordination among agricultural leaders, the **Commissioner**~~{Governor}~~ shall appoint a member from the Agricultural Development Board, who meets the qualifications for one (1) of the positions set out in this subsection, to one (1) of the ten (10) board positions governing the Kentucky Agricultural Finance Corporation.
- (5) Upon the expiration of the initial terms of the private members of the board, the **Commissioner**~~{Governor}~~ shall appoint successors representing the same constituencies as the members succeeded for a term of four (4) years in each case. In the case of a vacancy, the **Commissioner**~~{Governor}~~ may appoint a successor to hold office during the remainder of the term.
- (6) Staff services for the board shall be provided by the **Department of Agriculture**~~{Office of the Governor}~~. The executive director of the Agricultural Development Board shall serve as executive director for the **Kentucky Agricultural Finance Corporation** board.
- (7) The executive director shall administer, manage, and direct the affairs and business of the corporation, subject to the policies, control, and direction of the board. The executive director shall keep a record of the proceedings of the corporation and shall be custodian of all books, documents, and papers filed with the corporation, the minute book or journal of the corporation, and its official seal. The executive director shall have authority to cause copies to be made of all minutes and other records and documents of the corporation and to give certificates under the official seal of the corporation to the effect that the copies are true copies, and all persons dealing with the corporation may rely on such certifications.
- (8) A majority of the board shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, notwithstanding the existence of any vacancies; provided, however, that a majority of the board may elect from among its members an executive committee to act in its stead in the day to day conduct of the business of the corporation. Notwithstanding the foregoing, the full board shall hold at least one (1) meeting each calendar quarter in accordance with a schedule to be established by the board.
- (9) Action may be taken by the corporation upon a vote of a majority of the directors present at a meeting at which a quorum exists called upon three (3) days written notice or upon the concurrence of at least seven (7) directors or by the board's executive committee.
- (10) All members of the board shall be entitled to their reasonable and necessary expenses actually incurred in discharging their duties.
- (11) **The Kentucky Agricultural Finance Corporation shall not be subject to reorganization under KRS Chapter 12.**

➔Section 8. KRS 248.707 is amended to read as follows:

- (1) The Agricultural Development Board is created as a political subdivision of the Commonwealth to perform essential governmental and public functions by administering funds to provide economic assistance to the agriculture community of the Commonwealth. The board shall be a public agency within the meaning of KRS 61.805, 61.870, and other applicable statutes.
- (2) The board shall consist of sixteen (16) members as follows:
 - (a) Five (5) voting members or their designees, as follows:

1. The **Commissioner of Agriculture**~~[Governor of the Commonwealth of Kentucky]~~, who shall serve as ~~chair~~**chairperson. The Commissioner of Agriculture may designate a representative to serve as chairperson in the Commissioner's absence;**
 2. The **Governor of the Commonwealth of Kentucky**~~[Commissioner of the Kentucky Department of Agriculture, who shall serve as vice chair and shall serve as chair in the absence of the Governor]~~;
 3. The secretary of the Cabinet for Economic Development;
 4. The director of the University of Kentucky Cooperative Extension Service; and
 5. The president of Kentucky State University; and
- (b) Eleven (11) voting members appointed by the **Commissioner**~~[Governor]~~, who shall be geographically distributed throughout the state and subject to confirmation~~[by the House of Representatives and Senate]~~ as provided in KRS 11.160(2). The members shall be as follows:
1. Seven (7) active farmers, at least four (4) of whom shall be from counties that are substantially tobacco-impacted, as determined by a formula that includes tobacco income as a percentage of total personal income in the county, and at least two (2) of whom shall have experience in agricultural diversification;
 2. One (1) representative of the Kentucky Farm Bureau;
 3. One (1) representative of the Kentucky Chamber of Commerce, who shall be an agribusiness person;
 4. One (1) attorney with farm experience and familiarity with agricultural policy; and
 5. One (1) agricultural lender.
- (3) The members appointed under subsection (2)(b)2. and 3. of this section shall be chosen from a list of three (3) nominees submitted to the **Commissioner**~~[Governor]~~ by each of the respective organizations.
- (4) Consideration shall be given to racial and gender equity in the appointment of board members.
- (5) The majority of the voting members shall be active farmers.
- (6) Members of the board shall be reimbursed for expenses incurred in the performance of their duties.
- (7) Except as provided in paragraphs (a) to (d) of this subsection, The terms of the members appointed by the **Commissioner**~~[Governor]~~ shall be for four (4) years and until their successors are appointed and confirmed. A vacancy on the board shall be filled for the remainder of the unexpired term in the same manner as the original appointment. Members may be reappointed. The initial appointments shall be for staggered terms, as follows:
- (a) Two (2) members shall be appointed for one (1) year;
 - (b) Three (3) members shall be appointed for two (2) years;
 - (c) Three (3) members shall be appointed for three (3) years; and
 - (d) Three (3) members shall be appointed for four (4) years.
- (8) ~~[The Governor shall convene the first meeting of the board by August 1, 2000.]~~
- ~~(9)~~—]The board shall meet monthly, or at the call of the chair or a majority of the voting members.
- ~~(9)~~~~(10)~~ A quorum of the board shall consist of nine (9) voting members. A majority of the voting members present may act upon matters before the board.
- ~~(10)~~~~(11)~~ The board shall be attached to the **Department of Agriculture**~~[Office of the Governor for administrative purposes]~~.
- (11) **Staff services for the board shall be provided by the Department of Agriculture.**
- (12) **The Agricultural Development Board shall not be subject to reorganization under KRS Chapter 12.**

➔Section 9. KRS 248.709 is amended to read as follows:

The board's duties shall include but not be limited to:

- (1) Administering the agricultural development fund, except as provided in KRS 248.717(2);

- (2) Receiving requests and applications for funds and authorizing the distribution of funds. The board may receive applications from institutions of public postsecondary education for financial and technical assistance in conducting alternative crop development research. The board shall assist the applicants in obtaining any necessary federal permits that may be required to conduct alternative crop research. A recipient institution shall report the status and progress of the alternative crop development research to the board, the Interim Joint Committee on Agriculture, and the Tobacco Settlement Agreement Fund Oversight Committee. The board shall promulgate administrative regulations relating to growing and researching alternative crops at the selected postsecondary institution, and shall adopt any applicable federal regulations;
- (3) Developing guidelines and criteria for eligibility for and disbursement of funds, the types of direct and indirect economic assistance to be awarded, and procedures for applying for funds and reviewing applications for assistance;
- (4) Ensuring that each county agricultural development council's plans and county recommendations and applications receive major consideration in decisions on use of a county's funds;
- (5) Completing a comprehensive plan *and updating the plan no less than every ten (10) years.*~~{}~~
 - (a) The comprehensive plan shall propose short-term and long-term goals, strategies, and investments in Kentucky agriculture that will assist farmers in remaining competitive in existing and new enterprises. The comprehensive plan shall identify a diversified mix of enterprises that are profitable to farmers and shall determine the investments necessary to support the viability of those enterprises. The plan shall be reviewed by the General Assembly and the subcommittee created in KRS 248.723. The subcommittee may issue comment on the plan. However, the board may act without General Assembly approval.~~{}~~
 - ~~{(b) As soon as possible following enactment of KRS 248.701 to 248.727, a plan of action shall be devised to meet the immediate needs of the Commonwealth's farmers and tobacco impacted communities most adversely affected by tobacco losses. A set of priorities shall be established in the plan of action to implement and fund programs to meet those needs as soon as practical; and}~~
 - ~~{(b)(e)}~~ Notwithstanding the provisions of 2000 Ky. Acts ch. 546, immediate funding needs may be addressed and funded before a comprehensive or strategic plan is completed. Proposals from an applicant may be approved by the board if they meet the criteria established in KRS 248.713;
- (6) Preparing a biennial budget request in accordance with KRS Chapter 48;
- (7) Working with other governmental agencies to maximize the financial and economic impact that the programs implemented by the board will have and to maximize receipt of federal and other funds to the agriculture community in the Commonwealth;
- (8) Promulgating administrative regulations relating to carrying out the purposes of KRS 248.701 to 248.727;
- (9) Hiring ~~an~~~~{a}~~ *executive* director to carry out the will of the board *and who shall report solely to the Commissioner*;
- (10) Ensuring the necessary mechanisms are in place for the committees created by KRS 248.715 to function effectively;
- (11) Contracting with other persons or entities if necessary to effectuate the board's purposes and functions;
- (12) Enacting bylaws concerning the conduct of the board's business and other administrative procedures as the board deems necessary;
- (13) Developing criteria to evaluate the success of the board's programs and expenditures to applicants. The criteria shall be simple, easily measured, and easily understood. Criteria should include number of families farming, increases in farm income attributable to state programs, the number of diversified operations, and the number of different types of diversified efforts within a county, including the efforts that have failed;
- (14) Providing reports of each meeting, along with expenditures approved or denied, within thirty (30) days of the meeting, to the Tobacco Settlement Agreement Fund Oversight Committee created by KRS 248.723. These reports shall contain detailed information relating to each expenditure by the board and detailed information on each application for funding a project or initiative by the board and decision by the board regarding each proposal, except information that may violate confidentiality. This information shall be provided by electronic format as prescribed by the Legislative Research Commission;

- (15) Submitting an annual written report to the Governor, the Commissioner of Agriculture, the Tobacco Settlement Agreement Fund Oversight Committee, and the Legislative Research Commission regarding the administrative, financial, and programmatic activities of the board; and
- (16) Making recommendations to the General Assembly through the Legislative Research Commission on possible adjustments to the funding formula for county allocations and the percent allocated to counties as provided in KRS 248.703.

➔Section 10. KRS 248.713 is amended to read as follows:

Notwithstanding the provisions of KRS 248.655, county allocations may be used for projects before the completion of a comprehensive plan or strategic plan as determined by the board or if they fall under the conditions described in KRS 248.709(5)(a) *or* (b) ~~(b) or (c)~~ or meet the criteria in KRS 248.711(2).

➔Section 11. KRS 260.860 is amended to read as follows:

- (1) The Hemp Advisory Board is created for the purpose of providing advice and expertise as may be needed by the department with respect to plans, policies, and procedures applicable to the administration of its respective hemp program.
- (2) The Hemp Advisory Board shall be attached to the department for administrative purposes.
- (3) The Hemp Advisory Board shall be composed of the following members:
 - (a) The Commissioner of the department or the Commissioner's designee;
 - (b) ~~The executive director of the Governor's Office of Agricultural Policy or the executive director's designee;~~
 - ~~(c)~~ The dean of the University of Kentucky's College of Agriculture, Food and Environment or the dean's designee;
 - ~~(d)~~ The commissioner of the Department of Kentucky State Police or the commissioner's designee;
 - ~~(e)~~ The president of the Kentucky Sheriff's Association or the president's designee;
 - ~~(f)~~ The president of the Kentucky Association of Chiefs of Police or the president's designee; and
 - ~~(g)~~ Ten (10) at-large members designated by the Commissioner.
- (4) The Commissioner or the Commissioner's designee shall serve as chair.
- (5) A majority of the members of the board shall constitute a quorum.
- (6) The board shall meet at least one (1) time annually at the call of the chair.
- (7) In making the initial appointments of the board, the Commissioner shall stagger the terms of the board members. Thereafter, members shall be appointed to a term of four (4) years and shall serve until their successors are duly appointed and qualified.
- (8) Board members shall receive no compensation but shall be reimbursed, payable from the hemp program fund, for any actual travel expense incurred while attending meetings of the board.

➔Section 12. The following KRS sections are repealed:

247.410 Definitions.

247.413 Creation of council -- Purposes.

247.417 Members of council -- Officers -- Compensation -- Meetings -- Quorum.

247.420 Duties and powers of council.

247.421 Agricultural Export Authority.

247.423 Steering committee.

247.430 Funds -- Construction.

248.480 Kentucky Tobacco Settlement Trust Corporation -- Board of directors -- Duties -- Amnesty compensation program -- Liability.

➔Section 13. Upon the effective date of this Act, the affairs of the Governor's Office of Agricultural Policy shall be concluded, and the Kentucky Department of Agriculture shall organize itself to manage the administrative affairs of the Agricultural Development Board and the Kentucky Agricultural Finance Corporation. Any records, files, and documents associated with the activities of the Kentucky Tobacco Settlement Trust Corporation shall be transferred to the Department of Agriculture. Any records, files, documents, equipment, staff, supporting budgets, and any and all unexpended funds associated with the activities of the Governor's Office of Agricultural Policy shall be transferred to the Department of Agriculture. All administrative regulations, decisions, and actions promulgated, made, or taken by the Agricultural Development Board or the Kentucky Agricultural Finance Corporation that have not been repealed or rescinded shall continue in effect after the effective date of this Act.

➔Section 14. Notwithstanding KRS 248.655 and 248.701 to 248.727, applications for projects or programs to be funded by the Agricultural Development Fund shall be subject to approval by both the Agricultural Development Board and the Commissioner of Agriculture, and all actions of the Agricultural Development Board shall be subject to approval by the board and the Commissioner of Agriculture. This provision shall be in effect from the effective date of an act of the General Assembly reorganizing the Agricultural Development Board and Department of Agriculture through the date when the reorganization process is complete, or through June 30, 2021, whichever comes first.

➔Section 15. Notwithstanding 247.940 to 247.978, all actions of the Kentucky Agricultural Finance Corporation shall be subject to approval by the board of directors and the Commissioner of Agriculture. This provision shall be in effect from the effective date of an act of the General Assembly reorganizing the Kentucky Agricultural Finance Corporation and Department of Agriculture through the date when the reorganization process is complete, or through June 30, 2021, whichever comes first.

➔Section 16. Whereas the world has witnessed unprecedented times during the onset of the COVID-19 pandemic, the nation has experienced a compromised food supply, and Kentucky's farmers continue to see depressed commodity prices, it is imperative that the continuity of the Agricultural Development Board and the Kentucky Agricultural Finance Corporation remain as established upon the effective date of this Act. Therefore, it is the intent of the General Assembly that each member of the Agricultural Development Board and the Kentucky Agricultural Finance Corporation shall serve his or her term as appointed and shall not be replaced unless by resignation and duly recognized.

➔Section 17. Whereas in order to ensure that Kentucky's farmers receive the assistance they so desperately need, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Became law without Governor's signature March 12, 2021.