

**CHAPTER 26****( SB 168 )**

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.
    - 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.
    - 3. ***Education Professional Standards 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.~~
- ~~(p){(q)}~~ Kentucky Educational Television.
- ~~(q){(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.
  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.
    - 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.
  - (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 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.
- (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 3. KRS 41.410 is amended to read as follows:

- (1) The Commonwealth Council on Developmental Disabilities is created within the Department of the Treasury.
- (2) The Commonwealth Council on Developmental Disabilities is established to comply with the requirements of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 and any subsequent amendment to that act.
- (3) The members of the Commonwealth Council on Developmental Disabilities shall be appointed by the Governor to serve as advocates for persons with developmental disabilities. The council shall be composed of twenty-six (26) members.
  - (a) Ten (10) members shall be representatives of: the principal state agencies administering funds provided under the Rehabilitation Act of 1973 as amended; the state agency that administers funds provided under the Individuals with Disabilities Education Act (IDEA); the state agency that administers funds provided under the Older Americans Act of 1965 as amended; the single state agency designated by the Governor for administration of Title XIX of the Social Security Act for persons with developmental disabilities; higher education training facilities, each university-affiliated program or satellite center in the Commonwealth; and the protection and advocacy system established under Public Law 101-496. These members shall represent the following:
    1. Office of Vocational Rehabilitation;
    2. Division of Blind Services within the Office of Vocational Rehabilitation;
    3. ~~{Division of Exceptional Children, within the }~~Department of Education;
    4. Department for Aging and Independent Living;
    5. Department for Medicaid Services;
    6. Department of Public Advocacy, Protection and Advocacy Division;
    7. University-affiliated programs;
    8. Local and nongovernmental agencies and private nonprofit groups concerned with services for persons with developmental disabilities;
    9. Department for Behavioral Health, Developmental and Intellectual Disabilities; and
    10. Department for Public Health, Division of Maternal and Child Health.
  - (b) At least sixty percent (60%) of the members of the council shall be composed of persons with developmental disabilities or the parents or guardians of persons, or immediate relatives or guardians of persons with mentally impairing developmental disabilities, who are not managing employees or persons with ownership or controlling interest in any other entity that receives funds or provides services under the Developmental Disabilities Assistance and Bill of Rights Act of 2000 as amended and who are not employees of a state agency that receives funds or provides services under this section. Of these members, five (5) members shall be persons with developmental disabilities, and five (5) members shall be parents or guardians of children with developmental disabilities or immediate relatives or guardians of adults with mentally impairing developmental disabilities who cannot advocate for themselves. Six (6) members shall be a combination of individuals in these two (2) groups, and at least one (1) of these members shall be an immediate relative or guardian of an institutionalized or previously institutionalized person with a developmental disability or an individual with a developmental disability who resides in an institution or who previously resided in an institution.
  - (c) Members not representing principal state agencies shall be appointed for a term of three (3) years. Members shall serve no more than two (2) consecutive three (3) year terms. Members shall serve until their successors are appointed or until they are removed for cause.
  - (d) The council shall elect its own chair, adopt bylaws, and operate in accordance with its bylaws. Members of the council who are not state employees shall be reimbursed for necessary and actual expenses. The Department of the Treasury shall provide personnel adequate to ensure that the council has the capacity to fulfill its responsibilities. The council shall be headed by an executive director. If the executive

director position becomes vacant, the council shall be responsible for the recruitment and hiring of a new executive director.

- (4) The Commonwealth Council on Developmental Disabilities shall:
- (a) Develop and implement the state plan as required by Part B of the Developmental Disabilities Assistance and Bill of Rights Act of 2000, as amended, with a goal of development of a coordinated consumer and family centered focus and direction, including the specification of priority services required by that plan;
  - (b) Monitor, review, and evaluate, not less often than annually, the implementation and effectiveness of the state plan in meeting the plan's objectives;
  - (c) To the maximum extent feasible, review and comment on all state plans that relate to persons with developmental disabilities;
  - (d) Submit to the Department of the Treasury and the Secretary of the United States Department of Health and Human Services any periodic reports on its activities as required by the United States Department of Health and Human Services and keep records and afford access as the Department of the Treasury finds necessary to verify the reports;
  - (e) Serve as an advocate for individuals with developmental disabilities and conduct programs, projects, and activities that promote systematic change and capacity building;
  - (f) Examine, not less than once every five (5) years, the provision of and need for federal and state priority areas to address, on a statewide and comprehensive basis, urgent needs for services, supports, and other assistance for individuals with developmental disabilities and their families; and
  - (g) Prepare, approve, and implement a budget that includes amounts paid to the state under the Developmental Disabilities Assistance and Bill of Rights Act of 2000, as amended, to fund all programs, projects, and activities under that Act.

➔Section 4. KRS 156.027 is amended to read as follows:

- (1) The following definitions shall apply to this section:
- (a) "Alternative format" means any medium or format for the presentation of instructional materials that is needed by a student with an individualized education program or Section 504 Plan for a reading accommodation other than standard print, including but not limited to Braille, large print, audio recordings, digital text, and digital talking books;
  - (b) "Braille," "individualized education program," and "blind students" have the same meaning as defined under KRS 158.281;
  - (c) "Comparable version" denotes that all elements of the print version are present in the electronic version, including graphics with ALT tags though not necessarily in the same order or format;
  - (d) "Legacy materials" means images and graphics requiring release and permission from another source other than the publisher; and
  - (e) "Section 504 Plan" means a written statement developed for a student with a disability that includes the provision of regular or special education and related aids and services designed to meet individual educational needs in accordance with the federal regulations issued under 34 C.F.R. sec. 104.33.
- (2) The purpose of this section shall be to ensure, to the extent feasible, that all students with disabilities in the public schools kindergarten through grade twelve (12) who require reading accommodations in accordance with an individualized education program or Section 504 Plan, including but not limited to students who are blind, visually impaired, or who have a specific learning disability as defined in KRS 157.200 or other disability affecting reading, shall have access to textbooks and instructional materials as defined by administrative regulations of the Kentucky Board of Education in alternative formats that are appropriate to their disability and educational needs.
- (3) Notwithstanding any other statute to the contrary, the Department of Education shall give preferential procurement status to textbook and instructional materials from publishers who make their materials available in alternative formats for use by students with disabilities, or who can verify that an accessible format textbook or instructional material is currently available from or is in the process of being created by the American Printing House for the Blind, Recording for the Blind and Dyslexic, or another authorized entity, as defined

under 17 U.S.C. sec. 121 and who commonly provide alternative format materials for use by students in Kentucky schools. The Department of Education may assign additional procurement preferences designed to ensure that students with disabilities have access to appropriate alternative formats to meet their needs.

- (4) Effective July 1, 2003, the Department of Education shall require to the extent feasible any publisher of a textbook or program adopted for use in the public schools in kindergarten through grade twelve (12) to furnish computer files or electronic versions of the printed textbooks and instructional materials in formats comparable to the printed version that are compatible with commonly used Braille translation and speech synthesis software and include corrections and revisions as may be necessary to assure clarity in presentation and use. Navigation within and between files should be reasonably efficient so that the disabled learner is able to fully utilize the material in a manner that yields the same result as the print version affords a nondisabled learner. File format shall be limited to those formats that allow for a comparable version that is readable with text and screen readers such as HTML, XML, or other formats that meet the criteria stated in this subsection. For extreme cases where ALT tags are not feasible, a tag may read, "This item is too complicated to render with current technology." Legacy materials shall be exempt from the criteria for this preference. These files shall be provided to the *Department of Education* ~~[Division of Exceptional Children Services]~~ and shall be provided at the same time and in composition and form comparable with the printed version and include corrections and revisions as may be necessary to ensure clarity in presentation and use. The Department of Education may define further requirements regarding additional characteristics of digital files submitted in compliance with this section as needed to provide appropriate alternative formats to meet the needs of students with disabilities.
- (5) The Department of Education shall require publishers to make digital files, together with two (2) copies of the print version, available at no charge upon request to the American Printing House for the Blind for production of accessible Braille and other materials and to Recording for the Blind and Dyslexic or another authorized entity, as defined under 17 U.S.C. sec. 121, for production of accessible audio media, digital text, and digital talking books, which produce accessible format materials based on selection and scheduling needs.
- (6) Nothing in this section shall in any way lessen the obligation of the public schools to provide for the instruction of blind students in the use of Braille in accordance with KRS 158.282 nor lessen the provision of Braille textbooks for blind students under KRS 156.476.

➔Section 5. KRS 156.824 is amended to read as follows:

- (1) (a) When a certified, equivalent, or unclassified employee has been finally ordered reinstated without loss of pay, pursuant to the provisions of KRS 156.822, the board shall forward a certified copy of the order to the Department of Education. The department shall process proper payment to the employee for the period of suspension, the payment to be made out of the agency's appropriations. If no funds or insufficient funds are available in the agency's appropriations, then payment shall be made out of the judgments section of the general fund of the biennial state budget.
- (b) Gross moneys which are earned by the employee from other sources during the period of suspension shall set off against the gross sum due the employee, to the extent that the moneys were earned in a number of hours comparable to the length of time the employee would have worked in the previous job where dismissal occurred. The *commissioner of education* ~~[executive director of the Office of Career and Technical Education]~~ shall by regulation provide an administrative procedure for determining reasonable earnings to be set off.
- (c) All other deductions shall be deducted as required by law or by other state regulation.
- (2) (a) Both the employee's and employer's contributions to the Kentucky Teachers' Retirement System or the Kentucky Employees Retirement System shall be based upon the gross amount due the employee, before set-off or deduction, except for set-off caused by earnings on which employee and employer contributions to the Kentucky Teachers' Retirement System or the Kentucky Employees Retirement System have been paid.
- (b) Member and employer contributions paid into the system in which the employee participated after dismissal shall be transferred to the system in which the employee participated prior to illegal dismissal. In the event of a difference in member or employer contribution rates between the retirement system under which the member was covered prior to dismissal and the retirement system of participation before reinstatement by the board, the member and employer shall pay or receive a refund in order to adjust their respective contribution to the appropriate rate for the system under which the employee would have participated if dismissal had not occurred.

➔Section 6. KRS 157.360 is amended to read as follows:

- (1)
  - (a) In determining the cost of the program to support education excellence in Kentucky, the statewide guaranteed base funding level, as defined in KRS 157.320, shall be computed by dividing the amount appropriated for this purpose by the prior year's statewide average daily attendance.
  - (b) When determining the biennial appropriations for the program, the average daily attendance for each fiscal year shall include an estimate of the number of students graduating early under the provisions of KRS 158.142.
- (2) Each district shall receive an amount equal to the base funding level for each pupil in average daily attendance in the district in the previous year, except a district shall receive an amount equal to one-half (1/2) of the state portion of the average statewide per pupil guaranteed base funding level for each student who graduated early under the provisions of KRS 158.142. Each district's base funding level shall be adjusted by the following factors:
  - (a) The number of at-risk students in the district. At-risk students shall be identified as those approved for the free lunch program under state and federal guidelines. The number of at-risk students shall be multiplied by a factor to be established by the General Assembly. Funds generated under this paragraph may be used to pay for:
    1. Alternative programs for students who are at risk of dropping out of school before achieving a diploma; and
    2. A hazardous duty pay supplement as determined by the local board of education to the teachers who work in alternative programs with students who are violent or assaultive;
  - (b) The number and types of exceptional children in the district as defined by KRS 157.200. Specific weights for each category of exceptionality shall be used in the calculation of the add-on factor for exceptional children; and
  - (c) Transportation costs. The per-pupil cost of transportation shall be calculated as provided by KRS 157.370. Districts which contract to furnish transportation to students attending nonpublic schools may adopt any payment formula which ensures that no public school funds are used for the transportation of nonpublic students.
- (3) Beginning with the 2015-2016 school year and each year thereafter, the General Assembly shall annually allocate funds equal to one-half (1/2) of the state portion of the average statewide per pupil guaranteed base funding level for each student who graduated early under the provisions of KRS 158.142 the previous school year to the Kentucky Higher Education Assistance Authority for deposit in the early graduation scholarship trust fund.
- (4) The program to support education excellence in Kentucky shall be fully implemented by the 1994-95 school year.
- (5)
  - (a) Except for those schools which have implemented school-based decision making, the commissioner of education shall enforce maximum class sizes for every academic course requirement in all grades except in vocal and instrumental music, and physical education classes. Except as provided in subsection (6) of this section, the maximum number of pupils enrolled in a class shall be as follows:
    1. Twenty-four (24) in primary grades (kindergarten through third grade);
    2. Twenty-eight (28) in grade four (4);
    3. Twenty-nine (29) in grades five (5) and six (6);
    4. Thirty-one (31) in grades seven (7) to twelve (12).
  - (b) Except for those schools which have implemented school-based decision making, class size loads for middle and secondary school classroom teachers shall not exceed the equivalent of one hundred fifty (150) pupil hours per day.
  - (c) The commissioner of education, upon approval of the Kentucky Board of Education, shall adopt administrative regulations for enforcing this provision. These administrative regulations shall include procedures for a superintendent to request an exemption from the Kentucky Board of Education when unusual circumstances warrant an increased class size for an individual class. A request for an exemption shall include specific reasons for the increased class size with a plan for reducing the class



size prior to the beginning of the next school year. A district shall not receive in any one (1) year exemptions for more classes than enroll twenty percent (20%) of the pupils in the primary grades and grades four (4) through eight (8).

- (d) In all schools the commissioner of education shall enforce the special education maximum class sizes set by administrative regulations adopted by the Kentucky Board of Education. A superintendent may request an exemption pursuant to paragraph (c) of this subsection. A local school council may request a waiver pursuant to KRS 156.160(2). An exemption or waiver shall not be granted if the increased class size will impede any exceptional child from achieving his individual education program in the least restrictive environment.
- (6) In grades four (4) through six (6) with combined grades, the maximum class size shall be the average daily attendance upon which funding is appropriated for the lowest assigned grade in the class. There shall be no exceptions to the maximum class size for combined classes. In combined classes other than the primary grades, no ungraded students shall be placed in a combined class with graded students. In addition, there shall be no more than two (2) consecutive grade levels combined in any one (1) class in grades four (4) through six (6). However, this shall not apply to schools which have implemented school-based decision making.
- (7) If a local school district, through its admission and release committee, determines that an appropriate program in the least restrictive environment for a particular child with a disability includes either part-time or full-time enrollment with a private school or agency within the state or a public or private agency in another state, the school district shall count as average daily attendance in a public school the time that the child is in attendance at the school or agency, contingent upon approval by the commissioner of education.
- (8) Pupils attending a center for child learning and study established under an agreement pursuant to KRS 65.210 to 65.300 shall, for the purpose of calculating average daily attendance, be considered as in attendance in the school district in which the child legally resides and which is party to the agreement. For purposes of subsection (1) of this section, teachers who are actually employees of the joint or cooperative action shall be considered as employees of each school district which is a party to the agreement.
- (9) Program funding shall be increased when the average daily attendance in any district for the first two (2) months of the current school year is greater than the average daily attendance of the district for the first two (2) months of the previous school year. The program funds allotted the district shall be increased by the percent of increase. The average daily attendance in kindergarten is the kindergarten full-time equivalent pupils in average daily attendance.
- (10) If the average daily attendance for the current school year in any district decreases by ten percent (10%) or more than the average daily attendance for the previous school year, the average daily attendance for purposes of calculating program funding for the next school year shall be increased by an amount equal to two-thirds (2/3) of the decrease in average daily attendance. If the average daily attendance remains the same or decreases in the succeeding school year, the average daily attendance for purposes of calculating program funding for the following school year shall be increased by an amount equal to one-third (1/3) of the decrease for the first year of the decline.
- (11) If the percentage of attendance of any school district shall have been reduced more than two percent (2%) during the previous school year, the program funding allotted the district for the current school year shall be increased by the difference in the percentage of attendance for the two (2) years immediately prior to the current school year less two percent (2%).
- (12) (a) Instructional salaries for vocational agriculture classes shall be for twelve (12) months per year. Vocational agriculture teachers shall be responsible for the following program of instruction during the time period beyond the regular school term established by the local board of education: supervision and instruction of students in agriculture experience programs; group and individual instruction of farmers and agribusinessmen; supervision of student members of agricultural organizations who are involved in leadership training or other activity required by state or federal law; or any program of vocational agriculture established by the ~~Division of Career and Technical Education in the~~ Department of Education. During extended employment, no vocational agriculture teacher shall receive salary on a day that the teacher is scheduled to attend an institution of higher education class which could be credited toward meeting any certification requirement.
- (b) Each teacher of agriculture employed shall submit an annual plan for summer program to the local school superintendent for approval. The summer plan shall include a list of tasks to be performed,

purposes for each task, and time to be spent on each task. Approval by the local school superintendent shall be in compliance with the guidelines developed by the Department of Education. The supervision and accountability of teachers of vocational agriculture's summer programs shall be the responsibility of the local school superintendent. The local school superintendent shall submit to the commissioner of education a completed report of summer tasks for each vocational agriculture teacher. Twenty percent (20%) of the approved vocational agriculture programs shall be audited annually by the State Department of Education to determine that the summer plan has been properly executed.

- (13) (a) In allotting program funds for home and hospital instruction, statewide guaranteed base funding, excluding the capital outlay, shall be allotted for each child in average daily attendance in the prior school year who has been properly identified according to Kentucky Board of Education administrative regulations. Attendance shall be calculated pursuant to KRS 157.270 and shall be reported monthly on forms provided by the Department of Education; and
- (b) Pursuant to administrative regulations of the Kentucky Board of Education, local school districts shall be reimbursed for home and hospital instruction for pupils unable to attend regular school sessions because of short-term health impairments. A reimbursement formula shall be established by administrative regulations to include such factors as a reasonable per hour, per child allotment for teacher instructional time, with a maximum number of funded hours per week, a reasonable allotment for teaching supplies and equipment, and a reasonable allotment for travel expenses to and from instructional assignments, but the formula shall not include an allotment for capital outlay. Attendance shall be calculated pursuant to KRS 157.270 and shall be reported annually on forms provided by the Department of Education.
- (14) Except for those schools which have implemented school-based decision making and the school council has voted to waive this subsection, kindergarten aides shall be provided for each twenty-four (24) full-time equivalent kindergarten students enrolled.
- (15) Effective July 1, 2001, there shall be no deduction applied against the base funding level for any pupil in average daily attendance who spends a portion of his or her school day in a program at a state-operated career and technical education or vocational facility.
- (16) During a fiscal year, a school district may request that the Department of Education recalculate its funds allocated under this section if the current year average daily attendance for the twenty (20) day school month as defined in KRS 158.060(1) that contains the most days within the calendar month of January exceeds the prior year adjusted average daily attendance plus growth by at least one percent (1%). Any adjustments in the allotments approved under this subsection shall be proportional to the remaining days in the school year and subject to available funds under the program to support education excellence in Kentucky.
- (17) To calculate the state portion of the program to support education excellence in Kentucky for a school district, the Department of Education shall subtract the local effort required under KRS 157.390(5) from the calculated base funding under the program to support education excellence in Kentucky, as required by this section. The value of the real estate used in this calculation shall be the lesser of the current year assessment or the prior year assessment increased by four percent (4%) plus the value of current year new property. The calculation under this subsection shall be subject to available funds.
- (18) Notwithstanding any other statute or budget of the Commonwealth language to the contrary, time missed due to shortening days for emergencies may be made up by lengthening school days in the school calendar without any loss of funds under the program to support education excellence in Kentucky.

➔Section 7. KRS 161.017 is amended to read as follows:

- (1) The **administration of the duties of the** Education Professional Standards Board, established in KRS 161.028, shall be headed by **the commissioner of education and shall include**~~an executive director who shall be responsible for the day to day operations of the board including~~ the following:
- (a) Setting up appropriate organizational structures and personnel policies for approval by the board;
- (b) Appointing all staff~~-, including the deputy executive director~~;
- (c) Preparing annual reports on the board's program of work;
- (d) Carrying out policy and program directives of the board; **and**
- (e) ~~Preparing and submitting to the board for its approval a proposed biennial budget; and~~

- (f) ~~—~~ Performing all other duties and responsibilities assigned by state law.
- (2) ~~[When it is necessary to fill the position of executive director, the board shall conduct a comprehensive search for candidates and may employ a search firm if the board deems it necessary. The executive director shall possess broad based experience in education and teacher development, and have demonstrated leadership skills in addition to other qualifications to be established by the board as authorized in KRS 161.028.]~~
- (3) ~~—~~ With approval of the board, the **commissioner of education**~~[executive director]~~ may enter into agreements with any state agency or political subdivision of the state, any postsecondary education institution, or any other person or entity to enlist assistance to implement the duties and responsibilities of the board.
- (3)~~(4)~~ The **commissioner of education**~~[executive director]~~ shall have access to the papers, books, and records of education personnel as part of an inquiry or investigation relating to disciplinary actions against a certified employee.
- (4)~~(5)~~ Pursuant to KRS 161.120, the **commissioner of education**~~[executive director]~~, on behalf of the board, may issue administrative subpoenas for the attendance of witnesses and the production of documents relevant to disciplinary cases under consideration. Compliance with the subpoenas shall be enforceable by the Circuit Court in Franklin County.

➔ Section 8. KRS 161.028 is amended to read as follows:

- (1) The Education Professional Standards Board is recognized to be a public body corporate and politic and an agency and instrumentality of the Commonwealth, in the performance of essential governmental functions. The Education Professional Standards Board has the authority and responsibility to:
- (a) Establish standards and requirements for obtaining and maintaining a teaching certificate;
  - (b) Set standards for, approve, and evaluate college, university, and school district programs for the preparation of teachers and other professional school personnel. Program standards shall reflect national standards and shall address, at a minimum, the following:
    1. The alignment of programs with the state's core content for assessment as defined in KRS 158.6457;
    2. Research-based classroom practices, including effective classroom management techniques;
    3. Emphasis on subject matter competency of teacher education students;
    4. Methodologies to meet diverse educational needs of all students;
    5. The consistency and quality of classroom and field experiences, including early practicums and student teaching experiences;
    6. The amount of college-wide or university-wide involvement and support during the preparation as well as the induction of new teachers;
    7. The diversity of faculty;
    8. The effectiveness of partnerships with local school districts; and
    9. The performance of graduates on various measures as determined by the board;
  - (c) Conduct an annual review of diversity in teacher preparation programs;
  - (d) Provide assistance to universities and colleges in addressing diversity, which may include researching successful strategies and disseminating the information, encouraging the development of nontraditional avenues of recruitment and providing incentives, waiving administrative regulations when needed, and other assistance as deemed necessary;
  - (e) Discontinue approval of programs that do not meet standards or whose graduates do not perform according to criteria set by the board;
  - (f) Issue, renew, revoke, suspend, or refuse to issue or renew; impose probationary or supervisory conditions upon; issue a written reprimand or admonishment; or any combination of actions regarding any certificate;
  - (g) Develop specific guidelines to follow upon receipt of an allegation of sexual misconduct by an employee certified by the Education Professional Standards Board. The guidelines shall include

investigation, inquiry, and hearing procedures which ensure the process does not revictimize the alleged victim or cause harm if an employee is falsely accused;

- (h) Receive, along with investigators hired by the Education Professional Standards Board, training on the dynamics of sexual misconduct of professionals, including the nature of this abuse of authority, characteristics of the offender, the impact on the victim, the possibility and the impact of false accusations, investigative procedures in sex offense cases, and effective intervention with victims and offenders;
- (i) Recommend to the Kentucky Board of Education the essential data elements relating to teacher preparation and certification, teacher supply and demand, teacher attrition, teacher diversity, and employment trends to be included in a state comprehensive data and information system and periodically report data to the Interim Joint Committee on Education;
- (j) Submit reports to the Governor and the Legislative Research Commission and inform the public on the status of teaching in Kentucky;
- (k) Devise a credentialing system that provides alternative routes to gaining certification and greater flexibility in staffing local schools while maintaining standards for teacher competence;
- (l) Develop a professional code of ethics;
- (m) ~~{Set the qualifications and salary for the positions of executive director and deputy executive director to the board, notwithstanding the provisions of KRS 64.640;~~
- ~~(n) Recruit, select, employ and evaluate the executive director to the board;~~
- ~~(o) Approve employment procedures for the employment of policy level staff, subject to the provisions of KRS 12.050;~~
- ~~(p) Approve the biennial budget request;~~
- ~~(q) Charge reasonable fees for the issuance, reissuance, and renewal of certificates that are established by administrative regulation. The proceeds shall be used to meet a portion of the costs of the issuance, reissuance, and renewal of certificates, and the costs associated with disciplinary action against a certificate holder under KRS 161.120;~~
- ~~(n){(+)}~~ Waive a requirement that may be established in an administrative regulation promulgated by the board. A request for a waiver shall be submitted to the board, in writing, by an applicant for certification, a postsecondary institution, or a superintendent of a local school district, with appropriate justification for the waiver. The board may approve the request if the person or institution seeking the waiver has demonstrated extraordinary circumstances justifying the waiver. Any waiver granted under this subsection shall be subject to revocation if the person or institution falsifies information or subsequently fails to meet the intent of the waiver;
- ~~(o){(s)}~~ Promote the development of one (1) or more innovative, nontraditional or alternative administrator or teacher preparation programs through public or private colleges or universities, private contractors, the Department of Education, or the Kentucky Commonwealth Virtual University and waive administrative regulations if needed in order to implement the program;
- ~~(p){(+)}~~ Grant approval, if appropriate, of a university's request for an alternative program that enrolls an administrator candidate in a postbaccalaureate administrator preparation program concurrently with employment as an assistant principal, principal, assistant superintendent, or superintendent in a local school district. An administrator candidate in the alternative program shall be granted a temporary provisional certificate and shall be a candidate in the Kentucky Principal Internship Program, notwithstanding provisions of KRS 161.030, or the Superintendent's Assessment process, notwithstanding provisions of KRS 156.111, as appropriate. The temporary certificate shall be valid for a maximum of two (2) years, and shall be contingent upon the candidate's continued enrollment in the preparation program and compliance with all requirements established by the board. A professional certificate shall be issued upon the candidate's successful completion of the program, internship requirements, and assessments as required by the board;
- ~~(g){(u)}~~ Employ consultants as needed;

- (r)~~(v)~~ Enter into contracts. Disbursements to professional educators who receive less than one thousand dollars (\$1,000) in compensation per fiscal year from the board for serving on an assessment validation panel or as a test scorer or proctor shall not be subject to KRS 45A.690 to 45A.725;
- (s)~~(w)~~ Sponsor studies, conduct research, conduct conferences, and publish information as appropriate; and
- (t)~~(x)~~ Issue orders as necessary in any administrative action before the board.
- (2) (a) The board shall be composed of seventeen (17) members. The *secretary of the Education and Workforce Development Cabinet*~~commissioner of education~~ and the president of the Council on Postsecondary Education, or their designees, shall serve as ex officio voting members. The Governor shall make the following fifteen (15) appointments:
1. Nine (9) members who shall be teachers representative of elementary, middle or junior high, secondary, special education, and secondary vocational classrooms;
  2. Two (2) members who shall be school administrators, one (1) of whom shall be a school principal;
  3. One (1) member representative of local boards of education; and
  4. Three (3) members representative of postsecondary institutions, two (2) of whom shall be deans of colleges of education at public universities and one (1) of whom shall be the chief academic officer of an independent not-for-profit college or university.
- (b) The members appointed by the Governor ~~after June 21, 2001,~~ shall be confirmed by the Senate ~~and the House of Representatives~~ under KRS 11.160. If the General Assembly is not in session at the time of the appointment, persons appointed shall serve prior to confirmation, but the Governor shall seek the consent of the *Senate*~~General Assembly~~ at the next regular session or at an intervening extraordinary session if the matter is included in the call of the General Assembly.
- (c) *Each appointed member shall serve a three (3) year term.* A vacancy on the board shall be filled in the same manner as the original appointment within sixty (60) days after it occurs. A member shall continue to serve until his successor is named. Any member who, through change of employment status or residence, or for other reasons, no longer meets the criteria for the position to which he was appointed shall no longer be eligible to serve in that position.
- (d) Members of the board shall serve without compensation but shall be permitted to attend board meetings and perform other board business without loss of income or other benefits.
- (e) A state agency or any political subdivision of the state, including a school district, required to hire a substitute for a member of the board who is absent from the member's place of employment while performing board business shall be reimbursed by the board for the actual amount of any costs incurred.
- (f) A chairman shall be elected by and from the membership. A member shall be eligible to serve no more than three (3) one (1) year terms in succession as chairman.~~The executive director shall keep records of proceedings.~~ Regular meetings shall be held at least semiannually on call of the chairman.
- (g) *The commissioner of education shall serve as executive secretary to the board and may designate staff to facilitate his or her duties.*
- (h) To carry out the functions relating to its duties and responsibilities, the board is empowered to receive donations and grants of funds; to appoint consultants as needed; and to sponsor studies, conduct conferences, and publish information.

➔Section 9. KRS 161.100 is amended to read as follows:

When a district board of education satisfies the Education Professional Standards Board that it is impossible to secure qualified teachers for a position in a school under the control of the district board, the Education Professional Standards Board may issue emergency certificates to persons who meet the qualifications determined by the Education Professional Standards Board for emergency certificates. An emergency certificate shall be valid only for the specific job for which issued and for the current school term. The Education Professional Standards Board may require the passing of a written examination before an emergency certificate is issued. The examination shall be prepared and administered and the papers graded in the state offices of the Education Professional Standards Board

under the direction of the *commissioner of education*~~[executive director]~~, in accordance with administrative regulations approved by the Education Professional Standards Board.

➔Section 10. KRS 161.126 is amended to read as follows:

- (1) The "designated state official" for this state shall be the *commissioner of education*~~[executive director of the Education Professional Standards Board]~~. The *commissioner of education*~~[executive director]~~ shall enter into contracts pursuant to Article III of the agreement only with the approval of the specific text by the Education Professional Standards Board.
- (2) True copies of all contracts made on behalf of this state pursuant to the agreement shall be kept on file in the office of the Education Professional Standards Board and in the office of the Secretary of State. The *commissioner of education*~~[executive director of the board]~~ shall publish all contracts in convenient form.

➔Section 11. KRS 161.220 is amended to read as follows:

As used in KRS 161.220 to 161.716 and 161.990:

- (1) "Retirement system" means the arrangement provided for in KRS 161.220 to 161.716 and 161.990 for payment of allowances to members;
- (2) "Retirement allowance" means the amount annually payable during the course of his natural life to a member who has been retired by reason of service;
- (3) "Disability allowance" means the amount annually payable to a member retired by reason of disability;
- (4) "Member" means the commissioner of education, deputy commissioners, associate commissioners, and all division directors in the State Department of Education, employees participating in the system pursuant to KRS 196.167(3)(b)1., and any full-time teacher or professional occupying a position requiring certification or graduation from a four (4) year college or university, as a condition of employment, and who is employed by public boards, institutions, or agencies as follows:
  - (a) Local boards of education;
  - (b) Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Western Kentucky University, and any community colleges established under the control of these universities;
  - (c) State-operated secondary area vocational education or area technology centers, Kentucky School for the Blind, and Kentucky School for the Deaf;
  - (d) ~~[The Education Professional Standards Board, ]~~Other public education agencies as created by the General Assembly, and those members of the administrative staff of the Teachers' Retirement System of the State of Kentucky whom the board of trustees may designate by administrative regulation;
  - (e) Regional cooperative organizations formed by local boards of education or other public educational institutions listed in this subsection, for the purpose of providing educational services to the participating organizations;
  - (f) All full-time members of the staffs of the Kentucky Association of School Administrators, Kentucky Education Association, Kentucky Vocational Association, Kentucky High School Athletic Association, Kentucky Academic Association, and the Kentucky School Boards Association who were members of the Kentucky Teachers' Retirement System or were qualified for a position covered by the system at the time of employment by the association in the event that the board of directors of the respective association petitions to be included. The board of trustees of the Kentucky Teachers' Retirement System may designate by resolution whether part-time employees of the petitioning association are to be included, except as limited by KRS 161.612. The state shall make no contributions on account of these employees, either full-time or part-time. The association shall make the employer's contributions, including any contribution that is specified under KRS 161.550. The provisions of this paragraph shall be applicable to persons in the employ of the associations on or subsequent to July 1, 1972;
  - (g) Employees of the Council on Postsecondary Education who were employees of the Department for Adult Education and Literacy and who were members of the Kentucky Teachers' Retirement System at the time the department was transferred to the council pursuant to Executive Order 2003-600;
  - (h) The Office of Career and Technical Education~~[, except that the executive director shall not be a member]~~;

- (i) The Office of Vocational Rehabilitation;
  - (j) The Kentucky Educational Collaborative for State Agency Children;
  - (k) The Governor's Scholars Program;
  - (l) Any person who is retired for service from the retirement system and is reemployed by an employer identified in this subsection in a position that the board of trustees deems to be a member, except that any person who retires on or after January 1, 2019, shall upon reemployment after retirement not earn a second retirement account;
  - (m) Employees of the former Cabinet for Workforce Development who are transferred to the Kentucky Community and Technical College System and who occupy positions covered by the Kentucky Teachers' Retirement System shall remain in the Teachers' Retirement System. New employees occupying these positions, as well as newly created positions qualifying for Teachers' Retirement System coverage that would have previously been included in the former Cabinet for Workforce Development, shall be members of the Teachers' Retirement System;
  - (n) Effective January 1, 1998, employees of state community colleges who are transferred to the Kentucky Community and Technical College System shall continue to participate in federal old age, survivors, disability, and hospital insurance, and a retirement plan other than the Kentucky Teachers' Retirement System offered by Kentucky Community and Technical College System. New employees occupying positions in the Kentucky Community and Technical College System as referenced in KRS 164.5807(5) that would not have previously been included in the former Cabinet for Workforce Development, shall participate in federal old age, survivors, disability, and hospital insurance and have a choice at the time of employment of participating in a retirement plan provided by the Kentucky Community and Technical College System, including participation in the Kentucky Teachers' Retirement System, on the same basis as faculty of the state universities as provided in KRS 161.235, 161.540, and 161.620;
  - (o) Employees of the Office of General Counsel, the Office of Budget and Administrative Services, and the Office of Quality and Human Resources within the Office of the Secretary of the former Cabinet for Workforce Development and the commissioners of the former Department for Adult Education and Literacy and the former Department for Technical Education who were contributing to the Kentucky Teachers' Retirement System as of July 15, 2000;
  - (p) Employees of the Kentucky Department of Education only who are graduates of a four (4) year college or university, notwithstanding a substitution clause within a job classification, and who are serving in a professional job classification as defined by the department;
  - (q) The Governor's School for Entrepreneurs Program; ~~and~~
  - (r) Employees of the Office of Adult Education within the Department of Workforce Investment in the Education and Workforce Development Cabinet who were employees of the Council on Postsecondary Education, Kentucky Adult Education Program and who were members of the Kentucky Teachers' Retirement System at the time the program was transferred to the cabinet pursuant to Executive Orders 2019-0026 and 2019-0027; **and**
  - (s) ***Employees of the Education Professional Standards Board who were members of the Kentucky Teachers' Retirement System at the time the employees were transferred to the Kentucky Department of Education pursuant to Executive Order 2020-590.***
- (5) "Present teacher" means any teacher who was a teacher on or before July 1, 1940, and became a member of the retirement system created by 1938 (1st Extra. Sess.) Ky. Acts ch. 1, on the date of the inauguration of the system or within one (1) year after that date, and any teacher who was a member of a local teacher retirement system in the public elementary or secondary schools of the state on or before July 1, 1940, and continued to be a member of the system until he, with the membership of the local retirement system, became a member of the state Teachers' Retirement System or who becomes a member under the provisions of KRS 161.470(4);
  - (6) "New teacher" means any member not a present teacher;
  - (7) "Prior service" means the number of years during which the member was a teacher in Kentucky prior to July 1, 1941, except that not more than thirty (30) years' prior service shall be allowed or credited to any teacher;
  - (8) "Subsequent service" means the number of years during which the teacher is a member of the Teachers' Retirement System after July 1, 1941;

(9) "Final average salary" means the average of the five (5) highest annual salaries which the member has received for service in a covered position and on which the member has made contributions, or on which the public board, institution, or agency has picked-up member contributions pursuant to KRS 161.540(2), or the average of the five (5) years of highest salaries as defined in KRS 61.680(2)(a), which shall include picked-up member contributions. Additionally, the board of trustees may approve a final average salary based upon the average of the three (3) highest salaries for members who are at least fifty-five (55) years of age and have a minimum of twenty-seven (27) years of Kentucky service credit. However, if any of the five (5) or three (3) highest annual salaries used to calculate the final average salary was paid within the three (3) years immediately prior to the date of the member's retirement, the amount of salary to be included for each of those three (3) years for the purpose of calculating the final average salary shall be limited to the lesser of:

- (a) The member's actual salary; or
- (b) The member's annual salary that was used for retirement purposes during each of the prior three (3) years, plus a percentage increase equal to the percentage increase received by all other members employed by the public board, institution, or agency, or for members of school districts, the highest percentage increase received by members on any one (1) rank and step of the salary schedule of the school district. The increase shall be computed on the salary that was used for retirement purposes.

This limitation shall not apply if the member receives an increase in salary in a percentage exceeding that received by the other members, and this increase was accompanied by a corresponding change in position or in length of employment. This limitation shall also not apply to the payment to a member for accrued annual leave if the individual becomes a member before July 1, 2008, or accrued sick leave which is authorized by statute and which shall be included as part of a retiring member's annual compensation for the member's last year of active service as provided by KRS 161.155;

(10) "Annual compensation" means the total salary received by a member as compensation for all services performed in employment covered by the retirement system during a fiscal year. Annual compensation shall not include payment for any benefit or salary adjustments made by the public board, institution, or agency to the member or on behalf of the member which is not available as a benefit or salary adjustment to other members employed by that public board, institution, or agency. Annual compensation shall not include the salary supplement received by a member under KRS 157.197(2)(c), 158.6455, or 158.782 on or after July 1, 1996. Under no circumstances shall annual compensation include compensation that is earned by a member while on assignment to an organization or agency that is not a public board, institution, or agency listed in subsection (4) of this section. In the event that federal law requires that a member continue membership in the retirement system even though the member is on assignment to an organization or agency that is not a public board, institution, or agency listed in subsection (4) of this section, the member's annual compensation for retirement purposes shall be deemed to be the annual compensation, as limited by subsection (9) of this section, last earned by the member while still employed solely by and providing services directly to a public board, institution, or agency listed in subsection (4) of this section. The board of trustees shall determine if any benefit or salary adjustment qualifies as annual compensation. For an individual who becomes a member on or after July 1, 2008, annual compensation shall not include lump-sum payments upon termination of employment for accumulated annual or compensatory leave;

(11) "Age of member" means the age attained on the first day of the month immediately following the birthdate of the member. This definition is limited to retirement eligibility and does not apply to tenure of members;

(12) "Employ," and derivatives thereof, means relationships under which an individual provides services to an employer as an employee, as an independent contractor, as an employee of a third party, or under any other arrangement as long as the services provided to the employer are provided in a position that would otherwise be covered by the Kentucky Teachers' Retirement System and as long as the services are being provided to a public board, institution, or agency listed in subsection (4) of this section;

(13) "Regular interest" means interest at three percent (3%) per annum, except:

- (a) For an individual who becomes a member on or after July 1, 2008, but prior to January 1, 2019, "regular interest" means interest at two and one-half percent (2.5%) per annum for purposes of crediting interest to the teacher savings account or any other contributions made by the employee that are refundable to the employee upon termination of employment; and
- (b) For an individual who becomes a member on or after January 1, 2019, who is participating in the hybrid cash balance plan, "regular interest" means the regular interest credited to the member's accumulated account balance as provided by KRS 161.235;



- (14) "Accumulated contributions" means the contributions of a member to the teachers' savings fund, including picked-up member contributions as described in KRS 161.540(2), plus accrued regular interest;
- (15) "Annuitant" means a person who receives a retirement allowance or a disability allowance;
- (16) "Local retirement system" means any teacher retirement or annuity system created in any public school district in Kentucky in accordance with the laws of Kentucky;
- (17) "Fiscal year" means the twelve (12) month period from July 1 to June 30. The retirement plan year is concurrent with this fiscal year. A contract for a member employed by a local board of education may not exceed two hundred sixty-one (261) days in the fiscal year;
- (18) "Public schools" means the schools and other institutions mentioned in subsection (4) of this section;
- (19) "Dependent" as used in KRS 161.520 and 161.525 means a person who was receiving, at the time of death of the member, at least one-half (1/2) of the support from the member for maintenance, including board, lodging, medical care, and related costs;
- (20) "Active contributing member" means a member currently making contributions to the Teachers' Retirement System, who made contributions in the next preceding fiscal year, for whom picked-up member contributions are currently being made, or for whom these contributions were made in the next preceding fiscal year;
- (21) "Full-time" means employment in a position that requires services on a continuing basis equal to at least seven-tenths (7/10) of normal full-time service on a fiscal year basis;
- (22) "Full actuarial cost," when used to determine the payment that a member must pay for service credit means the actuarial value of all costs associated with the enhancement of a member's benefits or eligibility for benefit enhancements, including health insurance supplement payments made by the retirement system. The actuary for the retirement system shall determine the full actuarial value costs and actuarial cost factor tables as provided in KRS 161.400;
- (23) "Last annual compensation" means the annual compensation, as defined by subsection (10) of this section and as limited by subsection (9) of this section, earned by the member during the most recent period of contributing service, either consecutive or nonconsecutive, that is sufficient to provide the member with one (1) full year of service credit in the Kentucky Teachers' Retirement System, and which compensation is used in calculating the member's initial retirement allowance, excluding bonuses, retirement incentives, payments for accumulated sick leave authorized by KRS 161.155, annual, personal, and compensatory leave, and any other lump-sum payment. For an individual who becomes a member on or after July 1, 2008, payments for annual or compensatory leave shall not be included in determining the member's last annual compensation;
- (24) "Participant" means a member, as defined by subsection (4) of this section, or an annuitant, as defined by subsection (15) of this section;
- (25) "Qualified domestic relations order" means any judgment, decree, or order, including approval of a property settlement agreement, that:
  - (a) Is issued by a court or administrative agency; and
  - (b) Relates to the provision of child support, alimony payments, or marital property rights to an alternate payee;
- (26) "Alternate payee" means a spouse, former spouse, child, or other dependent of a participant, who is designated to be paid retirement benefits in a qualified domestic relations order;
- (27) "University member" means an individual who becomes a member through employment with an employer specified in subsection (4)(b) and (n) of this section;
- (28) "Nonuniversity member" means an individual who becomes a member through employment with an employer specified under subsection (4) of this section, except for those members employed by an employer specified in subsection (4)(b) and (n) of this section;
- (29) "Accumulated employer credit" means the employer pay credit deposited to the member's account and regular interest credited on such amounts as provided by KRS 161.235; and
- (30) "Accumulated account balance" means:

- (a) For members who began participating in the system prior to January 1, 2019, the member's accumulated contributions; or
- (b) For members who began participating in the system on or after January 1, 2019, in the hybrid cash balance plan as provided by KRS 161.235, the combined sum of the member's accumulated contributions and the member's accumulated employer credit.

➔Section 12. The following KRS sections are repealed:

151B.230 Foundation for Workforce Development -- Funding -- Board of trustees -- Annual report.

156.017 Regional service centers.

➔Section 13. All personnel, records, files, equipment, and funds of the Education Professional Standards Board shall be transferred to the Kentucky Department of Education in accordance with Section 7 of this Act.

➔Section 14. In order to reflect the reorganization effectuated by this Act, the reviser of statutes shall replace references in the Kentucky Revised Statutes to the agencies, subagencies, and officers affected by this Act with references to the appropriate successor agencies, subagencies, and officers established by this Act. The reviser shall base these actions on the functions assigned to the new entities by this Act and may consult with officers of the affected agencies, or their designees, to receive suggestions.

➔Section 15. Notwithstanding KRS 12.028(5), the General Assembly confirms:

(1) Executive Order 2020-590, dated July 13, 2020, relating to the reorganization of the Kentucky Department of Education, to the extent not otherwise confirmed or superseded by this Act; and

(2) Executive Order 2020-1033, dated December 11, 2020, relating to the reorganization of the Education Professional Standards Board, to the extent not otherwise confirmed or superseded by this Act, except the members of the Education Professional Standards Board appointed by Executive Order 2020-1033 are not confirmed by the passage of this Act.

**Signed by Governor March 15, 2021.**