

CHAPTER 35

(SB 176)

AN ACT relating to the Legislative Research Commission and declaring an emergency.

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

➔Section 1. KRS 6.905 is amended to read as follows:

- (1) (a) There is created a Legislative Oversight and Investigations Committee which shall be a permanent standing committee of the General Assembly, consisting of eight (8) members of the Senate, six (6) of whom shall be appointed by the President and two (2) of whom shall be appointed by the Minority Leader of the Senate, and eight (8) members of the House of Representatives, six (6) of whom shall be appointed by the Speaker and two (2) of whom shall be appointed by the Minority Leader of the House of Representatives. At least one (1) appointee by each appointive authority shall be a member of the Senate or House Standing Committee on Appropriations and Revenue.
- (b) *The members of the Legislative Oversight and Investigations Committee shall be appointed in January of each odd-numbered year for a two (2) year term.*
- (c) *Any vacancy that may occur in the membership of the committee shall be filled within thirty (30) days of occurrence, in the same manner as the original appointment, and for the balance of the vacated member's term.*
- (2) The President and the Speaker shall each appoint a co-chair and vice chair from their respective bodies. The co-chairs shall have joint responsibilities for committee meeting agendas and presiding at committee meetings. On an alternating basis, each co-chair shall have the first option to set the monthly meeting date. A monthly meeting may be canceled by agreement of both co-chairs. A majority of the entire membership of the Legislative Oversight and Investigations Committee shall constitute a quorum, and all actions of the committee shall be by vote of a majority of its entire membership.
- (3) Each member of the committee shall receive the same travel allowances and compensation for attending interim meetings of the committee as are received by members of subcommittees of the Legislative Research Commission under KRS 7.090(3).

➔Section 2. KRS 7.200 is amended to read as follows:

- (1) The Commission on Race and Access to Opportunity is hereby established within the legislative department of state government. The purpose of the commission shall be to conduct studies and research on issues where disparities may exist across the sectors of educational equity, child welfare, health, economic opportunity, juvenile justice, criminal justice, and any other sectors that are deemed relevant in an effort to identify areas of improvement in providing services and opportunities for minority communities.
- (2) (a) The commission shall be composed of the following thirteen (13) members:
 - 1.~~{(a)}~~ One (1) member appointed by the President of the Senate and the Speaker of the House of Representatives from a list of three (3) names provided by the Prosecutors Advisory Council;
 - 2.~~{(b)}~~ Four (4) members of the Senate, two (2) of whom shall be appointed by the Senate President, and two (2) of whom shall be appointed by the Senate Minority Floor Leader;
 - 3.~~{(c)}~~ Four (4) members of the House of Representatives, two (2) of whom shall be appointed by the Speaker of the House, and two (2) of whom shall be appointed by the House Minority Floor Leader; and
 - 4.~~{(d)}~~ Four (4) members from the private and nonprofit sectors, universities, or local governments who have expertise in social policy related to education, health, economic development, or the law and who shall be appointed for up to two (2) consecutive, three (3) year terms by the following:
 - a.~~{1-}~~ One (1) shall be appointed by the Senate President;
 - b.~~{2-}~~ One (1) shall be appointed by the Senate Minority Floor Leader;
 - c.~~{3-}~~ One (1) shall be appointed by the Speaker of the House; and

~~d.[4.]~~ One (1) shall be appointed by the House Minority Floor Leader.

(b) The legislative members of the commission appointed under subparagraphs 2. and 3. of paragraph (a) of this subsection shall be appointed in January of each odd-numbered year for a two (2) year term.

- (3) The President of the Senate and the Speaker of the House shall each appoint one (1) co-chair of the commission from among that chamber's members appointed to the commission.
- (4) Any vacancy which may occur in the membership of the commission shall be filled ***within thirty (30) days of the occurrence, in the same manner as***~~[by the appointing authority who made]~~ the original appointment, ***and for the balance of the vacated member's term.***
- (5) The commission shall have the authority to:
 - (a) Hold monthly meetings during the interim meeting period of the General Assembly;
 - (b) Seek comment, testimony, documents, records, or other information from various government agencies and organizations representing the public to address existing and potential barriers to minority success and empowerment; and
 - (c) Provide research-driven policy proposals and actionable items when areas of improvement are identified.
- (6) A majority of the entire membership of the commission shall constitute a quorum.
- (7) The Legislative Research Commission shall have exclusive jurisdiction over the employment of personnel necessary to carry out the provisions of this section.
- (8) The commission shall publish and submit an annual report to the Legislative Research Commission with recommendations on any potential legislative or administrative actions with respect to their findings.

➔Section 3. KRS 7A.110 is amended to read as follows:

- (1) The Capital Planning Advisory Board of the Kentucky General Assembly shall consist of sixteen (16) members. The manner of appointment and terms of the members of the board shall be as follows:
 - (a) Four (4) members shall be appointed by the Governor to represent the executive branch of state government. These members shall serve for a term of four (4) years and until their successors are appointed.
 - (b) Four (4) members shall be appointed by the Chief Justice of the Supreme Court to represent the judicial branch of state government. These members shall serve for a term of four (4) years and until their successors are appointed.
 - (c) Four (4) members shall represent the legislative branch of state government and shall be appointed ***for terms of two (2) years*** and serve as follows:
 1. The Speaker of the House of Representatives shall appoint two (2) members ***in January of each odd-numbered year,***~~[each of whom shall serve while a member of the House for the term for which he has been elected, and]~~ one (1) of whom shall be designated co-chair; and
 2. The President of the Senate shall appoint two (2) members ***in January of each odd-numbered year,***~~[each of whom shall serve while a member of the Senate for the term for which he has been elected, and]~~ one (1) of whom shall be designated co-chair.
 - (d) Four (4) public members shall be appointed from the Commonwealth at large, one (1) by the Governor, one (1) by the Chief Justice, one (1) by the President of the Senate, and one (1) by the Speaker of the House of Representatives. The public members shall serve for a term of four (4) years and until their successors are appointed.
- (2) Any vacancy ***which may occur in the membership of***~~on~~ the board shall be filled ***within thirty (30) days of the occurrence, in the same manner as the original appointment, and for the balance of the vacated member's term.***
- (3) The co-chairs shall have joint responsibilities for board meeting agendas and presiding at board meetings.

- (4) On an alternating basis, each co-chair shall have the first option to set the monthly meeting date. A monthly meeting may be canceled by agreement of both co-chairs. The board shall meet at least twice during each calendar year.
- (5) Members of the board shall be entitled to reimbursement for expenses incurred in the performance of their duties.
- (6) A majority of the entire membership of the Capital Planning Advisory Board shall constitute a quorum, and all actions of the board shall be by vote of a majority of its entire membership.

➔Section 4. KRS 7A.185 is amended to read as follows:

- (1) The ~~Investments in~~ Information Technology ~~Improvement and Modernization Projects~~ Oversight **Committee**~~Board~~ is hereby established and shall consist of six (6) members to be appointed *as follows*~~in accordance with the following~~:
 - (a) The Speaker of the House of Representatives shall appoint three (3) current members of the House of Representatives, one (1) of whom shall be designated co-chair, and at least one (1) of the three (3) members shall represent the minority party;
 - (b) The President of the Senate shall appoint three (3) current members of the Senate, one (1) of whom shall be designated co-chair, and at least one (1) of the three (3) members shall represent the minority party;~~and~~
 - (c) All members shall be active members of the Kentucky General Assembly during their terms of appointment; *and*
 - (d) *All members appointed pursuant to this subsection shall be appointed in January of each odd-numbered year for a two (2) year term.*
- (2) Any vacancy on the **committee**~~board~~ shall be filled in the same manner as the original appointment, *within thirty (30) days of the occurrence, and the newly appointed member shall serve for the balance of the vacated member's term.*
- (3) The co-chairs shall have joint responsibilities for **committee**~~board~~ meetings, agendas, and presiding at **committee**~~board~~ meetings.
- (4) On an alternating basis, each co-chair shall have the first option to set the ~~monthly~~ meeting date. A ~~monthly~~ meeting may be canceled by agreement of both co-chairs. The **committee**~~board~~ shall meet at least twice during each calendar year.
- (5) Members of the **committee**~~board~~ shall be entitled to reimbursement for expenses incurred in the performance of their duties.
- (6) A majority of the entire membership of the **committee**~~board~~ shall constitute a quorum, and all actions of the **committee**~~board~~ shall be by vote of a majority of its entire membership.
- (7) The purpose of the **committee**~~board~~ is to:
 - (a) Review investment and funding strategies for projects to improve or modernize state agency information technology systems, including:
 - 1. Legacy *systems*~~;~~~~system projects and~~
 - 2. Cybersecurity *systems*~~;~~~~projects~~; and
 - 3.~~2.~~ The current and ongoing operation and maintenance of state agency information *technology systems of applications*~~resources~~;
 - (b) Determine the appropriate organizational structure for deployment of technology across the Commonwealth; and
 - (c) Review the latest information technology developments trending across the nation.

➔Section 5. KRS 7A.220 is amended to read as follows:

- (1) The Public Pension Oversight Board shall be composed of the following twenty-three (23) members:

- (a) 1. Four (4) members of the General Assembly appointed by the Speaker of the House of Representatives~~[, each of whom shall serve while a member of the House for the term for which he or she has been elected]~~, one (1) of whom shall be the chair or a vice chair of the House Standing Committee on Appropriations and Revenue; and
- 2. Two (2) members of the General Assembly appointed by the Speaker of the House of Representatives~~[, each of whom shall serve while a member of the House for the term for which he or she has been elected, and who]~~ each *of whom* shall be selected to ensure *that* representation on the board by House members of the General Assembly is in closer proportion to the representation of each political party in the House of Representatives.

~~{Of}~~The members appointed pursuant to this paragraph ***shall be appointed in January of each odd-numbered year for a two (2) year term, and*** the Speaker shall designate one (1) as co-chair of the board;

- (b) 1. Four (4) members of the General Assembly appointed by the President of the Senate~~[, each of whom shall serve while a member of the Senate for the term for which he or she has been elected]~~, one (1) of whom shall be the chair or a vice chair of the Senate Standing Committee on Appropriations and Revenue; and
- 2. Two (2) members of the General Assembly appointed by the President of the Senate~~[, each of whom shall serve while a member of the Senate for the term for which he or she has been elected, and who]~~ each *of whom* shall be selected to ensure *that* representation on the board by Senate members of the General Assembly is in closer proportion to the representation of each political party in the Senate.

~~{Of}~~The members appointed pursuant to this paragraph ***shall be appointed in January of each odd-numbered year for a two (2) year term, and*** the President shall designate one (1) as co-chair of the board;

- (c) Two (2) members of the General Assembly appointed by the Minority Floor Leader of the Senate ***in January of each odd-numbered year for a two (2) year term***~~[, who shall serve while a member of the Senate for the term for which he or she has been elected]~~;
- (d) Two (2) members of the General Assembly appointed by the Minority Floor Leader of the House of Representatives ***appointed in January of each odd-numbered year for a two (2) year term***~~[, who shall serve while a member of the House for the term for which he or she has been elected]~~;
- (e) One (1) individual appointed by the Speaker of the House of Representatives, who shall be certified as a chartered financial analyst (CFA) with at least ten (10) years of investment experience or who shall possess at least ten (10) years of retirement experience as defined by subsection (2) of this section;
- (f) One (1) individual appointed by the President of the Senate, who shall be certified as a chartered financial analyst (CFA) with at least ten (10) years of investment experience or who shall possess at least ten (10) years of retirement experience as defined by subsection (2) of this section;
- (g) The state budget director or his or her designee;
- (h) The Auditor of Public Accounts or his or her designee;
- (i) The Attorney General or his or her designee; and
- (j) Two (2) individuals appointed by the Governor, one (1) of whom shall be certified as a chartered financial analyst (CFA) with at least ten (10) years of investment experience and one (1) of whom shall possess at least ten (10) years of retirement experience as defined by subsection (2) of this section.

(2) For purposes of this section, "retirement experience" means:

- (a) Experience in retirement or pension plan management;
- (b) A certified public accountant with relevant experience in retirement or pension plan accounting;
- (c) An actuary with relevant experience in retirement or pension plan consulting;
- (d) An attorney licensed to practice law in the Commonwealth of Kentucky with relevant experience in retirement or pension plans; or
- (e) A current or former university professor whose primary area of emphasis is economics or finance.

- (3) Individuals appointed under subsection (1)(e), (f), and (j) of this section shall not:
- (a) Be a member of the General Assembly;
 - (b) Be employed by a state agency of the Commonwealth of Kentucky or receiving a contractual payment for services rendered to a state agency of the Commonwealth of Kentucky that would conflict with his or her service to the board; or
 - (c) Serve more than three (3) consecutive four (4) year terms on the board.
- (4) Any vacancy which may occur in the membership of the board shall be filled ***within thirty (30) days of the occurrence, in the same manner as***~~by the appointing authority who made~~ the original appointment, ***and for the balance of the vacated member's term.***
- (5) Individuals appointed under subsection (1)(e), (f), and (j) of this section shall serve a term of four (4) years.

➔Section 6. KRS 13A.020 is amended to read as follows:

- (1) (a) There is hereby created a permanent subcommittee of the Legislative Research Commission to be known as the Administrative Regulation Review Subcommittee.
- (b) The subcommittee shall be composed of eight (8) members appointed ***in January of each odd-numbered year*** as follows: three (3) members of the Senate appointed by the President; one (1) member of the minority party in the Senate appointed by the Minority Floor Leader in the Senate; three (3) members of the House of Representatives appointed by the Speaker of the House of Representatives; and one (1) member of the minority party in the House of Representatives appointed by the Minority Floor Leader in the House of Representatives. The members of the subcommittee shall serve for terms of two (2) years, and the ***President of the Senate and Speaker of the House of Representatives***~~members appointed from each chamber~~ shall ***each appoint***~~elect~~ one (1) member of ***the subcommittee*** from their chamber to serve as co-chair.
- (c) Any vacancy that may occur in the membership of the subcommittee shall be filled ***within thirty (30) days of the occurrence, in***~~by~~ the same ***manner as***~~appointing authority who made~~ the original appointment, ***and for the balance of the vacated member's term.***
- (2) On an alternating basis, each co-chair shall have the first option to set the monthly meeting date. A monthly meeting may be rescheduled by agreement of both co-chairs. The co-chairs shall have joint responsibilities for subcommittee meeting agendas and presiding at subcommittee meetings. The members of the subcommittee shall be compensated for attending meetings, as provided in KRS 7.090(3).
- (3) Any professional, clerical, or other employees required by the subcommittee shall be provided in accordance with the provisions of KRS 7.090(4) and (5).
- (4) A majority of the entire membership of the Administrative Regulation Review Subcommittee shall constitute a quorum, and all actions of the subcommittee shall be by vote of a majority of its entire membership.

➔Section 7. KRS 15A.063 is amended to read as follows:

- (1) The Juvenile Justice Oversight Council is created for the purpose of providing independent review of the state juvenile justice system and providing recommendations to the General Assembly. The council shall actively review the implementation of all juvenile justice reforms enacted by the General Assembly, collect and review performance measurement data, and continue to review the juvenile justice system for changes that improve public safety, hold youth accountable, provide better outcomes for children and families, and control juvenile justice costs.
- (2) (a) The membership of the council shall include the following:
- 1. The secretary of the Justice and Public Safety Cabinet, ex officio;
 - 2. The commissioner of the Department for Behavioral Health, Developmental and Intellectual Disabilities, ex officio;
 - 3. The commissioner of the Department for Community Based Services, ex officio;
 - 4. The commissioner of the Department of Juvenile Justice, ex officio;
 - 5. The commissioner of the Department of Education, ex officio;

6. The director of the Administrative Office of the Courts, ex officio;
 7. The Public Advocate, ex officio;
 8. The Senate chair of the Committee on Judiciary, nonvoting ex officio;
 9. The House chair of the Committee on Judiciary, nonvoting ex officio;
 10. One (1) member of the Senate appointed by the President of the Senate, and one (1) member of the minority party in the Senate appointed by the Minority Floor Leader in the Senate, who shall serve as ex officio, nonvoting members for the duration of the terms for which they were elected;
 11. One (1) member of the House of Representatives appointed by the Speaker of the House of Representatives, and one (1) member of the minority party in the House of Representatives appointed by the Minority Floor Leader in the House of Representatives, who shall serve as ex officio, nonvoting members for the duration of the terms for which they were elected; and
 12. Five (5) at-large members appointed by the Governor, as follows:
 - a. One (1) member representing public schools or an education group or organization;
 - b. One (1) District Judge nominated by the Chief Justice of the Kentucky Supreme Court;
 - c. One (1) member representing law enforcement;
 - d. One (1) member of the County Attorneys' Association nominated by the Attorney General; and
 - e. One (1) member representing community-based organizations, whether for-profit or nonprofit, with experience in programs for juveniles, including substance abuse prevention and treatment, case management, mental health, or counseling.
- (b) **1.** The chairs of the House and Senate Judiciary Committees shall serve as co-chairs.
- 2.** *The legislative members appointed pursuant to subsection (2)(a)10. and 11. of this section shall be appointed in January of each odd-numbered year for a two (2) year term.*
- (c) At-large members shall be appointed by August 1, 2022, shall serve a term of two (2) years, and may be reappointed.
- (d) Each ex officio member, except for legislative members, may designate a proxy by written notice to the council prior to call of order of each meeting, and the proxy shall be entitled to participate as a full voting member.
- (e) Except as otherwise provided by law, members shall not be compensated for being members of the council but shall be reimbursed for ordinary travel expenses, including meals and lodging, incurred while performing council business.
- (f) The council shall meet at least quarterly. A quorum, consisting of a majority of the membership of the council, shall be required for the transaction of business. Meetings shall be held at the call of the chair, or upon the written request of two (2) members to the chair.
- (g) *Any vacancy that may occur in the membership of the council shall be filled within thirty (30) days of the occurrence, in the same manner as the original appointment, and for the balance of the vacated member's term.*
- (3) The council shall:
- (a) Review the implementation of the reforms enacted by the General Assembly;
 - (b) Review performance measures and recommend modifications;
 - (c) Review all policies to confirm implementation as established by legislation enacted by the General Assembly and administrative regulations promulgated thereunder;
 - (d) Review the fiscal incentive program established pursuant to KRS 15A.062;
 - (e) Collect and review performance data and recommend any additional performance measures needed to identify outcomes in the juvenile justice system;

- (f) Review the information received from the Department of Education pursuant to KRS 156.095, and determine whether any action is necessary, including additional performance measures, funding, or legislation;
- (g) Continue review of juvenile justice areas determined appropriate by the council, including:
 - 1. Status offense reform;
 - 2. Necessary training for school resource officers as defined in KRS 158.441, in juvenile justice best practices, research, and impacts on recidivism and long-term outcomes;
 - 3. Graduated sanctions protocols in public schools, including their current use and their development statewide;
 - 4. A minimum age of criminal responsibility;
 - 5. Competency;
 - 6. Reforms to the family resource and youth service centers in the Cabinet for Health and Family Services;
 - 7. Population levels in Department of Juvenile Justice facilities, and the potential for closure of facilities while maintaining staffing ratios necessary to comply with applicable accreditation standards; and
 - 8. Whether juvenile court hearings should be open to the public;
- (h) Review and make recommendations regarding:
 - 1. The structure and staffing of the Department of Juvenile Justice;
 - 2. Training of juvenile justice staff;
 - 3. The adequacy of current programs and facilities operated by the Department of Juvenile Justice;
 - 4. Best practices in juvenile justice programs and facilities; and
 - 5. Other topics as determined by the council; and
- (i) Report by December 1, 2023, and by December 1 of each year thereafter, to the Interim Joint Committee on Judiciary and the Governor and make recommendations to the General Assembly for any additional legislative changes the council determines appropriate.
- (4) The council shall be attached to the Legislative Research Commission for administrative purposes.
- (5) The council shall terminate on July 1, 2030, unless the General Assembly extends the term of the council.

➔Section 8. KRS 45.790 is amended to read as follows:

- (1) There is created a permanent subcommittee of the Legislative Research Commission to be known as the Capital Projects and Bond Oversight Committee. The subcommittee shall be composed of eight (8) members appointed as follows: three (3) members of the Senate appointed by the President of the Senate; one (1) member of the minority party in the Senate appointed by the Minority Floor Leader in the Senate; three (3) members of the House of Representatives appointed by the Speaker of the House of Representatives; and one (1) member of the minority party in the House of Representatives appointed by the Minority Floor Leader in the House of Representatives. The members of the subcommittee shall ***be appointed in January of each odd-numbered year and*** serve for terms of two (2) years. ~~and The President of the Senate and Speaker of the House of Representatives~~ ~~members appointed from each chamber~~ shall ***each appoint*** ~~elect~~ one (1) member ***of the subcommittee*** from their chamber to serve as co-chair. Any vacancy which may occur in the membership of the subcommittee shall be filled ***within thirty (30) days of the occurrence, in the same manner as*** ~~by the appointing authority who made~~ the original appointment, ***and for the balance of the vacated member's term.***
- (2) On an alternating basis, each co-chair shall have the first option to set the monthly meeting date. A monthly meeting may be canceled by agreement of both co-chairs. The co-chairs shall have joint responsibilities for subcommittee meeting agendas and presiding at subcommittee meetings. The members of the subcommittee shall be compensated for attending meetings as provided in KRS 7.090(3).

- (3) Any professional, clerical, or other employees required by the subcommittee shall be provided in accordance with KRS 7.090(4) and (5).
- (4) A majority of the entire membership of the Capital Projects and Bond Oversight Committee shall constitute a quorum, and all actions of the subcommittee shall be by vote of a majority of its entire membership.

➔Section 9. KRS 45A.705 is amended to read as follows:

- (1) There is hereby created a permanent committee of the Legislative Research Commission to be known as the Government Contract Review Committee. The committee shall be composed of eight (8) members appointed as follows: three (3) members of the Senate appointed by the President of the Senate; one (1) member of the minority party in the Senate appointed by the Minority Floor Leader in the Senate; three (3) members of the House of Representatives appointed by the Speaker of the House of Representatives; and one (1) member of the minority party in the House of Representatives appointed by the Minority Floor Leader in the House of Representatives. Members shall ***be appointed in January of each odd-numbered year and*** serve for terms of two (2) years. ~~[-, and] The President of the Senate and the Speaker of the House of Representatives [members appointed from each chamber]~~ shall elect one (1) member ***of the committee*** from their chamber to serve as co-chair. Any vacancy that may occur in the membership of the committee shall be filled ***within thirty (30) days of the occurrence, in the same manner as*** ~~by the appointing authority who made~~ the original appointment, ***and for the balance of the vacated member's term.***
- (2) On an alternating basis, each co-chair shall have the first option to set the monthly meeting date. A monthly meeting may be canceled by agreement of both co-chairs. The co-chairs shall have joint responsibilities for committee meeting agendas and presiding at committee meetings. A majority of the entire membership of the Government Contract Review Committee shall constitute a quorum, and all actions of the committee shall be by vote of a majority of its entire membership. The members of the committee shall be compensated for attending meetings, as provided in KRS 7.090(3).
- (3) Any professional, clerical, or other employees required by the committee shall be provided in accordance with the provisions of KRS 7.090(4) and (5).
- (4) All proposed personal service contracts, tax incentive agreements, and memoranda of agreement received by the Legislative Research Commission shall be submitted to the committee to:
 - (a) Examine the stated need for the service or benefit to the Commonwealth of the motion picture or entertainment production;
 - (b) Examine whether the service could or should be performed by state personnel, for personal service contracts and memoranda of agreement;
 - (c) Examine the amount and duration of the contract or agreement; and
 - (d) Examine the appropriateness of any exchange of resources or responsibilities.
- (5) The committee shall review a personal service contract, tax incentive agreement, or memorandum of agreement submitted to the Legislative Research Commission within forty-five (45) days of the date received.
- (6) If the committee determines that the contract service or agreement, other than:
 - (a) A contract necessary in the exercise of the enumerated powers specifically granted to the Governor pursuant to Sections 75, 76, 77, 78, 79, and 80 of the Constitution of Kentucky or any subsequent amendments to the Constitution of Kentucky which specifically designate enumerated powers to the Governor; or
 - (b) An emergency contract approved by the secretary of the Finance and Administration Cabinet or his or her designee;

is not needed or inappropriate, the motion picture or entertainment production is not beneficial or is inappropriate, the service could or should be performed by state personnel, the amount or duration is excessive, or the exchange of resources or responsibilities are inappropriate, the committee shall attach a written notation of its nonbinding recommendations regarding the personal service contract, tax incentive agreement, or memorandum of agreement and shall forward the personal service contract, tax incentive agreement, or memorandum of agreement to the State Treasurer or his or her designee.

- (7) Upon receipt of the committee's nonbinding recommendations regarding a personal service contract, tax incentive agreement, or memorandum of agreement, the State Treasurer or his or her designee shall determine whether the personal service contract, tax incentive agreement, or memorandum of agreement shall:

- (a) 1. Be revised by the Treasurer and returned to the secretary of the Finance and Administration Cabinet or his or her designee; and
 - 2. The Finance and Administration Cabinet or designee shall either:
 - a. Issue the contract with the Treasurer's revisions; or
 - b. Cancel the contract;
 - (b) Be canceled and, if applicable, payment allowed for services rendered under the contract or amendment; or
 - (c) Remain effective as originally submitted.
- (8) If the committee determines that the contract executed pursuant to subsection (6)(a) or (b) of this section is not needed or inappropriate, the motion picture or entertainment production is not beneficial or is inappropriate, the service could or should be performed by state personnel, the amount or duration is excessive, or the exchange of resources or responsibilities are inappropriate, the committee shall attach a written notation of its nonbinding recommendations regarding the personal service contract, tax incentive agreement, or memorandum of agreement and shall return the personal service contract, tax incentive agreement, or memorandum of agreement to the secretary of the Finance and Administration Cabinet or his or her designee.
- (9) Upon receipt of the committee's nonbinding recommendations regarding a personal service contract, tax incentive agreement, or memorandum of agreement executed pursuant to subsection (6)(a) or (b) of this section, the secretary of the Finance and Administration Cabinet or his or her designee shall determine whether the personal service contract, tax incentive agreement, or memorandum of agreement shall:
- (a) Be revised to comply with the objections of the committee;
 - (b) Be canceled and, if applicable, payment allowed for services rendered under the contract or amendment; or
 - (c) Remain effective as originally submitted.
- (10) Contracting bodies shall make annual reports to the committee not later than December 1 of each year. The committee shall establish reporting procedures for contracting bodies related to personal service contracts, tax incentive agreements, and memoranda of agreement submitted by the secretary of the Finance and Administration Cabinet or his or her designee.

➔Section 10. KRS 158.647 is amended to read as follows:

- (1) A permanent subcommittee of the Legislative Research Commission to be known as the Education Assessment and Accountability Review Subcommittee is hereby created. The subcommittee shall be composed of eight (8) members appointed as follows: three (3) members of the Senate appointed by the President of the Senate; one (1) member of the minority party in the Senate appointed by the Minority Floor Leader in the Senate; three (3) members of the House of Representatives appointed by the Speaker of the House of Representatives; and one (1) member of the minority party in the House of Representatives appointed by the Minority Floor Leader in the House of Representatives. Members of the subcommittee shall ***be appointed in January of each odd-numbered year and shall*** serve for terms of two (2) years. ~~and The President of the Senate and Speaker of the House of Representatives~~ ~~members appointed from each chamber~~ shall ***each appoint*** ~~elect~~ one (1) member ***of the subcommittee*** from their chamber to serve as co-chair. The co-chairs shall have joint responsibilities for subcommittee meeting agendas and presiding at subcommittee meetings. A majority of the entire membership of the Education Assessment and Accountability Review Subcommittee shall constitute a quorum, and all actions of the subcommittee shall be by vote of a majority of its entire membership. Any vacancy that may occur in the membership of the subcommittee shall be filled ***within thirty (30) days of the occurrence, in the same manner as*** ~~by the same appointing authority who made~~ the original appointment, ***and for the balance of the vacated member's term.***
- (2) The subcommittee shall review administrative regulations and advise the Kentucky Board of Education concerning the implementation of the state system of assessment and accountability, established in KRS 158.6453, 158.6455, and 158.782, and for any administrative regulation promulgated under provisions of KRS 158.860.
- (3) The subcommittee shall advise and monitor the Office of Education Accountability in the performance of its duties according to the provisions of KRS 7.410.

- (4) On an alternating basis, each co-chair shall have the first option to set the monthly meeting date. A monthly meeting may be canceled by agreement of both co-chairs. The members of the subcommittee shall be compensated for attending meetings as provided in KRS 7.090.
- (5) Any professional, clerical, or other employees required by the subcommittee shall be provided in accordance with the provisions of KRS 7.090.

➔Section 11. KRS 248.723 is amended to read as follows:

- (1) There is created a permanent subcommittee of the Legislative Research Commission to be known as the Tobacco Settlement Agreement Fund Oversight Committee. The subcommittee shall be composed of twelve (12) members and shall include four (4) members of the House of Representatives appointed by the Speaker; two (2) members of the minority party in the House of Representatives appointed by the Minority Floor Leader; four (4) members of the Senate appointed by the President; and two (2) members of the minority party in the Senate appointed by the Minority Floor Leader. The members of the subcommittee shall ***be appointed in January of each odd-numbered year and*** serve for terms of two (2) years. The ***President of the Senate and Speaker of the House of Representatives***~~[appointed members from each chamber]~~ shall ***each appoint***~~[elect]~~ one (1) member ***of the subcommittee*** from their chamber to serve as co-chair. Any vacancy that may occur in the membership of the subcommittee shall be filled ***within thirty (30) days of the occurrence, in the same manner as***~~[pursuant to this subsection by the same appointing authority who made]~~ the original appointment, ***and for the balance of the vacated member's term.***
- (2) The co-chairs shall have joint responsibilities for committee meeting agendas and presiding at committee meetings. The members of the subcommittee shall be compensated for attending meetings as provided in KRS 7.090(3) and 7.110(5).
- (3) A majority of the entire membership of the Tobacco Settlement Agreement Fund Oversight Committee shall constitute a quorum, and all actions of the subcommittee shall be by vote of a majority of its entire membership.
- (4) Any professional, clerical, or other employees required by the subcommittee shall be provided in accordance with KRS 7.090(4) and (5).
- (5)
 - (a) Subsections (6) to (10) of this section shall apply only to the expenditures from and projects under the agricultural development fund;
 - (b) Subsection (11) shall apply to all expenditures under the tobacco settlement agreement fund created in KRS 248.654; and
 - (c) Subsection (12) shall apply to expenditures from the early childhood development fund and the Kentucky health care improvement fund created in KRS 200.151 and 194A.055.
- (6) The subcommittee shall review each project being submitted to the Agricultural Development Board. In reviewing the projects, the subcommittee shall determine whether the criteria or requirements required by KRS 248.701 to 248.727 have been met and whether any other relevant requirements have been met.
- (7)
 - (a) If the subcommittee determines that any of the criteria or requirements required by KRS 248.701 to 248.727, except as provided in subsection (5) of this section, have not been met, the subcommittee may, by majority vote, recommend to the board in writing that a project not be approved.
 - (b) If the subcommittee determines that all relevant criteria were met for proposals not approved by the board, the subcommittee may, by majority vote, recommend to the board in writing that the project be approved.
 - (c) The reasons for recommending that a project be approved or not approved shall be stated in correspondence from the subcommittee, which shall be issued within thirty (30) days of action of the subcommittee.
- (8) If the board proceeds with approval of a project under the agricultural development fund that the subcommittee has recommended in writing not be approved, or refuses to approve a project that the subcommittee has recommended in writing be approved, the board shall provide a written explanation to the subcommittee as to why the board took that action on the project. The written explanation shall be sent within thirty (30) days of receiving the subcommittee's notification.
- (9) The subcommittee shall also hear cases that arise under KRS 248.721(9) and 248.711(4). In these cases the subcommittee shall provide a forum for discussion and possible resolution of differences between the board

and the affected party. If the differences are not resolved, the subcommittee may, by majority vote, recommend to the board in writing a course of action.

- (10) The subcommittee shall maintain records of its findings and determinations. The records shall be transmitted to the appropriate interim joint committees of the Legislative Research Commission within thirty (30) days of making any determination.
- (11) The subcommittee shall issue an annual written report to the Legislative Research Commission regarding the findings of the subcommittee.
- (12) All expenditures under the early childhood development fund and the Kentucky health care improvement fund created in KRS 200.151 and 194A.055 shall be reported to the subcommittee. The expenditures shall be submitted in an electronic format in a manner approved by the Legislative Research Commission in order for the Commission to have a repository of information in Master Settlement Agreement funding expenditures.

➔Section 12. KRS 7A.180 is amended to read as follows:

As used in *Sections 12 to 14 of this Act*~~[this section]~~:

- (1) ***"Application" means software components resting on infrastructure that may be used to create, use, store, or share data and information to enable support of a business function;***
- (2) ***"Committee"***~~[Board]~~ means the ~~[Investments in Information Technology Improvement and Modernization Projects] Oversight~~ ***Committee***~~[Board]~~;
- (3) ***"Cybersecurity system" means an information technology system or application used to protect against the criminal or unauthorized use of electronic data held by a state agency;***
- ~~(4)(2)~~ "Information technology system" means any related computer or telecommunication components that provide a functional system for a specific business purpose and contain one (1) or more of the following:
 1. Hardware;
 2. Software, including application software, systems management software, utility software, or communications software;
 3. Professional services for requirements analysis, system integration, installation, implementation, or data conversion services; or
 4. Digital data products, including acquisition and quality control;~~[and]~~
- (5) ***"Legacy system" means an information technology system or application that:***
 - (a) Is no longer supported by a vendor;***
 - (b) Is written in a programming language people no longer learn;***
 - (c) Does not comply with state or federal regulations;***
 - (d) Is incompatible with advanced technology;***
 - (e) Is inefficient or no longer meets the needs for the state agency's workforce; or***
 - (f) Includes applications developed by a state agency which were written decades ago and for which the state agency does not have the expertise to support or maintain; and***
- ~~(6)(3)~~ "State agency" means any department, commission, council, board, bureau, committee, institution, legislative body, agency, government corporation, or other entity of the executive, judicial, or legislative branch of state government.

➔Section 13. KRS 7A.185 is amended to read as follows:

- (1) The ~~[Investments in Information Technology Improvement and Modernization Projects] Oversight Committee~~~~[Board]~~ is hereby established and shall consist of six (6) members to be appointed ***as follows***~~[in accordance with the following]~~:
 - (a) The Speaker of the House of Representatives shall appoint three (3) current members of the House of Representatives, one (1) of whom shall be designated co-chair, and at least one (1) of the three (3) members shall represent the minority party;

- (b) The President of the Senate shall appoint three (3) current members of the Senate, one (1) of whom shall be designated co-chair, and at least one (1) of the three (3) members shall represent the minority party; and
 - (c) All members shall be active members of the Kentucky General Assembly during their terms of appointment.
- (2) Any vacancy on the *committee*~~[board]~~ shall be filled in the same manner as the original appointment.
 - (3) The co-chairs shall have joint responsibilities for *committee*~~[board]~~ meetings, agendas, and presiding at *committee*~~[board]~~ meetings.
 - (4) On an alternating basis, each co-chair shall have the first option to set the ~~[monthly]~~ meeting date. A ~~[monthly]~~ meeting may be canceled by agreement of both co-chairs. The *committee*~~[board]~~ shall meet at least twice during each calendar year.
 - (5) Members of the *committee*~~[board]~~ shall be entitled to reimbursement for expenses incurred in the performance of their duties.
 - (6) A majority of the entire membership of the *committee*~~[board]~~ shall constitute a quorum, and all actions of the *committee*~~[board]~~ shall be by vote of a majority of its entire membership.
 - (7) The purpose of the *committee*~~[board]~~ is to:
 - (a) Review investment and funding strategies~~[for projects]~~ to improve or modernize state agency information technology systems *or applications*, including:
 - 1. Legacy *systems*~~;~~~~[system projects and]~~
 - 2. Cybersecurity *systems*~~[projects]~~; and
 - 3.~~[2.]~~ The current and ongoing operation and maintenance of state agency information *technology systems or applications*~~[resources]~~;
 - (b) Determine the appropriate organizational structure for deployment of technology across the Commonwealth; and
 - (c) Review the latest information technology developments trending across the nation.
- ➔Section 14. KRS 7A.190 is amended to read as follows:
- (1) ~~[Not later than July 30, 2025,]~~ The *committee*~~[board]~~, in consultation with the Commonwealth Office of Technology, shall prescribe the form, contents, and manner of submission of *data to fulfill the purposes under subsection (7) of Section 13 of this Act and to provide an inventory of existing information technology systems or applications*~~[the plan required under this section]~~.
 - (2)~~[Each state agency shall submit the plan developed under this section to the:~~
 - ~~(a) Commonwealth Office of Technology; and~~
 - ~~(b) Board.~~
 - ~~(3)]~~ (a) Not later than *July 15*~~[October 1]~~, 2025, *and not later than April 15, 2027, and each April 15 biennially thereafter*, each state agency in the executive, legislative, and judicial branches of state government shall *submit information to the committee*~~[prepare an agency wide plan]~~ outlining the manner in which the agency intends to transition its information technology *systems or applications*~~[and data related services and capabilities]~~ into a modern, integrated, secure, and effective technological environment, *including a six (6) year outline and funding sources for that transition*.
 - (b) *Each state agency shall provide information regarding an estimated timeline and funding source for:*
 - 1. *Each legacy system;*
 - 2. *Each cybersecurity system;*
 - 3. *The maintenance or upgrade required for an existing information technology system or application; and*
 - 4. *Each planned development of a future information technology system or application required within the state agency.*

(c) *Each state agency may consult with and obtain information from the Commonwealth Office of Technology to carry out the requirements of this subsection.*

(3)(4) (a) On or before ~~October~~~~December~~ 1, 2025, and biennially thereafter, the ~~committee~~~~board~~ shall provide a written report to the Legislative Research Commission that identifies:

1. Existing and planned *information technology systems or applications*~~[projects]~~ to improve or modernize state agency information technology systems; and
2. The method of funding for each *information technology system or application*~~[project]~~ identified by the *state agency*~~[board]~~.

(b) The written report to the Legislative Research Commission shall include:

1. A recommendation by the ~~committee~~~~board~~ of the estimated amount necessary to fully fund to completion each *information technology system or application*~~[project]~~ identified~~[by the board]~~; and
2. Strategies developed by the ~~committee~~~~board~~ to ensure a long-term investment solution *is in place*~~[for projects]~~ to improve or modernize~~[state agency]~~ information technology systems *or applications*~~[are in place]~~, including strategies to:
 - a. Access the full amount of federal moneys available~~[for those projects]~~; and
 - b. Use information gathered by the *state agency*~~[department during previous projects]~~ to improve the management, oversight, and transparency of future *information technology systems or applications*~~[projects]~~.

➔Section 15. Sections 1 to 11 of this Act take effect January 1, 2027.

➔Section 16. Whereas the original timeline established for submission of required reports by state agencies does not meet the current budget request submission process, an emergency is declared to exist, and Sections 12 to 14 of this Act take effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Signed by Governor March 19, 2025.