

CHAPTER 169

(HB 490)

AN ACT relating to employment at public postsecondary education institutions and declaring an emergency.

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

➔Section 1. KRS 164.360 is amended to read as follows:

- (1) (a) Each board of regents for the universities shall appoint a president, appoint all faculty members and employees, and fix their compensation and tenure of service, subject to the provisions of subsections (2) to ~~(6)~~~~(5)~~ of this section. Faculty member and employee appointment and removal decisions may be delegated to the president in accordance with policy adopted by each board of regents.
- (b) The board of regents for the Kentucky Community and Technical College System shall appoint a president, appoint all faculty members and employees, and fix their compensation and tenure of service, subject to the provisions of subsections (2) to ~~(6)~~~~(5)~~ of this section. Faculty member and employee appointment and removal decisions may be delegated to the president in accordance with policy adopted by the board of regents.
- (2) ~~A~~~~no~~ person shall **not** be employed at an institution where his or her relative serves on the board of regents for that institution.
- (3) Each board may remove the president of the university or Kentucky Community and Technical College System, and the president may remove any faculty member or employee.
- (4) ~~A~~~~no~~ president or faculty member **may**~~shall~~ be removed~~—except~~ for cause, which shall include incompetency, neglect of or refusal to perform his or her duty, immoral conduct, or failure to meet college or university performance and productivity requirements as determined in accordance with subsection (5) of this section. A president or faculty member shall not be removed until after thirty (30) days' notice in writing, stating the nature of the charges preferred, and after an opportunity has been given him or her to make defense before the board by counsel or otherwise and to introduce testimony which shall be heard and determined by the board. Charges against a president shall be preferred by the chairperson of the board upon written information furnished to him or her, and charges against a faculty member shall be preferred in writing by the president unless the offense is committed in his or her presence.
- (5) President and faculty member performance and productivity shall be evaluated at least once every four (4) years using a process approved by each board. Failure to meet performance and productivity requirements may result in removal of a president or faculty member regardless of status. The evaluation process shall be established by each board and provided to all faculty members by January 1, 2026, to become effective July 1, 2026.
- (6) (a) *In addition to removal for cause as provided in subsections (4) and (5) of this section, a faculty member may be removed by the board for bona fide financial reasons, including but not limited to:*
 1. *Financial exigency;*
 2. *Low enrollment in a particular program or major; or*
 3. *Misalignment of revenue and costs in a particular college, department, program, or major.*
- (b) *The process by which removal as provided in paragraph (a) of this subsection shall be proposed, evaluated, and decided shall be established by each board and provided to all faculty members, with an effective date no later than October 1, 2026. The process shall require that no faculty member is removed until after thirty (30) days' notice in writing, stating the reason for removal, and after an opportunity has been given to the faculty member to respond before the board by counsel or otherwise and to introduce testimony which shall be heard and determined by the board.*

➔Section 2. KRS 164.230 is amended to read as follows:

- (1) The board of trustees has full power to suspend or remove any of the officers, teachers, professors, or agents that it is authorized to appoint, but ~~a~~~~no~~ president, professor, or teacher shall **not** be removed except for:
 - (a) Incompetency;~~;~~

- (b) Neglect of or refusal to perform his or her duty;~~;~~
 - (c) Immoral conduct;~~;~~
 - (d) Failure to meet college or university performance and productivity requirements as determined in accordance with subsection (2) of this section; **or**
 - (e) ***For bona fide financial reasons, including but not limited to:***
 - 1. ***Financial exigency;***
 - 2. ***Low enrollment in a particular program or major; or***
 - 3. ***Misalignment of revenue and costs in a particular college, department, program, or major.***
- (2) A president, professor, or teacher shall not be removed ***under subsection (1)(a) to (d) of this section*** until after thirty (30) days' notice in writing, stating the nature of the charges preferred, and after an opportunity has been given him or her to make defense before the board by counsel or otherwise and to introduce testimony which shall be heard and determined by the board.
- (3) ***The process by which removal as provided in subsection (1)(e) of this section shall be proposed, evaluated, and decided shall be established by the board and provided to all faculty members, with an effective date no later than October 1, 2026. The process shall require that no faculty member is removed until after thirty (30) days' notice in writing, stating the reason for removal, and after an opportunity has been given to the faculty member to respond before the board by counsel or otherwise and to introduce testimony which shall be heard and determined by the board.***
- (4) Officer, teacher, professor, or agent appointment and removal decisions may be delegated to the president in accordance with policy adopted by the board of trustees.
- ~~(5)~~(2) President, teacher, and professor performance and productivity shall be evaluated at least once every four (4) years using a process approved by the board. Failure to meet performance and productivity requirements may result in removal of a president, teacher, or professor regardless of status. The evaluation process shall be established by the board and provided to all faculty members by January 1, 2026, to become effective July 1, 2026.

➔Section 3. KRS 164.830 is amended to read as follows:

- (1) The board of trustees of the University of Louisville shall constitute a body corporate, with the usual corporate powers, and shall possess all the authorities, immunities, rights, privileges, and franchises usually attaching to the governing bodies of Kentucky public higher educational institutions. A majority of the voting members of the board shall constitute a quorum for the transaction of business. Powers of the board shall include the following:
- (a) Appointment of a president, all faculty members, and other personnel and determination of the compensation, duties, and official relations of each. No relative of a board of trustee member shall be employed by the university. Faculty member and personnel appointment decisions may be delegated to the president in accordance with policy adopted by the board of trustees;
 - (b) Suspension or removal of the president, officers, faculty, agents, or other personnel that it is authorized to appoint, except that no president, professor, or teacher shall be removed except for:
 - 1. Incompetence;~~;~~
 - 2. Neglect of or refusal to perform his or her duty;~~;~~
 - 3. Immoral conduct;~~;~~
 - 4. Failure to meet college or university performance and productivity requirements as determined in accordance with paragraph (d)~~(e)~~ of this subsection; **or**
 - 5. ***Bona fide financial reasons, including but not limited to:***
 - 1. ***Financial exigency;***
 - 2. ***Low enrollment in a particular program or major; or***
 - 3. ***Misalignment of revenue and costs in a particular college, department, program, or major;***~~;~~

- (c) Any removal shall be made in accordance with procedures established by law for state institutions. Officer, faculty, agent, or other personnel removal decisions may be delegated to the president in accordance with policy adopted by the board of trustees;
 - (d) *The process by which removal as provided in paragraph (b)5. of this subsection shall be proposed, evaluated, and decided shall be established by the board and provided to all faculty members, with an effective date no later than October 1, 2026. The process shall require that no faculty member is removed until after thirty (30) days' notice in writing, stating the reason for removal, and after an opportunity has been given to the faculty member to respond before the board by counsel or otherwise and to introduce testimony which shall be heard and determined by the board;*
 - ~~(e)~~ Creation of a process requiring the evaluation of the performance and productivity of the president, professors, and teachers at least once every four (4) years. Failure to meet performance and productivity requirements may result in removal of a president, professor, or teacher regardless of status. The evaluation process shall be established by the board and provided to all faculty members by January 1, 2026, to become effective July 1, 2026;
 - ~~(f)~~ Election of a chairperson, a vice chairperson to act in the absence or temporary disability of the chairperson, and any other officers as it deems wise, including the annual election of a six (6) member executive committee which shall have the powers that the board delegates to it and shall operate under the rules the board shall establish under its authority to make bylaws, rules, and regulations consistent with this chapter. The committee shall have one (1) member representing the students, faculty, and nonteaching personnel with the group alternating each year. The initial appointment to the executive committee after March 21, 2017, shall be a faculty member, to be followed by a student and a nonteaching personnel, respectively;
 - ~~(g)~~ Receipt, retention, and administration, on behalf of the university, subject to the conditions attached, all revenues accruing from endowments, appropriations, allotments, grants or bequests, and all types of property;
 - ~~(h)~~ Requirement of reports from the president, officers, faculty, and employees as it deems necessary and proper from time to time;
 - ~~(i)~~ Granting degrees to graduates of the university, prescription of conditions upon which postgraduate honors may be obtained, and conferment of honorary degrees;
 - ~~(j)~~ The board shall periodically evaluate the institution's progress in implementing its missions, goals, and objectives to conform to the strategic agenda. Officers and officials shall be held accountable for the status of the institution's progress; and
 - ~~(k)~~ The board shall adopt bylaws, rules, and regulations for the governance of its members, officers, agents, and employees, which shall reference the member removal and replacement provisions of KRS 63.080, and the board shall enforce obedience to those bylaws, rules, and regulations.
- (2) Board members shall receive no compensation for serving on the board, but shall be reimbursed for travel expenses for attending meetings and performing other official functions, consistent with the reimbursement policy for state employees. Board members who reside outside the Commonwealth shall not be reimbursed for out-of-state travel expenses.
 - (3) The provisions of KRS 164.030, 164.200, and 164.410, shall be applicable to the University of Louisville, except where inconsistent with the purposes of KRS 164.810 to 164.870.

➔Section 4. Whereas it is necessary for public postsecondary education institutions to make sound fiscal decisions and be able to take swift action based on those decisions, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Veto Overridden April 14, 2026.