

JUSTICE AND PUBLIC SAFETY CABINET
Kentucky State Corrections Commission
(Amended at ARRS Committee)

500 KAR 10:040. Program review.

RELATES TO: KRS 196.700 - 196.736

STATUTORY AUTHORITY: KRS 15A.160, 196.035, 196.710

NECESSITY, FUNCTION, AND CONFORMITY: KRS 196.735 requires the Kentucky State Corrections Commission to evaluate each community corrections program on an annual basis. KRS 15A.160 and 196.035 authorize the secretary of the Justice and Public Safety Cabinet to promulgate administrative regulations necessary or suitable for the proper administration of the functions vested in the cabinet or any division in the cabinet. This administrative regulation provides for review of the community corrections program.

Section 1. Review Process.

(1) During each fiscal year, the administrator shall inspect and examine the fiscal and program records of each grant to determine compliance with the program plan and prepare a compilation of the reports for the commission. The administrator shall provide the compilation and the grant reports each quarter to the commission.

(2) Each fiscal year, the administrator shall compile the grant program results into an annual report. The commission shall review this report and may adopt all or portions of it for the annual evaluation required by KRS 196.735.

Section 2. Programmatic and Fiscal Reports.

(1) A grant recipient shall file a programmatic report and fiscal report regarding activity for the preceding period on a schedule provided in writing to a grant recipient by the administrator. Information for the programmatic and fiscal reports shall be input into the online electronic grants management system.

(a) The fiscal report shall outline the grant funds expended for the reporting period, including:

1. The total grant award;
2. The amounts expended in the reporting period. Expenditures shall be listed by budget category, including:
 - a. Personnel;
 - (i) Gross salary;
 - (ii) Fringe benefits; and
 - (iii) Employer costs;
 - b. Contractual services;
 - c. Travel;
 - d. Training;
 - e. Equipment costs; or
 - f. Operating expenses; and
3. The balance of remaining grant funds for the grant cycle.

(b) The program report shall outline program outcomes for the reporting period, including:

1. Number of new program participants and total number of grant participants served;
2. Number of successful program completions and unsuccessful discharges from the program, with average length of time in the program;
3. Number and type of program violations incurred;
4. Number and type of program services received;
5. Amount of restitution or child support paid by participants;

6. Participation in community service;
 7. Number of drug tests administered with aggregate results;
 8. Number of participant referrals to other agencies for services;
 9. Participant demographics; and
 10. Any other relevant information about program operation during the reporting period.
- (2) The grantee shall maintain individual client files. Information supplied to the commission for report or statistical purpose shall be by client identification number or client initials.
- (3) Unless a grant recipient is instructed by the award contract to retain records for a longer period of time, a grant recipient shall retain:
- (a) Financial records for a minimum of seven (7) years after the close of the grant period;
 - (b) Personnel records for a minimum of five (5) years after the close of the grant period; and
 - (c) Information pertaining to offender records and the community corrections grant program files for a minimum of five (5) years after the close of the grant period.

Section 3. Additional Information.

- (1) A grantee shall present the progress of its program and oversight by the board to the commission at its meeting upon request.
- (2) The administrator shall obtain an annual independent audit of each grant recipient. The administrator shall provide a summary of the audit results to the commission.

Section 4. Compliance Issues.

- (1) If the administrator determines that there is reasonable cause to believe that a program or facility is not in substantial compliance with current requirements of the grant, or the program plan under which it was funded:
 - (a) The administrator may:
 1. Investigate compliance;
 2. Request additional supporting documentation;
 3. Engage in additional monitoring; or
 4. Take other actions as needed to determine compliance; and
 - (b) A notice of the findings concerning compliance shall be submitted to the commission.
- (2) If information concerning a compliance issue is received and the chair of the commission determines that there is a significant risk of dissipation of funds, the chair may suspend all or any portion a grant until the commission meets and considers the matter.
- (3)
 - (a) The commission may suspend all or any portion of a grant or revoke the grant if it is determined by the commission that the board is not in substantial compliance or has not made satisfactory progress in achieving substantial compliance.
 - (b) Suspension.
 1. Notice of the suspension shall be sent in writing to the grant recipient and board within five (5) business days of the decision to suspend funds.
 2. The notice shall identify specific deficiencies and corrective steps necessary for the grant recipient to demonstrate compliance with the grant requirements.
 3. The grant recipient shall provide a corrective action plan to correct deficiencies during the suspension.
 4. The grant recipient shall provide reports as indicated in the suspension notice to the administrator.

5. The administrator shall monitor the grant recipient's progress in correcting the deficiencies and shall provide a report to the commission of the grant recipient's progress.

6. The commission shall review the grant recipient's progress as soon as practicable, but not more than 120 days, after the sending of the report by the administrator to determine whether to:

- a. Continue the suspension with instructions to the grant recipient concerning correction of the deficiencies;
- b. End the suspension and resume the grant funding because the grant recipient has:
 - (i) Sufficiently corrected the deficiencies; or
 - (ii) Put into place satisfactory steps to achieve compliance within a reasonable time; or
- c. Revoke the grant recipient's funding for that fiscal year.

Section 5. Termination of Grant Program.

- (1) The commission shall terminate project funding for the following reasons:
 - (a) The application was made under false pretenses or information;
 - (b) The applicant is mishandling grant funds;
 - (c) The applicant is noncompliant with award conditions;
 - (d) The applicant fails to comply with reporting requirements; or
 - (e) The applicant is unable to carry out the project as described in the application.
- (2) If the commission decides to revoke funding:
 - (a) The administrator shall notify the grant recipient and board in writing within five (5) business days specifying the reason for the revocation and giving the grant recipient a reasonable time to close out the grant or seek funding from other sources;
 - (b) Additional funds shall not be dispersed to the grant recipient for that fiscal year; and
 - (c) The commission may require the return of unexpended grant monies.

Section 6. Review Request.

- (1) A grantee may request a review of the finding to suspend or revoke grant funding by filing a request in writing with the grant administrator no later than five (5) business days after receipt of the finding.
 - (a) A request for review shall be limited to consideration of information only if it appears that a material fact was overlooked or misinterpreted.
 - (b) A grant recipient shall not request review for any other matter.
 - (c) Requests for review shall be submitted to Department of Corrections, Attn: State Corrections Commission Grant Administrator, P.O. Box 2400, Frankfort, Kentucky 40602-2400.
- (2) The chair of the commission or designee shall review the request and issue a written decision within thirty (30) days. The decision shall be final.

Section 7. End of Grant Close Out.

- (1) Once the grant period expires or a project is terminated, the grantee shall submit a final fiscal report and programmatic report detailing activity for the entire grant period. The administrator shall provide the grantee a due date for the final reports for the grant period. The due date shall not surpass thirty (30) days after the grant period expiration or termination of funds.
- (2) The project shall remain subject to an audit of the grant expenditures for that fiscal year.
- (3) The commission may require the return of unexpended grant monies.

(a) If the grant recipient is instructed to return unexpended grant funds, the grant recipient shall provide a check made payable to the Kentucky State Treasurer as soon as practicable, but no later than thirty (30) days after receipt of the notice.

(b) If the grant recipient does not return funds as requested, the grantee may be subject to the following actions:

1. Withholding of future awards for the project, program, or board; or
2. Other actions that may be legally available, including civil remedies.

(19 Ky.R. 1022; Am. 1367; eff. 12-9-1992; 46 Ky.R. 2130, 2632; eff. 6-30-2020; 499 Ky.R. 896, 1420; eff. 4-4-2023.)

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