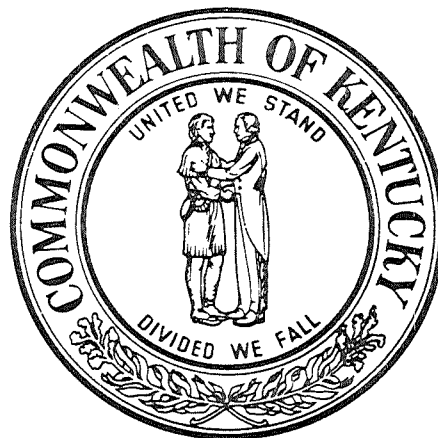


of **Administrative Register** *of Kentucky*

LEGISLATIVE RESEARCH COMMISSION
FRANKFORT, KENTUCKY

VOLUME 12, NUMBER 12
SUNDAY, JUNE 1, 1986



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UNLESS WRITTEN NOTIFICATION OF INTENT TO ATTEND
A PUBLIC HEARING IS RECEIVED BY THE PROMULGATING
AGENCY AT LEAST FIVE (5) DAYS BEFORE THE HEARING
DATE, THE HEARING MAY BE CANCELLED.

MEETING NOTICE: The next meeting of the Administrative Regulation
Review Subcommittee is June 9 and 10, 1986. For information, call
502-564-8100, ext. 312.

The ADMINISTRATIVE REGISTER OF KENTUCKY is the monthly advance sheets service for the 1986 Edition of KENTUCKY ADMINISTRATIVE REGULATIONS SERVICE.

HOW TO CITE: Cite all material in the ADMINISTRATIVE REGISTER OF KENTUCKY by Volume number and Page number. Example: Volume 2, Kentucky Register, page 318 (short form: 2 Ky.R. 318).

KENTUCKY ADMINISTRATIVE REGULATIONS are codified according to the following system and are to be cited by Title, Chapter and Regulation number, as follows:

Title		Chapter		Regulation
806	KAR	50	:	155
Cabinet, Department, Board or Agency		Bureau, Division, or Major Function		Specific Area of Regulation

ADMINISTRATIVE REGISTER OF KENTUCKY

(ISSN 0096-1493)

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The Administrative Register of Kentucky is published monthly by the Legislative Research Commission, Frankfort, Kentucky 40601. Subscription rate, postpaid in the United States: \$36 per volume of 12 issues, beginning in July and ending with the June issue of the subsequent year.

Second class postage paid at Frankfort, Kentucky.

POSTMASTER: Send address changes to Administrative Register of Kentucky, Room 300, State Capitol, Frankfort, Kentucky 40601.

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REGULATION REVIEW PROCEDURE

Filing and Publication

Administrative bodies shall file with the Regulations Compiler all proposed administrative regulations, including public hearing information (described below), the tiering statement required by KRS 13A.210, the regulatory impact analysis as required by KRS 13A.240, and the fiscal note required by KRS 13A.250.

All proposed administrative regulations received by the deadline required in KRS 13A.050, as well as the information required above, shall be published in the Administrative Register.

Following publication in the Administrative Register, all proposed administrative regulations shall be referred by the Legislative Research Commission to the appropriate committee or subcommittee for review.

Public Hearing

The administrative body shall schedule a public hearing on proposed administrative regulations, proposed amendments to administrative regulations, and proposed repeal of administrative regulations to be held not less than twenty (20) nor more than thirty (30) days following publication of the administrative regulation. The time, date, and place of the hearing and the name and address of the agency contact person shall be included on the last page of the administrative regulation when filed with the Compiler's office.

Any person interested in attending the scheduled hearing must submit written notification of such to the administrative body at least five (5) days before the scheduled hearing. If no written notice is received at least five (5) days before the hearing, the administrative body may cancel the hearing.

If the hearing is cancelled, the administrative body shall notify the Compiler immediately by telephone of the cancellation with a follow-up letter and the Compiler will place the letter of cancellation in the file of the original administrative regulation. If the hearing is held, the administrative body shall submit within fifteen (15) days following the hearing a statement of consideration summarizing the comments received at the hearing and the administrative body's responses to the comments.

No transcript of the hearing need be taken unless a written request for a transcript is made, and the person requesting the transcript shall have the responsibility of paying for same. A recording may be made in lieu of a transcript.

If an administrative body has several proposed administrative regulations published at the same time, the proposed administrative regulations may be grouped at the convenience of the administrative body for purposes of hearings.

Review Procedure

If a proposed administrative regulation is amended as a result of the public hearing, the amended version shall be published in the next Administrative Register; and following publication shall be sent to the appropriate committee for review at its next meeting. If a proposed administrative regulation is not amended as a result of the hearing or if the hearing is cancelled, the regulation shall be sent to the appropriate committee for review at its next meeting. The administrative regulation shall be considered as adopted and in effect as of adjournment on the day the subcommittee meets.

EMERGENCY REGULATIONS NOW IN EFFECT

(NOTE: Emergency regulations expire 90 days from publication or upon replacement or repeal.)

STATEMENT OF EMERGENCY

Under KRS Chapter 13A the administrative body is required to implement this regulation or not have the authority to operate. Therefore, in order to continue to operate the Cabinet for Human Resources in accordance with KRS Chapter 194, the Cabinet for Human Resources needs to implement this emergency regulation. An ordinary administrative regulation cannot suffice because agency policy will not be accurately reflected in a timely manner. This emergency regulation will be replaced by an ordinary administrative

regulation in accordance with KRS Chapter 13A.

MARTHA LAYNE COLLINS, Governor
E. AUSTIN, JR., Secretary

CABINET FOR HUMAN RESOURCES
Department for Social Insurance
Division of Management & Development

904 KAR 1:013E. Payments for acute care and mental hospital inpatient services.

RELATES TO: KRS 205.520

PURSUANT TO: KRS 194.050

EFFECTIVE: April 17, 1986

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility to administer the program of Medical Assistance in accordance with Title XIX of the Social Security Act. KRS 205.520 empowers the cabinet, by regulation, to comply with any requirement that may be imposed, or opportunity presented by federal law for the provision of medical assistance to Kentucky's indigent citizenry. This regulation sets forth the method for determining amounts payable by the cabinet for acute care and mental hospital inpatient services.

Section 1. Acute Care Hospital and Mental Hospital (Including Psychiatric Facility) Inpatient Services. The state agency will pay for inpatient hospital services provided to eligible recipients of Medical Assistance through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated hospitals to provide services in conformity with applicable state and federal laws, regulations, and quality and safety standards.

Section 2. Establishment of Payment Rates. The policies, methods, and standards to be used by the cabinet in setting payment rates are specified in the cabinet's "Inpatient Hospital Reimbursement Manual" revised April 1, 1986 [August 3, 1985], which is incorporated herein by reference. For any reimbursement issue or area not specified in the manual, the cabinet will apply the Medicare standards and principles described in 20 CFR Sections 405.402 through 405.488 (excluding the Medicare inpatient routine nursing salary differential).

Section 3. Compliance with Federal Medicaid Requirements. The cabinet will comply with the requirements shown in 42 CFR 447.250 through 447.280.

Section 4. General Description of the Payment System. (1) Use of prospective rates. Each hospital will be paid using a prospective payment rate based on allowable Medicaid costs and Medicaid inpatient days. The prospective rate will be all inclusive in that both routine and ancillary cost will be reimbursed through the rate. For universal rate years prior to January 1, 1985 the prospective rate will not be subject to retroactive adjustment except to the extent that an audited cost report alters the basis for the prospective rate and/or the projected inflation index utilized in setting the individual rate is different from actual inflation as determined by the index being used. For universal rate years beginning on or after January 1, 1985, the prospective rate will not be subject to retroactive adjustment except to the extent that facilities with a rate based on unaudited data will have their rate appropriately revised for the rate year when the audited cost report is received from the fiscal intermediary. However, total prospective payments shall not exceed the total customary charges in the prospective year. Overpayments will be recouped by payment from the provider to the cabinet of the amount of the overpayment, or alternatively, by the withholding of the overpayment amount by the cabinet from future payments otherwise due the provider.

(2) Use of a uniform rate year. A uniform rate year will be set for all facilities, with the rate year established as January 1 through December 31 of each year. The first uniform rate year for mental hospitals shall be July 1, 1985 through June 30, 1986; however, effective January 1, 1986 the mental hospital rate year shall be re-established and shall be January 1 through December 31 of each year thereafter. Changes of rates throughout the rate year as a result of policy changes shall not change the rate year, although the facility rates may change. Hospitals are not required to change their fiscal years.

(3) Trending of cost reports. Allowable Medicaid cost as shown in cost reports on file in the cabinet, both audited and unaudited, will be trended to the beginning of the rate year so as to update Medicaid costs. When trending, capital costs and return on equity capital are excluded. The trending factor to be used will be the Data Resources, Inc. rate of inflation for the period being trended.

(4) Indexing for inflation. After allowable costs have been trended to the beginning of the rate year, an indexing factor is applied so as to project inflationary cost in the uniform rate year. The forecasting index currently in use is prepared by Data Resources, Inc. This policy shall be effective August 3, 1985.

(5) [(4)] Peer grouping. Acute care hospitals will be peer grouped according to bed size. The peer groupings for the payment system will be: 0-50 beds, 51-100 beds, 101-200 beds, 201-400 beds, and 401 beds and up (except that the designated state teaching hospitals affiliated with or a part of the University of Kentucky and the University of Louisville shall not be included in the array for facilities with 401 beds and up unless such facility's primary characteristics are considered essentially the same as the peer group's, and the facility, although not a university teaching hospital as such, is treated in the same manner with regard to the upper limit to recognize the presence of the major pediatric teaching component existing outside the state university hospitals). No facility in the 201-400 peer group shall have its operational per diem reduced below that amount in effect in the 1982 rate year as a result of the establishment of a peer grouping of 401 beds and up. Mental hospitals will not be peer grouped but will have a separate array of mental hospitals only.

(6) [(5)] Use of a minimum occupancy factor. A minimum occupancy factor will be applied to operating and capital costs attributable to the Medicaid program. A sixty (60) percent occupancy factor will apply to hospitals with 100 or fewer beds. A seventy-five (75) percent occupancy factor will apply to facilities with 101 or more beds. Operating costs are all costs except professional (physician) and capital costs. Capital costs are interest and depreciation related to plant and equipment. The minimum occupancy factor is not applicable with regard to operating costs of mental hospitals. Effective January 1, 1986, the operating cost occupancy factor shall be applied in such a manner as not to reduce otherwise allowable payments for operating costs below eighty (80) percent of the appropriate peer group upper limit.

(7) Use of a reduced depreciation allowance. The allowable amount for depreciation on

building and fixtures (not including major movable equipment) shall be sixty-five (65) percent of the reported depreciation amount as shown in the hospital's cost reports. The use of a reduced depreciation allowance is not applicable with regard to mental hospitals.

(8) [(6)] Use of upper limits. For acute care hospitals, an upper limit will be established on all costs (except Medicaid capital cost) at the weighted median per diem cost for hospitals in each peer group, using the most recent Medicaid cost report available as of December 1 of each year. For mental hospitals, an upper limit will be established on all costs (except Medicaid capital cost) at the weighted median per diem cost for hospitals in the array. Upon being set, the arrays and upper limits will not be altered due to revisions or corrections of data; however the arrays and/or upper limits may be changed as a result of changes of agency policy. The upper limit is established at 120 percent for those acute care hospitals serving a disproportionate number of poor patients (defined as twenty (20) percent or more Medicaid clients as compared to the total number of clients served) and the upper limit is established at 105 percent for those mental hospitals serving a disproportionate number of poor patients (defined as thirty-five (35) percent or more Medicaid clients as compared to the total number of clients served). For the designated state teaching hospitals affiliated with or a part of the University of Kentucky and the University of Louisville, and major pediatric teaching hospitals affiliated thereto, their upper limit shall recognize their status as teaching hospitals traditionally serving a disproportionate number of poor patients, and shall be set at 126 percent of the median of the array for all other hospitals of comparable size (401 beds and up).

(9) [(7)] Operating costs shall not include professional (physician) costs for purposes of establishing the median based upper limits. Professional costs shall be trended separately.

(10) [(8)] Hospitals whose general characteristics are not those of an acute care or mental hospital (i.e., because they are primarily rehabilitative in nature) are not subject to the operating cost upper limits.

(11) [(9)] Rate appeals. As specified in the Inpatient Hospital Reimbursement Manual, hospitals may request an adjustment to the prospective rate with the submittal of supporting documentation. The established appeal procedure allows a representative of the hospital group to participate as a member of the rate review panel.

Section 5. Payments to Participating Out-of-State Hospitals. Participating out-of-state hospitals, except those where the other state's Medicaid Program pays on the basis of diagnosis related groupings, shall be reimbursed for covered services rendered eligible Kentucky Medicaid recipients at the lower of the rate paid by the other state's Medicaid Program or the upper limit for Kentucky hospitals in a peer group for hospitals of comparable size (or total array, in the instance of mental hospitals), except that payments shall not exceed charges. For those participating out-of-state hospitals where the other state's Medicaid Program pays on the basis of diagnosis related groupings, reimbursement for covered

services rendered eligible Kentucky Medicaid recipients shall be at the lower of eight (80) percent of the hospital's covered charges or the upper limit for Kentucky hospitals in a peer group for hospitals of comparable size. The operating cost upper limits shall be appropriately adjusted to include capital costs. The appropriate amount to include for capital costs shall be the average allowable per diem capital cost for the peer group (not adjusted for occupancy). Professional costs (i.e., physician fees) shall be paid on the basis of the usual and customary charges of the provider.

FONTAINE BANKS, Acting Deputy Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 16, 1986

FILED WITH LRC: April 17, 1986 at 10 a.m.

STATEMENT OF EMERGENCY

Under KRS Chapter 13A the administrative body is required to implement this regulation or not have the authority to operate. Therefore, in order to continue to operate the Cabinet for Human Resources in accordance with KRS Chapter 194, the Cabinet for Human Resources needs to implement this emergency regulation. An ordinary administrative regulation cannot suffice because agency policy will not be accurately reflected in a timely manner. This emergency regulation will be replaced by an ordinary administrative regulation in accordance with KRS Chapter 13A.

MARTHA LAYNE COLLINS, Governor

E. AUSTIN, JR., Secretary

CABINET FOR HUMAN RESOURCES Department for Social Insurance Division of Management and Development

904 KAR 1:036E. Amounts payable for skilled nursing and intermediate care facility services.

RELATES TO: KRS 205.520

PURSUANT TO: KRS 194.050

EFFECTIVE: April 17, 1986

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility to administer the program of Medical Assistance in accordance with Title XIX of the Social Security Act. KRS 205.520 empowers the cabinet, by regulation, to comply with any requirement that may be imposed, or opportunity presented, by federal law for the provision of medical assistance to Kentucky's indigent citizenry. This regulation sets forth the method for determining amounts payable by the cabinet for skilled nursing care facility services and intermediate care facility services.

Section 1. Reimbursement for Skilled Nursing and Intermediate Care Facilities. All skilled nursing or intermediate care facilities participating in the Title XIX program shall be reimbursed in accordance with this regulation. Payments made shall be in accordance with the requirements set forth in 42 CFR 447.250 through 42 CFR 447.280. A skilled nursing facility desiring to participate in Title XIX shall be required to participate in Title XVIII-A.

Section 2. Basic Principles of Reimbursement.

(1) Payment shall be on the basis of rates which are reasonable and adequate to meet the costs

which must be incurred by efficiently and economically operated facilities in order to provide care and services in conformity with applicable state and federal laws, regulations, and quality and safety standards.

(2) Payment amounts shall be arrived at by application of the reimbursement principles developed by the cabinet (Kentucky Medical Assistance Program Intermediate Care/Skilled Nursing Facility Reimbursement Manual, revised April 14, 1986 [September 26, 1985], which is hereby incorporated by reference) and supplemented by the use of the Title XVIII-A reimbursement principles.

Section 3. Implementation of the Payment System. The cabinet's reimbursement system is supported by the Title XVIII-A Principles of Reimbursement, with the system utilizing such principles as guidelines in unaddressed policy areas. The cabinet's reimbursement system includes the following specific policies, components or principles:

(1) Prospective payment rates for routine services shall be set by the cabinet on a facility by facility basis, and shall not be subject to retroactive adjustment. Prospective rates shall be set annually, and may be revised on an interim basis in accordance with procedures set by the cabinet. An adjustment to the prospective rate (subject to the maximum payment for that type of facility) will be considered only if a facility's increased costs are attributable to one (1) of the following reasons: governmentally imposed minimum wage increases; the direct effect of new licensure requirements or new interpretations of existing requirements by the appropriate governmental agency as issued in regulation or written policy which affects all facilities within the class; or other governmental actions that result in an unforeseen cost increase. The amount of any prospective rate adjustment may not exceed that amount by which the cost increase resulting directly from the governmental action exceeds on an annualized basis the inflation allowance amount included in the prospective rate for the general cost area in which the increase occurs. For purposes of this determination, costs will be classified into two (2) general areas, salaries and other. The effective date of interim rate adjustment shall be the first day of the month in which the adjustment is requested or in which the cost increase occurred, whichever is later.

(2) The prospective rate shall not exceed, on a facility by facility basis, an administratively established maximum payment for that type of facility. The state will set a uniform rate year for SNFs and ICFs (July 1-June 30) by taking the latest audited cost data available as of May 16 of each year and trending the facility costs to July 1 of the rate year. (Unaudited, partial year, and/or budgeted cost data may be used if a full year's audited data is unavailable. Unaudited reports are subject to adjustment to the audited amount, and will be used when an audited cost report ending within twenty-four (24) months of the 30th of April preceding the rate year is not available. Facilities paid on the basis of partial year or budgeted cost reports shall have their reimbursement settled back to allowable cost, with usual upper limits applied. Facilities beginning program participation on or after July

1, 1984 whose rates are subject to settlement back to cost will not be included in the arrays until such time as the facilities are no longer subject to cost settlement.) After allowable costs are indexed for inflation for the rate year, freestanding (non-hospital based) facilities will be arrayed and the maximum set at 102 percent of the median for the class (SNF or ICF). In recognition of the higher costs of hospital based SNFs, their upper limit shall be set at 135 percent of 102 percent of the median of allowable trended and indexed costs of all other SNFs. The maximum payment amounts will be adjusted each July 1, beginning with July 1, 1985, so that the maximum payment amount for the prospective uniform rate year will be at 102 percent of the median per diem allowable costs for the class (SNF or ICF) on July 1 of that year. For purposes of administrative ease in computations normal rounding may be used in establishing the maximum payment amount, with the maximum payment amount rounded to the nearest five (5) cents. Upon being set, the arrays and upper limits will not be altered due to revisions or corrections of data. For ICF-MRs, a prospective rate will be set in the same manner as for freestanding SNFs and basic ICFs, except that the maximum (upper limit) shall be set at 110 percent of the median of the array.

(3) The reasonable direct cost of ancillary services provided by the facility as a part of total care shall be compensated on a reimbursement cost basis as an addition to the prospective rate except for ventilator therapy services which shall be paid on a prospective rate basis. Ancillary services reimbursement shall be subject to a year-end audit, retroactive adjustment and final settlement. Ancillary costs may be subject to maximum allowable cost limits under federal regulations. Any percentage reduction made in payment of current billed charges shall not exceed twenty-five (25) percent, except in the instance of individual facilities where the actual retroactive adjustment for a facility for the previous year reveals an overpayment by the cabinet exceeding twenty-five (25) percent of billed charges, or where an evaluation by the cabinet of an individual facility's current billed charges shows the charges to be in excess of average billed charges for other comparable facilities serving the same area by more than twenty-five (25) percent. A refund will be requested from a facility if the amount paid to the facility for legend drugs, covered legend devices and non-legend drugs, if applicable, exceeds the program's computed maximum allowable cost. The amount of refund will be determined by conducting a statistically accurate sample of the Medicaid patients for the facility's fiscal year. The percentage that a facility is over the computed maximum allowable cost will be multiplied by the amount paid by the program for drugs for the fiscal year under review.

(4) Interest expense used in setting the prospective rate is an allowable cost if permitted under Title XVIII-A principles and if it meets these additional criteria:

(a) It represents interest on long-term debt existing at the time the vendor enters the program or represents interest on any new long-term debt, the proceeds of which are used to purchase fixed assets relating to the provision of the appropriate level of care. If

the debt is subject to variable interest rates found in balloon-type financing, renegotiated interest rates will be allowable. The form of indebtedness may include mortgages, bonds, notes and debentures when the principal is to be repaid over a period in excess of one (1) year; or

(b) It is other interest for working capital and operating needs that directly relates to providing patient care. The form of such indebtedness may include, but is not limited to, notes, advances and various types of receivable financing; however, short-term interest expense on a principal amount in excess of program payments made under the prospective rate equivalent to two (2) months experience based on ninety (90) percent occupancy or actual program receivables will be disallowed in determining cost;

(c) For both paragraphs (a) and (b) of this subsection, interest on a principal amount used to purchase goodwill or other intangible assets will not be considered an allowable cost.

(5) Compensation to owner/administrators will be considered an allowable cost provided that it is reasonable, and that the services actually performed are a necessary function. Compensation includes the total benefit received by the owner for the services he renders to the institution, excluding fringe benefits routinely provided to all employees and the owner/administrator. Payment for services requiring a licensed or certified professional performed on an intermittent basis will not be considered a part of compensation. "Necessary function" means that had the owner not rendered services pertinent to the operation of the institution, the institution would have had to employ another person to perform the service. Reasonableness of compensation will be based on total licensed beds (all levels).

(6) The allowable cost for services or goods purchased by the facility from related organizations shall be the cost to the related organization, except when it can be demonstrated that the related organization is in fact equivalent to any other second party supplier, i.e., a relationship for purposes of this payment system is not considered to exist. A relationship will be considered to exist when an individual or individuals possess twenty (20) percent or more of ownership or equity in the facility and the supplying business; however, an exception to the relationship will be determined to exist when fifty-one (51) percent or more of the supplier's business activity of the type carried on with the facility is transacted with persons and organizations other than the facility and its related organizations.

(7) The amount allowable for leasing costs shall not exceed the amount which would be allowable based on the computation of historical costs, except that for general intermediate care facilities entering into lease/rent arrangements prior to April 22, 1976, intermediate care facilities for the mentally retarded entering into lease/rent arrangements prior to February 23, 1977, and skilled nursing facilities entering into lease/rent arrangements prior to December 1, 1979, the cabinet will determine the allowable costs of such arrangements based on the general reasonableness of such costs.

(8) The following provisions are applicable with regard to median per diem cost center upper limits:

(a) For facilities (except ICF-MRs) beginning participation in the Medicaid program on or after April 1, 1981, (and classified as newly participating facilities for purposes of this subsection), the following upper limits (within the class) shall be applicable with regard to otherwise allowable per diem costs, by cost center: for nursing services, 125 percent of the median; for dietary services, 125 percent of the median; for capital costs, 105 percent of the median; and for all other costs, 105 percent of the median.

(b) Facilities participating in the Medicaid program prior to April 1, 1981, shall be classified as newly participating facilities (solely for purposes of this subsection) when either of the following occurs on or after April 1, 1981: first, when the facility expands its bed capacity by expansion of its currently existing plant or, second, when a multi-level facility (one providing more than one (1) type of care) converts existing personal care beds in the facility to either skilled nursing or intermediate care beds, and the number of additional or converted personal care beds equals or exceeds (in the cumulative) twenty-five (25) percent of the Medicaid certified beds in the facility as of March 31, 1981. Facilities participating in the Medicaid program prior to April 1, 1981 shall not be classified as newly participating facilities solely because of changes of ownership.

(c) For purposes of application of this subsection the facility classes are basic intermediate care and skilled nursing care. The "median per diem cost" is the midpoint of the range of all facilities' costs (for the class) which are attributable to the specific cost center, which are otherwise allowable costs for the facilities' prior fiscal year, and which are adjusted by trending, indexing and the occupancy factor. The median for each cost center for each class shall be determined annually using the same cost data for the class which was used in setting the maximum payment amount. The Department for Medicaid Services [Division for Medical Assistance] shall notify all participating facilities of the median per diem cost center upper limits currently in effect.

(d) A facility may request that the Reimbursement Review Panel grant a waiver of its status as a newly participating facility based upon a presentation of facts showing that the provider had already incurred a substantial material financial obligation or binding commitment toward building or expanding a facility prior to April 1, 1981. The obtaining of a certificate of need shall not be construed, in itself, to be sufficient to justify approval of a waiver request, and a waiver, if granted, shall be applicable only with regard to that building or expansion for which the waiver was requested and approved.

(e) Intermediate care facilities for the mentally retarded (ICF-MRs) are not subject to the median per diem cost center upper limits shown in this subsection.

(9) Certain costs not directly associated with patient care will not be considered allowable costs. Costs which are not allowable include political contributions, travel and related costs for trips outside the state (for purposes of conventions, meetings, assemblies, conferences, or any related activities), and legal fees for unsuccessful lawsuits against the

cabinet. However, costs (excluding transportation costs) for training or educational purposes outside the state are allowable costs.

(10) To determine the gain or loss on the sale of a facility for purposes of determining a purchaser's cost basis in relation to depreciation and interest costs, the following methods will be used for changes of ownership occurring before July 18, 1984:

(a) Determine the actual gain on the sale of the facility.

(b) Add to the seller's depreciated basis two-thirds (2/3) of one (1) percent of the gain for each month of ownership since the date of acquisition of the facility by the seller to arrive at the purchaser's cost basis.

(c) Gain is defined as any amount in excess of the seller's depreciated basis as computed under program policies at the time of the sale, excluding the value of goodwill included in the purchase price.

(d) A sale is any bona fide transfer of legal ownership from an owner(s) to a new owner(s) for reasonable compensation, which is usually fair market value. [Stock transfers, except stock transfers followed by liquidation of all company assets and which may be revalued in accordance with Internal Revenue Service rules, are not considered changes of facility ownership.] Lease-purchase agreements and/or other similar arrangements which do not result in transfer of legal ownership from the original owner to the new owner are not considered sales until such time as legal ownership of the property is transferred.

(e) If an enforceable agreement for a change of ownership was entered into prior to July 18, 1984, the purchaser's cost basis will be determined in the manner set forth in paragraphs (a) through (d) of this subsection.

(11) Notwithstanding the provisions contained in subsection (10) of this section, or in any other section or subsection of this regulation or the "Kentucky Medical Assistance Program Intermediate Care/Skilled Nursing Facility Reimbursement Manual," the cost basis for any facility changing ownership on or after July 18, 1984 (but not including changes of ownership pursuant to an enforceable agreement entered into prior to July 18, 1984 as specified in subsection (10)(e) of this section) shall be determined in accordance with the methodology set forth [in the Social Security Act (as amended by the Deficit Reduction Act of 1984) and shown] herein for the reevaluation of assets of skilled nursing and intermediate care facilities.

(a) No increase will be allowed in capital costs. [The Social Security Act, Section 1861(v)(1)(O) (as published in the Commerce Clearing House Medicare/Medicaid Guide) specifies the following:]

["(i) In establishing an appropriate allowance for depreciation and for interest on capital indebtedness and (if applicable) a return on equity capital with respect to an asset of a hospital or skilled nursing facility which has undergone a change of ownership, such regulations shall provide that the valuation of the asset after such change of ownership shall be the lesser of the allowable acquisition cost of such asset to the owner of record as of the date of the enactment of this subparagraph, (or, in the case of an asset not in existence as of

such date, the first owner of record of the asset after such date), or the acquisition cost of such asset to the new owner."]

["(ii) Such regulations shall provide for recapture of depreciation in the same manner as provided under the regulations in effect on June 1, 1984."]

["(iii) Such regulations shall not recognize, as reasonable in the provision of health care services, costs (including legal fees, accounting and administrative costs, travel costs, and the costs of feasibility studies) attributable to the negotiation or settlement of the sale or purchase of any capital asset (by acquisition or merger) for which any payment has previously been made under this title."]

(b) The allowable historical base for depreciation for the purchaser will be the lesser of the allowable historical cost of the seller less any depreciation allowed to the seller in prior periods, or the actual purchase price. [The Social Security Act, Section 1902(a)(13) (as published in the Commerce Clearing House Medicare/Medicaid Guide) further specifies the following:]

["(B) That the state shall provide assurances satisfactory to the Secretary that the payment methodology utilized by the State for payments to hospitals, skilled nursing facilities, and intermediate care facilities can reasonably be expected not to increase such payments, solely as a result of a change of ownership, in excess of the increase which would result from the application of section 1861(v)(1)(O)."]

(c) The amount of interest expense allowable to the purchaser is limited to the amount that was allowable to the seller at the time of the sale.

(12) Each facility shall maintain and make available such records (in a form acceptable to the cabinet) as the cabinet may require to justify and document all costs to and services performed by the facility. The cabinet shall have access to all fiscal and service records and data maintained by the provider, including unlimited onsite access for accounting, auditing, medical review, utilization control and program planning purposes.

(13) The following shall apply with regard to the annual cost report required of the facility:

(a) The year-end cost report shall contain information relating to prior year cost, and will be used in establishing prospective rates and setting ancillary reimbursement amounts.

(b) New items or expansions representing a departure from current service levels for which the facility requests prior approval by the program are to be so indicated with a description and rationale as a supplement to the cost report.

(c) Cabinet approval or rejection of projections and/or expansions will be made on a prospective basis in the context that if such expansions and related costs are approved they will be considered when actually incurred as an allowable cost. Rejection of items or costs will represent notice that such costs will not be considered as part of the cost basis for reimbursement. Unless otherwise specified, approval will relate to the substance and intent rather than the cost projection.

(d) When a request for prior approval of projections and/or expansions is made, absence of a response by the cabinet shall not be construed as approval of the item or expansion.

(14) The cabinet shall audit each year-end cost report in the following manner: an initial desk review shall be performed of the report and the cabinet will determine the necessity for and scope of a field audit in relation to routine service cost. A field audit may be conducted for purposes of verifying [prior year] cost to be used in setting the [new] prospective rate; field audits may be conducted annually or at less frequent intervals. A field audit of ancillary cost will be conducted as needed.

(15) Year-end adjustments of the prospective rate and a retroactive cost settlement will be made when:

(a) Incorrect payments have been made due to computational errors (other than the omission of cost data) discovered in the cost basis or establishment of the prospective rate.

(b) Incorrect payments have been made due to misrepresentation on the part of the facility (whether intentional or unintentional).

(16) Reimbursement paid may not exceed the facility's customary charges to the general public for such services, except in the case of public facilities rendering inpatient services at a nominal charge (which may be reimbursed at the prospective rate established by the cabinet).

(17) The cabinet may develop and/or utilize methodology to assure an adequate level of care. Facilities determined by the cabinet to be providing less than adequate care may have penalties imposed against them in the form of reduced payment rates.

(18) Each facility shall submit the required data for determination of the prospective rate no later than sixty (60) days following the close of the facility's fiscal year. This time limit may be extended at the specific request of the facility (with the cabinet's concurrence).

(19) Each ICF which admits a recipient from an SNF during the period of September 1, 1985 through January 31, 1986 shall receive an incentive payment of seven (7) dollars and fifty (50) cents for each day of covered care rendered such recipient, subject to the following conditions:

(a) The recipient must meet SNF patient status criteria as of August 31, 1985 only because of non-availability of an ICF bed, where the recipient is on the waiting list of an ICF; and

(b) The incentive payment may be paid for more than ninety (90) covered days of care only if all such days are prior to February 1, 1986.

(20) When a recipient in a SNF changes patient status (from SNF to ICF) on or after February 1, 1986 and is admitted to an ICF within the permitted transfer period for the recipient (i.e., while the recipient still qualifies for coverage at the skilled rate), the ICF [Each ICF which admits a recipient from an SNF on or after February 1, 1986 as a result of a change of patient status (from SNF to ICF)] shall receive an incentive payment of seven (7) dollars and fifty (50) cents for each day of covered care rendered the recipient; such incentive payment shall be paid for no more than ninety (90) days of care.

(21) The incentive payment referenced in subsections (19) and (20) of this section shall be paid without regard to maximum payment limitations shown elsewhere in this regulation.

(22) Effective September 26, 1985 (for services provided on or after September 1, 1985), a participating skilled nursing facility may be paid for care provided to Medicaid

eligible patients who meet intermediate care patient status criteria subject to the following criteria or conditions:

(a) The payment will be made at the upper limit for payments to intermediate care facilities, or the skilled nursing rate for the facility if lower;

(b) The patient must be in the skilled nursing facility bed awaiting placement to an intermediate care bed; and

(c) The patient must have been reclassified from SNF patient status to ICF patient status; or, alternatively, the patient must meet ICF patient status criteria, and the appropriate representative of the Department for Social Services must certify that no ICF bed is available and that an emergency exists so that placement in the SNF bed offers the best alternative in the circumstances. Payment made based on the certification that no ICF bed is available and that an emergency exists may be made for no more than thirty (30) days; however, the certification and declaration of emergency may be renewed by the Department for Social Services as appropriate and payment may be made pursuant to such renewal.

(23) SNF's which on February 1, 1986 continued to care for recipients who were classified as meeting SNF patient status criteria as of August 31, 1985 only because of non-availability of an ICF bed, where the recipient is on the waiting list of an ICF, may receive the usual SNF rate for those recipients subject to the following transitional reimbursement standards and criteria:

(a) The facility must file a letter of intent with the Cabinet for Human Resources, Office of the Secretary, 275 East Main Street, Fourth Floor, Frankfort, Kentucky 40621 by January 31, 1986 (receipt in the cabinet is required) for downward conversion of the bed(s) in which the recipient(s) is residing.

(b) Any facility which files a letter of intent must submit to the Certificate of Need Authority (CONA) an appropriate certificate of need application for downward conversion of the skilled bed(s), no later than February 14, 1986, in order for the transitional reimbursement payments to continue.

(c) Payment under this transitional reimbursement provision shall continue only until such time as the Certificate of Need Authority (CONA) has acted on the application and any appropriate licensure action has been effected.

Section 4. Prospective Rate Computation. The prospective rate for each facility will be set in accordance with the following:

(1) Determine allowable prior year cost for routine services.

(2) The allowable prior year cost, not including fixed or capital costs, will then be trended to the beginning of the uniform rate year and increased by a percentage so as to reasonably take into account economic conditions and trends. Such percentage increase shall be known as an inflation factor.

(3) The unadjusted basic per diem cost (defined as the unadjusted allowable cost per patient per day for routine services) will then be determined by comparison of costs with the facility's occupancy rate (i.e., the occupancy factor) as determined in accordance with procedures set by the cabinet. The occupancy

rate shall not be less than actual bed occupancy, except that it shall not exceed ninety-eight (98) percent of certified bed days (or ninety-eight (98) percent of actual bed usage days, if more, based on prior year utilization rates). The minimum occupancy rate shall be ninety (90) percent of certified bed days for facilities with less than ninety (90) percent certified bed occupancy. The cabinet may impose a lower occupancy rate for newly constructed or newly participating facilities, or for existing facilities suffering a patient census decline as a result of a competing facility newly constructed or opened serving the same area. The cabinet may impose a lower occupancy rate during the first two (2) full facility fiscal years an existing skilled nursing facility participates in the program under this payment system.

(4) Cost center median related per diem upper limits will then be applied as appropriate to the unadjusted basic per diem cost. The resultant adjusted amounts (and unadjusted amounts, as applicable) will be combined (or recombined) to arrive at the basic per diem cost (defined as the adjusted allowable cost per patient per day for routine services).

(5) To the basic per diem cost shall be added a specified dollar amount for investment risk and an incentive for cost containment in lieu of a return on equity capital, except that no return for investment risk shall be made to non-profit facilities, and publicly owned and operated facilities shall not receive the investment or incentive return.

(a) Cost incentive and investment schedule for general intermediate care facilities:

(Effective 8-3-85)

Basic Per Diem Cost	Investment Factor Per Diem Amount	Incentive Factor Per Diem Amount
\$28.99 [27.00] & below	.92	\$.58
29.00 - 29.99	.86	\$.50
[28.00 - 28.99]		
30.00 - 30.99	.78	\$.41
[29.00 - 29.99]		
31.00 - 31.99	.70	\$.32
[30.00 - 30.99]		
32.00 - 32.99	.61	\$.21
[31.00 - 31.99]		
33.00 - 33.99	.51	\$.09
[32.00 - 32.99]		
34.00 - 35.06	.35	-
[33.00 - 33.95]		

Maximum Payment \$35.06 [33.95]

(b) Cost incentive and investment schedule for intermediate care facilities for the mentally retarded:

(Effective 8-3-85)

Basic Per Diem Cost	Investment Factor Per Diem Amount	Incentive Factor Per Diem Amount
[\$56.99 & below* \$65.99 & below	-	-]
[57.00 - 62.99]	\$1.38	\$.87
66.00 - 71.99	\$1.29	\$.75
[63.00 - 68.99]		
72.00 - 77.99	\$1.18	\$.62
[69.00 - 74.99]		
78.00 - 83.99	\$1.06	\$.47
[75.00 - 80.99]		
84.00 - 89.99	\$.92	\$.31
[81.00 - 86.99]		
90.00 - 95.99	\$.76	\$.13
[87.00 - 92.99]		
96.00 - 102.59	\$.53	-
[93.00 - 99.06]		

Maximum Payment \$102.59 [99.06]

[*For a basic per diem of \$56.99 and below, the investment amount will be equal to 7.5 percent, but not to exceed \$1.38 and the incentive amount will be equal to 5.0 percent, but not to exceed \$.87.]

(c) Cost incentive and investment schedule for skilled nursing facilities:

(Effective 8-3-85)

Basic Per Diem Cost	Investment Factor Per Diem Amount	Incentive Factor Per Diem Amount
\$ 38.99 [36.99] & below	\$.92	\$.58
39.00 - 40.99	.86	.50
[37.00 - 38.99]		
41.00 - 42.99	.78	.41
[39.00 - 40.99]		
43.00 - 44.99	.70	.32
[41.00 - 42.99]		
45.00 - 46.99	.61	.21
[43.00 - 44.99]		
47.00 - 48.99	.51	.09
[45.00 - 46.99]		
49.00 - 50.31	.35	-
[47.00 - 48.72]		

Maximum Payment \$50.31 [48.72]*

*The maximum payment for hospital based skilled nursing facilities is set at \$67.91 [65.77].

(6) The prospective rate is then compared, as appropriate, with the maximum payment. If in excess of the program maximum, the prospective rate shall be reduced to the appropriate maximum payment amount. The maximum payment amounts have been set to be at or about 102 percent of the median of adjusted basic per diem costs for the class, recognizing that hospital based skilled nursing facilities have special requirements that must be considered. The cabinet has determined that the maximum payment rates shall be reviewed annually against the criteria of 102 percent of the median for the class and that

adjustments to the payment maximums will be made effective July 1, 1985 and each July 1 thereafter. This policy shall allow, but does not require lowering of the maximum payments below the current levels if application of the criteria against available cost data should show that 102 percent of the median is a lower dollar amount than has been currently set.

Section 5. Reimbursement Review and Appeal. Participating facilities may appeal cabinet decisions as to application of the general policies and procedures in accordance with the following:

(1) First recourse shall be for the facility to request in writing to the Director, Division of Medical Assistance, a re-evaluation of the point at issue. This request must be received within forty-five (45) days following notification of the prospective rate or forwarding of the audited cost report by the program. The director shall review the matter and notify the facility of any action to be taken by the cabinet (including the retention of the original application of policy) within twenty (20) days of receipt of the request for review or the date of the program/vendor conference, if one is held, except that additional time may be taken as necessary to secure further information or clarification pertinent to the resolution of the issue.

(2) Second recourse shall be for the facility to request in writing to the Commissioner, Department for Social Insurance, a review by a standing review panel to be established by the commissioner. This request must be postmarked within fifteen (15) days following notification of the decision of the Director, Division of Medical Assistance. Such panel shall consist of three (3) members: one (1) member from the Division of Medical Assistance, one (1) member from the Kentucky Association of Health Care Facilities, and one (1) member from the Division of Management and Development, Department for Social Insurance. A date for the reimbursement review panel to convene will be established within twenty (20) days after receipt of the written request. The panel shall issue a binding decision on the issue within thirty (30) days of the hearing of the issue, except that additional time may be taken as necessary to secure further information or clarification pertinent to the resolution of the issue. In carrying out the intent and purposes of the program the panel may take into consideration extenuating circumstances which must be considered in order to provide for equitable treatment and reimbursement of the provider. The attendance of the representative of the Kentucky Association of Health Care Facilities at review panel meetings shall be at the cabinet's expense.

Section 6. Definitions. For purposes of Sections 1 through 6 of this regulation, the following definitions shall prevail unless the specific context dictates otherwise.

(1) "Allowable cost" means that portion of the facility's cost which may be allowed by the cabinet in establishing the reimbursement rate. Generally, cost is considered allowable if the item of supply or service is necessary for the provision of the appropriate level of patient care and the cost incurred by the facility is within cost limits established by the cabinet, i.e., the allowable cost is "reasonable."

(2) "Ancillary services" means those direct services for which a separate charge is customarily made, and which except for ventilator therapy services are retrospectively settled on the basis of reasonable allowable cost at the end of the facilities' fiscal year. Ancillary services are limited to the following:

(a) Legend and non-legend drugs, including indwelling [urethral] catheters and syringes, and irrigation supplies and solutions utilized with those catheters regardless of how those supplies and solutions are utilized. Coverage and allowable cost payment limitations are specified in the cabinet's regulation on payment for drugs.

(b) Physical, occupational and speech therapy.

(c) Laboratory procedures.

(d) X-ray.

(e) Oxygen and other related oxygen supplies and inhalation therapy.

(f) Psychological and psychiatric therapy (for ICF/MR only).

(g) Ventilator therapy services, subject to the coverage limitations shown in the Reimbursement Manual.

(3) "Hospital based skilled nursing facilities" means those skilled nursing facilities so classified by Title XVIII-A.

(4) The "basic per diem cost" is the computed rate arrived at when otherwise allowable costs are trended and adjusted in accordance with the inflation factor, the occupancy factor, and the median cost center per diem upper limits.

(5) "Inflation factor" means the comparison of allowable routine service costs, not including fixed or capital costs, with an inflation rate to arrive at projected current year cost increases, which when added to allowable costs, including fixed or capital costs, yields projected current year allowable costs. The inflation factor shall be included for rates computed on August 3, 1985 and thereafter.

(6) [(5)] "Incentive factor" means the comparison of the basic per diem cost with the incentive return schedule to arrive at the actual dollar amount of cost containment incentive return to be added to the basic per diem cost.

(7) [(6)] "Investment factor" means the comparison of the basic per diem cost with the investment return schedule to arrive at the actual dollar amount of investment return to be added to the basic per diem cost.

(8) [(7)] "Maximum allowable cost" means the maximum amount which may be allowed to a facility as reasonable cost for provision of an item of supply or service while complying with limitations expressed in related federal or state regulations.

(9) [(8)] "Maximum payment" means the maximum amount the cabinet will reimburse, on a facility by facility basis, for routine services.

(10) [(9)] "Occupancy factor" means the imposition of an assumed level of occupancy used in computing unadjusted basic per diem rates.

(11) [(10)] "Prospective rate" means a payment rate of return for routine services based on allowable costs and other factors, and includes the understanding that except as specified such prospective rate shall not be retroactively adjusted, either in favor of the facility or the cabinet.

(12) [(11)] "Routine services" means the regular room, dietary, medical social services, nursing services, minor medical and surgical

supplies, and the use of equipment and facilities. Routine services include but are not limited to the following:

(a) All general nursing services, including administration of oxygen and related medications, handfeeding, incontinency care and tray services.

(b) Items which are furnished routinely and relatively uniformly to all patients, such as patient gowns, water pitchers, basins, and bed pans. Personal items such as paper tissues, deodorants, and mouthwashes are allowable as routine services if generally furnished to all patients.

(c) Items stocked at nursing stations or on the floor in gross supply and distributed or utilized individually in small quantities, such as alcohol, applicators, cotton balls, band-aids and tongue depressors.

(d) Items which are utilized by individual patients but which are reusable and expected to be available in an institution providing a skilled nursing or intermediate care facility level of care, such as ice bags, bed rails, canes, crutches, walkers, wheelchairs, traction equipment, and other durable medical equipment.

(e) Laundry services, including personal clothing to the extent it is the normal attire for everyday facility use, but excluding dry cleaning costs.

(f) Other items or services generally available or needed within a facility unless specifically identified as ancillary services. (Items excluded from reimbursement include private duty nursing services and ambulance services costs.)

[Section 7. Implementation Date. The provisions of this regulation, as amended, shall be effective with regard to services provided on or after September 26, 1985 except as otherwise specified herein.]

FONTAIN BANKS, Acting Deputy Commissioner
E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 16, 1986

FILED WITH LRC: April 17, 1986 at 10 a.m.

STATEMENT OF EMERGENCY

Under KRS Chapter 13A the administrative body is required to implement this regulation or not have the authority to operate. Therefore, in order to continue to operate the Cabinet for Human Resources in accordance with KRS Chapter 194, the Cabinet for Human Resources needs to implement this emergency regulation. An ordinary administrative regulation cannot suffice because agency policy will not be accurately reflected in a timely manner. This emergency regulation will be replaced by an ordinary administrative regulation in accordance with KRS Chapter 13A.

MARTHA LAYNE COLLINS, Governor
E. AUSTIN, JR., Secretary

CABINET FOR HUMAN RESOURCES Department for Social Insurance Division of Management and Development

904 KAR 2:140E. Supplementary policies for programs administered by the Department for Social Insurance.

RELATES TO: KRS 194.030(6), Chapter 205

PURSUANT TO: KRS 194.050

EFFECTIVE: May 13, 1986

NECESSITY AND FUNCTION: KRS 194.010 designates the Cabinet for Human Resources as the primary state agency responsible for the development and operation of assistance programs, and KRS 194.050 empowers the secretary of the Cabinet for Human Resources to adopt, administer and enforce regulations sufficient to operate the programs and fulfill the responsibilities vested in the cabinet. This regulation states the general policy of the cabinet with regard to program materials incorporated into regulatory form by reference for use by the Department for Social Insurance, and incorporates by reference materials related to the programs of aid to families with dependent children, medical assistance, home energy assistance, refugee assistance, food stamps, child support enforcement, state supplemental payments for the aged, blind or disabled, disability determination, and collections which are essential for the implementation of those programs.

Section 1. General Policy Relating to Program Materials Incorporated by Reference. (1) Kentucky administrative regulations relating to program matters reflect the policy of the cabinet with regard to the issues addressed in the regulation.

(2) Materials incorporated by reference shall be construed and interpreted in such a manner as to be consistent with the intent of agency policy as reflected in Kentucky administrative regulations, and shall be considered the agency statement of policy with regard to issues not otherwise addressed in Kentucky administrative regulations.

Section 2. Incorporation by Reference. The following listed materials are hereby incorporated by reference, effective on the date shown.

(1) Department for Social Insurance Manual of Operations, effective May [February] 1, 1986. The Manual of Operations provides operating instructions, procedural detail, and technical clarification for use of the department's field staff in implementing programs, under the authority of the department, including: aid to families with dependent children; refugee assistance; home energy assistance; child support enforcement; state supplementary payments; and medical assistance.

(2) Department for Social Insurance Manual of Forms, effective May [February] 1, 1986. The Manual of Forms provides forms with instructions for completion, usage, distribution and files maintenance for use of the department's field staff in implementing programs under the authority of the department, including: aid to families with dependent children; refugee assistance; home energy assistance; child support enforcement; state supplementary payments; medical assistance; and the food stamp

program.

(3) Federal regulations at 45 CFR Parts 16, 74, and 95, effective May 1, 1986 [October 1, 1985]. Part 16, Procedures of the Departmental Grant Appeals Board, provides requirements and procedures applicable to resolution of certain disputes arising under several assistance programs funded by the United States Department of Health and Human Services. Part 74, Administration of Grants, establishes uniform requirements for the administration of grants provided under the authority of the United States Department of Health and Human Services, and principles for determining costs applicable to activities assisted by Department of Health and Human Services grants. Part 95, General Administration - Grant Programs (Public Assistance and Medical Assistance), establishes requirements of the United States Department of Health and Human Services for various administrative matters relating to grant programs, including time limits for states to file claims, cost allocation plans, and conditions for federal financial participation for automatic data processing equipment and services.

Section 3. All documents incorporated by reference herein may be reviewed during regular working hours in the Division of Management and Development, Department for Social Insurance, 275 East Main Street, Frankfort, Kentucky.

MIKE ROBINSON, Deputy Commissioner
E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 29, 1986

FILED WITH LRC: May 13, 1986 at 8 a.m.

STATEMENT OF EMERGENCY

Under KRS Chapter 13A the administrative body is required to implement this regulation or not have the authority to operate. Therefore, in order to continue to operate the Cabinet for Human Resources in accordance with KRS Chapter 194, the Cabinet for Human Resources needs to implement this emergency regulation. An ordinary administrative regulation cannot suffice because agency policy will not be accurately reflected in a timely manner. This emergency regulation will be replaced by an ordinary administrative regulation in accordance with KRS Chapter 13A.

MARTHA LAYNE COLLINS, Governor
E. AUSTIN, JR., Secretary

CABINET FOR HUMAN RESOURCES Department for Social Insurance Division of Management and Development

904 KAR 2:150E. Incorporation by reference of materials relating to the Aid to Families with Dependent Children Program.

RELATES TO: KRS 194.030(6), 205.200, 205.220, 205.231

PURSUANT TO: KRS 194.050

EFFECTIVE: May 13, 1986

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility under the provisions of KRS Chapter 205 to administer public assistance programs under Title IV-A of the Social Security Act, namely Aid to Families with Dependent Children, herein referred to as

AFDC. This regulation incorporates into regulatory form, by reference, materials used by the cabinet in the implementation of the AFDC program.

Section 1. Incorporation by Reference. The cabinet shall incorporate by reference materials used in the implementation of the Aid to Families with Dependent Children Program, subject to the provisions contained in 904 KAR 2:140, Section 1, Supplementary policies for programs administered by the Department for Social Insurance.

Section 2. Listing of Incorporated Materials. The following listed materials are hereby incorporated by reference, effective on the date shown:

(1) Federal regulations at 45 CFR Parts 200-299, which set forth the federal requirements and guidelines for the administration of the Aid to Families with Dependent Children Program, effective April [February] 1, 1986; and

(2) Federal action transmittals, which provide operating instructions, procedural detail and technical clarification for use by the department's staff in administering the Aid to Families with Dependent Children Program, as follows: SSA-AT-77-44, 78-13, 78-14, 78-16, 78-21, 78-27, 78-28, 78-38, 79-2, 79-4, 79-5, 79-7, 79-11, 79-14, 79-18, 79-22, 79-26, 79-29, 79-31, 79-32, 79-33, 79-35, 79-42, 79-44, 80-2, 80-3, 80-9, 80-11, 80-19, 80-22, 80-24, 80-29, 80-30, 80-36, 80-38, 80-42, 80-44, 80-45, 80-50, 81-2, 81-7, 81-8, 81-10, 81-11, 81-12, 81-15, 81-16, 81-17, 81-18, 81-23, 81-29, 81-31, 81-33, 81-34, 81-35, 81-36, 81-37, 82-1, 82-5, 82-6, 82-9, 82-11, 82-13, 82-15, 82-16, 82-17, 82-18, 82-19, 82-20, 82-28, 82-33, 82-34, 83-6, 83-7, 83-10, 83-11, 83-13, 83-14, 83-17, 83-18, 83-21, 83-22, 83-23, 83-25, 83-27, 84-2, 84-3, 84-5, 84-6, 84-7, 84-8, 84-9, 84-13, 84-16, 84-25, 85-10 and 85-27, 86-1, effective April [February] 1, 1986.

Section 3. All documents incorporated by reference herein may be reviewed during regular working hours in the Division of Management and Development, Department for Social Insurance, 275 East Main Street, Frankfort, Kentucky.

MIKE ROBINSON, Deputy Commissioner
E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 29, 1986

FILED WITH LRC: May 13, 1986 at 8 a.m.

STATEMENT OF EMERGENCY

Under KRS Chapter 13A the administrative body is required to implement this regulation or not have the authority to operate. Therefore, in order to continue to operate the Cabinet for Human Resources in accordance with KRS Chapter 194, the Cabinet for Human Resources needs to implement this emergency regulation. An ordinary administrative regulation cannot suffice because agency policy will not be accurately reflected in a timely manner. This emergency regulation will be replaced by an ordinary administrative regulation in accordance with KRS Chapter 13A.

MARTHA LAYNE COLLINS, Governor
E. AUSTIN, JR., Secretary

CABINET FOR HUMAN RESOURCES
Department for Social Insurance
Division of Management and Development

904 KAR 2:170E. Incorporation by reference of materials relating to the Child Support Program.

RELATES TO: KRS 205.795
 PURSUANT TO: KRS 194.050
 EFFECTIVE: May 13, 1986

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility for administering the Child Support Program in accordance with Title IV-D of the Social Security Act and KRS 205.710 to 205.800, 205.992, and KRS 405.400 to KRS 405.530. This regulation incorporates into regulatory form, by reference, materials used by the cabinet in the implementation of the Child Support Program.

Section 1. Incorporation by Reference. The cabinet shall incorporate by reference materials used in the implementation of the Child Support Program, subject to the provisions contained in 904 KAR 2:140, Section 1, Supplementary Policies for Programs Administered by the Department for Social Insurance.

Section 2. Listing of Incorporated Materials. The following listed materials are hereby incorporated by reference, effective on the date shown:

(1) Federal child support regulations at 45 CFR Parts 300-399, which set forth the requirements and guidelines for the administration of the Child Support Program, effective February 1, 1986;

(2) Federal Office of Child Support Enforcement Action Transmittals, which provide federal program instructions for the implementation of the child support enforcement program in accordance with federal laws and regulations, as follows: OCSE-AT-75-5, 75-6, 76-1, 76-2, 76-5, 76-7, 76-8, 76-9, 76-14, 76-21, 76-22, 76-23, 77-3, 77-14, 78-2, 78-5, 78-6, 78-8, 78-16, 78-18, 79-2, 79-3, 79-6, 79-7, 79-8, 80-5, 80-9, 80-11, 80-17, 81-7, 81-12, 81-26, 82-17, 83-15, 83-18, [and] 84-05, and 86-04, effective May 1, 1986 [October 1, 1984];

(3) Department for Social Insurance Child Support Manual of Procedures, which provides operational instructions and procedural detail for the implementation of the child support enforcement program, effective May [February] 1, 1986;

(4) Department for Social Insurance Child Support System Handbook, which provides systems and data processing instructions for the implementation of the child support enforcement program, effective October 1, 1985;

(5) Department for Social Insurance Child Support Action Memorandums, which provide program clarifications, instructions, and procedural detail for the implementation of the child support enforcement program, as follows: DCSE-AM-82-07, 82-36, 83-16, 83-21, 83-30, 83-31, 83-38, 83-39, 84-10, 84-16, 84-18, 84-19, 84-20, 84-29, 84-34, 84-36, 85-10, 85-19, 85-22, 85-30, 85-32 and errata, 85-36, 85-39, [and] 85-42, 86-09, and 86-12, effective May [February] 1, 1986; and

(6) Department for Social Insurance Child Support Administrative Process Manual, which provides operational instructions and procedural

detail for the implementation of administrative procedures in the child support enforcement program, effective May [February] 1, 1986.

Section 3. All documents incorporated by reference herein may be reviewed during regular working hours in the Division of Management and Development, Department for Social Insurance, 275 East Main Street, Frankfort, Kentucky.

MIKE ROBINSON, Deputy Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 29, 1986

FILED WITH LRC: May 13, 1986 at 8 a.m.

STATEMENT OF EMERGENCY

Under KRS Chapter 13A the administrative body is required to implement this regulation or not have the authority to operate. Therefore, in order to continue to operate the Cabinet for Human Resources in accordance with KRS Chapter 194, the Cabinet for Human Resources needs to implement this emergency regulation. An ordinary administrative regulation cannot suffice because agency policy will not be accurately reflected in a timely manner. This emergency regulation will be replaced by an ordinary administrative regulation in accordance with KRS Chapter 13A.

MARTHA LAYNE COLLINS, Governor

E. AUSTIN, JR., Secretary

CABINET FOR HUMAN RESOURCES
Department for Social Insurance
Division of Management & Development

904 KAR 3:020E. Eligibility requirements.

RELATES TO: KRS 194.050
 PURSUANT TO: KRS 194.050
 EFFECTIVE: April 17, 1986

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility to administer a Food Stamp Program as prescribed by the Food Stamp Act of 1977, as amended, and 7 CFR Part 270 through 280. KRS 194.050 provides that the secretary shall, by regulation, develop policies and operate programs concerned with the welfare of the citizens of the Commonwealth. This regulation sets forth the eligibility requirements used by the cabinet in the administration of the Food Stamp Program.

Section 1. Eligibility Requirements. In accordance with regulations promulgated by the Food and Nutrition Service (FNS), of the United States Department of Agriculture, national uniform standards of eligibility for the Food Stamp Program, composed of both financial and non-financial criteria, shall be utilized. Financial criteria shall consist of income and resource limitations. Non-financial criteria shall consist of certain technical factors. Participation in the program shall be limited to those households whose incomes are determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet. The income eligibility standards are derived from the Office of Management and Budget's (OMB) non-farm income poverty guidelines.

Section 2. Countable Income. All income from

any source shall be counted, except income specifically excluded in Section 3 of this regulation, including but not limited to:

(1) Wages earned by a household member, including all wages received by a striker the month prior to the month of the strike, or the month of application, in accordance with 7 CFR Part 273.1(g).

(2) The gross income of a self-employment enterprise, including the total gain from the sale of any capital goods or equipment related to the business, excluding the cost of doing business.

(3) Training allowance from vocational and rehabilitative programs recognized by federal, state or local governments, to the extent that they are not reimbursements.

(4) Payments under Title I (Volunteers in Service to America, University Year for Action, etc.) of the Domestic Volunteer Service Act of 1973 shall be considered earned income unless specifically excluded in 7 CFR Part 273.9(c)(10)(iii).

(5) The earned or unearned income of excluded household members as set forth in 904 KAR 3:035, Section 5(3).

(6) Assistance payments from federal or federally aided public assistance such as supplemental security income (SSI) or aid to families with dependent children (AFDC); general assistance (GA) programs, or other assistance programs based on need.

(7) Annuities; pensions; retirement; veteran's or disability benefits; worker's or unemployment compensation; strike pay; old-age, survivors, or social security benefits; foster care payments for children or adults; gross income minus the cost of doing business derived from rental property in which a household member is not actively engaged in the management of the property at least twenty (20) hours a week.

(8) Wages earned by a household member which are garnisheed or diverted by an employer and paid to a third party for a household expense.

(9) Support or alimony payments made directly to the household from nonhousehold members and/or any portion of such payments returned to the household by the cabinet.

(10) Such portion of scholarships, educational grants, fellowships, deferred payment loans for education, veterans educational benefits and the like which are not excludable under Section 3(6) of this regulation.

(11) Payments from government sponsored programs, dividends, interest, royalties, and all other direct money payments from any source which can be construed to be a gain or benefit.

(12) Monies withdrawn or dividends which are or could be received from a trust fund considered to be excludable under 7 CFR Part 273.8(e)(8) by a household, unless otherwise exempt under the provisions set forth in 7 CFR Part 273.9(c).

(13) That amount of monthly income of an alien's sponsor and the sponsor's spouse (if living with the sponsor) that has been deemed to be that of the alien in accordance with 7 CFR Part 273.11(h).

(14) Assistance monies from another program, as specified in 7 CFR 273.11(j), which are withheld for purposes of recouping an overpayment which resulted from the household's intentional failure to comply with that program's requirements. These withheld monies shall be considered as income in accordance with

7 CFR 273.11(j).

Section 3. Income Exclusions. The following payments shall not be considered as income:

(1) Money withheld from an assistance payment, earned income or other income source, or monies received from any income source which are voluntarily or involuntarily returned, to repay a prior overpayment received from that income source, provided the overpayment was not excludable in accordance with 7 CFR Part 273.9(c). However, monies withheld, as specified in Section 2, subsection (14) of this regulation shall not be excluded.

(2) Child support payments received by AFDC recipients which must be transferred to the division administering Title IV-D of the Social Security Act, as amended, to maintain AFDC eligibility. However, any portion of such monies returned to the household by the cabinet shall not be excluded.

(3) Any gain or benefit which is not in the form of money payable directly to the household.

(4) Money payments that are not payable directly to a household, but are paid to a third party for a household expense are excludable as a vendor payment.

(5) Any income in the certification period which is received too infrequently or irregularly to be reasonably anticipated, but not in excess of thirty (30) dollars in a quarter.

(6) Educational loans on which payment is deferred, grants, scholarships, fellowships, veteran educational benefits, and the like to the extent that they are used for tuition and mandatory fees at an institution of higher education, including correspondence schools at that level, or a school at any level for the physically or mentally handicapped.

(7) All loans, including loans from private individuals as well as commercial institutions, other than educational loans on which repayment is deferred.

(8) Reimbursements for past or future expenses to the extent they do not exceed actual expenses, and do not represent a gain or benefit to the household.

(9) Money received and used for the care and maintenance of a third party beneficiary who is not a household member.

(10) The earned income of children who are members of the household, who are students at least half-time and who have not attained their eighteenth birthday.

(11) Money received in the form of a non-recurring lump-sum payment.

(12) The cost of producing self-employment income. If the cost of producing farm self-employment income exceeds the income derived from self-employment farming as defined in CFR Part 273.11(a), such losses shall be offset against any other countable income in the household.

(13) Any income specifically excluded by any other federal statute from consideration as income for the purpose of determining eligibility for the Food Stamp Program.

(14) Any energy assistance payments made under federal laws or certified as excludable energy payments by FNS.

Section 4. Income Eligibility Standards. Participation in the Food Stamp Program is limited to those households whose incomes fall

at or below the applicable standards as established by FNS and which are set forth below:

(1) Households which contain a member who is elderly or disabled as defined in 904 KAR 3:010, Section 1(10) shall have their net income compared to 100 percent of the federal income poverty guidelines.

(2) All other households shall have their gross income (total income after excluded income has been disregarded but before any deductions have been made) compared to 130 percent of the federal income poverty guidelines and their net income compared to 100 percent of the federal income poverty guidelines.

Section 5. Income Deductions. The following shall be allowable income deductions:

(1) A standard deduction per household per month. This standard shall be periodically adjusted by FNS to reflect changes in the cost of living for a prior period of time as determined by FNS.

(2) Twenty (20) [Eighteen (18)] percent of gross earned income.

(3) Payments for the actual cost for the care of a child or other dependent when necessary for a household member to seek, accept or continue employment or attend training or pursue education preparatory to employment. This deduction for non-elderly/non-disabled households shall not exceed the child care maximum established by FNS. Elderly/disabled households with a child care deduction shall not exceed the excess shelter maximum established by FNS. [This deduction shall not exceed the excess shelter/child care maximum established by FNS.]

(4) Monthly shelter cost in excess of fifty (50) percent of the household's income after all other allowable deductions have been made. The shelter deduction [alone or in combination with the dependent care deduction in subsection (3) of this section] shall not exceed the excess shelter[/child care] maximum established by FNS, except that households containing an elderly or disabled member shall not be subject to said maximum in regards to the shelter deduction. The excess shelter[/child care] maximum shall be adjusted periodically by FNS to reflect changes in the cost of living for a prior period of time. Allowable monthly shelter expenses shall be those expenses outlined in 7 CFR Part 273.9(d)(5). The cabinet shall develop a standard utility allowance for use in calculating shelter cost for those households which incur heating/cooling (by air conditioning units only) costs separate and apart from their rent or mortgage payments in accordance with 7 CFR Part 273.9(d)(6). If the household is not entitled to the utility standard or does not choose to use the utility standard, it may claim actual utility expenses for any utility which it does pay separately. The standard utility allowance shall be adjusted at least annually to reflect changes in the cost of utilities.

(5) Allowable medical expenses, excluding special diets, in excess of thirty-five (35) dollars per month incurred by any household member who meets the definition of elderly or disabled, as set forth in 7 CFR Part 271.2, are those meeting the criteria set forth in 7 CFR Part 273.9(d)(3) including, but not limited to:

- (a) Medical and dental care;
- (b) Hospitalization or outpatient treatment and nursing care;
- (c) Medication and medical supplies;

- (d) Health and hospitalization premiums; and
- (e) Dentures, hearing aids, eyeglasses and prosthetics.

Section 6. Resources. Uniform national resource standards of eligibility shall be utilized. Eligibility shall be denied or terminated if the total value of a household's liquid and non-liquid resources, not exempt under Section 7 of this regulation and in accordance with 7 CFR Part 273.8, exceed:

(1) \$3000: for all households with one (1) [two (2)] or more members, when at least one (1) member is sixty (60) years or older; or

(2) \$2000 [1500]: for all other households.

(3) Households in which all members receive AFDC benefits and whose gross income does not exceed 130 percent of the federal income poverty guidelines shall be considered as having met the food stamp resource requirement.

Section 7. Exempt Resources. The following resources shall not be considered in determining eligibility:

(1) The home and surrounding property which is not separated from the home by intervening property owned by others.

(2) Household goods, personal effects including one (1) burial plot per household member, the cash value of life insurance policies and pension funds (except that Keogh plans which involve no contractual relationship with individuals who are not household members and Individual Retirement Accounts shall not be exempt), and prepaid burial plans if a contractual agreement for repayment must be signed in order to withdraw any funds.

(3) Licensed/unlicensed vehicles as specified in 7 CFR Part 273.8.

(4) Property which annually produces income consistent with its fair market value, even if only used on a seasonal basis.

(5) Property which is essential to the employment or self-employment of a household member, in accordance with 7 CFR Part 273.8(e)(5).

(6) Installment contracts for the sale of land or buildings if the contract or agreement is producing income consistent with its fair market value.

(7) Any governmental payments which are designated for the restoration of a home damaged in a disaster, if the household is subject to legal sanction if funds are not used as intended.

(8) Resources whose cash value is not accessible to the household.

(9) Resources which have been prorated as income.

(10) Indian lands held jointly with the tribe, or land that can be sold only with the approval of the Department of the Interior's Bureau of Indian Affairs; and

(11). Resources which are excluded for food stamp purposes by express provision of federal statute.

Section 8. Transfer of Resources. Households which have transferred resources knowingly for the purpose of qualifying or attempting to qualify for food stamps shall be disqualified from participation in the program for up to one (1) year from the date of the discovery of the transfer in accordance with 7 CFR 273.8(i).

Section 9. Non-financial Criteria.

Non-financial eligibility standards apply equally to all households and consist of:

(1) Residency. A household must live in the county in which they make application;

(2) Identity. Applicant's identity will be verified; also, where an authorized representative applies for the household, both the applicant's and the authorized representative's identities will be verified;

(3) Citizenship and alien status. Program participation shall be limited to either citizens of the United States or eligible aliens, as outlined in 7 CFR Part 273.4. Individuals whose status is questionable shall be ineligible to participate until such status has been verified;

(4) Household size. Size of household will be verified through readily available documentary evidence or through a collateral contract; and

(5) Students. Persons aged eighteen (18) to sixty (60) who are physically and mentally fit and enrolled at least half-time in an institution of higher education are ineligible to participate unless they meet criteria specified in 7 CFR Part 273.5.

(6) Mandatory monthly reporting (MMR). Households shall be required to file monthly reports in accordance with 7 CFR 273.21 and any waivers thereto approved by FNS as a condition of eligibility, unless otherwise exempted by the appropriate federal agency.

(7) Social security number (SSN). Households applying for or participating in the Food Stamp Program must comply with SSN requirements by providing the SSN of each household member or applying for one (1) prior to certification. Failure to comply without good cause shall be determined for each household member and shall result in such individual's disqualification from participation in the Food Stamp Program until this requirement is met.

(8) Work registration. All household members between the ages of eighteen (18) and sixty (60), except those exempt in 7 CFR Part 273.7(b), shall be required to register for work, accept suitable employment and be subject to other work registration requirements specified in 7 CFR Part 273.7. Strikers whose households are eligible in accordance with 904 KAR 3:035, Section 5(9), shall be subject to the work registration requirements unless exempt for reasons other than employment at the time of application.

(9) Quality Control. Refusal to cooperate in completing a quality control review shall result in termination of the participating household's benefits.

Section 10. Provisions contained in this regulation shall become effective May 1, 1986 [April 1, 1985].

MIKE ROBINSON, Deputy Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 15, 1986

FILED WITH LRC: April 17, 1986 at 10 a.m.

STATEMENT OF EMERGENCY

Under KRS Chapter 13A the administrative body is required to implement this regulation or not have the authority to operate. Therefore, in order to continue to operate the Cabinet for Human Resources in accordance with KRS Chapter

194, the Cabinet for Human Resources needs to implement this emergency regulation. An ordinary administrative regulation cannot suffice because agency policy will not be accurately reflected in a timely manner. This emergency regulation will be replaced by an ordinary administrative regulation in accordance with KRS Chapter 13A.

MARTHA LAYNE COLLINS, Governor

E. AUSTIN, JR., Secretary

CABINET FOR HUMAN RESOURCES Department for Social Insurance Division of Management and Development

904 KAR 3:090E. Incorporation by reference of materials relating to the Food Stamp Program.

RELATES TO: KRS 194.030(6)

PURSUANT TO: KRS 194.050

EFFECTIVE: April 13, 1986

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility to administer a Food Stamp Program as prescribed by the Food Stamp Act of 1977 as amended, and 7 CFR Parts 251-282. KRS 194.050 authorizes the Secretary, Cabinet for Human Resources, to issue regulations necessary for the operation of the cabinet's programs. This regulation incorporates into regulatory form, by reference, materials used by the cabinet in the implementation of the Food Stamp Program.

Section 1. Incorporation by Reference. The cabinet shall incorporate by reference materials used in the implementation of the Food Stamp Program, subject to the provisions contained in 904 KAR 2:140, Section 1, Supplementary Policies for Programs Administered by the Department for Social Insurance.

Section 2. Listing of Incorporated Materials. The following materials are hereby incorporated by reference, effective on the date shown:

(1) Federal food stamp regulations at 7 CFR Parts 250, 251 and 271-282, which set forth the federal requirements and guidelines for the administration of the Food Stamp Program and federal food stamp general notices published through the Federal Register, effective May [February] 1, 1986;

(2) Department for Social Insurance Food Stamp Handbook, which provides operating instructions, procedural detail and technical clarification for use by the department's field staff in administering the Food Stamp Program, effective May [February] 1, 1986; and

(3) Federal food stamp regional letters, which set forth federal clarification of federal food stamp regulations, as follows: 80-5, 80-5.1, 80-6, 80-7, 80-8, 80-9, 80-10, 80-11, 80-13, 80-15, 80-16, 80-17, 80-19, 80-21, 80-22.1, 80-23, 80-30, 80-31, 80-32, 80-33, 80-34, 80-36, 80-38, 80-39, 80-41.1, 80-42, 80-43, 80-44, 80-47, 80-48, 80-49, 80-50, 80-51, 80-52, 80-53, 80-54, 80-58, 80-58.1, 80-58.2, 80-59, 80-62, 80-67, 80-71, 80-72, 80-73, 80-76.1, 80-77, 80-78, 80-79, 80-80, 80-81, 80-82, 80-83, 80-85, 80-86, 80-87, 80-88, 80-89, 80-91, 80-92, 80-93, 80-96, 80-98, 80-99, 80-100, 80-101, 80-102, 80-103, 80-105, 80-106, 81-3, 81-3.1, 81-3.2, 81-4, 81-4.1, 81-4.2, 81-4.3, 81-5, 81-6, 81-8, 81-9, 81-10, 81-10.1, 81-10.2, 81-11, 81-12, 81-13, 81-14, 81-15, 81-16, 81-17, 81-18, 81-19, 81-20, 81-20.1, 81-20.2, 81-21, 81-22, 81-23,

81-24, 81-25, 81-26, 81-27, 81-28, 81-29, 81-30, 81-30.1, 81-33, 81-34, 81-34.1, 81-36, 81-37, 81-38, 81-39, 81-40, 81-41, 81-42, 81-43, 81-44, 81-45, 81-46, 81-46.1, 81-47, 81-48, 81-49, 81-50, 81-51, 81-52, 81-53, 81-54, 81-55, 81-57, 81-57.1, 81-58, 81-59, 81-60, 81-62, 81-64, 81-65, 81-66, 81-67, 81-68, 82-2, 82-3, 82-4, 82-5, 82-6, 82-7, 82-8, 82-9, 82-10, 82-11, 82-12, 82-13, 82-14, 82-15, 82-16, 82-17, 82-18, 82-18.1, 82-19, 82-20, 82-21, 82-23, 82-25, 82-25.1, 82-26, 82-27, 82-29, 82-29.1, 82-30, 82-31, 82-32, 82-35, 82-36, 82-37, 82-38, 82-39, 82-40, 83-1, 83-1.1, 83-1.2, 83-2, 83-2.1, 83-3, 83-4, 83-5, 83-6, 83-7, 83-9, 83-12, 83-14, 83-15, 83-17, 83-18, 83-19, 83-21, 83-22, 83-24, 83-25, 83-26, 83-27, 83-28, 83-30, 83-31, 83-33, 83-36, 84-1, 84-2, 84-3, 84-4, 84-5, 84-6, 84-7, 84-8, 84-9, 84-10, 84-11, 84-12, 84-13, 84-14, 84-15, 84-16, 84-17, 84-18, 84-19, 84-20, 84-21, 84-22, 84-23, 84-24, 84-26, 84-27, 84-28, 84-29, 84-30, 84-31, 84-32, 84-33, 84-34, 84-35, 84-36, 84-37, 84-38, 84-39, 84-40, 84-41, 84-42, 84-43, 84-45, 84-46, 84-47, 84-48, and 84-49, effective January 1, 1985.

(4) Federal Food and Nutrition Service South East Regional Office (SER0) regulations supplement which sets forth federal policy clearances of federal regulations specified in subsection (1) of this section, effective May [February] 1, 1986.

Section 3. All documents incorporated by reference herein may be reviewed during regular working hours in the Division of Management and Development, Department for Social Insurance, 275 East Main Street, Frankfort, Kentucky.

MIKE ROBINSON, Deputy Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 29, 1986

FILED WITH LRC: May 13, 1986 at 8 a.m.

STATEMENT OF EMERGENCY

Under KRS Chapter 13A the administrative body is required to implement this regulation or not have the authority to operate. Therefore, in order to continue to operate the Cabinet for Human Resources in accordance with KRS Chapter 194, the Cabinet for Human Resources needs to implement this emergency regulation. An ordinary administrative regulation cannot suffice because agency policy will not be accurately reflected in a timely manner. This emergency regulation will be replaced by an ordinary administrative regulation in accordance with KRS Chapter 13A.

MARTHA LAYNE COLLINS, Governor

E. AUSTIN, JR., Secretary

CABINET FOR HUMAN RESOURCES Department for Social Insurance Division of Management and Development

907 KAR 1:250E. Incorporation by reference of materials relating to the Medical Assistance Program.

RELATES TO: KRS 194.030(6), 205.520

PURSUANT TO: KRS 194.050

EFFECTIVE: May 13, 1986

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility to administer the program of Medical Assistance in accordance with

Title XIX of the Social Security Act. KRS 205.520 empowers the cabinet, by regulation, to comply with any requirement that may be imposed, or opportunity presented, by federal law for the provision of medical assistance to Kentucky's indigent citizenry. This regulation incorporates into regulatory form, by reference, materials used by the cabinet in the implementation of the Medical Assistance Program and is applicable for both the categorically and medically needy.

Section 1. Incorporation by Reference. The cabinet shall incorporate by reference materials used in the implementation of the Medical Assistance Program, subject to the provisions contained in 904 KAR 2:140, Section 1, Supplementary policies for programs administered by the Department for Social Insurance.

Section 2. Listing of Incorporated Material. The following listed materials are hereby incorporated by reference, effective on the date shown:

(1) Federal Medicaid regulations at 42 CFR Parts 430-456, and interim final regulations at 42 CFR Parts 430-456, effective May [February] 1, 1986. The regulations contain federal supplementary policies, interpretations and implementing instructions for the Medical Assistance Program as authorized by Title XIX of the Social Security Act.

(2) Federal "State Medicaid Manual," effective May [February] 1, 1986. The "State Medicaid Manual" contains federal interpretations and clarifications of policy relating to implementation of the Medical Assistance Program.

(3) Federal action transmittals and program memoranda issued by the Health Care Financing Administration as follows: HCFA-AT-79-63, 79-72, 79-98, 80-9, 80-59, 81-23, 81-33, 81-35, 82-1, 82-2, 82-20, 83-1, 83-4, 83-7, 83-8, 83-11, 84-1, 84-2, 84-4, 84-5, 84-10, 84-16, 85-1, and HCFA PM-85-4, 85-10, and 85-13, effective October 1, 1985. Action transmittals and program memoranda contain federal instructions relating to implementation of the Medical Assistance Program.

(4) Federal transmittal notices issued by the Health Care Financing Administration as follows: DQC-1-82, 10-82; DPO-76-81, 77-81, 78-81; MCD-46-81, 48-81, 55-81, 61-81, 62-81, 64-81, 67-81, 82-81, 86-81, 87-81, 89-81, 92-81, 1-82, 2-82, 6-82, 7-82, 10-82, 14-82, 16-82, 17-82, 18-82, 19-82, 25-82, 26-82, 28-82, 30-82, 33-82, 34-82, 35-82, 38-82, 41-82, 42-82, 50-82, 52-82, 2-83, 5-83, 9-83, 11-83, 12-83, 13-83, 14-83, 15-83, 19-83, 20-83, 26-83, 28-83, 29-83, 30-83, 35-83, 39-83, 40-83, 42-83, 1-84, 6-84, 7-84, 8-84, 9-84, 11-84, 13-84, 14-84, 15-84, 16-84, 18-84, 20-84, 23-84, 24-84, 25-84, 26-84, 27-84, 29-84, 34-84, 35-84, 36-84, 39-84, 48-84, 50-84, 51-84, 55-84, 2-85, 4-85, 5-85, 6-85, 8-85, 10-85, 11-85, 14-85, 18-85, 19-85, 21-85, 22-85, 23-85, 24-85, 25-85, 27-85, 28-85, 29-85, 30-85, 31-85, 32-85, 33-85, 34-85, 36-85, 37-85, 38-85, 39-85, 41-85, 42-85, 43-85, 44-85, 46-85, [and] 47-85, 01-86, 03-86, 04-86, 05-86, 07-86, and 10-86, effective May [February] 1, 1986.

Transmittal notices contain federal clarifications of policy relating to implementation of the Medical Assistance Program.

(5) Medicare and Medicaid Guide, Volumes I, II, III, and IV, as published by the Commerce Clearing House, Inc., with the following related new developments transfer binders: 1981-1,

1981-2, 1982, 1983-1, 1983-2, and 1984-1, effective May [February] 1, 1986. The Medicare and Medicaid Guide contains reprints of federal laws and regulations relating to the Medicare and Medicaid programs; reprints of Medicare/Medicaid related court decisions; Medicare principles of reimbursement; summaries of state plan characteristics; and other items of general information relating to the Medicare and Medicaid programs. Although the cabinet is bound by federal Medicaid law and regulations in the implementation of the Medical Assistance Program, the Guide is used principally as supplementary material for reimbursement issues in situations where the cabinet's vendor reimbursement system uses the Medicare cost principles in unaddressed areas.

(6) State Medicaid Program policies and procedures manuals and letters issued by the cabinet, and which contain benefit descriptions and operating instructions used by agency staff and participating vendors in the provision of, and billing for, Medical Assistance benefits provided eligible program recipients, as follows:

(a) Home and Community Based Services Waiver Project Adult Day Health Care Services, effective October 1, 1985;

(b) Alternative Intermediate Services/Mental Retardation Project, effective October 1, 1985;

(c) Birthing Center Services, effective May 1, 1986 [October 1, 1985];

(d) Community Mental Health Benefits, effective July 1, 1985;

(e) Dental Benefits, effective May 1, 1986 [October 1, 1985];

(f) Early and Periodic Screening, Diagnosis and Treatment Benefits, effective July 1, 1985;

(g) Family Planning Benefits, effective May 1, 1986 [October 1, 1985];

(h) Hearing Services Benefits, effective October 1, 1985;

(i) Home and Community Based Services Waiver Project, effective October 1, 1985;

(j) Home Health Benefits, effective May 1, 1986 [October 1, 1985];

(k) Hospital Services Benefits, effective October 1, 1985;

(l) Independent Laboratory Services Benefits, effective May 1, 1986 [October 1, 1985];

(m) Intermediate Care Facility Benefits, effective May 1, 1986 [October 1, 1985];

(n) Mental Hospital Services Benefits, effective May [February] 1, 1986;

(o) Nurse Anesthetist Services, effective May 1, 1986 [July 1, 1985];

(p) Nurse Midwife, effective May 1, 1986 [October 1, 1985];

(q) Pharmacy Services, effective May [February] 1, 1986 and updated Outpatient Drug List, effective April 1, 1986;

(r) Physician Services Benefits, effective May [February] 1, 1986;

(s) Primary Care Benefits, effective May 1, 1986 [October 1, 1985];

(t) Rural Health Clinic Benefits, effective May 1, 1986 [October 1, 1985];

(u) Skilled Nursing Facility Benefits, effective May [February] 1, 1986;

(v) Ambulance Transportation Benefits, effective May 1, 1986 [May 16, 1984], as revised;

(w) Vision Services Benefits, effective November 1, 1985;

(x) Podiatry Services, effective October 1, 1985;

(y) Ambulatory Surgical Center Benefits, effective July 1, 1985;

(z) Renal Dialysis Center Benefits, effective October 1, 1985;

(aa) General Provider Letter A-8, effective July 1, 1985;

(bb) Medical Director's Letter dated April 26, 1985, effective July 1, 1985; and

(cc) EDS Federal Hospital Letter (as fiscal agent for the Medicaid Program) dated April 1, 1985, effective July 1, 1985.

(dd) Provider letters dated September 20 and 23, 1985 relating to KenPac, effective February 1, 1986.

Section 3. All documents included by reference herein may be reviewed during regular working hours in the Division of Management and Development, Department for Social Insurance, 275 East Main Street, Frankfort, Kentucky. Copies may be obtained from that office upon payment of an appropriate fee which will not exceed approximate cost.

FONTAINE BANKS, Acting Deputy Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 29, 1986

FILED WITH LRC: May 13, 1986 at 8 a.m.

AS AMENDED

JUSTICE CABINET Department of State Police (As Amended)

502 KAR 10:030. Instructor's license.

RELATES TO: KRS 332.030

PURSUANT TO: KRS 15A.160, 332.100

EFFECTIVE: May 6, 1986

NECESSITY AND FUNCTION: KRS 15A.160 and 332.100 provide that the Secretary of the Justice Cabinet in cooperation with the Commissioner, Department of State Police, may adopt such regulations necessary to carry out the provisions of KRS Chapter 332. This regulation establishes the department's policy regarding the licensing of driver training instructor.

Section 1. Each person desiring to be licensed as a driver training instructor must make application on forms furnished by the department. The forms shall consist of sections dealing with the personal history of the applicant and include a physical examination report signed by an examining physician.

Section 2. The driver training instructor license application must indicate the name and address of the driver training school employing the applicant and must be signed by an agent or representative of the driver training school. The application must be verified under oath and signed by the applicant.

Section 3. Upon receipt by the department of a duly completed driver training instructor

application, together with a nonrefundable twenty (20) dollar fee in the form of certified check or money order made payable to Kentucky State Treasurer, one (1) set of fingerprints of each digit on right and left hands, three (3) one and one-half (1 1/2) inch by one and one-half (1 1/2) inch identical photographs which show full face view of neck and uncovered head, [and] physical examination report, including the results of an eye examination showing the visual acuity of the applicant to be at least 20/20 in one (1) eye and 20/40 in the other, or 20/30 in each eye separately with or without corrective lenses, and showing that the applicant is not lacking one (1) functional eye, hand, or foot, and proof of age and education, and the results of the department's examination, if favorable, the applicant may then be licensed as an instructor [, if otherwise qualified, shall be entitled to take a driver training instructor written examination and driving test administered by the department].

Section 4. The driver training instructor examination shall consist of:

(1) A written theoretical examination prepared and administered by the department and embracing subject matter pertinent to the care, operation, and use of a motor vehicle on the highways, and to general safety principles and practices, both for the purpose of testing an applicant's competency and fitness in the operation of a motor vehicle and in providing classroom instruction.

(2) The department may also test the applicant for depth perception, peripheral vision, and reaction time. [The written examination shall consist of questions dealing with Kentucky motor vehicle traffic laws, operation of motor vehicles, safe driving practices, proper teaching methods and one (1) standard textbook on driver education. The department may also test the applicant for depth perception, peripheral vision, and reaction time.]

[Section 5. The department's driving test will examine the applicant's ability to drive and to give driver training instructions to others.]

Section 5. [6.] All applicants who pass the instructor's examination and who are otherwise qualified will be issued a driver training instructor license certifying the instructor for both classroom and practical instruction and containing the instructor's photograph, the name and address of the licensee, and the name and address of the driver training school by whom he is employed.

Section 6. [7.] Should a license be lost, mutilated, or destroyed, a duplicate license will be issued upon proof of the date the license was lost or destroyed and the circumstances involving such loss, mutilation, or destruction. In the case of a mutilated license, the surrender of such license is necessary. A five (5) [one (1)] dollar replacement charge will be made for all duplicates.

Section 7. All expired, revoked, or suspended licenses must be surrendered to the department at the time of expiration, revocation, or suspension.

[Section 8. In the event a licensed instructor transfers employment to another school licensed by the department, the instructor must complete an original application for licensure. The department may, in its discretion, waive the physical examination. The instructor need not supply new fingerprint cards, driving test results, or proof of age and education.]

Section 8. [9.] Any applicant who has previously been licensed as a driver training instructor but has not been so employed within two (2) years preceding application will be treated as an original applicant.

Section 9. [10.] Any instructor who has had his license suspended or revoked or any applicant denied a license will be eligible to make application again six (6) months following the suspension, revocation, or denial.

Section 10. [11.] The department will not issue a driver training instructor license to any applicant who has been convicted of two (2) or more moving hazardous traffic violations within the two (2) year period immediately preceding the date of application.

Section 11. [12.] A driver training school is required to notify the department, in writing, of the termination of employment of an instructor or agent, or if there is any change in the address of any owner, partner, officer, or driving instructor.

NORMA C. MILLER, Secretary

MORGAN T. ELKINS, Commissioner

APPROVED BY AGENCY: March 12, 1986

FILED WITH LRC: March 13, 1986 at 1 p.m.

JUSTICE CABINET
Department of State Police
(As Amended)

502 KAR 10:040. Training school facilities.

RELATES TO: KRS 332.030

PURSUANT TO: KRS 15A.160, 332.100

EFFECTIVE: May 6, 1986

NECESSITY AND FUNCTION: KRS 15A.160 and 332.100 provide that the Secretary of the Justice Cabinet in cooperation with the Commissioner, Department of State Police, may adopt such regulations necessary to carry out the provisions of KRS Chapter 332. This regulation establishes the department's policy regarding standards for driver training school facilities.

Section 1. The following standards shall apply to driver training school office facilities:

(1) The driver training school shall have and maintain an established place of business in the Commonwealth of Kentucky.

(2) [(1)] The established place of business of each driver training school shall [must] be owned or leased by the driver training school and regularly occupied and primarily used by that driver training school for the business of giving driving instructions for hire, and the business of preparing members of the public for examination given by the department for a motor vehicle operator's license.

(3) [(2)] The established place of business of each driver training school shall [must] be located in a district which is zoned for business or commercial purposes. The driver training school office shall [must] have a permanent sign displaying the school name in letters at least six (6) inches in height and visible [clearly readable] from the street or road on which the school is located [from a distance of no less than 100 feet, with the name of the driver training school upon the sign]. If the classroom is at a different address, it too shall [must] have a permanent sign meeting the same criteria [which is readable from the street, from a distance of no less than 100 feet with the name of the driver training school upon the sign]. The hours during which the driver training is conducted shall also be displayed. If these requirements do [this requirement does] not comply with local zoning laws, the department shall permit a sign of a type which does comply.

(4) [(3)] The established place of business or advertised address of any driver training school shall not consist of or include a house trailer, residence, tent, temporary address, office space only, a room or rooms in a hotel, rooming house or apartment house, or premises occupied by a single or multiple unit dwelling house. The residence requirement of this rule shall not apply to compel the discontinuance of a driver training school which was already established and operational on or before June 16, 1966.

(5) [(4)] The place of business shall [must] be operated by responsible personnel during stated office hours and shall be open to inspection of the premises, facilities, records and vehicles by any authorized representative of the cabinet during this time.

(6) [(5)] The place of business shall [must] have a [separate] business telephone used exclusively for the operation of the driving school [listing].

(7) [(6)] A driver training school shall not transfer its license nor change its place of business without the prior approval of the department. There will be a \$200 fee for transfer of ownership, which will be treated as an original application for license.

[(8)] Driver training schools may give instruction only in the county where their office is located or in any county adjacent thereto. They may not give instruction in any other county without first having established a branch office therein.

Section 2. The following standards shall apply to driver training school branch offices:

(1) A driver training school desiring to open a branch office shall make application on a form prescribed by the department. If application is approved, the department will issue a copy of the license of the principal place of business, appropriately endorsed, for use at the branch office. This copy shall [must] be conspicuously displayed in such branch office at all times.

(2) A branch office or its equipment may not be moved [removed] to a new location without the prior approval of the department.

(3) Should a branch office be discontinued, the branch office copy of the license shall [must] be surrendered immediately to the department.

(4) The branch office shall [must] meet all of the requirements of the licensed principal place

of business [with the exception of the classroom facility if such a classroom facility is located within a reasonable distance from the branch office].

(5) There will be a fee of \$100 for licensure of each branch office.

Section 3. The following standards shall apply to driver training school classroom facilities:

(1) The classroom facility of each driver training school shall [must] be reasonably near [accessible to] its office facility and within thirty (30) minutes normal driving time of that facility.

(2) The classroom shall [must] contain sufficient space and equipment to carry on the business of giving classroom instruction for students enrolled in the driver training school, and preparing students for examination for a motor vehicle operator's license.

(3) The classroom facility shall [must] have adequate lighting, heating, ventilation, sanitation facilities, and shall [must] comply with all state and local laws relating to public health, safety and sanitation.

(4) The classroom facility shall [must] contain the following equipment and supplies:

(a) Individual desks or tables providing [Seating facilities and] writing surfaces for not less than eight (8) students;

(b) Adequate blackboards which are visible from all seating areas;

(c) Adequate charts and diagrams or pictures relating to the operation of motor vehicles and traffic laws;

[(d)] Textbooks, reference books and pamphlets relating to the proper operation of motor vehicles and traffic laws;

[(e)] One (1) of the following:

1. A sixteen (16) millimeter sound movie projector and screen for showing driver training and sound films; or [and]

2. A thirty-five (35) millimeter slide projector and slides; or

3. A video/audio display screen of not less than nineteen (19) inches diagonal measure, capable of being operated in conjunction with a video tape for showing driver training instruction; and

(e) [(f)] A copy of these rules and regulations displayed so as to be accessible to all students.

(5) In addition to the foregoing, the following are suggested teaching aids:

(a) A reaction time testing device;

[(b)] A slide projector;

[(c)] [(c)] Peripheral vision testing device;

[(d)] [(d)] Magnetic traffic boards; and

[(e)] [(e)] Such other devices as may help to acquaint students with traffic laws and prepare them to safely operate motor vehicles.

(6) A minimum of five (5) hours of classroom instruction shall [must] be available to each student receiving driving training from a driver training school.

Section 4. Driver training schools shall make available both theoretical and practical instruction as follows:

[(1)] Practical instruction in driver training shall include the demonstration of, and actual instruction in, starting, stopping, shifting, turning, backing, parking, and steering in a training vehicle which meets the regulatory requirements set forth herein.

(2) Theoretical instruction in driver training shall include subject matter relating to rules of the road, safe driving practices, pedestrian safety, mechanics of motor vehicles, driver responsibility, the Kentucky point system, types of automobile insurance, and use of automobile safety devices.

Section 5. Each school shall publish a schedule of fees or charges for behind-the-wheel lessons, classroom lessons, and all other fees or charges made by the school. A copy of this schedule shall be filed with the department.

Section 6. Each school shall inform each student, prior to the time instruction commences, of the character and amount of any and all fees or charges made for enrollment or registration, tuition, and use of any other service or equipment or materials provided by the school.

Section 7. Before any driver training school office or branch office, or equipment thereof, is moved to another location, the department shall be notified and the new location shall be inspected and approved.

NORMA C. MILLER, Secretary
MORGAN T. ELKINS, Commissioner
APPROVED BY AGENCY: March 12, 1986
FILED WITH LRC: March 13, 1986 at 1 p.m.

JUSTICE CABINET
Department of State Police
(As Amended)

502 KAR 45:020. Qualifications.

RELATES TO: KRS 16.040, 16.050
PURSUANT TO: KRS 16.050, 16.080
EFFECTIVE: May 6, 1986
NECESSITY AND FUNCTION. KRS 16.040 and 16.050 provide that the Commissioner of the Department of State Police and the State Police Personnel Board may establish minimum physical requirements and conduct such tests and examinations as necessary to assure the fitness of applicants for employment as officers. This regulation establishes certain qualifications required of applicants.

Section 1. Each applicant shall possess a valid Kentucky motor vehicle operator's license against which no more than five (5) penalty points have been assessed by the Division of Driver's Licensing.

Section 2. Each applicant with prior military service in the armed forces of the United States shall have been honorably discharged. General discharges under honorable conditions shall not be acceptable.

Section 3. The commissioner shall review any prior experience in police administration or law enforcement of any applicant desiring to substitute such experience for the educational requirements and determine if the prior experience will be deemed sufficient to waive the requirement.

Section 4. Each applicant shall meet the following physical requirements:

(1) Each applicant shall be at least five (5) feet six (6) inches in height, with weight proportional to height according to tables promulgated by the commissioner.

(2) Each applicant shall have at least 20/50 vision in each eye without corrective lens, correctable to 20/20 in each eye with corrective lens, with no color-blindness and a normal field of vision.

(3) Each applicant must be in good health with no speech defect or marked deformity, which would impede or impair the performance in the job for which applicant has applied.

MORGAN T. ELKINS, Commissioner
NORMA C. MILLER, Secretary
APPROVED BY AGENCY: February 24, 1986
FILED WITH LRC: March 14, 1986 at 11 a.m.

JUSTICE CABINET
Law Enforcement Foundation Program Fund
(As Amended)

503 KAR 5:090. Participation: requirements; application; withdrawal.

RELATES TO: KRS 15.440
PURSUANT TO: KRS 15.450(1)
EFFECTIVE: May 6, 1986
NECESSITY AND FUNCTION: KRS 15.440 prescribes requirements to be met by a local unit of government in order to be eligible to receive salary supplement funds from the Law Enforcement Foundation Program Fund. This regulation expands on the statutory requirements for eligibility and establishes the procedure to be followed by a local unit in applying for admission to, or withdrawing from, the fund.

Section 1. Requirements for Participation in the Fund. Eligibility to participate in the fund is limited to local units of government meeting the following requirements:

(1) Number of police officers employed. KRS 15.440(1) requires the local unit to employ one (1) or more police officers.

(2) Minimum salary of police officers. KRS 15.440(2) requires the local unit to pay every police officer a minimum annual salary of \$4,350.

(3) Minimum education requirement.
(a) KRS 15.440(3) requires the local unit to require, as a minimum educational standard for the employment of police officers, a high school degree, or its equivalent as determined by the council. However, a police officer employed prior to July 1, 1972, does not have to meet this requirement - he is "grandfathered" into the fund.

(b) A copy of the high school diploma or of its equivalent (e.g., a General Education Diploma) shall be sent to the fund administrator, by the local unit, or the officer shall be deemed ineligible to receive a salary supplement [along with the initial notification that the officer has been employed].

(c) If a police officer who is "grandfathered" into the fund without having to meet the educational requirement of KRS 15.440(3) has his police service terminated (due to resignation, dismissal, etc.)[, and he remains separated from employment as a police officer for more than two (2) years]; he must meet the educational requirement in order to become eligible to be reemployed as a police officer by

a local unit which is participating in the fund.

(4) Basic training requirement.

(a) KRS 15.440(4) requires the local unit to require all police officers employed on or after July 1, 1972, to successfully complete a basic training course of at least 400 hours duration, within one (1) year of the date of employment, at a school certified or recognized by the council.

(b) A local unit that elects to participate in the fund shall require all police officers employed as of the date of the initial participation to meet the basic training requirement (or obtain credit for meeting it) within one (1) year of the date of initial participation. All officers employed thereafter shall meet the basic training requirement (or obtain credit for meeting it) within one (1) year of the date of employment. The local unit shall not be considered to be in violation of this paragraph if an officer's failure to meet the basic training requirement (or obtain credit for meeting it) within one (1) year is due to circumstances beyond his control, such as injury, illness, or personal tragedy; in this situation, the officer shall be required to meet the basic training requirement (or obtain credit for meeting it) within a reasonable time (not to exceed one (1) year from the termination of the extenuating circumstances), as determined by the fund administrator or his designee, or the local unit shall be in violation of this paragraph.

(c) A police officer who is employed before July 1, 1972, does not have to meet the basic training requirement (or obtain credit for meeting it) - he is "grandfathered" into the fund under KRS 15.440(4).

(d) Obtaining credit for basic training; [evaluation committee;] evaluation examination. A police officer who, as of his date of employment, has already successfully completed a law enforcement basic training course may, for the purpose of obtaining credit for some or all of the basic training requirement, apply to the fund administrator to take a basic training evaluation examination. (Forms and information are available from the Kentucky Law Enforcement Foundation Program Fund, 107 Stratton Building, Eastern Kentucky University, Richmond, Kentucky 40475.) Upon receipt of an evaluation examination request, the fund administrator or his designee shall [immediately refer the request to an evaluation committee consisting of the Dean of the Eastern Kentucky University College of Law Enforcement (representing the council), the director of the administrative division of the department, and the assistant director of the training division of the department; which committee shall meet as necessary to carry out its duties as created by this paragraph. This committee shall] verify that the officer has successfully completed a basic training course. The officer and his local unit shall be responsible for providing such proof as is needed for verification [by the committee]. Upon verification, the [committee shall have the] fund administrator or his designee shall notify the officer that he is eligible to take a basic training evaluation examination. The fund administrator or his designee [committee] shall administer and evaluate the examination. The examination shall test the officer in the areas required for successful completion of a council-approved basic training course. The fund administrator or

his designee [committee] shall then decide what training, if any, the officer must successfully complete in order to meet the basic training requirement. An officer who passes less than fifty (50) percent of the examination areas shall obtain no basic training credit at all and shall be required to take and successfully complete a basic training course. An officer who passes at least fifty (50) percent of the examination areas shall obtain basic training credit for the areas which he passes. If the officer fails a graded area the officer shall take and successfully complete that portion of a basic training course that corresponds to the failed area. If the graded training area that is failed is physical training and/or M.A.R.C. (the mechanics of arrest, restraint, and control) the repeating of the training in that area is optional with the officer's agency head, but in any event the officer must pass an examination on that failed area consisting of a test and retest within one (1) year of employment. The [committee shall have the] fund administrator or his designee shall notify the officer of his [its] decision. If an officer is given credit for all or a part of a previously attended basic training course of less than 400 hours, the officer shall be required to make up the difference in hours by completing subject areas of a current basic training course, as determined by the fund administrator or his designee, that equal the hours deficient. The officer shall be responsible for arranging any required basic training at a council-approved school.

(e) If a police officer who is qualified to participate in the fund has his police service terminated (due to resignation, dismissal, etc.), and he remains separated from employment as a police officer for more than two (2) years; he must, if reemployed as a police officer, meet the basic training requirement (or obtain credit for meeting it) before he shall be eligible to participate in the fund again. [The two (2) year grace period also shall apply to an officer who has been "grandfathered" into the fund under KRS 15.440(4).] This rule shall also be applicable to officers who are members of an agency which participates in the fund but which agency withdraws from or becomes ineligible to participate in the fund and later applies for reparticipation in the fund if the period of nonparticipation exceeds two (2) years. If an officer of an agency which withdraws from the fund maintains his/her in-service training on a current basis that officer shall be immediately eligible to reparticipate in the fund if his/her agency elects to reparticipate in the fund or if said officer transfers to and becomes employed by another agency that is a participant in the fund.

(5) In-service training requirement.

(a) KRS 15.440(5) requires the local unit to require all police officers, whether originally employed before or after July 1, 1972, to successfully complete each calendar year an in-service training course, appropriate to the officer's rank and responsibility and the size and location of his department, of at least forty (40) hours duration at a school certified or recognized by the council.

(b) A local unit that elects to participate in the fund shall require all police officers employed as of the date of initial participation, and all officers employed

thereafter, to successfully complete the in-service training requirement each calendar year. The local unit shall not be considered to be in violation of this paragraph if an officer's failure to meet the in-service training requirement in a calendar year is due to circumstances beyond his control, such as injury, illness, or personal tragedy; in this situation, the officer shall be required to meet the in-service training requirement within a reasonable time (not to exceed one (1) year from the termination of the extenuating circumstances), as determined by the fund administrator or his designee, or the local unit shall be in violation of this paragraph. If an officer, under circumstances that are not extenuating, fails to successfully complete forty (40) hours of in-service training in a calendar year; the fund administrator or his designee shall notify the local unit that the officer must make up the in-service training for the year of delinquency within a reasonable time, as determined by the fund administrator or his designee, or else the local unit, if it continues to employ the officer full time, shall be in violation of this paragraph and shall lose its eligibility to participate in the fund. If an officer, under circumstances that are not extenuating, fails to successfully complete forty (40) hours of in-service training in a calendar year, he shall receive no salary supplement until he makes up the in-service training for the year of delinquency.

(c) The local unit shall provide at least five (5) days leave with pay, not chargeable against the officer's annual leave allotment, for each police officer attending in-service training.

(d) A police officer who meets the basic training requirement (or obtains credit for meeting it) shall be considered to have fulfilled the in-service training requirement for the calendar year in which the basic training is successfully completed (or the credit is obtained).

(e) If a police officer who is qualified to participate in the fund has his police service terminated (due to resignation, dismissal, etc.) before he meets his in-service training requirement for the calendar year, he shall still be eligible to participate in the fund for that part of the calendar year during which he was employed as a police officer.

(f) If a police officer who is qualified to participate in the fund has his police service terminated (due to resignation, dismissal, etc.), but is reemployed as a police officer, he shall regain eligibility to participate in the fund as soon as he meets the in-service training requirement for the year in which reemployed. If the reemploying is not within two (2) years, he must meet the basic training requirement (or obtain credit for meeting it); see subsection (4)(e) of this section. This rule shall also be applicable to officers who are members of an agency which participates in the fund but which

agency withdraws from or becomes ineligible to participate in the fund and later applies for reparticipation in the fund if the period of nonparticipation exceeds two (2) years.

(g) A police officer may not, for fund eligibility purposes, take the same in-service training course that he has successfully completed in a previous year for fund eligibility purposes unless at least three (3) years have passed since the earlier course was completed.

(6) Compliance with the law.

(a) KRS 15.440(6) requires the local unit to comply with all provisions of the law applicable to local police, including transmission of criminal information and statistics to the state as required by KRS 17.150.

(b) KRS 15.440(7) requires the local unit to comply with all reasonable rules and regulations, appropriate to the size and location of the local police department, issued by the cabinet to facilitate the administration of the fund.

(c) KRS 15.440(8) provides that a local unit's eligibility to participate in the fund shall continue only if the local police department actually begins and continues to comply with the requirements of KRS 15.440.

(7) Local ordinance requirement. To be eligible to participate in the fund, a local unit shall enact an ordinance or resolution requiring the local unit and police department to comply with KRS 15.410 to 15.510 and with these regulations. A certified copy of this local ordinance or resolution shall be submitted by the local unit to the fund administrator along with the application for participation in the fund.

Section 2. Application. A local unit desiring to apply for admission to the fund shall submit an application form to the fund administrator. (This form is available from the Kentucky Law Enforcement Foundation Program Fund, 107 Stratton Building, Eastern Kentucky University, Richmond, Kentucky 40475.)

Section 3. Withdrawal. To withdraw from the fund, a local unit shall send a written notice of withdrawal to the Fund administrator. The fund administrator or his designee shall acknowledge in writing the receipt of the withdrawal notice; the withdrawal shall be effective as of the date the withdrawal notice is received by the fund administrator. Upon withdrawal, a local unit shall be obligated to return all salary supplement funds received from the fund for which its police officers have not yet become qualified.

NORMA C. MILLER, Secretary

A. JACK MAY, Director

APPROVED BY AGENCY: March 12, 1986

FILED WITH LRC: March 12, 1986 at 10 a.m.

AMENDED AFTER HEARING

EDUCATION AND HUMANITIES CABINET
 Department of Education
 Office of Instruction
 (Amended After Hearing)

704 KAR 3:345. Evaluation guidelines.

RELATES TO: KRS 156.101

PURSUANT TO: KRS 156.070, 156.101

NECESSITY AND FUNCTION: KRS 156.101 requires the State Board of Education to establish a statewide program for evaluation of certified school employees, including [the] superintendents, and to develop [adopt] guidelines [developed by the Department of Education] for implementing the program and establishing the framework within which each local school district is to develop its own specific evaluation policies. This regulation establishes the requirements for the evaluation programs and policies of local school districts.

Section 1. Definitions. (1) Teacher - for the purpose of this regulation, any certified staff person who directly instructs students.

(2) Administrator - for the purpose of this regulation, any certified staff person other than the classroom teacher.

(3) Evaluation - the process of assessing or determining the effectiveness of the performance of the certified employee in a given teaching/learning or leadership/management situation, based on predetermined criteria, through observation and other means of gathering information.

(4) Formative evaluation - a continuous cycle of collecting evaluation information through observation and other means, and interacting or providing feedback and suggestions regarding the certified employee's teaching or administrative performance. The formative evaluation phase may also include the establishment of an improvement plan mutually agreed upon by the evaluator and the evaluated certified employee.

(5) Summative evaluation - the summary of the results of the formative evaluation phase occurring at the end of an evaluation cycle. Summative evaluation includes a conference involving the evaluator and the evaluated certified employee, and a written evaluation report.

(6) Observation - the process of gathering information, based on predetermined criteria, to determine the effectiveness of the teacher by observing in the classroom the behaviors of the teacher and the reactions of the students to the teaching process, as well as the physical set of the classroom.

(7) Conference - a meeting involving the evaluator and the certified employee evaluated for the purpose of providing feedback from the evaluator, analyzing the results of the observation(s) or other information to determine strengths and weaknesses, to develop a plan for improvement and follow-up.

(8) Performance criteria - predetermined performance areas or skills on which the certified employee will be evaluated.

(9) Indicators - observable level of attainment of a performance criterion.

(10) Standards of performance - acceptable

qualitative and/or quantitative level of performance expected of effective teachers/administrators.

(11) Position - term used to signify a professional role in the school district (e.g., teacher, secondary principal, supervisor of instruction).

(12) Job category - term used to signify a group or class of positions with closely related functions (e.g., principal, coordinator, director, etc.).

Section 2. [By July 1, 1985,] Each local school district shall have [submit] an evaluation plan and procedures approved by the State Board of Education [to the Department of Education for approval. The Superintendent of Public Instruction may extend the deadline to August 1, 1985, for local districts to submit the evaluation plan and procedures when documenting and compelling extenuating circumstances merit such extensions]. Approval of the plan and procedures shall be for the purpose of certification as to the compliance of each specific school district's evaluation plan with the broad guidelines set forth herein.

Section 3. The local school district shall have a written policy for the evaluation of all certified employees. The policy shall include a statement that the purposes of the evaluation system are to improve instruction, provide a measure of performance accountability to citizens and to provide encouragement and incentives for certified employees to improve their performances, as well as to support individual personnel decisions. The policy shall also contain [a] procedures for appeal of individual evaluations in accordance with KRS 156.101(11). The local appeals panel mandated therein shall be in place by June 1, 1986. Its jurisdiction shall include but not be limited to evaluations upon which the determination of eligibility for the \$300 payment to be given in the 1987-88 school year is based. [that provides all certified school personnel an opportunity for a review of their evaluation.]

Section 4. All employees required to hold a valid certificate, issued by the Kentucky Department of Education, in order to perform their functions are to be evaluated as follows:

(1) The initial evaluation process shall be completed for all administrators, including the superintendent, and non-tenured teachers, under an approved plan by the end of the 1985-86 school year.

(2) The initial evaluation process shall be completed for all tenured teachers under an approved plan by the end of the 1986-87 school year.

(3) In any local school district with an established evaluation plan in full operation during the 1984-85 school year which provides for a three (3) year evaluation cycle for tenured teachers, any evaluations of tenured teachers during the 1984-85 school year may be considered the initial evaluation of those tenured teachers as required by subsection (2) of this section, provided that such evaluation plan and procedures are approved by the

Department of Education pursuant to the provisions of this regulation.

Section 5. (1) An ad hoc committee consisting of equal numbers of teachers and administrators shall develop evaluation procedures and forms.

(2) The procedures shall provide for both formative evaluation and summative evaluation and shall include, but not be limited to, the following elements:

(a) The immediate supervisor of the certified school employee shall be designated the primary evaluator. Additional administrative personnel may be used in addition to the primary evaluator.

(b) All monitoring or observations of performance of a certified employee shall be conducted openly and with the full knowledge of the teacher or administrator. The local district may determine the length and frequency and nature of observations conducted by an evaluator.

(c) The evaluation system shall include a plan whereby the person evaluated is given assistance for becoming more proficient as a teacher or administrator.

(d) Evaluation shall include a minimum of one (1) conference between the evaluator and the person evaluated within one (1) workweek following the evaluation. However, additional conferences after observations are recommended.

(e) Evaluation with multiple observations shall occur annually for each non-tenured certified employee.

(f) Multiple observations shall be conducted with certified employees whose initial observation results are unsatisfactory.

(g) Evaluation shall occur, at a minimum, once every three (3) year period for each tenured teacher. The local district may evaluate tenured teachers with greater frequency than the minimum.

(h) Evaluation shall occur annually for administrators, except for superintendents who shall be evaluated not less than every two (2) years.

(i) All evaluations shall be in writing on an evaluation form.

(j) All observations shall include documentation of information to be used in determining the performance of the person evaluated.

(k) The evaluation system shall provide personnel an opportunity for a written response by the certified employee evaluated.

(l) A copy of the evaluation shall be provided to the person evaluated.

Section 6. (1) The evaluation procedures and forms shall be designed to support individual personnel decisions.

(2) The evaluation forms shall include, but not limited to, a list of performance criteria characteristic of effective teaching or administrative practices. The performance criteria shall include, but not limited to the following:

(a) Performs professional responsibilities and duties as outlined in the job description including regular attendance and punctuality;

(b) Demonstrates effective classroom and/or staff management skills;

(c) Uses instructional strategies and processes effectively;

(d) Demonstrates effective interpersonal and communication skills with peers, subordinates, students and/or parents;

(e) Demonstrates knowledge of subject matter

and/or administrative techniques;

(f) Plans and evaluates instructional and/or administrative activities. Under each criterion, specific indicators that can be observed and recorded shall be listed. In addition, standards of performance shall be established for each criterion.

(3) All certified school personnel shall be made aware of the criteria on which they are to be evaluated at the beginning of the evaluation period.

(4) Evaluation forms or instruments shall be specific for each position or job category. Other forms for observation and pre- and post-conferences may be used at the discretion of the local district. The Florida Performance Measurement System adopted for use in the Beginning Teacher Internship Program may be used as an observation instrument for formative evaluation in this program, but shall not be the sole basis of the summative evaluation of experienced personnel. All certified personnel shall be made aware of the observation instrument(s) to be used prior to the observation.

Section 7. (1) All evaluators shall be trained, tested, and certified.

(2) [Such] Training shall:

(a) Include skill development in the use of the local evaluation process and instrument. Each local district shall conduct this training. [Be appropriate and specific to the local district system implemented pursuant to KRS 156.101(6) and the proper techniques for effectively evaluating certified personnel; and]

(b) Include skill development in the identification of effective teaching/management practices, effective observation and conferencing techniques, establishing and assisting with certified employee improvement plans, and summative evaluation techniques. This training shall be conducted by providers [persons] who have been approved by the State Board of Education as trainers for the Instructional Leadership Improvement Program. [Be conducted by persons who have received training in evaluation methods and/or have conducted training in evaluation methods.]

(c) Be provided by the State Board of Education for all new administrators who are designated as evaluators. Other administrators who have not received training in the skill areas listed in paragraph (b) of this subsection may participate also; and [Be approved as a part of the evaluation plan and procedures submitted to the State Department of Education.]

(d) Be approved as a part of the evaluation plan and procedures submitted to the State Board of Education.

(3) Testing shall: [Each local district shall designate a person responsible for evaluation training and as the contact person for the evaluation plan submitted by the local district.]

(a) Include a cognitive test of research-based and professionally accepted teaching/management practices and effective evaluation techniques listed in subsection (2)(b) of this section; and

(b) Be conducted by the State Board of Education or agencies approved by the State Department of Education.

(4) Initial certification as an evaluator shall be issued by the State Board of Education upon completion of the required evaluation training program and successful completion of

testing. Principals who receive certification through the Beginning Teacher Internship Program shall not be required to receive additional training or testing on research-based effective teaching practices and observation techniques.

(5) All certified personnel [principals] who have received a passing score on the cognitive test required by the Beginning Teacher Internship Program prior to July 1, 1986 shall be eligible for initial certification as evaluators of teachers.

(6) Continued certification as an evaluator shall be contingent upon the completion of a minimum twelve (12) hours of evaluation training every two (2) years beginning July 1, 1986. This training shall be in any one, or a combination, of the following skill areas: Use of the local evaluation process and instrument; identification of effective teaching/management practices; effective observation and conferencing techniques; establishing and assisting with certified employee improvement plans; or summative evaluation techniques.

(a) Hours of training received in the use of the local evaluation process and instruments shall be certified by the local board of education with documentation available for [and be subject to] review by the State Department of Education.

(b) Hours of training received in the other skill areas may compose part of the evaluator's required hours for the Instructional Leader Improvement Program.

(7) Each local district shall designate a person responsible for evaluation training as the contact person for the evaluation plan submitted by the local district.

Section 8. The local board of education [evaluation plan] shall [appoint an ad hoc committee consisting of teachers and administrators to] [be reviewed] annually review the evaluation plan to ensure compliance with KRS 156.101 and these regulations. [that the evaluation system is serving the purposes for which it was established.] If substantive changes are made to the evaluation plan, the local board of education shall utilize the [This] ad hoc committee, as provided for in Section 5 of this regulation, in formulating the revisions [may include representation of the lay public as non-voting (advisory) members]. All revisions to the plan shall [are to] be reviewed and approved by the local board of education and submitted to the State Board [Department] of Education for approval.

Section 9. (1) Any certified employee who feels that the local district is not implementing the evaluation plan according to the way it was approved by the State Board of Education shall have the opportunity to appeal to the State Board of Education.

(2) The appeal procedures shall be as follows:

(a) The State Board of Education shall appoint a committee of three (3) board members to serve on the State Evaluation Appeals Panel. Said panel shall have no jurisdiction relative to complaints involving the professional judgmental conclusions of evaluations and its jurisdiction shall be limited to procedural matters already addressed by the local appeals panel required by KRS 156.101(11) and Section 3 of this regulation.

(b) The certified employee must submit a

written request to the Superintendent of Public Instruction for a hearing before the State Evaluation Appeals Panel. A specific description of the complaint and grounds for appeal must be submitted with this request.

(c) The State Evaluation Appeals Panel, or the Department of Education at its direction shall review the complaint and investigate to determine if a hearing should be granted.

(d) If a hearing is granted, all involved parties shall have an opportunity to speak before the appeals panel.

(e) A decision of the appeals panel shall be rendered within fifteen (15) working days after a hearing.

Section 10. Each non-administrative certified personnel [classroom teacher and librarian] employed during the 1987-88 school year who has a summative evaluation report which is not unsatisfactory overall shall be paid the sum of \$300.

(1) The local evaluation plan shall include a definition of and the appropriate rating(s) for a certified employee who has satisfactorily completed the evaluation process and been deemed eligible for the \$300 payment during the 1987-88 school year as provided in KRS 156.101(10). ["Unsatisfactory" is the lowest rating that any teacher or librarian can receive, regardless of what it is called on each specific evaluation instrument.]

(2) The [ad hoc evaluation committee appointed by the] local board of education shall determine the specific local procedures regarding the eligibility for the \$300 payment and submit the implementation plan to the State Department of Education for approval by the state board by July 1, 1986.

(3) Eligibility for the \$300 payment shall be based on the summative evaluation non-administrative classified personnel [of classroom teachers and librarians] during the 1987-88 school year, or during either of the two (2) previous school years if no evaluation is due during 1987-88. Only one (1) \$300 payment will be awarded for each eligible person during this three (3) year period, and said payment shall be made during the 1987-88 school year. Any certified employee who is not scheduled for an evaluation during the 1987-88 school year and has a rating that will prevent him/her from receiving the \$300 payment in the 1987-88 school year shall, at the certified employee's request, be re-evaluated in 1987-88.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 1, 1986 at 3 p.m.

EDUCATION AND HUMANITIES CABINET

Department of Education

Office of Instruction

(Amended After Hearing)

704 KAR 20:015. Rank I classification.

RELATES TO: KRS 157.390

PURSUANT TO: KRS 156.070, 157.390

NECESSITY AND FUNCTION: KRS 157.390 authorizes the State Board of Education to adopt regulations to determine the salary ranks of certified teachers and to determine equivalent qualifications for the salary ranks. This

regulation defines approved graduate work for the Rank I classification and defines an equivalent program for Rank I.

Section 1. (1) The preparation program for a Rank I classification shall be planned as outlined in 704 KAR 20:010 and shall require the completion of either:

(a) Plan I. Thirty (30) semester hours approved graduate level credit or approved equivalent in addition to the requirements for a Rank II classification, or

(b) Plan II. Sixty (60) semester hours approved graduate level credit or approved equivalent including a master's degree.

(2) The equivalent preparation shall be approved by the Superintendent of Public Instruction on the basis of the following criteria:

(a) Approved equivalent credit shall be offered in the form of teacher institutes designed for the purpose of upgrading classroom teaching personnel in their teaching specialties.

(b) The teacher institutes shall be offered only by the institutions that are approved by the State Board of Education for offering Rank I programs. Teacher education institutions shall make application for the advanced approval of teacher institutes on forms provided by the Superintendent of Public Instruction.

(c) Operation of the teacher institutes shall meet the [generally accepted] standards for [graduate study as described in the standards for] the accreditation of teacher preparation programs.

(d) Equivalency credit toward a Rank I classification may be earned only by professional personnel who have already attained a Rank II classification.

(e) [A minimum of twenty (20) contact clock hours of participation exclusive of out-of-class preparation shall be required as an equivalency for one (1) semester hour of graduate credit.] Equivalency credit toward a Rank I classification shall be limited to a maximum of fifteen (15) semester hours of the requirements for Rank I. Equivalency credit shall be the amount of contact time required for graduate credit at the teacher education institution.

(f) Approved equivalency credit shall be an integrated part of an individualized Rank I program as planned with a graduate curriculum adviser. Approved equivalency credit earned through approved teacher institutes may be applied for teacher certification purposes as described in 704 KAR 20:030.

(3) [(2)] The appropriate official designated by the teacher education institution shall certify to the State Department of Education when the curriculum requirements have been completed for the Rank I program at the institution.

(4) [(3)] Of the thirty (30) semester hour program, at least fifteen (15) semester hours shall be taken at the college making the recommendation. The remaining fifteen (15) semester hours credit may be taken at the same institution or, upon approval of the college adviser, at other institutions.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 1, 1986 at 3 p.m.

PUBLIC PROTECTION AND REGULATION CABINET
Department of Insurance
(Amended After Hearing)

806 KAR 18:020. Preferred and exclusive provider arrangements.

RELATES TO: KRS 304.12-010, 304.18-040, 304.32-080

PURSUANT TO: KRS Chapter 13A, 304.2-110, 304.32-250

NECESSITY AND FUNCTION: KRS 304.2-110 provides that the Commissioner of Insurance may make reasonable regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code. KRS 304.32-250 provides that the Commissioner of Insurance may promulgate reasonable regulations that he deems necessary for the proper administration of KRS Chapter 304.32. This regulation establishes guidelines for the use of preferred provider arrangements for group health insurers and nonprofit hospital, medical-surgical, dental, and health service corporations.

Section 1. Definitions. As used in this regulation:

(1) "Alternative deliver system" means a health care delivery system characterized by alliances between selected health care providers and insurers, employers, or both, managed care through greater utilization controls, or discounted fee or capitation payment arrangements with health care providers, as distinguished from the traditional fee-for-service delivery approach.

(2) [(1)] "Exclusive provider arrangement" means an alternative delivery system [arrangement] in which an insurer contracts with health care providers for alternative rates of payment and requires insureds or subscribers to use the health care providers under contract with the insurer.

(3) [(2)] "Insurer" means [group] health insurers and nonprofit hospital, medical-surgical, dental, and health service corporations delivering or issuing for delivery [group] contracts under KRS Chapter 304.

(4) [(3)] "Preferred provider arrangement" means an alternative delivery system [arrangement] under which an insurer contracts with health care providers for alternative rates of payment and allows insureds or subscribers to choose between contract health care providers and non-contract health care providers.

Section 2. Health insurers shall not issue contracts offering any preferred provider arrangement under which the difference between the benefit payable for services rendered by non-contract health care providers and the benefit payable for services rendered by contract health care providers exceeds twenty-five (25) percent. [Insurers shall not participate in a preferred provider arrangement which results in insureds or subscribers using non-contract health care providers being reimbursed at levels less than seventy-five (75) percent of the reimbursement to insureds or subscribers using contract health care providers for similar services.]

Section 3. Health insurers shall not issue contracts offering any exclusive provider

arrangement. [Insurers shall not participate in exclusive provider arrangements.]

GIL McCARTY, Commissioner
ROBERT M. DAVIS, Secretary
APPROVED BY AGENCY: May 1, 1986
FILED WITH LRC: May 2, 1986 at 3 p.m.

PROPOSED AMENDMENTS

TOURISM CABINET Department of Fish and Wildlife Resources (Proposed Amendment)

301 KAR 2:111. Deer and turkey hunting on special areas.

RELATES TO: KRS 150.010, 150.025, 150.170, 150.175, 150.305, 150.330, 150.340, 150.360, 150.370, 150.390

PURSUANT TO: KRS 13A.350, 150.025

NECESSITY AND FUNCTION: This regulation pertains to the deer gun and archery season and the turkey archery season on special deer areas. This regulation is necessary for the continued protection of the species listed herein, and to insure a permanent and continued supply of the wildlife resource for the purpose of furnishing sport and recreation for present and future residents of the state. The function of this regulation is to provide for the prudent taking of deer and turkey within reasonable limits based upon an adequate supply. This amendment is necessary to establish current season dates and hunting rules.

Section 1. Deer and turkey Season on Special Deer Areas. Unless stated herein, statewide deer gun and archery season regulations apply. These areas are open only on the dates specified below for the species mentioned herein.

(1) Land Between the Lakes Wildlife Management Area (LBL) located in Trigg and Lyon Counties.

(a) Deer archery hunts (either sex): White-tailed or fallow deer. October 1 [2] through November 11 and December 13 [14] through December 31.

(b) Quota deer hunts:

1. Quota gun hunts: White-tailed or fallow deer and sex as specified on permit. November 14, 19-20, 25-26 and 29-30 [23-24, and 26-27].

2. Quota archery hunts: White-tailed or fallow deer as specified on permit, in that portion of the Environmental Education Area designated as hunt area 17. November 15-17, 19-21, and November 29-December 1 [November 30-December 1, 4-5, and 7-8].

(c) Turkey archery hunts: One (1) turkey of either sex during the deer archery hunts as specified in subsection (1)(a) of this section. Hunter must have a valid wild turkey permit in possession when a turkey is taken. Turkey hunting will not be allowed after a hunter has harvested a deer.

(d) Quota deer gun hunt for youths only: One (1) white-tailed deer or fallow of either sex on November 15-16 [16-17]. Hunting is restricted to persons at least ten (10) years of age but who have not reached their sixteenth birthday. Each youth must be accompanied by an adult and must have a valid Kentucky hunting license, a state deer permit, an LBL Youth Hunt Permit and a

state approved Hunter Safety Certificate.

(e) Bag limits: The deer bag limit for the Kentucky portion of LBL is two (2) deer; provided only one (1) deer of either sex is taken during the Land Between the Lakes deer archery season, and one (1) deer is taken during any quota gun or quota archery hunts at LBL.

(f) Areas open and closed to hunting: State line to Barkley Canal is open to hunting except for developed public use areas (unless posted as open), safety zones and areas posted as closed.

(g) Youth and quota hunt applications: Hunters will be selected by a drawing. Application forms are available from, and must be submitted to, Quota Deer Hunt, Land Between the Lakes, Golden Pond, Kentucky 42231. Completed applications must be received by the wildlife staff at the Land Between the Lakes Administrative Office no later than 3:30 p.m. on the last Wednesday in July.

(h) Checking in and out:

1. Quota gun hunters. All gun hunters, including those camping in LBL, must check in prior to hunting, but will not be required to check out unless a deer is harvested. Hunters must check in between 9:00 a.m. and 5:00 p.m. the day before the hunt, or after 4:00 a.m. on hunt days. Check stations will be open from 4:00 a.m. to 6:30 p.m. (CST) on hunt days.

2. Archery hunters. Archery hunters are not required to check in or out except on quota hunts. All deer and turkey harvested must be checked out.

(i) Permits and tagging requirements:

1. Permits. An LBL hunter use permit is required for each hunter participating in the deer and turkey archery season and an LBL computer card permit is required for each hunter participating in the quota gun or quota archery deer hunts.

2. Tags. All harvested deer and turkey must be tagged with an LBL permanent game tag before being removed from the area. Hunters eligible to harvest a second deer at LBL must present their stamped (at a check station) and punched "A" tag portion of their Kentucky first deer permit. They will be issued a free Land Between the Lakes permanent game tag which must be accompanied by a Kentucky second deer permit to be valid. Permanent LBL game tags will be attached to all harvested deer and turkey at LBL check stations.

(j) Prohibited and permitted weapons. All deer hunting weapons listed in the statewide deer gun and archery season regulation are permitted except for crossbows and muzzle-loading handguns.

(k) The taking of coyotes: Hunters participating in the quota gun hunts may take coyotes provided they have not yet taken their deer.

(l) For LBL general hunting rules refer to 301 KAR 2:050.

(2) Fort Campbell Wildlife Management Area located in Christian and Trigg Counties. There will be no hunting on Mondays and Tuesdays except when Monday or Tuesday is a federal holiday or as follows: December 22-23 and 29-30 [23-24 and 30-31], then hunting will be permitted. There will be no hunting on December 25 and January 1.

(a) Deer archery and muzzle-loading rifles (either sex): September 27 [28] through October 10 [11].

(b) Deer gun and archery (either sex): October 11 [12] through November 23 [24] and December 13 [14] through December 31 on selected areas.

(c) Turkey archery season: Gobblers only with visible beards. Statewide season limits apply. September 27 [28] through October 10 [11]. Only those turkey hunters who possess valid deer and turkey hunting permits are permitted to hunt turkey at this time. Turkey hunting will not be permitted after a hunter has harvested a deer.

(d) White turkey season: Either sex white turkeys. The post bag limit is one (1) white turkey per deer gun season. Statewide and post season limits on white turkey do not apply to the taking of other turkey October 11 through November 23 and December 13 through 31. Only those turkey hunters who possess valid deer and turkey hunting permits are permitted to hunt turkey at this time. Turkey hunting will not be permitted after a hunter has harvested a deer.

(e) [(d)] Bag limits: The bag limit for Kentucky license holders hunting on Fort Campbell will be two (2) deer of either sex taken by either gun or bow. Prior to November 23 [24], once a hunter has taken his first deer on Fort Campbell, he is not eligible for weekend drawings (i.e., he can only hunt on Wednesdays through Fridays or on weekend standby) until the reopening of deer hunting on December 13 [14]. At that time if he has not harvested his limit he is eligible for the weekend drawing until he has taken his limit.

(f) [(e)] Permits and tagging requirements:

1. Deer hunters must purchase a fifteen (15) dollar post hunting and fishing permit which includes a Fort Campbell deer tag, at building #6645. All Fort Campbell deer hunters must also have a valid Kentucky deer permit. Persons sixty-five (65) years of age or older are not required to purchase a post hunting and fishing permit.

2. All deer taken on post by Kentucky hunters must have a valid Kentucky first or second deer tag attached to the carcass and the "A" tag portion of the permit stamped by post authorities at building #6645.

(g) [(f)] Prohibited and permitted weapons: Handguns and crossbows are prohibited. Center-fire rifles will be permitted only in areas west of Palmyra Road. All rifles must be equipped with telescopic sights. Hunting arrows must be not less than twenty-four (24) inches in length, equipped with broadhead barbed blades not less than seven-eighths (7/8) inch nor more than two (2) inches wide for single two (2) edged blades, or not more than three (3) or more blades. The minimum weight for all broadheads is 100 grains. Explosive heads are prohibited on arrows.

(h) [(g)] Hunter safety certificate: All deer hunters between the ages of twelve (12) and eighteen (18) must possess a hunter safety certificate.

(i) [(h)] Special clothing requirements: All

deer gun hunters must wear a cap and jacket or panels of daylight fluorescent orange totaling 500 square inches.

(3) Fort Knox Wildlife Management Area located in Hardin, Bullitt and Meade Counties:

(a) Deer archer hunt (either sex): October 11 [19] through November 11 [17].

(b) Deer gun hunt (either sex): November 22-23, 29-30 [23-24], [November 30-December 1] and December 6-7 [14-15].

(c) Bag limits: The post bag limit is one (1) deer of either sex.

(d) Applications: Separate applications are required for archery and gun hunts.

1. Archery hunts: Civilians not working on post must apply for weekend archery hunts by mail. No more than five (5) hunters may apply on any one (1) application. Applications must not be postmarked earlier than July 12 [13] or later than July 27 [28] to be considered for the drawing for weekend archery hunts. Applicants drawn will be assigned one (1) weekend of archery hunting. Applications must include type of hunt (archery), name and address of each hunter, a self-addressed stamped envelope and a twenty (20) dollar money order, certified check or cashier's check for each hunter, made payable to Treasurer of the United States. Mail applications to Morale Support Activities, Hunt Control Office, Fort Knox, Kentucky 40121. Weekday archery hunting will be on a first come, first served basis. Sign-up for weekday hunts must be made forty-eight (48) hours in advance at Hunt Control Headquarters Building 1060.

2. Gun hunts: Civilians not working on post must apply for a two (2) day gun hunt by mail. No more than five (5) hunters may apply on any one (1) application. Applications must not be postmarked earlier than August 2 [10] or later than August 24 [18] to be considered for a random drawing. Hunters will be assigned one (1), two (2) day hunting period. Applications must contain the type of hunt (gun), names and addresses of each hunter a self-addressed stamped envelope and a twenty (20) dollar money order, certified check or cashier's check for each hunter, made payable to Treasurer of the United States. Mail applications to Morale Support Activities, Hunt Control Office, Fort Knox, Kentucky 40121.

(e) Check stations and validation of state deer permit: All deer taken during the archery season must be checked in at Building 1060. Deer taken during the gun hunts must be checked in at Building 7331 on 9th Avenue. Deer tags must be stamped "Taken at Fort Knox" to be valid.

(f) Hunting hours: One-half (1/2) hour before sunrise until 5:00 p.m. local prevailing time. Hunters must clear hunt control by 7:00 p.m.

(g) Prohibited and permitted weapons: Only breech-loading and muzzle-loading shotguns of twelve (12) gauge maximum and twenty (20) gauge minimum firing a single projectile, and muzzle-loading rifles of .38 caliber to .58 caliber firing a single projectile will be permitted. Hunters may have only ten (10) shots of ammunition in possession for any one (1) hunting day. Crossbows are prohibited.

(h) Hunter safety certificates: All deer hunters under the age of sixteen (16) must possess a hunter safety certificate.

(4) Blue Grass Ordnance Depot Activity located in Madison County:

(a) Deer archery hunts: During the month of October and November.

(b) Deer gun hunts: During the month of November and December.

(c) Bag limits: The post bag limit is one (1) deer of the sex announced on the day of the hunt.

(d) Applications: Hunters may submit applications for archery or gun hunts, but not for both. Applications for the drawings must be made on a postcard with only one (1) hunter allowed per card. More than one (1) postcard per individual will disqualify the applicant. When a husband and wife or adult and juvenile or a maximum of two (2) people desire to hunt together, the required information may be written on individual three (3) inch by five (5) inch cards, stapled together, and mailed in one (1) envelope. Each applicant must furnish name and address (including zip code), telephone number and specify whether gun or archery hunting is desired. Hunters, their hunting dates and areas will be selected by a drawing. All cards or envelopes must be postmarked no earlier than August 10 or later than September 9 to be eligible for the drawing. A fifteen (15) dollars per person fee will be charged for hunting payable on the assigned hunting date. Mail all applications to: Commander, Lexington-Blue Grass Depot Activity, Attention: Chairman, Wildlife Management Subcommittee, Lexington, Kentucky 40511-5000.

(e) Age limits: No one under the age of ten (10) will be allowed to hunt. Hunters under eighteen (18) must be accompanied by an adult.

(f) Prohibited and permitted weapons: Only breech-loading shotguns are permitted. Only longbows and compound bows having a pull weight of forty (40) pounds or greater are permitted. Crossbows are prohibited.

(g) Harvest quota: Hunting will be discontinued whenever the designated deer harvest quota is reached or upon the direction of the Activity Commander.

(h) Hunter safety certificates: All deer hunters born after January 1, 1970 must possess a hunter safety certificate.

(5) Reelfoot National Wildlife Refuge located in Fulton county.

(a) Deer quota gun hunts: Open to either sex deer beginning the first Saturday in November and lasting for two (2) consecutive days and either sex deer beginning the third Saturday in November and lasting for two (2) consecutive days.

(b) Drawing: Only those persons selected by a drawing will be allowed to gun hunt. Hunters may hunt for one (1) day only.

(c) Deer archery hunt: Open to either sex deer beginning the third Saturday in October and lasting for five (5) consecutive days.

(d) [(c)] Bag limits: The refuge bag limit is one (1) deer of either sex.

(e) [(d)] Check stations: All gun deer hunters are required to check in and out at designated check stations.

(6) Westvaco public hunting area. All persons hunting must possess a valid Westvaco hunting permit.

DON R. MCCORMICK, Commissioner
CHARLES E. PALMER, JR., Chairman
G. WENDELL COMBS, Secretary

APPROVED BY AGENCY: May 9, 1986

FILED WITH LRC: May 13, 1986 at 10 a.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation will be held on June 23, 1986 at 10 a.m. in the meeting room of the Arnold L.

Mitchell Building, #1 Game Farm Road, Frankfort, KY. Those interested in attending this hearing shall contact: William D. Graves, Director, Wildlife Division, Department of Fish and Wildlife Resources, Arnold L. Mitchell Building, #1 Game Farm Road, Frankfort, Kentucky 40601.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Don R. McCormick

(1) Type and number of entities affected: An estimated 160,000 persons will participate in white-tailed deer hunting, and an estimated 3,000 persons will participate in wild turkey hunting in 1986. An unknown portion of these will avail themselves of the hunting opportunities offered on the federal installations spoken to in this regulation.

(a) Direct and indirect costs or savings to those affected: Direct and indirect costs involve the purchase of a state hunting license, one or two deer permits, and special hunting permits required by the administration of the federal installations. Indirect costs are determined by the individual hunter, depending on his level of participation.

1. First year: Persons participating in the deer hunting proposed for authorization by this regulation would be required to possess a valid hunting license (\$7.50 for residents) and a deer permit (\$11.50) unless exempt by regulations. Those participating in turkey hunting would be required to also purchase a turkey permit (\$6.50).

2. Continuing costs or savings: Same as first year.

3. Additional factors increasing or decreasing costs (note any effects upon competition): The taking of a second deer would require the purchase of a second deer permit (\$11.50). An additional hunting fee is charged by Fort Knox, Blue Grass Ordnance Depot Activity, and Fort Campbell.

(b) Reporting and paperwork requirements: Hunters will be asked to check their deer and turkey at a check station and fill out a portion of their tag denoting specific information about the deer and turkey taken. Hunters must complete applications for drawing hunts.

(2) Effects on the promulgating administrative body: Requires time and effort in developing, publishing, reporting on, and enforcing the proposed regulation.

(a) Direct and indirect costs or savings: Primary costs are associated with promulgation and enforcement of the regulation.

1. First year: The estimated department cost associated with establishing and carrying out the provisions of this regulation is \$2,500.

2. Continuing costs or savings: Same as first year.

3. Additional factors increasing or decreasing costs: None

(b) Reporting and paperwork requirements: None

(3) Assessment of anticipated effect on state and local revenues: Deer and turkey hunters may be expected to expend money for equipment, transportation, food and lodging. The annual expenditure for these items averages \$25 per day of hunting according to the 1980 National Hunting and Fishing Survey. State and local revenues can be expected to be positively affected due to the necessary expenditures for the required licenses and taxes levied upon items purchased by hunters.

(4) Assessment of alternative methods; reasons why alternatives were rejected: The only alternative to regulated hunting is closure of the season. This alternative was rejected as contrary to the conservation ethic which is based on the wise use of renewable resources and the fact that white-tailed deer and turkey populations are at levels which can sustain a regulated harvest by Kentucky sportsmen.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None known.

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. This type of regulation does not appear to be adaptable to the tiering process since it is specific to deer hunters.

CORRECTIONS CABINET (Proposed Amendment)

501 KAR 6:020. Corrections policies and procedures.

RELATES TO: KRS Chapters 196, 197, 439
PURSUANT TO: KRS 196.035, 197.020, 439.470, 439.590, 439.640

NECESSITY AND FUNCTION: KRS 196.035, 197.020, 439.470, 439.590, and 439.640 authorize the secretary to adopt, amend or rescind regulations necessary and suitable for the proper administration of the cabinet or any division therein. These regulations are in conformity with those provisions.

Section 1. Pursuant to the authority vested in the Corrections Cabinet the following policies and procedures are incorporated by reference on May 15 [April 14], 1986 and hereinafter should be referred to as Corrections Policies and Procedures. Copies of the procedures may be obtained from the Office of the General Counsel, Corrections Cabinet, State Office Building, Frankfort, Kentucky 40601.

- 1.1 Legal Assistance for Corrections Staff
- 1.2 News Media
- 1.6 Extraordinary Occurrence Reports (Amended 5/15/86)
- 1.9 Institutional Duty Officer (Added 5/15/86)
- 1.11 Population Counts and Reporting Procedures
- 2.1 Inmate Canteen
- 3.1 Code of Ethics
- 3.2 Inclement Weather and Emergency Conditions Policy
- 3.3 Holding of Second Jobs by Bureau Employees
- 3.7 Employment of Relatives
- 3.10 Staff Clothing and Personal Appearance
- 3.12 Institutional Staff Housing
- 3.14 Corrections Cabinet Payroll Deduction Policy and Procedure
- 4.1 Attendance at Professional Meetings
- 4.2 Staff Training and Development
- 4.3 Firearms and Chemical Agents Training
- 4.4 Educational Assistance Program
- 6.1 Open Records Law

- 8.4 Emergency Preparedness
- 9.1 Use of Force
- 9.3 Transportation of Convicted Offenders
- 9.4 Transportation of Inmates to Funerals or Bedside Visits
- 9.5 Return of Escapees by Automobile
- 9.6 Contraband
- 9.7 Storage, Issue and Use of Weapons Including Chemical Agents
- 9.8 Search Policy (Amended 5/15/86)
- 9.9 Transportation of Inmates
- 9.10 Security Inspections
- 9.15 Institutional Entry and Exit Policy and Procedures
- 9.18 Informants
- 10.1 Inmates Serving a Sentence of Death
- 10.2 Special Management Inmates
- 10.3 Safekeepers
- 10.4 Special Needs Inmates
- 11.2 Nutritional Adequacy of the Diet for Inmates
- 11.3 Special Diet Procedures
- 12.1 Resident Clothing
- 13.1 Pharmacy Policy and Formulary
- 13.2 Health Maintenance Services
- 13.3 Medical Alert System
- 13.4 Health Program Audits
- 14.2 Personal Hygiene Items
- 14.3 Marriage of Inmates
- 14.4 Legal Services Program
- 14.6 Inmate Grievance Procedure (Deleted 5/15-86) [(Added 4/14/86)]
- 15.1 Hair and Grooming Standards
- 15.2 Offenses and Penalties
- 15.3 Meritorious Good Time
- 15.4 Governor's Meritorious Good Time Award
- 15.5 Restoration of Forfeited Good Time
- 15.6 Adjustment Procedures and Programs
- 16.1 General Inmate Visiting Procedure
- 16.2 Inmate Correspondence
- 16.3 Telephone Calls
- 17.1 Inmate Personal Property
- 17.2 Assessment Center Operations
- 17.3 Controlled Intake of Inmates
- 18.4 Classification of the Inmate
- 18.5 Custody/Security Guidelines (Amended 5/15/86)
- 18.6 Classification Document
- 18.7 Transfers
- 18.8 Guidelines for Transfers Between Institutions (Amended 5/15/86)
- 18.9 Out-of-State Transfers
- 18.10 Pre-Parole Progress Reports
- 18.11 Kentucky Correctional Psychiatric Center Transfer Procedures
- 18.12 Referral Procedure for Inmates Adjudicated Guilty But Mentally Ill
- 18.13 Population Categories
- 19.1 Government Services Projects
- 19.2 Community Services Projects
- 20.1 Study Release
- 20.6 Vocational Study Release
- 22.1 Privilege Trips
- 25.1 Gratuities
- 25.2 Public Official Notification of Release of an Inmate
- 25.3 Pre-Release
- 25.4 Inmate Furloughs
- 25.6 Community Center Program
- 25.7 Expedient Release
- 25.8 Extended Furloughs
- 27.1 Supervision: Case Classification
- 27.2 Risk/Needs Administration
- 27.4 Supervision Plan: General
- 27.8 Travel Restrictions

- 27.9 Conditions of Supervision
- 27.10 Preliminary Revocation Procedures
- 27.11 Apprehension and Transportation of Violators of Probation, Parole and Conditional Release
- 27.12 Fugitive Section/Probation and Parole
- 27.13 Supervision Fee
- 27.18 Absconder Procedures
- 27.19 Technical Violators
- 27.20 Intensive Supervision [(Amended 4/14/86)]
- 28.2 Investigations: General
- 28.3 Pre-Sentence Investigations (To the Court)
- 28.4 Pre-Parole (Pre-Sentence) Investigation (To the Institution and State Parole Board)
- 28.5 Special Report to the Parole Board
- 28.7 Out-of-State Investigations

GEORGE W. WILSON, Secretary

APPROVED BY AGENCY: May 15, 1986

FILED WITH LRC: May 15, 1986 at noon

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. at the auditorium in the State Office Building. Those interested in attending this hearing shall notify in writing: Barbara Jones, Office of General Counsel, 5th Floor, State Office Building, Frankfort, Kentucky 40601.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Barbara W. Jones

(1) Type and number of entities affected: 2,010 employees of the Corrections Cabinet, 4,685 inmates, 3,378 parolees, 6,679 probationers, and all visitors to state correctional institutions.

(a) Direct and indirect costs or savings to those affected:

1. First year: None

2. Continuing costs or savings: None

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: None. All of the costs involved with the implementation of the regulation are included in the operational budget.

2. Continuing costs or savings: Same as (2)(a)1.

3. Additional factors increasing or decreasing costs: Same as (2)(a)1.

(b) Reporting and paperwork requirements: Monthly submission of policy revisions.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: None

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. All policies are administered in a uniform manner.

CORRECTIONS CABINET (Proposed Amendment)

501 KAR 6:030. Kentucky State Reformatory.

RELATES TO: KRS Chapters 196, 197, 439
PURSUANT TO: KRS 196.035, 197.020, 439.470, 439.590, 439.640

NECESSITY AND FUNCTION: KRS 196.035, 197.020, 439.470, 439.590, and 439.640 authorize the secretary to adopt, amend or rescind regulations necessary and suitable for the proper administration of the cabinet or any division therein. These regulations are in conformity with those provisions.

Section 1. Pursuant to the authority vested in the Corrections Cabinet the following policies and procedures are incorporated by reference on May 15 [April 14], 1986 and hereinafter should be referred to as Kentucky State Reformatory Policies and Procedures. Copies of the procedures may be obtained from the Office of the General Counsel, Corrections Cabinet, State Office Building, Frankfort, Kentucky 40601.

KSR 01-00-09 Public Information and News Media Relations

KSR 01-00-10 Entry Authorization for All Cameras and Tape Recorders Brought into the Institution

KSR 01-00-14 Extraordinary Occurrence Report

KSR 01-00-15 Cooperation and Coordination with Oldham County Court

KSR 01-00-18 Assistant Duty Officers

KSR 01-00-19 Personal Service Contract Personnel

KSR 01-00-20 Consent Decree Notification to Inmates

KSR 02-00-01 Inmate Canteen

KSR 02-00-03 Screening Disbursements from Inmate Personal Accounts

KSR 02-00-11 Inmate Personal Accounts

KSR 02-00-12 Institutional Funds and Issuance of Checks

KSR 03-00-01 Shift Assignment/Reassignment

KSR 03-00-02 Employee Dress and Personal Appearance

KSR 03-00-05 Intra-Agency Promotional Opportunity Announcements

KSR 03-00-06 Employee Time and Attendance

KSR 03-00-07 Travel Expense Reimbursement

KSR 03-00-08 Employee Tuition Assistance Reimbursement

KSR 03-00-10 Workers' Compensation

KSR 03-00-11 Equal Employment Opportunity Complaints

KSR 03-00-12 Employee Grievance Procedure

KSR 03-00-14 Prohibited Employee Conduct, Disciplinary Actions, and Appeal Process

KSR 03-00-15 Affirmative Action Program

KSR 03-00-16 Confidentiality of Personnel Records

KSR 03-00-19 Establishment of Personnel Records and Employee Right to Challenge Information Contained Therein

KSR 03-00-20 Personnel Selection, Retention and Promotion

KSR 03-00-21 Equal Employment Opportunities for Institutional Job Assignments and Job Classification Promotions

KSR 03-00-23 Work Planning and Performance Review (WPPR)

KSR 03-00-24 Inclement Weather and Employee Work Attendance

ADMINISTRATIVE REGISTER - 1846

KSR 03-00-25	Medical Examination Requirements for New Employees	KSR 15-00-01	Operational Procedures and Rules and Regulations for Unit A, B, and C
KSR 04-00-02	Staff Training and Development	KSR 15-00-02	Regulations Prohibiting Inmate Control or Authority Over Other Inmate(s)
KSR 05-00-02	Research Activities	KSR 15-00-03	Governor's Meritorious Good Time Award
KSR 05-00-03	Management Information Systems	KSR 15-00-04	Restoration of Forfeited Good Time
KSR 06-00-01	Inmate Master File	KSR 15-00-05	Differential Status for SU (QUIT) Inmates
KSR 06-00-02	Records Audit	KSR 15-00-06	Inmate I.D. Cards (Amended 5/15/86)
KSR 06-00-03	Kentucky Open Records Law	KSR 15-00-07	Inmate Rules and Discipline - Adjustment Committee Procedures
KSR 07-00-02	Institutional Tower Room Regulations	KSR 15-00-08	Firehouse Living Area
KSR 07-00-03	Guidelines for Contractors	KSR 16-00-01	Visiting Regulations
KSR 08-00-07	Inmate Family Emergency - Life Threatening Illness or Death in Inmate's Immediate Family	KSR 16-00-02	Inmate Correspondence and Mailroom Operations
KSR 08-00-08	Notification of Inmate Family in Case of Serious Injury, Critical Medical Emergency, Major Surgery, or Death of an Inmate	KSR 16-00-03	Inmate Access to Telephones
KSR 08-00-09	Emergency Preparedness Training	KSR 17-00-01	Housing Unit Assignment
KSR 09-00-04	Horizontal Gates/Box 1 Entry and Exit Procedure	KSR 17-00-03	Notifying Inmates' Families of Admission and Procedures for Mail and Visiting
KSR 09-00-05	Gate I Entrance and Exit Procedure	KSR 17-00-04	Assessment/Classification Center Operations, Rules and Regulations
KSR 09-00-14	Use of Force	KSR 17-00-05	Dormitory 10 Operations
KSR 09-00-21	Crime Scene Camera	KSR 17-00-06	Identification Department Admission and Discharge Procedures
KSR 09-00-22	Collection, Preservation, and Identification of Physical Evidence	KSR 17-00-07	Inmate Personal Property
KSR 09-00-23	Drug Abuse Testing	KSR 18-00-01	Special Management Inmates - Unit D Classification
KSR 09-00-25	Inmate Motor Vehicle Operator's License	KSR 18-00-04	Returns from Other Institutions
KSR 10-00-02	Special Management Inmates - Operations, Rules and Regulations for Unit D	KSR 18-00-05	Transfer of Residents to Kentucky Correctional Psychiatric Center
KSR 10-00-03	Special Needs Unit	KSR 18-00-06	Classification
KSR 10-00-04	Unit D Admission/Release Ticket	KSR 18-00-07	Special Notice Form
KSR 11-00-01	Meal Planning for the General Population	KSR 19-00-01	Inmate Work Incentives
KSR 11-00-02	Special Diets	KSR 19-00-02	On-the-Job Training Program
KSR 11-00-03	Food Service Inspections	KSR 19-00-03	Safety Inspections of Inmate Work Assignment Locations
KSR 11-00-04	Dining Room Dress Code for Inmates	KSR 20-00-01	Vocational School Referral and Release Process
KSR 11-00-06	Health Standards/Regulations for Food Service Employees	KSR 20-00-03	Academic School Programs
KSR 11-00-07	Early Chow Line Passes for Medically Designated Inmates	KSR 20-00-04	Criteria for Participation in Jefferson Community College Program
KSR 12-00-01	Inmate Summer Dress Regulations	KSR 20-00-08	Integration of Vocational and Academic Education Programs
KSR 12-00-02	Sanitation and General Living Conditions	KSR 21-00-01	Legal Aide Office and Law Library Services and Supervision
KSR 12-00-03	State Items Issued to Inmates	KSR 21-00-02	Inmate Library Services
KSR 12-00-07	Regulations for Inmate Barbershop	KSR 21-00-03	Library Services for Unit D
KSR 13-00-01	Identification of Mentally Retarded Inmates	KSR 22-00-03	Inmate Organizations
KSR 13-00-02	Regulations for Hospital Patients	KSR 23-00-02	Chaplain's Responsibility and Inmate Access to Religious Representatives
KSR 13-00-03	Medication for Inmates Leaving Institution Grounds	KSR 23-00-03	Religious Programming
KSR 13-00-04	Dental Care for Inmates	KSR 25-00-01	Discharge of Residents to Hospital or Nursing Home
KSR 13-00-05	Medical and Dental Sick Call	KSR 25-00-02	Violations of Law or Code of Conduct by Inmates on Parole Furlough
KSR 13-00-07	Referral of Inmates Considered to Have Severe Emotional Disturbances	KSR 25-00-03	Pre-Parole Progress Report
KSR 13-00-08	Institutional Laboratory Procedures		
KSR 13-00-09	Institutional Pharmacy Procedures		
KSR 13-00-10	Requirements for Medical Personnel		
KSR 13-00-11	Preliminary Health Evaluation and Establishment of Inmate Medical Record		
KSR 13-00-12	Vision Care/Optomety Services		
KSR 13-00-14	Periodic Health Examinations for Inmates		
KSR 13-00-15	Medical Alert System		
KSR 13-00-16	Suicide Prevention and Intervention Program		
KSR 14-00-01	Inmate Rights		
KSR 14-00-02	A/C Center and Unit D Inmate Access to Legal Aide Services		
KSR 14-00-04	Inmate Grievance Procedure		

GEORGE W. WILSON, Secretary
 APPROVED BY AGENCY: May 15, 1986
 FILED WITH LRC: May 15, 1986 at noon
 PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. at the auditorium in the State Office Building. Those interested in attending this hearing shall notify in writing: Barbara Jones, Office of General Counsel, 5th Floor, State Office Building, Frankfort, Kentucky 40601.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Barbara W. Jones

(1) Type and number of entities affected: 485 employees of the Kentucky State Reformatory, 1,425 inmates, and all visitors to state correctional institutions.

(a) Direct and indirect costs or savings to those affected:

1. First year: None

2. Continuing costs or savings: None

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: None. All of the costs involved with the implementation of the regulation are included in the operational budget.

2. Continuing costs or savings: Same as (2)(a)1.

3. Additional factors increasing or decreasing costs: Same as (2)(a)1.

(b) Reporting and paperwork requirements: Monthly submission of policy revisions.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: None

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. All policies are administered in a uniform manner.

**CORRECTIONS CABINET
(Proposed Amendment)**

501 KAR 6:040. Kentucky State Penitentiary.

RELATES TO: KRS Chapters 196, 197, 439

PURSUANT TO: KRS 196.035, 197.020, 439.470, 439.590, 439.640

NECESSITY AND FUNCTION: KRS 196.035, 197.020, 439.470, 439.590, and 439.640 authorize the secretary to adopt, amend or rescind regulations necessary and suitable for the proper administration of the cabinet or any division therein. These regulations are in conformity with those provisions.

Section 1. Pursuant to the authority vested in the Corrections Cabinet the following policies and procedures are incorporated by reference on May 15 [April 14], 1986 and hereinafter should be referred to as Kentucky State Penitentiary Policies and Procedures. Copies of the procedures may be obtained from the Office of the General Counsel, Corrections Cabinet, State Office Building, Frankfort, Kentucky 40601.

KSP 000000-06 Administrative Regulations
KSP 010000-04 Public Information and Media Communication

KSP 020000-01 General Guidelines for KSP Employees
KSP 020000-02 Service Regulations, Attendance, Hours of Work, Accumulation and Use of Leave
KSP 020000-03 Work Planning and Performance Review (WPPR)
KSP 020000-04 Employee Disciplinary Procedure
KSP 020000-05 Proper Dress for Uniformed and Non-Uniformed Personnel
KSP 020000-06 Employee Grievance Procedure
KSP 020000-07 Personnel Registers and Advertisements
KSP 020000-09 Maintenance, Confidentiality, and Informational Challenge of Material Contained in Personnel Files
KSP 020000-10 Overtime Policy
KSP 020000-15 Legal Assistance
KSP 020000-20 Equal Employment Opportunity Complaints
KSP 020000-23 Recruitment and Employment of Ex-Offenders
KSP 020000-24 Educational Assistance Program
KSP 020000-29 Promotional Opportunity Announcement Program
KSP 030000-01 Inventory Records and Control
KSP 030000-04 Requisition and Purchase of Supplies and Equipment
KSP 030000-05 Inmate Personal Funds
KSP 030000-06 Inmate Commissary Program
KSP 040000-02 Inmate Records Section
KSP 040000-08 Inmate Equal Opportunity Policy
KSP 050000-14 Searches of Inmates, Visitors, Staff, Vehicles, Cells and Area Shakedown and Preservation of Evidence
KSP 060000-01 Special Security Unit
KSP 060000-02 Operational Procedures for Disciplinary Segregation, Administrative Segregation, Administrative Control and Behavioral Control Units
KSP 060000-04 Protective Custody Unit
KSP 060000-11 Criteria for Disciplinary Segregation and Incentive Time Reduction Program
KSP 060000-12 Maximum Protective Custody
KSP 070000-01 Hospital Services
KSP 070000-02 Sick Call
KSP 070000-03 Health Evaluations
KSP 070000-04 Consultations
KSP 070000-05 Emergency Medical Procedure
KSP 070000-13 Pharmacy Procedures
KSP 070000-14 Medical Records
KSP 070000-16 Psychiatric and Psychological Services
KSP 070000-17 Dental Services for Special Management Units
KSP 070000-19 Optometric Services
KSP 070000-20 Menu Preparation and Planning
KSP 070000-24 Food Service, General Sanitation, Safety, and Protection Standards and Requirements
KSP 070000-25 Food Service Inspections
KSP 070000-30 Therapeutic Diets
KSP 090000-01 Inmate Work Programs
KSP 090000-03 Correctional Industries
KSP 100000-02 Visiting Program
KSP 100000-03 Disposition of Unauthorized Property
KSP 100000-04 Inmate Grooming and Dress Code
KSP 100000-05 Procedures for Providing Clothing, Linens and Other Personal Items

KSP 100000-06 Mail
 KSP 100000-07 Inmate Telephone Access
 KSP 100000-08 Behavioral Counseling Record
 KSP 100000-09 Due Process/Disciplinary Procedures
 KSP 100000-11 Authorized and Unauthorized Property for Inmates (Amended 5/15/86)
 KSP 100000-14 Property Room: Clothing Storage and Inventory
 KSP 100000-15 Uniform Standards for Fire Safety, Sanitation and Security of all Cells
 KSP 100000-18 Inmate Grievance Committee Hearings
 KSP 100000-20 Legal Services Program
 KSP 100000-21 Photocopies for Non-Indigent Inmates with Special Court Deadlines
 KSP 100000-22 Special Management Unit Legal Services Program (Amended 5/15/86)
 KSP 100000-23 Inmate Legal Office/Legal Library (Added 5/15/86)
 KSP 100000-24 Resident Legal Services Office Library (Deleted 5/15/86)
 KSP 100000-25 WKFC Resident - Access to Kentucky State Penitentiary Legal Library (Deleted 5/15/86)
 KSP 110000-03 Governor's Meritorious Good Time Award Committee
 KSP 110000-04 Pre-Parole Progress Report
 KSP 110000-06 General Guidelines of the Classification Committee
 KSP 110000-07 Statutory Good Time Restoration
 KSP 110000-08 Award of Meritorious Good Time (Amended 5/15/86)
 KSP 110000-10 Special Needs Inmates
 KSP 110000-11 Classification Committee - Transfer Requests
 KSP 110000-12 Classification Committee - Inmate Work Assignments
 KSP 110000-13 Classification Document
 KSP 110000-14 Vocational School Placement
 KSP 110000-15 Transfers to Kentucky Correctional Psychiatric Center (KCPC)
 KSP 110000-16 Consideration of Further Treatment Requirements for Inmates Prior to Release
 KSP 110000-19 Custody/Security Guidelines
 KSP 120000-04 Academic Education
 KSP 120000-07 Community Center Program
 KSP 120000-08 Inmate Furloughs
 KSP 120000-11 Religious Services - Staffing
 KSP 120000-18 Religious Services - Religious Programming
 KSP 120000-20 Marriage of Inmates
 KSP 120000-24 Muslim Services
 KSP 120000-31 Extended Furloughs
 KSP 120000-32 Discharge of Inmates by Shock Probation
 KSP 130000-10 Execution Plan

GEORGE W. WILSON, Secretary

APPROVED BY AGENCY: May 15, 1986

FILED WITH LRC: May 15, 1986 at noon

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. at the auditorium in the State Office Building. Those interested in attending this hearing shall notify in writing: Barbara Jones, Office of General Counsel, 5th Floor, State Office Building, Frankfort, Kentucky 40601.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Barbara W. Jones

(1) Type and number of entities affected: 300 employees of the Kentucky State Penitentiary, 802 inmates, and all visitors to state correctional institutions.

(a) Direct and indirect costs or savings to those affected:

1. First year: None

2. Continuing costs or savings: None

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: None. All of the costs involved with the implementation of the regulation are included in the operational budget.

2. Continuing costs or savings: Same as (2)(a)1.

3. Additional factors increasing or decreasing costs: Same as (2)(a)1.

(b) Reporting and paperwork requirements: Monthly submission of policy revisions.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: None

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. All policies are administered in a uniform manner.

CORRECTIONS CABINET
(Proposed Amendment)

501 KAR 6:050. Luther Lockett Correctional Complex.

RELATES TO: KRS Chapters 196, 197, 439

PURSUANT TO: KRS 196.035, 197.020, 439.470, 439.590, 439.640

NECESSITY AND FUNCTION: KRS 196.035, 197.020, 439.470, 439.590, and 439.640 authorize the secretary to adopt, amend or rescind regulations necessary and suitable for the proper administration of the cabinet or any division therein. These regulations are in conformity with those provisions.

Section 1. Pursuant to the authority vested in the Corrections Cabinet the following policies and procedures are incorporated by reference on May 15 [April 14], 1986 and hereinafter should be referred to as Luther Lockett Correctional Complex Policies and Procedures. Copies of the procedures may be obtained from the Office of the General Counsel, Corrections Cabinet, State Office Building, Frankfort, Kentucky 40601.

ADMINISTRATIVE REGISTER - 1849

LLCC 01-08-01	Institutional Legal Assistance	LLCC 15-06-03	Emergency Medical/Dental Care Services
LLCC 01-09-01	Public Information and News Media Access	LLCC 15-06-04	First Aid/CPR Training Program
LLCC 01-12-01	Duty Officer Responsibilities	LLCC 15-06-05	Suicide Prevention and Intervention Program
LLCC 02-01-02	Fiscal Management: Accounting Procedures	LLCC 15-07-01	Health Records
LLCC 02-01-03	Fiscal Management: Agency Funds	LLCC 15-08-01	Special Diets
LLCC 02-01-04	Fiscal Management: Insurance	LLCC 15-12-01	Special Needs Unit
LLCC 02-03-01	Fiscal Management: Audits	LLCC 15-14-01	Informed Consent
LLCC 02-06-01	Property Inventory	LLCC 15-15-01	Medical Restraints
LLCC 03-01-01	General Guidelines for LLCC Employees	LLCC 15-16-01	Health Education/Special Health Programs
LLCC 03-01-02	Service Regulations, Attendance Accumulation and use of Leave (<u>May 15, 1986</u>)	LLCC 16-01-01	Inmate Rights and Responsibilities
LLCC 03-02-01	Proper Dress for Uniformed Personnel	LLCC 16-02-01	Inmate Grievance Procedure
LLCC 03-03-01	Employee Grievance Mechanism	LLCC 16-03-01	Inmate Legal Services
LLCC 03-04-01	Employee Records (<u>Amended 5/15/86</u>)	LLCC 17-01-01	Due Process/Disciplinary Procedure
LLCC 03-05-01	Personnel Registers (<u>Amended 5/15/86</u>)	LLCC 18-01-01	Inmate Correspondence (<u>Amended 5/15/86</u>)
LLCC 03-06-01	Work Planning: Employee Evaluations and Evaluation Control	LLCC 18-01-02	<u>Issuance of Legal Mail to Inmate Population (Added 5/15/86)</u>
LLCC 03-08-01	Shift Transfers	LLCC 18-02-01	Inmate Visiting
LLCC 03-08-02	Rotation of Correctional Officers Between Central Security and Unit Management Staff	LLCC 18-02-03	Extended Visit and Furloughs
LLCC 03-09-01	Promotion Board (<u>Amended 5/15/86</u>)	LLCC 18-02-04	Meritorious Visits
LLCC 03-10-01	Affirmative Action: EEO (<u>Amended 5/15/86</u>)	LLCC 18-03-03	Inmate Visiting (DSU/ASU)
LLCC 03-12-01	Confidentiality of Information Roles and Services of Consultants, Contract Personnel and Volunteers	LLCC 20-01-01	Personal Property Control
LLCC 08-01-01	Offender Records	LLCC 20-02-01	Authorized Inmate Personal Property (<u>Amended 5/15/86</u>)
LLCC 08-04-01	Storage of Expunged Records	LLCC 20-03-01	Unauthorized Items
LLCC 10-03-09	Duties and Responsibilities of Building 1 and 2 Officer	LLCC 20-04-02	Inmate Canteen
LLCC 11-03-01	LLCC Population Categories	LLCC 20-05-01	Inmate Control of Personal Funds
LLCC 11-07-01	Adjustment Procedures for Minor Rule Violations	LLCC 20-05-02	Storage and Disposition of Monies Received on Weekends, Holidays, and Between 4 p.m. and 8 a.m. Weekdays
LLCC 11-09-01	Rules and Regulations of the Unit	LLCC 20-06-01	Procedure for Sending Appliances to Outside Dealers for Repair
LLCC 11-13-01	Inmate Dress and Use of Access Areas	LLCC 21-02-01	Classification/Security Levels
LLCC 11-15-01	Post-Parole Furloughs	LLCC 21-03-01	Classification Process
LLCC 11-16-01	Restoration of Forfeited Good Time	LLCC 22-01-01	OJT/Job Assignments
LLCC 11-18-02	Use of Monitor Telephone	LLCC 23-01-01	Academic School
LLCC 11-19-01	Unit Shakedown/Control of Excess Property	LLCC 26-01-01	Religious Services
LLCC 11-20-01	Program Services for "Special Needs"/Mentally Ill Inmates	LLCC 28-01-01	Privileged Trips
LLCC 12-01-01	Special Management Inmates	LLCC 28-03-01	Temporary Release/Community Center Release
LLCC 12-04-01	Guidelines for (7E) PC Unit/General Living Conditions	LLCC 28-04-01	Pre-Parole Progress Report
LLCC 13-04-01	Food Service: Meals	LLCC 28-04-02	Parole Eligibility Dates
LLCC 13-04-02	Food Service: Menu, Nutrition and Special Diets		
LLCC 13-05-02	Medical Screening of Food Handlers		
LLCC 13-06-01	Food Service: Inspections and Sanitation		
LLCC 13-07-01	Food Service: Purchasing, Storage and Farm Products		
LLCC 14-01-01	Sanitation, Living Condition Standards, and Cloting Issue		
LLCC 14-05-01	Institutional Inspections		
LLCC 15-01-01	Health Maintenance Services; Sick Call and Pill Call		
LLCC 15-02-01	Mental Health/Psychological Services		
LLCC 15-03-01	Pharmacy		
LLCC 15-03-02	Use of Psychotropic Medications		
LLCC 15-04-01	Dental Services		
LLCC 15-05-02	Licensure and Training Standards		
LLCC 15-06-02	Specialized Health Services		

GEORGE W. WILSON, Secretary

APPROVED BY AGENCY: May 15, 1986

FILED WITH LRC: May 15, 1986 at noon

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. at the auditorium in the State Office Building. Those interested in attending this hearing shall notify in writing: Barbara Jones, Office of General Counsel, 5th Floor, State Office Building, Frankfort, Kentucky 40601.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Barbara W. Jones

(1) Type and number of entities affected: 201 employees of the Luther Luckett Correctional Complex, 584 inmates, and all visitors to state correctional institutions.

(a) Direct and indirect costs or savings to those affected:

1. First year: None

2. Continuing costs or savings: None

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: None. All of the costs involved with the implementation of the regulation are included in the operational budget.

2. Continuing costs or savings: Same as (2)(a)1.

3. Additional factors increasing or decreasing costs: Same as (2)(a)1.

(b) Reporting and paperwork requirements: Monthly submission of policy revisions.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: None

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. All policies are administered in a uniform manner.

CORRECTIONS CABINET (Proposed Amendment)

501 KAR 6:060. Northpoint Training Center.

RELATES TO: KRS Chapters 196, 197, 439

PURSUANT TO: KRS 196.035, 197.020, 439.470, 439.590, 439.640

NECESSITY AND FUNCTION: KRS 196.035, 197.020, 439.470, 439.590, and 439.640 authorize the secretary to adopt, amend or rescind regulations necessary and suitable for the proper administration of the cabinet or any division therein. These regulations are in conformity with those provisions.

Section 1. Pursuant to the authority vested in the Corrections Cabinet the following policies and procedures are incorporated by reference on May 15 [April 14], 1986 and hereinafter should be referred to as Northpoint Training Center Policies and Procedures. Copies of the procedures may be obtained from the Office of the General Counsel, Corrections Cabinet, State Office Building, Frankfort, Kentucky 40601.

NTC 01-05-01 Extraordinary Occurrence Reports
NTC 01-10-01 Legal Assistance for Staff
NTC 01-11-01 Political Activities of Merit Employees (Amended 5/15/86)
NTC 01-15-01 Establishment of the Warden as Chief Executive Officer
NTC 01-17-01 Relationships with Public, Media and Other Agencies
NTC 02-01-02 Fiscal Management: Accounting Procedures
NTC 02-01-03 Fiscal Management: Checks
NTC 02-01-04 Fiscal Management: Insurance
NTC 02-03-01 Fiscal Management: Audits
NTC 02-08-01 Inmate Canteen
NTC 02-12-01 Inmate Personal Accounts
NTC 03-01-01 Employee Dress and Personal Appearance [Code] (Amended 5/15/86)
NTC 03-02-01 Prohibited Employee Conduct [General Guidelines for NTC Employees] (Amended 5/15/86)

NTC 03-03-01 Staff Members Suspected of Being Under the Influence of Intoxicants (Amended 5/15/86)
NTC 03-04-01 Shift Assignments and Transfers (Amended 5/15/86)
NTC 03-05-01 Work Planning and Performance Review
NTC 03-06-01 Worker's Compensation
NTC 03-07-01 Merit System Registers and Placement of Advertisements
NTC 03-08-01 Procedures for New Employees Reporting for Employment (Added 5/15/86)
[NTC 03-08-02 Employee Identification Cards]
NTC 03-09-01 Maintenance, Confidentiality and Challenge of Information Contained in Employee Personnel File (Amended 5/15/86)
NTC 03-10-01 Employment of Ex-Offenders
NTC 03-13-01 Travel Reimbursement for Official Business and Professional Meetings (Amended 5/15/86)
NTC 03-14-01 Selection, Retention, Promotion, and Lateral Transfer of Merit System Employees (Amended 5/15/86)
NTC 03-14-02 Promotional Opportunities (Amended 5/15/86)
NTC 03-15-01 Time and Attendance; Accumulation and Use of Accrued Time (Amended 5/15/86)
NTC 03-15-02 Sick Leave Abuse (Amended 5/15/86)
NTC 03-15-03 Inclement Weather and Emergency Conditions
NTC 03-16-01 [EEO -] Affirmative Action Program and the Promotion of EEO (Amended 5/15/86)
[NTC 03-17-01 Employee Grievance Procedure]
NTC 03-17-02 Review Committee
NTC 03-18-01 Educational Assistance Program
NTC 03-19-01 Holding of Second Jobs by Employees (Amended 5/15/86)
NTC 04-01-01 Training and Staff Development
NTC 04-04-01 Firearms and Chemical Agents Training (Added 5/15/86)
NTC 06-01-01 Offender Records
NTC 06-01-02 Records - Release of Information
NTC 06-01-03 Taking Offender Record Folders onto the Yard
NTC 08-05-01 Duties of Fire Safety Officer
NTC 08-05-02 Fire Procedures
NTC 08-05-03 Fire Prevention
NTC 08-05-04 Storage of Flammables and Dangerous Chemicals and Their Use
NTC 08-05-05 Control of Flammables, Toxic, Caustic, and Other Hazardous Chemicals and Janitorial Supplies
NTC 10-01-01 Special Management Inmates
NTC 10-01-02 Legal Aide Visits for Special Management Inmates
NTC 11-03-01 Food Services: General Guidelines
NTC 11-04-01 Food Service: Meals
NTC 11-04-02 Menu, Nutrition and Special Diets
NTC 11-05-02 Health Standards/Regulations for Food Service Employees
NTC 11-06-01 Inspections and Sanitation
NTC 11-07-01 Purchasing, Storage and Farm Products
NTC 12-01-01 Institutional Inspections
NTC 12-02-01 Personal Hygiene for Inmates; Clothing and Linens
NTC 12-02-02 Personal Hygiene Items
NTC 13-01-01 Emergency Medical Care Plan
NTC 13-01-02 Emergency and Specialized Health Services

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NTC 13-02-01 Administration and Authority for Health Services
 NTC 13-03-01 Sick Call and Pill Call
 NTC 13-04-01 Pharmacy
 NTC 13-05-01 Dental Services
 NTC 13-06-01 Licensure and Training Standards
 NTC 13-07-01 Provisions for Health Care Delivery
 NTC 13-08-01 Medical and Dental Records
 NTC 13-09-01 Special Diets
 NTC 13-11-01 Inmate Health Screening and Evaluation
 NTC 13-12-01 Disabled and Infirm Inmates
 NTC 13-13-01 Medical Alert System
 NTC 13-14-01 Management of Chemically Dependent Inmates
 NTC 13-15-01 Health Education for Inmates
 NTC 13-16-01 Continuity of Health Care
 NTC 13-17-01 Inmates Assigned to Health Services
 NTC 13-19-01 Psychological Services
 NTC 13-19-02 Mentally Retarded Inmates
 NTC 13-19-03 Suicide Prevention and Intervention Program
 NTC 14-01-01 Legal Services Program
 NTC 14-02-01 Inmate Grievance Procedure
 NTC 14-03-01 Inmate Rights and Responsibilities
 NTC 15-01-01 Restoration of Forfeited Good Time
 NTC 15-02-01 Due Process/Disciplinary Procedures
 NTC 15-02-02 Extra Duty Assignments
 NTC 15-03-01 Rules for Inmates Assigned to Outside Detail
 NTC 15-03-02 Rules and Regulations for Dormitories
 NTC 15-04-01 Inmate Identification (Amended 5/15/86)
 NTC 16-01-01 Mail Regulations
 NTC 16-02-01 Visiting (Amended 5/15/86)
 NTC 16-02-02 Extended and Special Visits
 NTC 16-02-03 Honor Dorm Visiting
 NTC 16-03-01 Inmate Furloughs
 NTC 16-05-01 Telephone Use and Control (Amended 5/15/86)
 NTC 17-01-01 Personal Property Control
 NTC 17-01-02 Authorized Inmate Personal Property
 NTC 17-01-03 Unauthorized Inmate Property
 NTC 17-01-04 Disposition of Unauthorized Property
 NTC 17-03-01 Assessment/Orientation
 NTC 18-01-01 Pre-Parole Progress Report
 NTC 18-01-02 Parole Eligibility Dates
 NTC 18-02-01 Classification
 NTC 18-03-01 Special Notice Form
 NTC 18-05-01 Transfers to Other Institutions
 NTC 18-05-02 Transfer of Inmates to Kentucky Correctional Psychiatric Center
 NTC 19-01-01 Inmate Work Program
 NTC 20-01-01 Academic School Program (Amended 5/15/86)
 NTC 21-01-01 Library Services
 NTC 22-03-01 Conducting Inmate Organizational Meetings and Programs
 NTC 23-01-01 Religious Services
 NTC 23-03-01 Marriage of Inmates
 NTC 24-04-01 Honor Status
 NTC 24-05-01 Unit Management
 NTC 25-01-01 Release Preparation Program
 NTC 25-01-02 Temporary Release/Community Center Release
 NTC 25-02-01 Funeral Trips and Bedside Visits
 NTC 25-03-01 Inmate Release Procedure
 NTC 26-01-02 Certification of Volunteers and Guests

GEORGE W. WILSON, Secretary

APPROVED BY AGENCY: May 15, 1986

FILED WITH LRC: May 15, 1986 at noon

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. at the auditorium in the State Office Building. Those interested in attending this hearing shall notify in writing: Barbara Jones, Office of General Counsel, 5th Floor, State Office Building, Frankfort, Kentucky 40601.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Barbara W. Jones

(1) Type and number of entities affected: 220 employees of the Northpoint Training Center, 620 inmates, and all visitors to state correctional institutions.

(a) Direct and indirect costs or savings to those affected:

1. First year: None

2. Continuing costs or savings: None

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: None. All of the costs involved with the implementation of the regulation are included in the operational budget.

2. Continuing costs or savings: Same as (2)(a)1.

3. Additional factors increasing or decreasing costs: Same as (2)(a)1.

(b) Reporting and paperwork requirements: Monthly submission of policy revisions.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: None

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. All policies are administered in a uniform manner.

CORRECTIONS CABINET (Proposed Amendment)

501 KAR 6:080. Corrections Cabinet Manuals.

RELATES TO: KRS Chapters 196, 197, 439

PURSUANT TO: KRS 196.035, 197.020, 439.470, 439.590, 439.640

NECESSITY AND FUNCTION: KRS 196.035, 197.020, 439.470, 439.590, and 439.640 authorize the secretary to adopt, amend or rescind regulations necessary and suitable for the proper administration of the cabinet or any division therein. These regulations are in conformity with those provisions.

Section 1. Pursuant to the authority vested in the Corrections Cabinet the following policies and procedures are incorporated by reference on May 15 [April 14], 1986 and hereinafter should be referred to as Corrections Cabinet Manuals.

Copies of the procedures may be obtained from the Office of the General Counsel, Corrections Cabinet, State Office Building, Frankfort, Kentucky 40601.

Offender Records Manual - None.
Stock Procedure Manual - None.
Food Services Manual - None.
Classification Manual - None.

GEORGE W. WILSON, Secretary

APPROVED BY AGENCY: May 15, 1986

FILED WITH LRC: May 15, 1986 at noon

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. at the auditorium in the State Office Building. Those interested in attending this hearing shall notify in writing: Barbara Jones, Office of General Counsel, 5th Floor, State Office Building, Frankfort, Kentucky 40601.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Barbara W. Jones

(1) Type and number of entities affected: 2,010 employees of the Corrections Cabinet, 4,685 inmates, 3,378 parolees, 6,679 probationers, and all visitors to state correctional institutions.

(a) Direct and indirect costs or savings to those affected:

1. First year: None

2. Continuing costs or savings: None

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: None. All of the costs involved with the implementation of the regulation are included in the operational budget.

2. Continuing costs or savings: Same as (2)(a)1.

3. Additional factors increasing or decreasing costs: Same as (2)(a)1.

(b) Reporting and paperwork requirements: Monthly submission of policy revisions.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: None

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. All policies are administered in a uniform manner.

CORRECTIONS CABINET (Proposed Amendment)

501 KAR 6:090. Frankfort Career Development Center.

RELATES TO: KRS Chapters 196, 197, 439
PURSUANT TO: KRS 196.035, 197.020, 439.470, 439.590, 439.640

NECESSITY AND FUNCTION: KRS 196.035, 197.020, 439.470, 439.590, and 439.640 authorize the secretary to adopt, amend or rescind regulations necessary and suitable for the proper administration of the cabinet or any division therein. These regulations are in conformity with those provisions.

Section 1. Pursuant to the authority vested in the Corrections Cabinet the following policies and procedures are incorporated by reference on May 15 [April 14], 1986 and hereinafter should be referred to as Frankfort Career Development Center Policies and Procedures. Copies of the procedures may be obtained from the Office of the General Counsel, Corrections Cabinet, State Office Building, Frankfort, Kentucky 40601.

FCDC 02-10-01 Fiscal Management and Control (Added 5/15/86)
FCDC 02-11-01 Fiscal Management: Accounting Procedures (Added 5/15/86)
FCDC 02-12-01 Fiscal Management: Agency Funds (Added 5/15/86)
FCDC 02-13-01 Purchasing and Receiving (Added 5/15/86)
FCDC 03-01-02 Security Manual Part 1: Staff Guidelines (Added 5/15/86)
FCDC 03-10-01 Dress Code (Added 5/15/86)
FCDC 03-15-01 Travel Expense Reimbursement (Added 5/15/86)
FCDC 03-16-01 Employee Grievance Procedure (Added 5/15/86)
FCDC 03-21-01 Time and Attendance (Added 5/15/86)
FCDC 11-03-01 Food Services (Added 5-15-86)
FCDC 13-01-01 Use of Pharmaceutical Products (5/15/86)
FCDC 13-10-01 Treatment Protocol Regarding First-Aid Procedures, Routine Health Care (Added 5/15/86)
FCDC 13-11-01 Health Education: Provision of Special Health Care Needs (Added 5/15/86)
FCDC 13-12-01 Physician's Clinic (Added 5/15/86)
FCDC 13-13-01 Physician Referrals, Emergency Room Visits, and Hospitalization (Added 5/15/86)
FCDC 13-14-01 Health Records (Added 5/15/86)
FCDC 13-15-01 Routine and Emergency Dental Appointments (Added 5/15/86)
FCDC 13-16-01 Routine and Emergency Eye Examinations (Added 5/15/86)
FCDC 13-17-01 Health Requirements of Food Service Workers (Added 5/15/86)
FCDC 14-04-01 Legal Services Program (Added 5/15/86)
FCDC 15-03-01 Good Time - Credits (Meritorious, Governor's and Statutory) (Added 5/15/86)
FCDC 16-01-01 Inmate Visiting
FCDC 16-02-02 Mail Policy (Added 5/15/86)
FCDC 17-01-01 Inmate Property Control
FCDC 18-04-01 Institutional Classification/Reclassification Committee (Added 5/15/86)

FCDC 22-01-01 Privilege Trips
 FCDC 22-01-02 Activity Trips (Added 5/15/86)
 FCDC 25-03-01 Release Preparation Program
 (Added 5/15/86)

GEORGE W. WILSON, Secretary
 APPROVED BY AGENCY: May 15, 1986
 FILED WITH LRC: May 15, 1986 at noon
 PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. at the auditorium in the State Office Building. Those interested in attending this hearing shall notify in writing: Barbara Jones, Office of General Counsel, 5th Floor, State Office Building, Frankfort, Kentucky 40601.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Barbara W. Jones

(1) Type and number of entities affected: 22 employees of the Frankfort Career Development Center, 75 inmates, and all visitors to state correctional institutions.

(a) Direct and indirect costs or savings to those affected:

1. First year: None
2. Continuing costs or savings: None
3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: None. All of the costs involved with the implementation of the regulation are included in the operational budget.

2. Continuing costs or savings: Same as (2)(a)1.

3. Additional factors increasing or decreasing costs: Same as (2)(a)1.

(b) Reporting and paperwork requirements: Monthly submission of policy revisions.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: None

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. All policies are administered in a uniform manner.

TRANSPORTATION CABINET

Department of Highways
 Division of Mass Transportation
 (Proposed Amendment)

603 KAR 7:020. Non-urbanized public transportation program.

RELATES TO: KRS 96A.010 through 96A.370, 96A.090, 96A.095

PURSUANT TO: KRS 174.080

NECESSITY AND FUNCTION: The Nonurbanized Public Transportation Program is authorized and

governed by Section 18 of the Urban Mass Transportation Act of 1964, as amended; 49 USC 1601 et seq. and 49 CFR 825. The Transportation Cabinet is authorized by KRS 96A.095 to accept funds from the Commonwealth and any of its agencies and from federal agencies appropriations and grants to accomplish the promotion and development of mass transit services in Kentucky. The function of this regulation is to implement the procedures required to administer the Nonurbanized Public Transportation Program in accordance with applicable state and federal laws and regulations.

Section 1. In order to facilitate the administration of the Nonurbanized Public Transportation Program as authorized by Section 18 of the Urban Mass Transportation Act and KRS Chapter 96A, the following are adopted by reference:

(1) The "Section 18 Nonurbanized Area Public Transportation Program Application Guidelines" issued March, 1982 and last revised March, 1986 [June, 1984], by the Transportation Cabinet.

(2) The Section 18 Continuing Application Guidelines issued May, 1982 and last revised and incorporated into the "Section 18 Nonurbanized Area Public Transportation Application Guidelines" March, 1986 [June, 1984], by the Transportation Cabinet.

(3) The State Management Plan for the Section 18 Program issued April, 1981 and last revised May, 1984, by the Transportation Cabinet.

Section 2. All documents incorporated by reference herein are on file for public inspection in the Division of Mass Transportation, 11th Floor, State Office Building, Frankfort, Kentucky 40622.

C. LESLIE DAWSON, Secretary

APPROVED BY AGENCY: April 22, 1986

FILED WITH LRC: April 22, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing on this administrative regulation will be held on June 23, 1986, at 10 a.m., local prevailing time in the 4th Floor Hearing Room of the State Office Building. The State Office Building is located on the corner of High and Clinton Streets in Frankfort, Kentucky. Any person who intends to attend this meeting must in writing by June 18, 1986, so notify Sandra G. Pullen, Executive's Staff Advisor, Transportation Cabinet, State Office Building, Frankfort, Kentucky 40622.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Sandra G. Pullen

(1) Type and number of entities affected:

(a) Direct and indirect costs or savings to those affected:

1. First year: \$1.8 million in savings to nonurbanized area public transportation operators.

2. Continuing costs or savings: Depends on the amount of federal funds authorized. Generally, around \$1.8 million.

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: Project applications, payment requests, monthly reports and audits.

(2) Effects on the promulgating administrative

body:

(a) Direct and indirect costs or savings:
1. First year: Administrative costs of about \$100,000 a year are covered with 100% Federal funds.

2. Continuing costs or savings: Administrative costs average a \$100,000 a year on an ongoing basis.

3. Additional factors increasing or decreasing costs: Special studies or activities contracted to consultants may cause small fluctuations.

(b) Reporting and paperwork requirements: Status reports, Letter of Credit Submittals, Program of Projects, and Audits.

(3) Assessment of anticipated effect on state and local revenues: No impact on state revenues, local matching requirements do require the commitment of local funds.

(4) Assessment of alternative methods; reasons why alternatives were rejected: Only alternative is to not accept the federal funds; rejected due to negative impacts.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: N/A

(a) Necessity of proposed regulation if in conflict: N/A

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions: N/A

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. The application process should be the same for all applicants.

LOCAL MANDATE IMPACT STATEMENT

Regulation No.: 603 KAR 7:020

SUBJECT/TITLE: Nonurbanized Public Transportation

SPONSOR: KTC, DOH, Mass Transportation

NOTE SUMMARY:

LOCAL GOVERNMENT MANDATE: No

TYPE OF MANDATE:

LEVEL(S) OF IMPACT: City, County, Urban County Government

BUDGET UNIT(S) IMPACT:

FISCAL SUMMARY: Revenues - \$1,900,000; expenditures - \$1,900,000; net effect - 0

MEASURE'S PURPOSE: To provide procedures for applying and receiving federal financial assistance for the operation and administration of public transportation services in nonurbanized areas. Local governments are not required to apply for funds, however, if they do they are required to provide a local match.

PROVISION/MECHANICS: N/A

FISCAL EXPLANATION: N/A

EDUCATION AND HUMANITIES CABINET

Department of Education

Office of Local Services

(Proposed Amendment)

702 KAR 5:020. Program cost calculation.

RELATES TO: KRS 157.370

PURSUANT TO: KRS 156.070, 157.370

NECESSITY AND FUNCTION: KRS 157.370 sets forth the basic statutory framework by which local school districts are to be reimbursed from the Foundation Program for transportation costs. This regulation implements and interprets, where

necessary, those statutory provisions, in order to set out the method and steps for completion of the calculation of the districts' pupil transportation program costs.

Section 1. A county district's net transported pupil density shall be determined by dividing the district's net ADA for pupils transported one (1) mile or more to school by the number of square miles in this district's primarily served area.

Section 2. The net ADA for a county district's pupils transported one (1) mile or more to school shall be determined from the local superintendent's annual statistical report for the district.

Section 3. The number of square miles in the primarily served area of a county district shall be determined by deducting from the total square mile area of the county, the square mile area of any independent district located within the county, and by deducting the square mile area of any portion of the district located more than one (1) mile from one (1) of the district's pupil transportation vehicle routes.

Section 4. A county district's gross transported pupil density shall be used in constructing a graph required by KRS 157.370. This density shall be determined by dividing the district's gross ADA for all pupils transported as shown on the superintendent's annual statistical report for the district by the number of square miles in the district's primarily served area.

Section 5. An independent district's net transported pupil density shall be determined by dividing the district's net ADA for pupils transported one (1) mile or more to school by the number of square miles in this district's primarily served area.

Section 6. The net ADA for an independent district's pupils transported one (1) mile or more shall be determined from the local superintendent's annual statistical report for the district.

Section 7. The number of square miles in the primarily served area of an independent district shall be determined by deducting from the total square mile area of the district, the square mile area of any portions of the district that are located more than one (1) mile from one (1) of the district's pupil transportation vehicle routes.

Section 8. An independent district's gross transported pupil density shall be used in constructing the graph required by KRS 157.370. This density shall be determined by dividing the district's gross ADA for all pupils transported as shown on the local superintendent's annual statistical report for the district by the number of square miles in the district's primarily served area.

Section 9. In calculating the amount to be added each year to the district's pupil transportation program cost for pupil transportation vehicle depreciation, only those wholly district-owned vehicles shown on the

district's pupil transportation school bus inventory for each year as having a rated pupil seating capacity of ten (10) or more, as meeting the Kentucky Minimum Specifications for School Buses; Revised, for the model year in which the vehicles were manufactured, and as remaining within the applicable depreciation schedule [being less than nine (9) model years old if gasoline powered or twelve (12) model years old if diesel powered], shall be included. School buses used exclusively for activity purposes or that are not properly equipped and maintained in safe and satisfactory condition for the transportation of pupils shall not be included in the district's pupil transportation vehicle depreciation schedule.

Section 10. In calculating the depreciation cost for a new school bus purchased by a district during any school year, the model year of the vehicle chassis shall be considered to be the model year of the vehicle with the exception that, for inventory and calculation purposes by the Division of Pupil Transportation, all school buses purchased new and shown by the district as having been added to its school bus inventory during the school year shall be considered to be of the same model year regardless of when said vehicles were delivered during that school year or manufacturer's model year designation. The model year of all said vehicles to be the same as the year shown on the cover of the booklet containing the Kentucky Minimum Specifications for School Buses; Revised, as referenced by 702 KAR 5:060, that were in effect during the first half of the school year in which said vehicle was added to the district's inventory.

Section 11. The annual depreciation cost for any school bus shown on the district's annual school bus inventory that is within the applicable depreciation schedule shall not be calculated unless said vehicle is maintained by the district in a safe and satisfactory condition, as evidenced by safety inspections performed pursuant to 702 KAR 5:030, for transporting pupils to and from school.

Section 12. The amount to be added each school year to the district's pupil transportation program cost for pupil transportation vehicle depreciation shall be determined by:

(1)(a) Multiplying the number of qualifying diesel powered vehicles of the same type and rating [rated pupil seating capacity] purchased new prior to the 1985 model year and gasoline powered vehicles of the same type and rating purchased new prior to the 1987 model year, and less than nine (9) model years old, by one-eighth (1/8) of the bid price of a school bus of the same type and rating [rated pupil seating capacity] purchased through the state bid price contract plan in the same school year. The annual depreciation amount for each school bus shall be calculated to the nearest whole dollar.

(b) Starting with the 1987 model year vehicles and including the 1985 and 1986 model year diesel powered vehicles, the amount calculated for annual depreciation on each vehicle of the same type and rating purchased new through the state bid price contract plan shall be determined by the following depreciation schedule:

<u>YEARS</u>	<u>DEPRECIATION RATE</u>
<u>1 and 2</u>	<u>12% of the state bid price</u>
<u>3 through 8</u>	<u>10% of the state bid price</u>
<u>9 and 10</u>	<u>8% of the state bid price</u>
<u>11 through 14</u>	<u>6% of the state bid price</u>

[1985 model year vehicles, multiplying the number of qualifying vehicles of the same rated pupil seating capacity purchased new by one-eighth (1/8) of the bid price of gasoline powered and one-eleventh (1/11) of the bid price of diesel powered school buses of the same rated pupil seating capacity purchased through the state bid price contract plan in the same school year.]

(c) A district that purchases a new school bus during any school year of a type and rating that was not purchased through the state bid price contract plan during that same school year [rated pupil seating capacity] shall furnish the Division of Pupil Transportation with certain qualifying information including the price paid for said vehicle from which said division shall establish a reasonable price to be used for the purpose of calculating the annual depreciation on said vehicles over an eight (8) year period based on the number of seats and other major cost factors.

(d) The amount calculated for the depreciation for all qualifying school buses on the district's inventory shall be determined in the manner prescribed in subsection (1) of this section. The model year of the vehicle chassis shall determine the number of years that these vehicles remain within the applicable depreciation schedule except where exceptions are shown in other sections of this regulation.

(2) Whenever a district purchases a used school bus of a model year that would place it within the applicable depreciation schedule and which meets the safety requirements of the Kentucky Minimum Specifications for School Buses; Revised, for the model year in which the vehicle was manufactured, certain qualifying information and the price paid for said vehicle shall be reported to the Division of Pupil Transportation. [If said vehicle is diesel powered and manufactured prior to the 1985 model year or if said vehicle is gasoline powered,] Depreciation for said vehicle shall be calculated for each school year for which said vehicle remains within the applicable [eight (8) year] depreciation schedule on the same basis as a vehicle of the same type and rating purchased through the state bid price contract plan during that particular model year. [by adding one-eighth (1/8) of the price paid for said vehicle to the district's pupil transportation vehicle depreciation schedule. If said vehicle is diesel powered and manufactured after the 1984 model year, depreciation shall be calculated for each school year for which said vehicle remains within the eleven (11) year depreciation schedule by adding one-eleventh (1/11) of the price paid for said vehicle to the district's pupil transportation vehicle depreciation schedule.] In no case shall this amount exceed the annual amount of depreciation calculated for a vehicle of the same model year and rated pupil seating capacity category that was purchased new through the state bid price contract plan. For inventory and calculation purposes by the Division of Pupil Transportation, the model year of the older

component, either chassis or body, shall be considered to be the model year of the vehicle and shall determine the number of years that said used vehicle remains within the applicable depreciation schedule.

(3) Whenever a district purchases a new school bus chassis and has its district-owned used school bus body installed thereon or purchases a new school bus body and has it installed on its district-owned used school bus chassis, certain qualifying information and the price paid for said new component shall be reported to the Division of Pupil Transportation. For inventory and calculation purposes by the Division of Pupil Transportation, the model year of such vehicle shall be considered to be the model year of the older component, chassis or body, and the depreciation shall be calculated for the number of years the vehicle remains within the applicable depreciation schedule on the same basis as a new vehicle of the same [rated pupil seating capacity] purchased through the state bid price contract plan during that particular model year.

(4) The amounts calculated for school bus depreciation under subsections (1), (2), and (3) of this section shall be added together to make up the district's annual cost for pupil transportation vehicle depreciation.

Section 13. The final step in the district's tentative cost calculation shall be made by multiplying the district's graph adjusted cost per pupil per day by the aggregate number of days attendance of the district's pupils transported one (1) mile or more to school.

Section 14. The graph adjusted pupil transportation cost per pupil per day shall be determined by applying the district's transported pupil density of the graph as provided in KRS 157.370.

Section 15. The aggregate number of days the district's pupils were transported one (1) mile or more to school shall be determined by multiplying the average daily attendance of these pupils by the number of days the district's schools were in session up to the number required under the foundation program.

Section 16. When the net average daily attendance of foundation transported pupils in any district for the first two (2) months of the current school year is greater than it was for the first two (2) months of the previous school year, the district is eligible to apply for an adjustment for the current year increase.

Section 17. Application for an adjustment increase or a report on the absence of an increase shall be made by each district board prior to December 1.

Section 18. The net average daily attendance of the district's foundation transported pupils computed for the first two (2) months of the previous school year shall be compared with the same two (2) month period of the current school year and the percent of growth determined.

Section 19. The district's tentative formula adjusted cost for pupil transportation shall then be multiplied by the percent of growth to determine the additional cost to be added as a

current year increase.

Section 20. The calculated amount for current year increase shall then be added to the district's tentative pupil transportation cost calculation to make up the district's final formula adjusted cost for pupil transportation for the current school year.

Section 21. During the school year in which any independent school district starts to provide pupil transportation when said district's schools open, said district's adjustment for current year growth shall be calculated by multiplying said district's net average daily attendance of foundation transported pupils for the first two (2) months that said district's schools are in session by the average calculated cost per pupil per year for all independent school districts as shown in the pupil transportation tentative cost calculations bulletin dated for that school year. The amount calculated for growth shall be the only pupil transportation program cost considered for Minimum Foundation Program allotment purposes for said district for that school year.

Section 22. During the school year in which any independent school district starts to provide pupil transportation after said district's schools have been in session for two (2) months or more, there shall be no adjustment calculated for current year growth for said district for Minimum Foundation Program allotment purposes for that school year.

Section 23. During any school year following the school year in which any independent school district started to provide pupil transportation that the average daily attendance for the first two (2) months that said district's schools were in session shows a growth in foundation program transported pupils of 100 percent or less, the adjustment for current year growth shall be calculated as provided in Sections 16, 17, 18, 19, and 20 of this regulation. If said district's growth in foundation transported pupils for the first two (2) months shows a growth of more than 100 percent, the adjustment for current year growth shall be calculated first as provided in Sections 16, 17, 18, 19, and 20 of this regulation; and secondly, by multiplying the net increase in the average daily attendance of foundation transported pupils by the average calculated cost per pupil per year for all independent districts as shown in the pupil transportation tentative cost calculation bulletin dated for that school year. The lesser of the two (2) amounts shall then be added to said district's pupil transportation tentative cost calculation for Minimum Foundation Program allotment purposes.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of

Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Wendell D. Bruce

(1) Type and number of entities affected: All local school districts that purchase school buses.

(a) Direct and indirect costs or savings to those affected:

1. First year: .5% reduction in depreciation reimbursement on gasoline-powered buses; 2.1% increase in depreciation reimbursement on diesel-powered buses.

2. Continuing costs or savings: Full reimbursement in ten (10) years but overall savings due to decreased bus turn-over rate.

3. Additional factors increasing or decreasing costs (note any effects upon competition): Extended depreciation schedule will improve economy of operation.

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: Slight increase in depreciation paid to LEA's for diesel-powered buses.

2. Continuing costs or savings: Savings due to decrease in bus turn-over rate.

3. Additional factors increasing or decreasing costs: Improved economy of operation in LEA's.

(b) Reporting and paperwork requirements: Inventory data processing system will require change to compute depreciation.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: None

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? Yes

EDUCATION AND HUMANITIES CABINET

Department of Education

Office of Local Services

(Proposed Amendment)

702 KAR 5:080. Bus drivers' qualifications; responsibilities.

RELATES TO: KRS 156.160, 189.540

PURSUANT TO: KRS 156.070, 156.160, 189.540

NECESSITY AND FUNCTION: KRS 156.160 requires the State Board of Education to adopt regulations relating to the transportation of children to and from school and to medical inspections and other matters deemed relevant to the protection of the physical welfare and safety of public school children; and KRS 189.540 requires the State Board to adopt regulations to govern the design and operation

of school buses. This regulation implements those duties relative to the qualifications and responsibilities of the school bus driver.

Section 1. All local boards of education shall require annual medical examination of each school bus driver and drivers of special vehicles used to transport school children to and from school and such events related to such schools. The medical examination shall include tests for hearing and vision disorders, emotional instability, and for serious medical conditions including diabetes, epilepsy, heart disease, and other chronic or communicable diseases if indicated in the opinion of the examining physician. The examination shall include tests for tuberculosis upon initial employment and positive reactors shall be required to have further evaluations. All medical examinations of the school bus drivers shall be reported on a form prescribed by the State Department of Education and submitted to the local superintendent.

Section 2. No person shall drive a school bus unless he or she is physically or mentally able to operate a school bus safely and satisfactorily. If there is limitation of motion in joints, neck, back, arms, legs, etc., due to injury or disease that would limit the driver's ability to safely perform the task of safely driving a school bus, the driver shall be rejected. Any driver taking medication either by prescription or without prescription, shall not be permitted to drive if that medication would affect, in any way, the driver's ability to safely drive a school bus.

Section 3. (1) No person shall drive a school bus unless he or she has:

(a) Visual acuity of at least 20/40 (Snellen) in each eye either without glasses or by correction with glasses;

(b) Form field vision of not less than a total of 140 degrees;

(c) The ability to recognize the colors of traffic signals and devices showing standard red, green, and amber.

(2) Drivers requiring correction by glasses shall wear properly prescribed glasses at all times while driving.

Section 4. No person shall drive a school bus whose hearing is less than 7/15 in the better ear, or hearing loss is greater than forty (40) decibels if audiogram is used, for conversational tones, with or without a hearing aid. Drivers requiring a hearing aid shall wear such properly operating aids at all times while driving.

Section 5. The board, at its discretion, may require a school bus driver to pass a routine physical examination or a special type physical examination more often than annually. The school bus driver shall have a current physical fitness certificate on file in the district superintendent's office.

Section 6. Drivers of school buses shall be between eighteen (18) and sixty-nine (69) years of age. A driver shall not start driving a school bus until his eighteenth birthday, but any driver turning seventy (70) years of age during the school term may be allowed to drive

until the end of the semester in which said birthday occurs.

Section 7. The school bus driver shall have a current driver's license that is valid in Kentucky.

Section 8. Beginning with the 1985-86 school year, no person shall begin driving a school bus until he or she has completed the beginning school bus driver training course prescribed by the State Board of Education and has been issued a Kentucky school bus driver certificate by the Superintendent of Public Instruction, based upon evidence submitted by a certified instructor that all training requirements have been satisfied; provided that a temporary school bus driver's permit may be issued under the provisions set forth in 702 KAR 5:030. The prescribed training course for beginning drivers shall consist of the following instructional units and minimum instructional times:

- (1) Laws and regulations - one (1) hour;
- (2) Driving fundamentals - one (1) hour;
- (3) Care and maintenance - one (1) hour;
- (4) Critical situations - one (1) hour;
- (5) Accidents and emergency procedures - one (1) hour;
- (6) Pupil management - one (1) hour;
- (7) First aid - one (1) hour; and
- (8) Vehicle operations - one (1) hour.

Section 9. Beginning with the 1986-87 school year, no school bus driver shall continue to drive a school bus until he or she has completed the school bus driver training course prescribed by the State Board of Education and holds a Kentucky school bus driver certificate issued by the Superintendent of Public Instruction, based upon evidence submitted by a certified instructor that all training requirements have been satisfied. The prescribed training course for initial certification of experienced drivers shall consist of the instructional units and minimum times outlined in Section 8 of this regulation, plus the following instructional units and minimum instructional times:

- (1) Special education transportation - five-tenths (.5) hour; and
- (2) Extra curricular trips - five-tenths (.5) hour.

Section 10. Beginning with the 1987-88 school year, all school bus drivers shall be required to renew their certificates annually by satisfactorily completing eight (8) hours of in-service driver safety training conducted by a certified instructor and relevant to the curriculum established under the standards set forth in Sections 8 and 9 of this regulation.

Section 11. Substitute school bus drivers shall meet the same requirements as regular school bus drivers.

Section 12. In case of an emergency that would make it necessary for the driver to leave the bus while pupils are on board, the driver shall stop the motor, shift the bus to low gear, set the parking brake, remove the ignition key, and place one (1) of the older responsible pupils in charge during the driver's absence.

Section 13. The driver shall operate the school bus at all times in a manner that

provides the maximum amount of safety and comfort for the pupils under the circumstances.

Section 14. The driver shall supervise the seating of the pupils on the bus. The driver shall make certain the seating capability of the bus has been fully utilized before any pupil is permitted to stand in the bus aisle.

Section 15. The driver shall not, at any time, permit pupils to stand in the stepwell or landing area or where the pupil would likely fall out of the bus if the rear emergency door was opened, or where the driver's view directly in front of the bus or to either side of the front of the bus would be obscured.

Section 16. The driver shall report to the superintendent any overcrowded conditions on the bus.

Section 17. The driver shall transport only those pupils officially assigned to a particular bus trip unless an unassigned pupil presents the driver with a written permit to ride the bus trip that has been signed by the school principal or his designate. The driver shall not permit an assigned pupil to leave the bus at a stop other than where the pupil regularly leaves the bus unless a written permit signed by the school principal or his designate is presented to the driver.

Section 18. The driver shall not transport adult employees of the board or any person not employed by the board unless he receives written permission of the district superintendent to do so.

Section 19. The driver shall not knowingly permit any firearms or weapons, either operative or ceremonial, to be transported on the bus. The driver shall not knowingly permit any fireworks of any type to be transported.

Section 20. The driver shall not knowingly permit any live animals, fowls, or reptiles to be transported on the bus. The driver shall not knowingly permit any preserved specimen to be transported that would likely frighten any pupil or cause a commotion on the bus.

Section 21. The driver shall not permit the transportation of any object that would likely block the bus aisle or exits in case of a collision.

Section 22. The driver shall not permit a pupil to operate the entrance door handle or any other bus control except in case of an emergency.

Section 23. The driver shall activate the flashing stop warning lights and/or the stop signal arm a sufficient distance from a bus stop that would permit any prudent motorist to stop short of striking or passing the stopped bus.

Section 24. For safety reasons, the driver shall not permit gasoline to be put into the bus gasoline tank while pupils are on board the bus.

Section 25. If a pupil's conduct on the bus is such that it endangers the lives and morals of the other people on the bus and makes it unsafe for the bus to continue on its route, and when

requested by the driver to desist from such conduct and the pupil does not comply, it shall be the duty of the driver to order the pupil to leave the bus, and if this order is refused, to eject the pupil from the bus or send for assistance, whichever the circumstances dictate. Ejecting a pupil from the bus shall be done only in the most extreme circumstances. When ejection from the bus is required, the driver shall notify the principal of the school where the pupil attends, the district superintendent or some other school authority of the action taken as soon as it is possible to do so.

Section 26. In the interest of safety, the driver shall stop the bus at all places where the roadway crosses a railroad track or tracks at the grade level. The driver shall open the bus entrance door, listen, and look for the approach of a train from both directions. When the driver has ascertained that it is safe for the bus to cross the railroad tracks, he shall close the bus entrance door, shift the bus gears into the range that will provide adequate power and proceed immediately to cross the railroad tracks. In cases of severe weather or restricted visibility, the driver shall request assistance from the oldest pupils on the bus in determining whether or not it is safe for the bus to cross the railroad tracks. Under these circumstances, the stop signal arm and flashing warning lights shall be used only if these pupils get off the bus before it is driven across the tracks and board the bus after it has crossed the tracks.

Section 27. The driver shall have the authority to assign a pupil to a specific seat on the school bus.

Section 28. The driver shall make a pre-trip inspection of the bus safety and operating equipment each time that the bus is taken out for the transportation of pupils.

Section 29. The school bus driver shall not operate the school bus at a speed in excess of the posted speed limit on the sections of highways over which the bus travels, nor at any time in excess of fifty-five (55) miles per hour. The driver shall not drive the school bus on any roadway at any time at a speed where the conditions of the roadway, weather conditions, or other extenuating circumstances would likely make it unsafe for the bus to travel at that speed.

Section 30. The driver shall wear the driver's seat belt at all times that the bus is being operated [used to transport pupils].

Section 31. The stop signal arm and flashing warning lights shall be used only at stops where pupils are boarding or leaving the bus.

Section 32. The driver shall not use tobacco products while operating the school bus, nor knowingly permit pupils to use tobacco products when on the school bus.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor,

Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Wendell D. Bruce

(1) Type and number of entities affected: School districts that operate school buses.

(a) Direct and indirect costs or savings to those affected: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body: None

(a) Direct and indirect costs or savings: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: None

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: None

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. Need for uniformity in school districts in the interest of health and safety.

EDUCATION AND HUMANITIES CABINET

Department of Education

Office of Local Services

(Proposed Amendment)

702 KAR 5:110. Vocational pupils, reimbursement for.

RELATES TO: KRS 157.370

PURSUANT TO: KRS 156.070, 157.370

NECESSITY AND FUNCTION: KRS 157.370 requires a local board of education to be reimbursed separately from the Foundation Program for the cost of transporting pupils from a parent school to a vocational-technical school or to a vocational education center, according to State Board of Education regulations. This regulation establishes the terms under which reimbursement will be paid to those districts that so transport their secondary school pupils and establishes the reimbursement limits.

Section 1. Any local district may provide bus transportation for the district's secondary

school pupils from their parent school to a state vocational-technical school, an area vocational education center, or to a vocational training site where an integral part of the basic vocational instructional program is being provided. For the purpose of these regulations, the place or site where the pupil receives basic vocational training shall be referred to as a vocational school.

Section 2. All applications to transport pupils to a vocational school for which reimbursement is to be claimed shall be submitted to the Division of Pupil Transportation for approval.

Section 3. Requests for reimbursement for transportation to a vocational school shall be the responsibility of the district providing said transportation.

Section 4. Requests for reimbursement for transportation to a vocational school shall be made on a monthly basis to the Division of Pupil Transportation in the Office [Bureau] of Local Services [Administration and Finance] in the Department of Education.

Section 5. Local districts that transport pupils to a vocational school on buses owned and operated by the district shall be reimbursed for these expenditures to this extent:

(1) Bus mileage at a rate not to exceed the average cost per bus mile for county school districts, exclusive of driver's cost, as calculated by the Division of Pupil Transportation for the previous school year.

(2) The vocational school bus driver's cost at an hourly rate not to exceed the hourly rate paid by the district to a driver in the district's regular transportation program with similar qualifications.

Section 6. If a district's pupils are transported to a vocational school over a toll road as the nearest or best route, either on a board-owned bus or a bus contracted to the board, the district shall be reimbursed for the toll road fee in addition to mileage and driver's cost.

Section 7. A district that contracts for the transportation of its pupils to a vocational school shall be reimbursed an amount not to exceed the total amount that would result when the vocational school bus mileage is multiplied by the average cost per bus mile for county districts exclusive of driver's cost and the driver's total hours are multiplied by the average hourly rate paid by county school districts plus necessary toll road fees. The average mileage cost and average hourly rate shall be those calculated by the Division of Pupil Transportation for the previous school year.

Section 8. Bus mileage shall be calculated from the parent school to the vocational school over the nearest and best route. When the same bus is used to transport pupils to a vocational school from more than one (1) school within the same district, bus mileage shall be calculated from the school located farthest from the vocational school over the nearest and best route as the bus serves the other schools en

route to the vocational school.

Section 9. The total hours of driver's pay per day that will be reimbursed for transporting pupils to a vocational school shall be calculated on the basis of what the driver does while the pupils are in class at the vocational school and shall be done by one (1) of these methods:

(1) If the driver waits at the vocational school for the full time that the pupils are in class, the driver's time shall start when the bus leaves the parent school farthest from which pupils are transported to the vocational school and shall stop when the pupils are returned to the farthest parent school.

(2) If the driver unloads the pupils at the vocational school, then takes the bus to another location and returns to pick up the pupils when the classes are finished, the first half of the driver's time shall start when the bus leaves the parent school farthest from the vocational school and ends when the driver reaches the point where the bus is parked until time to make the bus trip to the vocational school to return the pupils to their parent school. The second half of the driver's time shall start when the bus leaves the point where the bus was parked and ends when the bus reaches the parent school farthest from the vocational school.

(3) Insofar as it is possible or practical, the district shall pay the bus driver by the method that results in the least cost when the driver's time and the required bus mileage are considered in combination.

Section 10. The driver of the bus that transports pupils to a vocational school shall meet the same requirements as the district's bus drivers that transport pupils to the district's public schools.

Section 11. The school districts shall be reimbursed for the cost of vocational school transportation for the actual number of days that pupils were transported to the vocational school up to a maximum of 175 days per school year.

Section 12. One district may make a contract with another district to transport the other district's pupils to a vocational school on the same bus with the transporting district's pupils or on a separate bus. Said contract shall be made subject to approval by the Division of Pupil Transportation.

Section 13. When one district contracts to provide a bus or buses to transport another district's pupils to a vocational school, the district providing the bus or buses shall claim additional reimbursement only for the extra bus miles required and the extra hours of bus driver time required to provide this service for the other district.

Section 14. A district shall make maximum use of the bus that transports pupils to a vocational school through planning and routing. The use of more than one (1) bus for transporting pupils from any school or group of schools to a vocational school will be approved only when the length of time required for one (1) bus to pick up and transport the pupils would be impractical or when the number of

pupils on one (1) bus would necessitate that some pupils be standees.

[Section 15. When the number of pupils being transported to a vocational school averages less than twelve (12) pupils per day during any school month, the total amount of reimbursement paid to the district for that bus shall be reduced by one-twelfth (1/12) for each pupil less than twelve (12) that the bus transported during the school month.]

Section 15. [16.] Districts shall not be reimbursed for the transportation of vocational school pupils on field trips, excursions, or recreational trips.

Section 16. [17.] Districts shall not be reimbursed for the vocational transportation from the parent school to the vocational school when the vocational school is on the same grounds or on adjacent grounds to the parent school or within one-half (1/2) mile of the parent school.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Wendell D. Bruce

(1) Type and number of entities affected: All school districts that provide transportation to vocational schools for less than 12 pupils.

(a) Direct and indirect costs or savings to those affected:

1. First year: Districts providing transportation for less than 12 vocational pupils will receive full reimbursement instead of pro-rata amount.

2. Continuing costs or savings: Same as above.

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: Will reduce reporting requirements.

(2) Effects on the promulgating administrative body: Will increase amount paid to districts transporting less than 12 pupils.

(a) Direct and indirect costs or savings:

1. First year: Will cost the difference between pro-rata reimbursement and full reimbursement.

2. Continuing costs or savings: Same as above.

3. Additional factors increasing or decreasing costs: None

(b) Reporting and paperwork requirements: Will reduce paperwork by eliminating pro-rata calculation requirement.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons

why alternatives were rejected: None

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. For uniformity in reimbursement of school districts.

EDUCATION AND HUMANITIES CABINET

Department of Education

Office of Local Services

(Proposed Amendment)

702 KAR 7:020. Calendar.

RELATES TO: KRS 158.070

PURSUANT TO: KRS 156.070, 158.070

NECESSITY AND FUNCTION: KRS 158.070 defines the school term and holidays and other days to be included or excluded from the calendar. This regulation is necessary for efficient management, control and operation of schools and to assure uniformity in the days all approved schools are in session.

Section 1. On or before June 15 of each year, local boards of education shall, upon recommendation of the superintendent, adopt a school calendar fixing the opening and closing dates of each school month, designating the dates of school days within each school month and describing the school days on which schools will be dismissed in accordance with State Board of Education regulations. This section shall apply to all local boards of education operating experimental[ly] or year-round school programs.

Section 2. (1) Each local board of education shall, on or before July 1 of each year, file a copy of the adopted school calendar with the Department of Education for approval as to the compliance with these regulations. No district shall be paid any installment of its Foundation Program allotment until the school calendar for the district has been so approved. In addition to the minimum 175 teaching days, school calendars shall build in enough teaching days to equal the average number of full school days missed system-wide in each district over the immediately preceding past five (5) years. (For example, if a school district missed an average of fifteen (15) days system-wide over the immediately preceding past five (5) years, the school calendar would reflect 190 teaching days and 200 total days for the term.) Final approval of a school calendar shall be withheld if, in the judgment of the Department of Education, a school calendar is not reasonable when the proposed starting date, the proposed ending date, and the average number of days missed over the past five (5) years are considered.

(2) If a school district ultimately misses fewer days than the additional teaching days built into its calendar, then any such excess additional days may be eliminated from the calendar.

Section 3. A local board of education may amend its school calendar upon recommendation of the superintendent within the limitations of pertinent State Board of Education regulations.

Section 4. All amendments to school calendars shall be submitted on the appropriate form to the Department of Education for approval as to compliance with these regulations no later than April 15 of each year. Any subsequent amendments to school calendars in the same school year shall be submitted to the Department of Education no later than five (5) days after the meeting of the local board of education at which the amendment is approved.

Section 5. The school calendar shall provide for the same number of days of classroom instruction in all schools operated by a local board of education.

Section 6. The four (4) days on which schools may be dismissed for holidays as provided for in KRS 158.070 shall be selected from those listed in KRS 2.110, 18.350 and 158.070 subject to the provisions of such sections, except in presidential election years the day of the regular election may be used as one of the allowable holidays. School districts shall be closed on this date as required by KRS 2.190, but districts may exclude the date from their school calendar and not count it as one (1) of their four (4) allowable holidays. In this case, school districts would choose their four (4) allowable holidays from those listed in KRS 2.110.

Section 7. Local boards of education may use two (2) days [one (1) day] of the minimum school term for the opening and closing of schools [and one (1) day for the closing of schools] without the presence of pupils. One (1) of these days may be used at the beginning of the second semester of school.

Section 8. Local boards of education shall use four (4) days of the minimum school term for in-service professional development and planning activities for the professional staff without the presence of pupils. Proper approval for these four (4) days shall be secured from the State Department of Education.

Section 9. If local boards of education do not dismiss schools for four (4) holidays, one (1) day for opening schools, and one (1) day for closing schools as provided in KRS 158.070(3), the number of days of actual classroom instruction shall be increased accordingly.

Section 10. The two (2) consecutive days schools are required to be closed for the purpose of permitting professional school employees to attend state-wide professional meetings and the one (1) day for the regional or district professional meetings shall not be counted as a part of the minimum school term. The Superintendent of Public Instruction will approve dates which have been selected by the local boards of education for regional or district meetings.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Charles E. Calloway

(1) Type and number of entities affected: N/A

(a) Direct and indirect costs or savings to those affected:

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: No additional reporting or paperwork.

(2) Effects on the promulgating administrative body: N/A

(a) Direct and indirect costs or savings:

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: No additional reporting or paperwork.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: N/A

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: This revision in the regulation is needed to bring 702 KAR 7:020, Section 7, in line with a change in the statutes enacted by the 1986 Session of the General Assembly. (KRS 158.070)

Tiering:

Was tiering applied? No. Not applied in the interest of uniformity.

EDUCATION AND HUMANITIES CABINET

Department of Education

Office of Instruction

(Proposed Amendment)

704 KAR 3:304. Required program of studies.

RELATES TO: KRS 156.160

PURSUANT TO: KRS 156.070, 156.160

NECESSITY AND FUNCTION: KRS 156.160 requires the State Board of Education to establish minimum courses of study and the scope of instruction that may be offered in the different classes of common schools, and to establish the minimum requirements for graduation from the courses offered. This regulation implements that duty.

Section 1. Pursuant to the authority vested in the State Board of Education by KRS 156.070 and 156.160, the "Program of Studies for Kentucky Schools, Grades K-12," as amended on May 7, 1986 [July 2, 1985], is hereby promulgated and filed with the Legislative Research Commission and incorporated herein by reference. Copies may be obtained from the Office of Instruction, Department of Education.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Laurel True

(1) Type and number of entities affected: Public schools.

(a) Direct and indirect costs or savings to those affected: There will be no additional cost for implementing the amendments to the regulation.

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: There will be no additional reporting or paperwork required.

(2) Effects on the promulgating administrative body: N/A

(a) Direct and indirect costs or savings:

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: There will be no additional reporting or paperwork required.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: None

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. Tiering not applied since all districts have the option of implementing selected courses/programs.

EDUCATION AND HUMANITIES CABINET

Department of Education

Office of Instruction

(Proposed Amendment)

704 KAR 3:320. Essential skills.

RELATES TO: KRS 158.750

PURSUANT TO: KRS 156.070, 156.160, 158.750

NECESSITY AND FUNCTION: KRS 158.750 specifies that the State Board of Education shall assure that each pupil in the public schools of the Commonwealth is taught and is mastering the essential skills necessary to function in each basic skills area defined by KRS 158.650. The state board must also determine the essential skills necessary for pupils to successfully complete each grade level and develop and disseminate tests to determine acceptable mastery of essential skills. This regulation defines essential skills for the basic skill areas of mathematics, reading, writing, spelling and library research reference skills, and further establishes the specific Kentucky Essential Test Scores representing various levels of mastery.

Section 1. Each local district board of education shall assure that each pupil in the district is taught and is mastering the essential skills as determined by the State Board of Education for each of the basic skills areas defined by KRS 158.650. The essential skills identified for the basic skills areas, as approved by the State Board of Education, comprise the document "Essential Skills for Kentucky's Public Schools, November, 1984," which is incorporated herein by reference and copies of which may be obtained from the Office of Instruction.

[Section 2. Each local district board of education shall prior to the end of the 1984-85 school year, and each year thereafter, administer to each public school student (K-12) in the district essential skills tests as adopted by the State Board of Education to determine mastery of essential skills in the basic skills areas of mathematics and reading as defined by KRS 158.650.]

Section 2. [3.] Each local district board of education shall prior to the end of the 1985-86 school year, and each year thereafter, administer to each public school student (K-12) in the district essential skills tests to determine mastery of essential skills in each of the basic skills areas of mathematics, reading, writing, spelling and library research reference skills as defined by KRS 158.650.

Section 3. Mastery scores for each essential skill areas and grade level shall be defined as follows:

Mastery Scores by Grade and Skill Area

Grade	Reading	Math	Spelling	Writing	Library Research Reference
K	26	24	3	7	7
1	23	41	11	3	5
2	36	56	14	14	14
3	23	58	19	14	17
4	30	51	19	10	10
5	24	51	17	14	14
6	30	48	18	12	12
7	34	37	16	14	9
8	29	37	15	13	14
9	26	39	18	23	9
10	24	41	16	21	9
11	25	29	18	4	10
12	24	33	28	No	19
<u>Measurable Objectives</u>					

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Rebecca Brown

(1) Type and number of entities affected: All public school districts.

(a) Direct and indirect costs or savings to those affected: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: Administration of essential skills test in the basic skills areas.

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: Department of Education must disseminate essential skills test and must score or cause to be scored all test documents and compile and analyze results.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: None

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to

harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: This amendment represents the establishment of mastery scores for each grade level in the five (5) essential skills areas of reading, mathematics, spelling, writing and library research reference skills.

Tiering:

Was tiering applied? No. Tiering was not applied because of the need for uniformity.

EDUCATION AND HUMANITIES CABINET
Department of Education
Office of Instruction
(Proposed Amendment)

704 KAR 3:325. Effective Instructional Leadership Act.

RELATES TO: KRS 156.101

PURSUANT TO: KRS 156.070, 156.101

NECESSITY AND FUNCTION: KRS 156.101 requires the State Board of Education to establish specific criteria for implementing a statewide instructional leader improvement program for employees of the public schools holding valid certificates and performing the responsibilities as principal, assistant principal, supervisor of instruction, guidance counselor or director of special education. This regulation establishes and sets criteria for such a program.

Section 1. By July 13 [14], 1986, and every two (2) years thereafter, each instructional leader employed by the public schools of the Commonwealth shall participate in an intensive and continuing training program of no less than forty-two (42) participant hours of instruction approved by the State Department of Education. Completion of the required participant hours shall be reported to the local school district and to the State Department of Education. Failure to participate shall result in a one (1) year probation. Those certified as instructional leaders on or after July 14, 1984, who fail to complete the training during the probationary period, shall have their administrative certificates revoked.

Section 2. (1) Participation in the program is required for all those certified and employed as instructional leaders. Under the provisions of Accreditation Standards (Standard V, Compliance Indicator 5) and amendments to 704 KAR 3:035 (annual in-service education plan) local school districts are required to develop a plan for instructional leadership training as part of their Master In-service Education Plan. Districts which do not ensure that their instructional leaders obtain the required participant hours shall be cited for an accreditation deficiency.

(2) The approval of specific training for instructional leaders, as well as the selection of approved providers of such training may be determined by the superintendent of the local district.

(3) Every two (2) years each local school district must send a verification form to the Kentucky Department of Education, recording the names of all instructional leaders, their position titles, their social security numbers,

the dates they entered the two (2) year cycle, and the number of hours of training obtained during the two (2) year cycle.

(4) All [provider rosters,] participant verification forms and certificates must be kept on [permanent] file for six (6) years by each local district for each participant. In the event that a participant changes districts, his/her original file should be sent to him/her and a duplicate copy to the new [retained in the original] district.

Section 3. (1) Instructional leaders shall participate in a training program designed to improve and maintain the quality and effectiveness of instructional leadership in the public schools of the Commonwealth. The State Board of Education may approve agencies or institutions, defined hereinafter as providers, to design, implement, and evaluate such training. Training programs approved by the State Board of Education shall be:

(a) Intensive and designed specifically for instructional leaders. [To meet this criterion, a program should be of at least twelve (12) contact hours in duration with no instructional leader applying more than one (1) program of less than twelve (12) hours toward the required forty-two (42).] Participation should occur during the contract period including extended employment, if applicable. Training should be scheduled so as to minimize disruption of the instructional program of the district. [Participant hours exclude non-training or contact time.]

(b) Competency-based, specifying instructional leadership competencies to be mastered by participants. Competencies may have general applicability for instructional leaders or may be role-specific. Based on identified needs, the department may require specific training.

(c) Comprehensive in nature and shall meet identified needs. Needs shall be identified as described in the program content, Section 4 of this regulation. To meet the criterion of comprehensiveness, a program must contain the pertinent inter-related aspects of a broad competency area. This requirement shall not preclude approved sub-contracting by providers for program components.

(d) Characterized by follow-up activities to document the application of acquired competencies. To the optimum extent possible, these activities should occur on the employment site.

(e) Evaluated in terms of program content, instructional processes, and impact upon participants. Specifically, participant application of competencies shall be verified by random sampling utilizing local school district provider, and participant data. Evaluation of the training shall include, but not be limited to, participant pre- and post-testing of the specific instructional leadership competencies.

(f) The conferences of established professional education organizations shall be approvable for up to six (6) hours of credit toward the forty-two (42) hours required of instructional leaders every two (2) years. Such conferences must be submitted to the Kentucky Department of Education and the Kentucky State Board of Education for approval prior to the date of the conference. When approved by the Kentucky State Board of Education, instructional leaders are to be awarded certificates by their

local district upon verification of attendance.

(2) The two (2) year cycle to which a training program will be applied is determined by the date on which the last contact hour of a training program occurs. The two (2) year cycle is divided into halves [four (4) quarters] for the purpose of prorating the forty-two (42) hour requirement of one who may become a participant after the beginning date of a two (2) year cycle. The halves [quarters] and hour requirements are as follows:

(a) July 14 - July 13, first year of cycle - forty-two (42) hours by the end of the two (2) year cycle. [July 1, 1984 - December 31, 1984 - forty-two (42) hours by July 14, 1986;]

(b) July 14 - July 13, second year of cycle - twenty-one (21) hours by the end of the year. [January 1, 1985 - June 30, 1985 - thirty-six (36) hours by July 14, 1986;]

[(c) July 1, 1985 - December 31, 1985 - twenty-four (24) hours by July 14, 1986; and]

[(d) January 1, 1986 - June 30, 1986 - twelve (12) hours by July 14, 1986.]

(3) On or before August 1, 1986, a participant's verification of attendance at approved Effective Instructional Leadership Training sessions and programs and copies of program certificates must be recorded with his/her district.

(4) Excess hours (not to exceed twenty-one (21)) earned by a participant during the forty-three (43) day period of June 1 through July 13 at the end of a two (2) year cycle may be carried forward to the next two (2) year cycle and credited toward required hours for that cycle.

Section 4. The training program content shall consist of specific competencies consistent with the following definition of instructional leadership: Instructional leadership is the process of encouraging and modeling appropriate academic expectations of students and teachers in a positive school climate with affective, physical, and social needs to be considered as they relate to the cognitive development of students. The leadership competencies for the improvement of instruction for children and youth relate to an understanding of the teaching/learning process as well as to the supportive and evaluative functions of the instructional leader.

Section 5. Identification of needs will provide the basis for the definition of specific instructional leadership competencies to be addressed within the parameters of the above definition. [The Department of Education shall conduct a state-wide assessment of the training needs of instructional leaders every two (2) years. The results will be provided to the local districts to be used in determining training program content. Local districts and cooperatives may supplement the state-wide assessment program.]

Section 6. The provider of the training program shall:

(1) Develop programs which meet the criteria identified above;

(2) Select program faculty who have adequate, pertinent training/education, appropriate experience, and the ability to instruct effectively;

(3) Meet identified needs consistent with the

definition of instructional leadership cited in Section 4 of this regulation;

(4) Determine eligible participants as identified by the superintendent of their LEA;

(5) Identify in all informational literature the two (2) year cycle for which approval is granted and the specific category(ies) of instructional leader for which training is approved;

(6) Conduct training as set forth in its proposal and as approved by the Department of Education;

(7) Award participants Kentucky Department of Education certificates of attendance and document, through an attendance roster for each training session, participation of instructional leaders to the local district superintendent and the Department of Education; and

(8) Evaluate the training in terms of its content, instructional processes and impact upon the professional behavior of participants.

Section 7. The State Board of Education, upon recommendation of the Superintendent of Public Instruction, shall approve training providers, and the Department of Education shall maintain and distribute a list of approved providers.

Section 8. (1) Approval shall be granted for a period of up to two (2) consecutive years. The Superintendent of Public Instruction may revoke such approval if the provider does not implement the approved training program.

(2) Determination of approval as a provider will be based upon:

(a) Submission of a provider's training program proposal within sixty (60) days prior to the State Board of Education meeting at which approval is requested;

(b) Specific program criteria;

(c) Program content addressing specified competencies of instructional leadership and specific categories of instructional leaders identified in training proposals;

(d) In order to protect bona fide institutions and organizations and to protect citizens of the Commonwealth from fraudulent practices, unfair competition and substandard educational training programs, the Kentucky State Board of Education shall require that a provider seeking program approval meet the following criteria:

1. An established organizational structure including a legally chartered or organized status or an interagency agreement;

2. Legally appropriate officers and/or a governing body, membership representative of the education profession, and a verifiable domicile; and

3. A record of effective sponsorship of in-service activities.

(e) Local districts and educational cooperatives may qualify as providers.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower,

Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Tom Vest/Steve Henderson

(1) Type and number of entities affected: All school districts with the exception of Jefferson County.

(a) Direct and indirect costs or savings to those affected:

1. First year: No additional cost or savings.

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: No additional reporting or paperwork required.

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: No additional cost or savings.

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: No additional cost or savings.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected:

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. Requirements are uniform for all districts.

EDUCATION AND HUMANITIES CABINET Department of Education Office of Instruction (Proposed Amendment)

704 KAR 3:335. State plan for the administration of Chapter 2, ECIA of 1981.

RELATES TO: KRS 156.031, 156.035

PURSUANT TO: KRS 156.031, 156.070

NECESSITY AND FUNCTION: This regulation implements the State Board of Education's plan approval and federal statute implementation functions under KRS 156.031 and 156.035 relative to federal funds received under Chapter 2 of the Education Consolidation and Improvement Act of 1981.

Section 1. Pursuant to the authority vested in the Kentucky State Board of Education, the Kentucky State Plan for Chapter 2, Education Consolidation and Improvement Act of 1981, shall be prepared and approved by the State Board of Education, in accordance with the appropriate federal guidelines, and submitted to the U.S. Secretary of Education for his approval. This document is incorporated by reference and hereinafter shall be referred to as the "State

Plan" [adopted May 7, 1985,] for fiscal years ending September 30, 1988, as amended May, 1986. Copies of the State Plan may be obtained from the Division of Instructional Support, State Department of Education.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Jim Tyrrell

(1) Type and number of entities affected: All local school districts and the State Department of Education.

(a) Direct and indirect costs or savings to those affected: This program is by law designed to supplement state and local funds in the local school districts and the Department of Education.

1. First year: N/A

2. Continuing costs or savings: This program provides supplementary funds to fund programs a school district or the Department of Education may not be able to afford otherwise.

3. Additional factors increasing or decreasing costs (note any effects upon competition): This is a continuing federal grant.

(b) Reporting and paperwork requirements: Each local school district submits an application, quarterly financial reports, and an evaluation report at the end of each year.

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: N/A

2. Continuing costs or savings: Federal funds are provided to administer the grant as well as other funds to strengthen the Kentucky Department of Education.

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: Once every three years the State Education Agency files an application with the U.S. Department of Education. An amendment is filed each year as well as evaluation reports for each year.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication:

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions: Any regulation that would reate a supplant issue, such as if the state mandated computers for every classroom, Chapter 2 funds could no longer be used to

purchase computers until each school district had a computer for every room.

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. Tiering not possible under federal law providing these funds.

EDUCATION AND HUMANITIES CABINET

Department of Education

Office of Instruction

(Proposed Amendment)

704 KAR 3:355. Essential skills remediation.

RELATES TO: KRS 156.070, 158.750

PURSUANT TO: KRS 156.070

NECESSITY AND FUNCTION: KRS 158.750 broadly authorizes and funds a public school remedial instruction program; and KRS 156.070 authorizes the State Board of Education to prescribe courses of study, curricula, and programs as deemed necessary for the efficient management, control, and operation of the public schools. This regulation sets forth the criteria for the authorized public school remediation program, procedures for allotment of units, eligibility criteria for pupils to be served, qualifications and job descriptions for personnel, requirements for housing of units, and requirements for program evaluation.

Section 1. Definitions. (1) Transition classroom means a separate, self-contained, full-time classroom staffed by a teacher who is trained to provide remedial instruction.

(2) Collaborating teacher means a teacher who consults with the regular classroom teacher to plan remedial education activities for students, and who also provides direct remedial instruction to students. The collaborating teacher unit may be established as an alternative to the transition classroom.

(3) [(2)] Instructional assistant means a trained paraprofessional employee of the school district who provides tutorial instruction under the supervision of a teacher.

(4) [(3)] Remediation means a program of instruction designed to correct educational deficiencies.

(5) [(4)] Mastery level means a determined level reflected by a score on an achievement test from which a pupil may be expected to progress without remedial assistance.

Section 2. Funding of Units. Funding of remedial units shall be as follows:

(1) For the 1986-87 [1985-86] school year, state funding for a remedial [transition] classroom unit, to include only a teacher's salary allotment and current operating expense allotment, equal to the rank and experience and current expense allotment stipulated in the biennial budget for foundation program units, shall be made on the basis of one unit for each thirteen (13) pupils who at the end of kindergarten, first, or second grade in the 1984-85 school year were non-masters of essential skills by reason of having achieved twenty-six (26) percent or more below the established mastery level in reading and/or mathematics on the Kentucky Essential Skills Test (KEST). Classroom units shall be awarded on a fractional unit basis. In school districts

where fractional units result, local school districts may allocate average daily attendance funds received through the Minimum Foundation Program for those pupils eligible for transition classrooms in order to supplement the funding from the remedial program and create full scale transition classroom units.

(2) For the 1986-87 [1985-86] school year, state funding for an instructional assistant unit, to include a salary allotment, shall be reimbursed to local school districts based on actual expenses not to exceed \$8,000 annually per instructional assistant unit and awarded on the basis of one (1) unit for each twenty (20) pupils who at the end of kindergarten, first, or second grade in the 1984-85 school year were partial masters of essential skills by reason of having achieved ten (10) to twenty-five (25) percent below the established mastery level in reading and/or mathematics on the KEST. Instructional assistant units shall be awarded on a fractional unit basis.

(3) No single pupil shall be counted for purposes of generating both a remedial [transition] classroom unit and instructional assistant unit.

(4) For each year after the 1986-87 [1985-86] school year, funding of remedial [transition] classroom units and instructional assistant units shall be on the basis of test scores of pupils during the year two (2) years preceding the [said] year in which services are to be provided and the then-current definitions of non-master and partial master as applied to all five (5) basic skills areas.

(5) If the amount appropriated in the biennial budget is insufficient to fund the number of remediation [transition] classroom units and instructional assistant units generated, the allotments to districts shall be adjusted on a pro-rata share basis of the units actually calculated to be needed, with first priority assigned to funding remediation [transition] classroom units.

Section 3. Eligibility Criteria. Selection of pupils to be served in the remediation program shall be as follows:

(1) No more than fifteen (15) pupils who are non-masters [score at the twenty-six (26) percent or more below mastery level] in reading and/or mathematics and/or writing, spelling and library research reference skills on the KEST shall be served [enrolled] in a transition classroom or served by a collaborating teacher.

(a) If there are fewer than thirteen (13) eligible pupils identified for a remediation [any such allocated] unit, and to enhance the availability of remedial instruction for needy pupils, local school districts may group pupils according to the following priorities in order to retain tentative funding for [create] a transition classroom unit or fractional portion thereof or to create a full scale unit supplemented by Foundation Program funds. [:]

1. Pupils who are non-masters [achieving twenty-six (26) percent or more below the established mastery] in reading and/or mathematics and/or writing, spelling and library research reference skills;

2. Pupils who are partial masters in [achieving from ten (10) to twenty-five (25) percent below mastery level on] reading and/or mathematics and/or non-masters in either writing, spelling, or library research reference skills;

[3. Pupils achieving up to ten (10) percent below mastery in reading and/or mathematics;]

3. [4.] Pupils with the greatest needs, as determined by KEST scores, shall be selected first. [When pupils are grouped to create a transition classroom, fractional units shall continue to be allocated based upon the KEST scores of eligible pupils and not on the level of remediation to which the pupil is assigned.]

(b) Pupils who remain non-masters [at least twenty-six (26) percent or more below mastery of essential skills] in reading and/or mathematics and/or writing, spelling, and library research reference skills after one (1) year of remedial instruction in a transition classroom, may be eligible for services in a transition classroom for an additional year. Decisions regarding continued service in a transition room and decisions on promotion or retention for individual pupils shall be based upon the KEST score as well as records of ongoing progress and teacher recommendations.

(2) No more than twenty-two (22) pupils who are partial masters [score between ten (10) and twenty-five (25) percent below mastery] in reading and/or mathematics and/or non-masters in writing, spelling or library research reference skills on the KEST shall be served by an instructional assistant. If there are fewer than twenty (20) eligible pupils identified for an instructional assistant, and to enhance the availability of remedial instruction for needy pupils, local school districts may include pupils who are partial masters in writing, spelling or library research reference skills, or pupils who score up to ten (10) percent below mastery in reading and/or mathematics and/or writing, spelling and library research reference skills, in order to retain tentative funding for an instructional assistant unit or fractional portion thereof or to create, with supplemental Foundation Program funds, a full complement of pupils to be served by an instructional assistant. Pupils with the greatest needs shall be selected first.

[(3) Pupils who score up to ten (10) percent below mastery in reading and/or mathematics on the KEST shall be provided remediation as needed by the regular classroom teacher.]

(3) [(4)] School districts shall notify in writing the parents or guardians of any pupil selected for remediation of the intent to serve the pupil in the remediation program. School districts shall have a written policy for screening pupils which includes criteria for including or excluding individual pupils in the remediation program when documented evidence exists that such pupils' scores on the KEST do not reflect actual academic performance or when children who have not been tested with the KEST enroll in the school district. Under this provision, a pupil may be included in the program only with written parental consent. Such evidence shall be made available to the Kentucky Department of Education when requested.

(4) [(5)] With the exception of those pupils who are handicapped only by a speech impairment or a physical handicap, as defined in 707 KAR 1:053, pupils who have been appropriately identified as handicapped by an admissions and release committee are not eligible to be served in the remediation program except upon a determination by the admissions and release committee that there is no other appropriate educational placement for such a pupil.

(5) In the event that all eligible pupils have been provided a remedial education program in the first and second grades, and that funds are available for such, a school district may elect to establish a remedial education program in the third grade for otherwise-eligible pupils promoted to the third grade. A remedial education program in the third grade shall operate by the same procedures as a program in the first or second grade.

Section 4. Program Operation. (1) The remediation program shall include appropriate student learning activities and teaching techniques. The major emphasis of the remediation program shall be reading and mathematics and/or writing, spelling and library research reference skills.

(2) The level of intensity of remedial instruction shall be based upon the degree of need of the pupils served. The most intensive level of remedial instruction shall be provided in the remedial [transition] classroom or by the collaborating teacher in the content areas of reading and mathematics. Content of other required curricula shall be taught with an emphasis on reading and mathematics. Pupils receiving remedial education shall participate equally in all school services provided for other [first and/or second grade] pupils of the same grade in such areas as art, music, physical education and extra curricular activities in the same manner in which other pupils in the district receive such services.

Section 5. Qualifications of Personnel and Job Descriptions. Personnel qualified to serve in the remediation program shall meet the requirements for the position and fulfill the job description as follows:

(1) Teacher:

(a) Requirements:

1. Hold valid elementary education teaching certification;

2. Have demonstrated ability to work with pupils who have not been successful in the regular classroom;

3. Have at least one (1) year prior experience as a classroom teacher unless waived by the Superintendent of Public Instruction based upon documented evidence of lack of availability of personnel with such experience; and

4. Participate in program training as specified by the Kentucky Department of Education and local district.

5. Meet the applicable criteria required by KRS 161.044.

(b) Job description: Under the direction of the supervising teacher:

1. Implement instructional techniques and learning activities as required by the Kentucky Department of Education and local district;

2. Assess and document pupil progress on a continuous basis and modify instruction as necessary;

3. Maintain program records as required by the Kentucky Department of Education and local district;

4. Communicate with and involve parents; i.e., teacher/parent conferences, written communications, and home visits; and

5. Communicate with other teachers, instructional assistants and supervisors as necessary.

(2) Instructional Assistant:

(a) Requirements:

1. Hold minimum of high school diploma;

2. Demonstrate competent language skills;

3. Have demonstrated ability to work with pupils who have not been successful in the regular classroom; and

4. Participate in program training as specified by the Kentucky Department of Education and local district.

(b) Job description: Under the direction of the supervising teacher:

1. Implement instructional techniques and learning activities as required by the Kentucky Department of Education and local district;

2. Provide tutorial instruction to pupils individually or in small groups;

3. Assist with the documentation of pupil progress on a continuous basis;

4. Prepare and organize materials and equipment for remedial instruction; and

5. Participate as an integral member of the remediation instructional team.

Section 6. Facilities. (1) The remediation program shall be housed in facilities which are in compliance with 702 KAR 4:060, 702 KAR 4:070 and 702 KAR 4:080.

(2) In the event facilities are not available which meet the minimum square footage standards, the instructional area shall provide at least twenty-four (24) square feet of instructional space per pupil served or no less than 312 square feet.

Section 7. Program Evaluation. School districts shall evaluate the effectiveness of their remediation programs by collecting specified program data and submitting a report to the Kentucky Department of Education on a timely basis.

(1) The report shall include, but not be limited to:

(a) A list of names of pupils served.

(b) A summary of pupil progress on essential skills.

(c) Evidence of utilization of remediation materials and techniques.

(d) Evidence of parent involvement activities.

(e) Evidence of communication and coordination efforts within the schools.

(2) [An interim report shall be submitted to the Department of Education by December 15, 1985 and] A full report shall be submitted to the Department of Education by July 1 of each year [thereafter].

(3) On-site monitoring of remediation programs shall occur in conjunction with state evaluation for accreditation of schools.

Section 8. Collaborating Teacher Model [Alternative Remediation Program]. School districts may elect to implement an alternative to the remediation [transition] classroom for pupils who are otherwise eligible for a remediation [transition] classroom units. The alternative shall be established according to the collaborating teacher model.

(1) Funding shall be the same as for a transition classroom and the teacher shall have the same qualifications as a transition room teacher. School districts shall submit a report for the alternative model as required in Section 7 of this regulation.

(2) The purpose of the collaborating teacher model shall be:

(a) To provide comparative data on differing approaches to remediation; and

(b) To provide remediation in the regular classroom to pupils who have failed to master essential skills.

[(3) In order to provide data for comparative purposes, districts desiring to implement a collaborating teacher program, which are funded for more than three (3) transition classrooms, must propose and operate the alternative remediation program and at least one (1) transition classroom.]

(3) [(4)] The collaborating teacher shall function in the following manner:

(a) The collaborating teacher shall provide direct instruction within the regular teachers' classrooms to eligible pupils. Pupils may be provided such instruction in other locations within the school only when circumstances within the regular classroom would detract from the remedial learning atmosphere. Pupils shall not be instructed in other locations routinely. Instruction shall be focused on remediation of deficiencies of essential skills in the areas of reading and mathematics. Instruction shall be on an individual or small group basis, depending upon pupil functioning levels.

(b) The collaborating teacher shall work with regular classroom teachers to develop an individual plan of remediation for each eligible pupil. The collaborating teacher shall also be responsible for monitoring the academic progress of each pupil with regard to identified essential skills requiring remediation.

(c) The collaborating teacher shall cooperate with regular classroom teachers on planning, scheduling, and space requirements.

(d) The collaborating teacher shall have no administrative or school management responsibilities.

(4) [(5)] The collaborating teacher model shall also contain the following components:

(a) Support for the regular classroom teachers in efforts to teach and motivate low achieving pupils;

(b) Involvement of parents through parent contracts and parent support groups;

(c) Training in effective use of teacher aides and instructional assistance for pupil specific remediation;

(d) Incorporation of peer tutoring and team learning strategies;

(e) Tutoring and coaching in pupil self-management skills;

(f) Design of special homework assignment strategies;

(g) Development of cognitive and thinking skills, and problem solving;

(h) Incorporation of motivational techniques;

(i) Design of enrichment activities; and

(j) Participation in long-term staff development and team building strategies.

(5) [(6)] The Department of Education shall provide training, program materials and supervision to support the implementation of program components and shall assist collaborating teachers in developing a network for sharing program information.

[(7) School districts seeking to implement a collaborating teacher program shall follow procedures established by the Department of Education which shall include but not be limited to the following:]

[(a) Each district must submit a written request for program information and an

application for participation.]

[(b) Each district must submit a proposal which shall identify the pupils to be served and the way in which the general requirements of the program will be specifically accomplished. The forms and format for representing this information shall be developed and supplied by the Department of Education. These forms will identify the specific criteria which will be used for deciding local district participation and the process by which these decisions shall be made.]

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Joanne Brooks

(1) Type and number of entities affected: 180 school districts.

(a) Direct and indirect costs or savings to those affected:

1. First year: More flexibility for unit funding and student grouping may decrease the amount of classroom space needed.

2. Continuing costs or savings: Same

3. Additional factors increasing or decreasing costs (note any effects upon competition): Changes in grouping students may decrease travel costs for remedial staff and increase instructional time.

(b) Reporting and paperwork requirements: Student instructional plans. Program evaluation reports.

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: Staff to administer program, provide technical assistance and monitoring. Training and materials. Appropriation will cover cost.

2. Continuing costs or savings: Same

3. Additional factors increasing or decreasing costs: Training costs should decrease as local staff continues in program.

(b) Reporting and paperwork requirements: Unit funding processes, routine monitoring reports.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: This is a refinement of the regulation which incorporates alternatives.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication:

(a) Necessity of proposed regulation if in conflict: N/A

(b) If in conflict, was effort made to harmonize the proposed administrative regulation

with conflicting provisions: N/A

(6) Any additional information or comments: N/A

Tiering:

Was tiering applied? No. Not applicable.

EDUCATION AND HUMANITIES CABINET
Department of Education
Office of Instruction
(Proposed Amendment)

704 KAR 7:020. Counselor; criteria and duties.

RELATES TO: KRS 157.360

PURSUANT TO: KRS 156.070, 157.320

NECESSITY AND FUNCTION: KRS 157.360 requires the Superintendent of Public Instruction to allot to local school districts as part of the Foundation Program, classroom units for administrative and special instructional services; and 704 KAR 3:010 allows guidance counselor units as a form of ASIS units. This regulation is necessary to determine criteria for employment of counselor personnel in local schools and directions for appropriate functions.

Section 1. (1) Accreditation standards shall be the criterion for employment of counselors. Counselor units shall be considered on the basis of a minimum ratio of one (1) counselor unit for each 300 pupils in a school or schools served by the counselor. The required ratio shall be in accordance with accreditation standards.

(2) The scope of the school counselor's responsibility begins with the student's entrance into educational programs and concludes with efforts to affect successful transition from school to work or higher education.

(3) The school counselor shall work with all students individually and in groups, providing developmental, preventive and social/emotional, and physical needs, including programs to identify and address the needs of high risk students and dropouts.

(4) All counselors shall exercise their best efforts to provide direct services to students to help them do the following: develop a positive attitude toward self, others, and school; make decisions; recognize the importance of good attendance and work habits; see the value of education; realize the relationship between school and work; abstain from drug and alcohol use; cope with personal problems; recognize the need for self-discipline; and contribute positively to the school climate.

(5) The goal of the counselor shall be to assist students in achieving their potential by helping them gain the most from their educational experiences. In achieving this goal, the counselor shall provide continuing services that include counseling, information, consultation, coordination, program selection, and referral to students, parents, teachers, and administrators.

(6) The counselor's duties shall be determined as follows: School counselors shall spend at least seventy-five (75) percent of their work time in activities that provide for direct guidance and counseling services with students, parents, teachers, and administrators. The activities shall include:

(a) Individual and group guidance and counseling services - provide individual and group counseling and guidance activities in the

areas of development, prevention, and crisis situations for students and parents.

(b) Information services - provide information for use in exploring and making decisions about educational, career, vocational, personal-social, and orientation issues.

(c) Consultation services - confer with parents, teachers, administrators, and community resource people in developing programs or activities to address personal, social, or instructional needs of students.

(d) Appraisal services - assist in the collection, maintenance, dissemination, and interpretation of information based on individual intellectual assessments, group tests, student records, individual assessments, observations, and other methods enabling parents, students, teachers and other support professionals to provide students with appropriate instructional programs.

(e) Coordination services - provide leadership, assist in plan development, and orchestrate the implementation of guidance activities for use by parents, teachers, administrators, and the community.

(f) Program selection services - assist in placing students in appropriate instructional, vocational, and career programs.

(g) Referral services - use local and state resources and agencies that provide specialized services to students and parents.

(7) School counselors shall spend approximately twenty (20) percent of their work time in activities aimed at planning and implementing the guidance and counseling program. These activities shall include, but are not limited to:

(a) Developing the annual Guidance Plan and evaluating the effectiveness of the guidance program and activities.

(b) Coordinating the maintenance of guidance records.

(c) Developing and coordinating a planned and continuous public relations program.

(d) Maintaining professional standards, skills, and competencies by attending courses, workshops, conferences, serving in professional organizations, and reading professional literature.

(e) Conducting research and follow-up studies that help evaluate and improve guidance programs in the school.

(8) School counselors shall spend approximately five (5) percent of their work time in activities not defined in this regulation; however, those activities should be consistent with the counselor's role.

(9) The counselor's duties shall be verified by the guidance plan of the school in which the counselor is to function and through the Kentucky Standards for Grading, Classifying and Accrediting Elementary, Middle, and Secondary Schools.

(10) An evaluation of the appropriateness and effectiveness of each district's counseling services will be included in the district's accreditation.

Section 2. (1) Effective until September 1, 1989 [1987], persons certified and employed as school guidance counselors are recognized as qualified examiners for the purpose of administering, scoring, and interpreting individual intellectual assessments of students in the public schools of the Commonwealth, as

such intellectual assessments may be deemed necessary or advisable by local school districts, provided the local superintendent of schools appropriately determines a guidance counselor performing such duties meets the following requirements:

(a) The counselor has a minimum of three (3) hours of graduate course work in individual intellectual assessment;

(b) The counselor has had experiences in test administration, interpretation, and report writing under supervision and administers only those tests which were a part of the instruction;

(c) The counselor has had experiences in the identification and placement process for exceptional children; and

(d) The counselor has a job description and guidance plan which clearly state the assignment of individual intellectual assessment responsibilities on file with the Division of Student Services, Department of Education.

(2) A letter from the local superintendent must be submitted to the Division of Student Services prior to December 31, 1985, verifying that the above requirements relative to administering, scoring, and interpreting individual intellectual assessments of students have been met.

(3) From January 1, 1986, to September 1, 1989 [1987], no counselor may administer, score or interpret individual intellectual assessments, unless a letter of verification is on file with the Department of Education.

Section 3. On and after September 1, 1989 [1987], in order to be qualified to administer, score, or interpret individual intellectual assessments of students in the public schools of the Commonwealth, guidance counselors holding the verification as set forth in Section 2 of this regulation for the 1988-89 [1986-87] school year must, prior to September 1, 1989 [1987], satisfactorily complete appropriate requirements prescribed by 704 KAR 20:330 [the Counsel on Teacher Education and Certification and approved by the State Board of Education] in order to receive a certificate endorsement for thereafter continuing the administration and interpretation of intelligence assessments. After September 1, 1989 [1987], in order to administer, score and interpret intelligence assessments, guidance counselors not so verified for the 1986-87 school year must complete a course of study as prescribed by 704 KAR 20:330 [the Counsel on Teacher Education and Certification and approved by the State Board of Education] and receive a certificate endorsement for the administration and interpretation of intellectual assessments, in order to be recognized as a qualified examiner for such purpose.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been

received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Angela Wilkins

(1) Type and number of entities affected: School Districts employing school counselors.

(a) Direct and indirect costs or savings to those affected:

1. First year: No additional costs or savings anticipated.

2. Continuing costs or savings: N/A

3. Additional factors increasing or decreasing costs (note any effects upon competition): N/A

(b) Reporting and paperwork requirements: Districts will continue until 1989 to notify The Division of Student Services as to which counselors are qualified to administer Individual Intellectual Assessments.

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings: N/A

1. First year: N/A

2. Continuing costs or savings: N/A

3. Additional factors increasing or decreasing costs: N/A

(b) Reporting and paperwork requirements: N/A

(3) Assessment of anticipated effect on state and local revenues: N/A

(4) Assessment of alternative methods; reasons why alternatives were rejected: Date needed to be extended to allow counselors time to complete training requirements. No alternatives were available.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict: N/A

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions: N/A

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. Regulation must be applied equal to all Districts.

EDUCATION AND HUMANITIES CABINET

Department of Education

Office of Instruction

(Proposed Amendment)

704 KAR 10:022. Elementary, middle and secondary schools standards.

RELATES TO: KRS 156.160

PURSUANT TO: KRS 156.070, 156.160

NECESSITY AND FUNCTION: KRS 156.160 requires the State Board of Education to adopt rules and regulations relating to grading, classifying, and accrediting all common schools, and further allows private, parochial, and church schools to voluntarily comply with accreditation standards and to be so certified by the state board. This regulation implements this duty by prescribing general standards to be used in evaluation of public elementary, middle and secondary schools, and of those non-public schools voluntarily seeking an accreditation evaluation.

Section 1. (1) Pursuant to the authority vested in the Kentucky State Board of Education

by KRS 156.070 and 156.160, the Kentucky Standards for Grading, Classifying and Accrediting Elementary, Middle and Secondary Schools, as amended on December 11, 1985, are presented herewith for filing with the Legislative Research Commission, and incorporated by reference.

(2) "Procedures for Kentucky Accreditation Program," April, 1985, as revised on September 10, 1985, is presented herewith for filing with the Legislative Research Commission and incorporated by reference.

Section 2. Pursuant to the authority vested in the Kentucky State Board of Education by KRS 156.160(2), non-public schools which voluntarily request accreditation shall be in compliance with all standards and indicators included in the Kentucky Standards for Grading, Classifying and Accrediting Elementary, Middle and Secondary Schools limited to curriculum, textbooks, and staff certification. Schools will address all standards and indicators except those marked "N/A" (not applicable). These Voluntary Non-Public School Accreditation Standards, May, 1986 [1985], are presented herewith for filing with the Legislative Research Commission and incorporated herein by reference.

Section 3. The procedures for the voluntary accreditation of individual non-public schools or related groups of such schools under common management and control shall be as follows:

(1) All non-public schools or groups of schools which voluntarily request accreditation shall notify the Division of Accreditation by letter of their intentions.

(2) An Instructional Services Advisor (I.S.A.) shall be assigned to a school and shall be the liaison between the school and the Department of Education. The I.S.A. shall provide the school with the department's self-study guide and provide technical assistance as needed.

(3) An on-site team will visit each school to validate the school's self-study. This team shall be appointed by the Department of Education and shall consist of at least three (3) persons - an I.S.A., a local non-public school official and another Department of Education staff member.

(4) An additional team member shall be appointed for each additional five (5) faculty members beyond fifteen (15).

(5) A report shall be generated by the on-site team and a copy presented to the school or related group of schools. The school or related group of schools shall prepare a three (3) year plan of action to correct all non-compliance. The plan shall be monitored annually to assure that the plan of action is being implemented.

(6) The school or related group of schools shall then be placed on a five (5) year accreditation cycle. The first year shall be the self-study and the on-site visit followed by a three (3) year plan of action, and the last year shall be devoted to updating the self-study.

(7) State funds may not be used for the accreditation of non-public schools. Such schools shall reimburse the Department of Education the total costs of accreditation certification, including necessary follow-up, either from their own funds or from any appropriate federal grants.

Section 4. "The Merit Rating Procedural

Information and General Criteria for Guidance Programs," March, 1985, and "Merit Rating Guidelines for Kentucky Schools," as adopted on July 9, 1984, are presented herewith for filing with the Legislative Research Commission and incorporated by reference.

Section 5. A copy of all documents incorporated in this regulation may be obtained from the Office of Instruction, Department of Education.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Robert Elder

(1) Type and number of entities affected: Approximately 200 non-public schools.

(a) Direct and indirect costs or savings to those affected:

1. First year: Minimum of \$200 for evaluation. Depends on size of school.

2. Continuing costs or savings: Cost of evaluation each five years.

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: None
(2) Effects on the promulgating administrative body: None

(a) Direct and indirect costs or savings:

1. First year:
2. Continuing costs or savings:
3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: No additional.

(3) Assessment of anticipated effect on state and local revenues:

(4) Assessment of alternative methods; reasons why alternatives were rejected: No alternatives considered.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. Must be applied evenly to all non-public schools.

EDUCATION AND HUMANITIES CABINET

Department of Education
Office of Instruction
(Proposed Amendment)

704 KAR 15:080. Paraprofessional employees and volunteer personnel.

RELATES TO: KRS 161.010, 161.030, 161.044

PURSUANT TO: KRS 156.070, 161.044

NECESSITY AND FUNCTION: KRS 161.010 defines a paraprofessional, KRS 161.030 vests the certification of all teachers and other school personnel with the State Board of Education, and KRS 161.044 directs the State Board to establish a plan for the qualification and utilization of adult paraprofessional employees and adult volunteer personnel in the schools. This regulation prescribes the guidelines by which local school districts may utilize and supervise adult paraprofessional employees and adult volunteer personnel.

Section 1. Local boards of education may utilize adult volunteer and adult paraprofessional employees in accordance with KRS 161.044 and 161.010(4) and (5), and subject to the following provisions:

(1) All teachers' aides working in kindergarten classes and all teachers' aides hired by the local board of education after July 1, 1986, except those with teacher certification, shall be subject to the following requirements:

(a) A high school diploma or a high school equivalency certificate.

(b) A passing score on an achievement test. Beginning with the 1986-87 school year, an appropriate test shall be used to measure competence in the areas of reading and mathematics. The Superintendent of Public Instruction shall appoint an advisory committee to assist in the selection of an appropriate test and establishing a passing score for the 1986-87 school year. The passing score shall be submitted to the State Board of Education for approval and incorporation into this regulation.

(c) Successful completion of an in-service training program. The program shall consist of a minimum of twelve (12) hours of formal, documented instruction to include training in the areas of the role of the paraprofessional, educational terminology, school practices and policies, interpersonal relationships, learning atmosphere and tutorial instruction. Local school districts shall utilize the in-service program designated by the State Board of Education or an alternative program approved by the Department of Education which meets the requirements of this subsection.

(d) An annual evaluation by the appropriate school administrator with input from the supervising teacher or teachers. Local districts shall adopt a policy which sets forth the evaluation process for teachers' aides and the use to be made of such evaluations in future employment decisions.

(2) Local boards of education shall give preference to an applicant for the position of teacher's aide or paraprofessional who has a regular or emergency teacher certification.

(3) [(1)] For each paraprofessional employee the local school district shall prepare and maintain an up-to-date job description which outlines the duties that the individual is

authorized to perform, [and which further describes the formal preparation or professional judgments of competency that corroborate the qualifications of the individual to perform those duties. The professional administrative and teaching staff may establish formal evaluation procedures to arrive at the professional judgments of competency that are to be entered into the written job description.]

(4) [(2)] The professional administrative and teaching staff, as well as the paraprofessional employees, shall have copies of the job descriptions of the paraprofessional personnel under their direction and shall limit the work assignment of the paraprofessional personnel to the duties outlined in the job descriptions.

(5) [(3)] Paraprofessional employees and volunteer personnel may be assigned within the limitations of their competency to assist with classroom and any otherwise authorized community-based instruction, as appropriately directed and [personally] supervised by the professional administrative and teaching staff. Such assistance shall not include the continuing day-to-day responsibility for teaching a particular academic subject or group of pupils in the role ordinarily ascribed to a teacher in the regular, special education, and vocational education program areas, and paraprofessional employees and volunteer personnel involved in regular and remedial classroom instruction shall be personally supervised on a continuing day-to-day basis by the supervising teacher.

Section 2. In the event a local board of education is unable to fully staff an athletic program with qualified personnel under 702 KAR 7:090 Sections 1 and 2, the local district superintendent may request annual approval from the Superintendent of Public Instruction for an alternative staffing arrangement for noncertified paraprofessionals performing routine, assignments, pursuant to 702 KAR 7:090, Section 2(2). Appropriate justification shall be submitted in writing on forms provided by the head of the Office of Instruction.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Joanne Brooks

(1) Type and number of entities affected:

(a) Direct and indirect costs or savings to those affected: Estimated 6,000 teacher aides in 180 local districts.

1. First year: \$12 fee to each aide to receive GED if not a high school graduate; approximate \$10 fee to each aide to cover costs of achievement testing.

2. Continuing costs or savings: Same
 3. Additional factors increasing or decreasing costs (note any effects upon competition): These are one-time costs to each aide.

(b) Reporting and paperwork requirements: Documentation that the aide: 1) Has a diploma or GED; 2) Passed the achievement test; 3) Completed the training successfully.

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: Cost of testing instruments and provision of training.

2. Continuing costs or savings: Same

3. Additional factors increasing or decreasing costs: Costs should decrease over time as most aides meet the qualifications.

(b) Reporting and paperwork requirements: Test scoring, funding processes, routine monitoring reports.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: No cost-effective alternatives identified. There is no appropriation for implementing these requirements.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication:

(a) Necessity of proposed regulation if in conflict: N/A

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions: N/A

(6) Any additional information or comments: N/A

Tiering:

Was tiering applied? Yes

EDUCATION AND HUMANITIES CABINET
Department of Education
Office of Instruction
(Proposed Amendment)

704 KAR 20:005. Kentucky standards for preparation program approval.

RELATES TO: KRS 161.020, 161.025, 161.030
 PURSUANT TO: KRS 156.070, 161.030

NECESSITY AND FUNCTION: KRS 161.020 prohibits any person from holding the position of superintendent, principal, teacher, supervisor, director of pupil personnel, or other public school position for which certificates may be issued unless he holds a certificate of legal qualifications for the particular position; KRS 161.025 gives the Kentucky Council on Teacher Education and Certification the duty to develop and recommend policies and standards relating to teacher preparation and certification; and KRS 161.030 rests the certification of teachers and other school personnel and the approval of teacher-preparatory colleges and universities and their curricula with the State Board of Education. This regulation establishes the standards and procedures which are to be used for the approval of the various teacher preparation programs offered by the colleges and universities, and where applicable, these curriculum standards are consistent with the Program of Studies as incorporated in 704 KAR 3:304; and this regulation also establishes procedures and necessary justifications for

future development of new preparation-certification programs.

Section 1. Pursuant to the statutory authority placed upon the Superintendent of Public Instruction, the State Board of Education, and the Kentucky Council on Teacher Education and Certification under KRS Chapter 161, there is hereby devised, created, and incorporated by reference the Kentucky Standards for the Preparation-Certification of Professional School Personnel, which shall include the standards and procedures for the approval of college and university curricula for the preparation programs.

Section 2. The Kentucky Standards for the Preparation-Certification of Professional School Personnel are hereby amended, and the amended document is hereby incorporated by reference and identified as the Kentucky Standards for the Preparation-Certification of Professional School Personnel, revised May [March], 1986. A copy of this document can be obtained from the Office of Instruction, Department of Education, Capital Plaza Tower, Frankfort, Kentucky.

Section 3. Any proposal for the development by the Council on Teacher Education and certification of a program of preparation-certification for a new position shall be evaluated in writing by the office of the Superintendent of Public Instruction on the basis of the following criteria:

(1) There are compelling reasons for establishing a preparation-certification program. Alternate procedures for insuring professional competence for the position are either not feasible or are not appropriate. The likelihood of unsatisfactory practices represents too high a risk for noncertification alternatives.

(2) A distinctive and specific body of knowledge exists for the new position which is not likely to be attained without a specific preparation-certification plan. The body of knowledge is sufficiently extensive for a program of preparation - twelve (12) semester hours of credit or more - rather than something that can be earned in miscellaneous non-credit experiences.

(3) There are pupils having unique characteristics which require the teacher to have specialized knowledge and skills or there is a need for special services for which unique professional preparation is required.

(4) There is a sufficient demand for the training for this position to warrant the development of preparation-certification programs at one (1) or more Kentucky teacher education institutions and for sustaining these programs over a period of several years.

(5) The preparation-certification requirement is cost effective in terms of the anticipated benefits to the local school district.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons

wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: James Fouche and Alice McDonald

(1) Type and number of entities affected: No appreciable change.

(a) Direct and indirect costs or savings to those affected:

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings: No appreciable change.

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: Must include revised language in periodic publications of certification requirements.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. Regulation ultimately applies to individual teacher candidates who must satisfy the same curriculum requirements for certification.

EDUCATION AND HUMANITIES CABINET

Department of Education

Office of Instruction

(Proposed Amendment)

704 KAR 20:045. Testing prerequisites for teacher certification; certificate application; beginning teacher internship program.

RELATES TO: KRS 161.020, 161.025, 161.030

PURSUANT TO: KRS 156.070, 161.030

NECESSITY AND FUNCTION: KRS 161.020, 161.025, and 161.030 require that teachers and other professional school personnel hold certificates of legal qualifications for their respective positions to be issued upon completion of programs of preparation prescribed by the Kentucky Council on Teacher Education and Certification and approved by the State Board of Education; furthermore, the teacher education institutions are required to be approved for offering the preparation programs corresponding

to particular certificates on the basis of standards and procedures recommended by the Council and approved by the State Board, and KRS 161.030 sets up additional testing and internship requirements for certification. This regulation provides for the implementation of the testing prerequisites for teacher certification as prescribed in KRS 161.030 and for the beginning teacher internship program; and also provides for certificate renewal requirements and for filing certificate application forms.

Section 1. (1) Application for teacher certification shall be made on official forms prepared by the Department of Education.

(2) The application shall be supplemented by official transcripts showing all college credits necessary for the requested certification.

[(3) The Superintendent of Public Instruction may authorize a teacher education institution to present certificates to applicants at the time the certification requirements are completed, provided the applications have been approved in advance by the Department of Education and provided the institution files the official transcripts of credits with the Department of Education within thirty (30) days.]

Section 2. Teacher certification issued initially under the provisions of 704 KAR 20:065, 20:070, 20:080, 20:085, 20:090, 20:145, 20:150, 20:159, 20:222, 20:230, 20:235, 20:240, 20:245, 20:270, and 20:290 shall comply with the provisions of KRS 161.030 and with the following requirements and procedures:

(1) There shall be a recency of preparation prerequisite for the issuance of certificates covered by this section, as follows:

(a) For applicants who have completed a four (4) year program of preparation but who have not yet completed a planned fifth-year program, the program of preparation shall have been completed within the five (5) year period next preceding the date of receipt of the certificate application form, or else the applicant shall have completed six (6) semester hours of additional graduate credit within this five (5) year period.

(b) Those applying for initial Kentucky certification who have a planned fifth-year program are exempt from taking the six (6) additional hours, provided they have completed three (3) years of successful teaching experience within the last five (5) years.

(c) For applicants who do not meet the recency of preparation prerequisite, and who have not previously held a regular Kentucky teaching certificate, but who otherwise qualify for certification, the certificate shall be issued for a one (1) year period ending June 30 of the next calendar year and with the condition that six (6) semester hours of credit applicable toward the usual renewal requirements be completed by September 1 of the year of expiration. Thereafter the further extension of the certificate shall be in compliance with the usual renewal requirements as specified in subsection (2) of this section.

(2)(a) Teaching certificates described in this section shall be issued for a duration period of five (5) years and with provisions for subsequent five (5) year renewals, except that the initial certification for the beginning teacher internship shall be issued for a

duration period of one (1) year and initial certification for applicants who do not meet the recency of preparation prerequisite shall be issued for a duration period of one (1) year.

(b) Upon successful completion of the beginning teacher internship as judged by majority vote of the beginning teacher committee, the one (1) year certificate shall be extended for the remainder of the five (5) year period.

(c) The certificate shall be renewed for subsequent five (5) year periods upon completion by September 1 of the year of expiration of three (3) years of successful teaching experience or upon completion by September 1 of the year of expiration of at least six (6) semester hours of credit or the equivalent in PSDU's or CEU's, as defined in 704 KAR 20:020, except that persons who have not yet completed the Planned Fifth-Year Program, as defined in 704 KAR 20:020, shall complete at least fifteen (15) semester hours of credit applicable to the program for the first renewal and the remainder of the program for the second renewal.

(d) Credits for certificate renewal shall be earned after the issuance of the certificate, and any credits earned in excess of the minimum requirements for any renewal period shall accumulate and be carried forward to apply toward subsequent renewals.

(3)(a) Whenever there is a lapse in any certification identified in this section due to expiration for lack of meeting the renewal requirements, the certificate may be reissued at a later date for a one (1) year period by first completing at least six (6) semester hours of graduate credit applicable toward the Planned Fifth-Year Program. The applicant shall complete another nine (9) semester hours of credit applicable toward the Planned Fifth-Year Program by September 1 of the year of expiration in order to qualify for extending the certificate for the remaining four (4) years of the usual five (5) year duration period. At the end of this renewal period the applicant shall have completed the Planned Fifth-Year Program to qualify for the next five (5) year renewal. Thereafter, the regular renewal schedule of six (6) semester hours of additional credit or the equivalent in PSDU's or CEU's each five (5) year period shall apply.

(b) An applicant who has already completed the Planned Fifth-Year Program and whose certificate lapses may have the certificate reissued after first completing another six (6) semester hours of graduate credit. The certificate shall be issued for a five (5) year period and subject to the renewal schedule of three (3) years of successful teaching experience or completion by September 1 of the year of expiration of at least six (6) semester hours of additional credit or the equivalent in PSDU's or CEU's for each five (5) year period.

(c) An applicant who has held a regular Kentucky teaching certificate which has lapsed for failure to meet renewal requirements, but who otherwise qualifies for the reissuance of a Kentucky teaching certificate, shall not be required to take the written tests or to participate in the beginning teacher internship program.

(4)(a) An applicant having completed two (2) [five (5)] or more years of successful [full-time acceptable] teaching experience outside of the Commonwealth of Kentucky, who

otherwise qualifies for certification, shall not be required to take the written tests or to participate in the beginning teacher internship program. [An applicant who has held a regular Kentucky teaching certificate which has lapsed for failure to meet renewal requirements, but who otherwise qualifies for the reissuance of a Kentucky teaching certificate shall not be required to take the written tests or to participate in the beginning teacher internship program. In calculating the minimum of five (5) years of acceptable experience, full-time teaching shall be defined as continuous employment for at least a half day or more; full-time teaching for a major portion of a semester shall be counted as one-half (1/2) year; and full-time experience for the major portion of an academic year shall be counted as one (1) year. At least three (3) of the five (5) years of experience shall be in a position directly corresponding to the type of teaching certificate for which the application is being made.]

(b) Successful experience shall be in a position directly corresponding to the type of teaching certificate for which the application is being made and shall be further defined as follows:

1. Employment is at least on a half-time basis.
2. A full year of experience shall include at least 140 days of employment performed within the academic year.
3. A half year of experience shall include at least seventy (70) days of employment performed within an academic semester.

(5) Prerequisites for the issuance of a one (1) year certificate for the beginning teacher internship shall include:

(a) The completion of an approved program of preparation which corresponds to the certificate desired.

(b) The completion of the written tests designated by the State Board of Education for:

1. General knowledge;
2. Communications skills;
3. Professional education concepts; and
4. Knowledge in the specific teaching field of the applicant, with minimum scores in each test as set by the State Board of Education.

(c) Evidence of [full-time] employment in a Kentucky school as attested by the [prospective] employer in a school that is accredited by the State Board of Education.

(6) Upon successful completion of the approved program of preparation and upon completion of the designated tests with acceptable scores, the Department of Education shall issue a statement of eligibility for employment which shall serve as evidence of eligibility for the one (1) year certificate once a teaching position is secured. The statement of eligibility shall be valid for a four (4) year period beginning from the date of issuance from the Department of Education and ending on the same date four (4) years later. If the teacher internship is not begun within the four (4) year period, the individual must requalify for another statement of eligibility by retaking and passing the designated written tests with acceptable scores.

(7) For persons who attain the statement of eligibility, but who are not appropriately employed [on a full-time basis], the Certificate for Substitute Teaching may be issued as provided in 704 KAR 20:210, Section 1.

(8)(a) The employment of a teacher intern

shall not begin earlier than the effective date shown on the statement of eligibility.

(b) The one (1) year certificate shall be issued effective from the date of employment and shall expire June 30 of the next calendar year. If the teacher's first year performance is judged to be less than satisfactory, the teacher shall be provided with an opportunity to repeat the internship one (1) time through the reissuance of another one (1) year certificate if the teacher is employed by a school district.

[(9) The first year of employment as a beginning teacher shall serve as the internship as described in KRS 161.030. The Superintendent of Public Instruction shall design, for State Board approval, the plan which provides for the beginning teacher committee, the support services for the beginning teacher, the evaluation of the performance of the beginning teacher, the development of criteria and procedures for the evaluation of the performance of the beginning teacher, and the training of the evaluators who make up the beginning teacher committee.]

[(10) The one (1) year internship shall include a minimum of 140 days of full-time teaching experience.]

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: James Fouche and Alice McDonald

(1) Type and number of entities affected: All teacher education institutions, all elementary, secondary, and vocational accredited schools; all new teachers with less than 2 years of experience.

(a) Direct and indirect costs or savings to those affected: No change from present regulations except that certificate applicants with more than 2 years of experience will not have to take written tests (cost \$90 per person) or engage in the internship (no cost but perhaps extra time involved).

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: No change

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings: Reduces the number of teacher interns and resource teachers with a savings of approximately \$1,500 for each internship eliminated.

1. First year: \$75,000

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs: Training costs for participants will increase about \$75,000 overall annually.

(b) Reporting and paperwork requirements: No change over present system.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: This is a new program which has not been in effect long enough to consider alternatives.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? No response by agency.

EDUCATION AND HUMANITIES CABINET

Department of Education

Office of Instruction

(Proposed Amendment)

704 KAR 20:095. Elementary level on high school certification.

RELATES TO: KRS 161.020, 161.025, 161.030

PURSUANT TO: KRS 156.070, 161.030 [156.160]

NECESSITY AND FUNCTION: KRS 161.020, 161.025, and 161.030 require that teachers and other professional school personnel hold certificates of legal qualifications for their respective positions to be issued upon completion of programs of preparation prescribed by the Kentucky Council on Teacher Education and Certification and approved by the State Board of Education; furthermore, the teacher education institutions are required to be approved for offering the preparation programs corresponding to particular certificates on the basis of standards and procedures recommended by the Council and approved by the State Board. This regulation establishes an appropriate certificate and relates to the corresponding standards and procedures for program approval as included in the Kentucky Standards [State Plan] for the Preparation-Certification [Approval] of [Preparation Programs for the Certification] of Professional School Personnel.

Section 1. Effective until September 1, 1989. an endorsement for classroom teaching at the elementary school level grades 1-8 shall be issued in accordance with the pertinent Kentucky statutes and State Board of Education regulations to an applicant who holds a certificate valid for classroom teaching at the high school level and who has completed the approved program of preparation for the elementary endorsement at a teacher education institution approved under the standards and procedures included in the Kentucky Standards [State Plan] for the Preparation-Certification [Approval] of [Preparation Programs for the Certification] of Professional School Personnel, as adopted by 704 KAR 20:005, TEC 27.0, Section 1. Effective with the 1986-87 academic year

teacher candidates shall not be admitted to the preparation program leading to an endorsement for elementary classroom teaching, grades 1-8.

Section 2. An endorsement for teaching kindergarten through grade four (4) shall be issued in accordance with the pertinent Kentucky statutes and State Board of Education regulations to an applicant who holds a certificate valid for classroom teaching in the middle grades or at the high school level and who has completed the approved program of preparation for the K-4 endorsement at a teacher education institution approved under the standards and procedures included in the Kentucky Standards for the Preparation-Certification of Professional School Personnel, as adopted by 704 KAR 20:005, TEC 27.0, Section 2.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: James Fouche and Alice McDonald

(1) Type and number of entities affected: All teacher education institutions; all accredited elementary schools; approximately 50-75 teachers annually.

(a) Direct and indirect costs or savings to those affected: No appreciable change over current regulations.

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: Teacher education institutions will report their revised curricula to the Department of Education.

(2) Effects on the promulgating administrative body: No appreciable change.

(a) Direct and indirect costs or savings: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: Revised requirements will be published with periodic certification updates.

(3) Assessment of anticipated effect on state and local revenues:

(4) Assessment of alternative methods; reasons why alternatives were rejected: The endorsement plan is an alternative (to requiring an entirely separate preparation program).

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in

conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. Regulation ultimately applies to individual teacher candidates who must satisfy the same curriculum requirements for certification.

EDUCATION AND HUMANITIES CABINET Department of Education Office of Instruction (Proposed Amendment)

704 KAR 20:135. Kindergarten teachers.

RELATES TO: KRS 161.020, 161.025, 161.030

PURSUANT TO: KRS 156.070, 161.030

NECESSITY AND FUNCTION: KRS 161.020, 161.025, and 161.030 require that teachers and other professional school personnel hold certificates of legal qualifications for their respective positions to be issued upon completion of programs of preparation prescribed by the Kentucky Council on Teacher Education and Certification and approved by the State Board of Education; furthermore, the teacher education institutions are required to be approved for offering the preparation programs corresponding to particular certificates on the basis of standards and procedures recommended by the council and approved by the state board. This regulation establishes an appropriate certificate for kindergarten teachers and relates to the corresponding standards and procedures for program approval as included in the Kentucky Standards for the Preparation-Certification of Professional School Personnel.

Section 1. Effective until September 1, 1989, an endorsement for teaching kindergarten shall be issued in accordance with the pertinent Kentucky statutes and State Board of Education regulations to an applicant who holds a certificate valid for classroom teaching at the elementary school level and who has completed the approved program of preparation for the kindergarten endorsement at a teacher education institution approved under the standards and procedures included in the Kentucky Standards for the Preparation-Certification of Professional School Personnel, as adopted by 704 KAR 20:005, TEC 20.0, Section 1. Effective with the 1986-87 academic year teacher candidates shall not be admitted to this preparation program leading to an endorsement for teaching kindergarten.

Section 2. The certificates issued for a duration period beginning prior to September 1, 1971, and valid for classroom teaching at the elementary school level, shall continue to be valid for teaching kindergarten. Certificates issued for a duration period beginning after September 1, 1971, and valid for classroom teaching at the elementary school level, shall be valid for teaching kindergarten only upon completion of the endorsement program for kindergarten teaching.

Section 3. An endorsement for teaching

kindergarten through grade four (4) shall be issued in accordance with the pertinent Kentucky statutes and State Board of Education regulations to an applicant who holds a certificate valid for classroom teaching at the elementary level and who has completed the approved program of preparation for the K-4 endorsement at a teacher education institution approved under the standards and procedures included in the Kentucky Standards for the Preparation-Certification of Professional School Personnel, as adopted by 704 KAR 20:005. TEC 20.0, Section 2.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: James Fouche and Alice McDonald

(1) Type and number of entities affected: All teacher education institutions; all accredited elementary schools; approximately 50-75 teachers annually.

(a) Direct and indirect costs or savings to those affected: No appreciable change over current regulations.

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: Teacher education institutions will report their revised curricula to the Department of Education.

(2) Effects on the promulgating administrative body: No appreciable change.

(a) Direct and indirect costs or savings: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: Revised requirements will be published with periodic certification updates.

(3) Assessment of anticipated effect on state and local revenues:

(4) Assessment of alternative methods; reasons why alternatives were rejected: The endorsement plan is an alternative (to requiring an entirely separate preparation program).

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. Regulation ultimately applies to individual teacher candidates who must satisfy the same curriculum requirements for certification.

EDUCATION AND HUMANITIES CABINET

Department of Education

Office of Instruction

(Proposed Amendment)

704 KAR 20:222. Industrial education teachers.

RELATES TO: KRS 161.020, 161.025, 161.030

PURSUANT TO: KRS 156.070, 161.030

NECESSITY AND FUNCTION: KRS 161.020, 161.025, and 161.030 require that teachers and other professional school personnel hold certificates of legal qualifications for their respective positions to be issued upon completion of programs of preparation prescribed by the Kentucky Council on Teacher Education and Certification and approved by the State Board of Education. This regulation establishes the qualifications for teachers of industrial education-preparation level and implements the testing and internship requirements of KRS 161.030.

Section 1. (1) The certificate for vocational education is established for issuance and renewal only for vocational teachers employed by the public schools or by the State Department of Education. The certificate may be issued for any [health,] technical, [or trades and] industrial education, or health and personal services occupation. [occupational] area for which programs may be offered under the Kentucky State Plan for Vocational Education. [It is intended that these regulations implement the philosophy of industrial education as adopted by the Kentucky State Board of Education in December, 1975, by means of the report "Industrial Education - A Merger of Industrial Arts and Trade and Industrial Education."]

(2) The intent of this vocational certificate is to provide for initial certification and renewal for teachers in vocational subject areas who are employed based upon required work experience in the subject area to be taught. It is intended that these regulation implement the philosophy of industrial education as adopted by the State Board of Education and described in the Kentucky Program of Studies, 704 KAR 3:304.

Section 2. Initial Issuance and Renewal of One (1) Year Certificates. (1) Initial Issuance. A certificate for teaching vocational education - technical, industrial education, or health and personal services occupations, valid for teaching only the subjects stated on the face of the certificate, shall be issued for a duration period of one (1) year upon completion of the following requirements:

(a) High school graduation or its equivalence determined by evidence of an acceptable score on the general education development test administered by an approved testing center.

(b) Four (4) years of successful and appropriate occupational experience in the area to be taught. Two (2) years of the occupational experience must have been within the last five (5) years. Adequacy of work experience shall be determined by the Department of Education. One

(1) year of occupational experience shall be equated with 2,000 clock hours. A maximum of one (1) year of the required work experience may be satisfied by completion of an accredited [preparatory] vocational preparation program for the occupation to be taught.

(c) Health and personal service occupations teacher candidates shall meet the requirements set for teachers by the approving/accrediting body that legally recognizes the practitioners in the specific occupations in which they teach. If no appropriate approving/accrediting body exists, the teacher candidate must have completed a basic preparatory program of no less than one (1) year in length in the area to be taught. [The completion of three (3) semester hours credit in a foundations course in vocational, industrial, or career education and the completion of three (3) semester hours credit in course construction or curriculum development in vocational industrial education.]

(d) The completion of the testing and internship provisions as described in Section 5 [6] of this regulation.

(2) Renewal of one (1) year certificates.

(a) The first renewal of the one (1) year certificate shall require the successful completion of the one (1) year internship and in addition the completion of three (3) semester hours of credit in vocational education laboratory/classroom management.

(b) Subsequent one (1) year renewals shall require the completion of a minimum of six (6) semester hours of credit for each renewal selected from the sixty-four (64) semester hour planned program for the preparation of vocational teachers in technical, industrial education, or health and personal services occupations - preparation level. In addition, documentation of completion of sixty (60) clock hours of approved and appropriate upgrading experiences must accompany the fifth and tenth renewals of the one (1) year teaching certificate. These upgrading experiences may be selected from the following: staff exchange; industry experience; clinical experience; technical upgrade workshops; supervised work experience; three (3) semester hours of approved specialization credit; six (6) CEU's of approved specialization activities. [Upon successful completion of the one (1) year internship, the certificate shall be renewed for subsequent one (1) year periods upon completion of a minimum of six (6) semester hours credit for each renewal selected from the sixty-four (64) semester hour planned program for the preparation of vocational teachers in industrial education-preparation level.]

(c) The one (1) year certificate shall not be subject to renewal more than ten (10) times. Credit granted for occupational proficiency shall not be applied toward the certificate renewal requirements.

(d) As a consequence of extenuating circumstances, such as severe illness or death in the family, which prevent the teacher from meeting the certificate renewal requirements, the Department of Education may authorize a renewal one (1) time without the completion of the additional credits when the circumstances are adequately documented and the situation merits approval.

[Section 3. A temporary certificate for vocational education-industrial education may be

issued to a person who is initially employed during a school year and who meets the qualifications stated in Section 2(1)(a), (b) and (d) of this regulation. The certificate shall be issued for a duration period to expire on the next June 30 after issuance and shall not be renewed for full-time instructors.]

Section 3. [4.] Issuance/Renewal of the Five (5) Year Teaching Certificate.

(1) Issuance of the Five (5) Year Certificate. A certificate for teaching vocational education - technical, industrial education, health and personal services, valid for teaching only the subjects stated on the face of the certificate, shall be issued for a duration period of one (1) year upon completion of the following requirements:

(a) Compliance with Section 2(1) of this regulation.

(b) [(a)] The completion of a planned program consisting of a minimum of sixty-four (64) semester hours of credit distributed as follows:

1. A general education component consisting of twenty (20) semester hours of credit selected from the general education component of teacher preparation. A baccalaureate degree in any area would satisfy the general education component.

2. A specialization component consisting of twenty-four (24) semester hours of credit selected from the specialization component of the curriculum standards for the provisional high school certificate with an area of concentration in health occupations or industrial education-preparation level.

3. A professional education component consisting of twenty (20) semester hours of credit in professional education to include at least twelve (12) semester hours selected from the professional education component of the curriculum standards for the provisional high school certificate with an area of concentration in health/industrial education-preparation level. The professional education component must include attention to the management of student organizations. Partial credit for this component may be granted for education courses previously taken on a baccalaureate or graduate degree.

[(b) The completion of four (4) years of occupational experience in the area to be taught or the completion of a minimum of 4,000 hours of supervised work experience.]

(c) The completion of sixty (60) clock hours of approved and appropriate upgrading experiences, to be selected from the areas described in Section 2(2) of this regulation. [The completion of the testing and internship provisions as described in Section 6 of this regulation.]

(2) The five (5) year certificate may be issued initially for a one (1) year period to beginning teachers who meet the provisions of Section 2 of this regulation and subsection (1) of this section. Upon successful completion of the one (1) year internship, the certificate shall be extended for the remainder of the five (5) year period. [The certificate shall be renewed for subsequent five (5) year periods upon completion of any combination of two (2) years teaching or work experience in the occupational speciality plus the completion of an additional six (6) semester hours credit from an approved industrial education program. An additional three (3) semester hours credit may be substituted for any year of renewal

experience which may be lacking.]

(3) Renewal of the five (5) year certificate. The five (5) year certificate shall be renewed for subsequent five (5) year periods upon completion of sixty (60) hours of approved upgrading experiences described in Section 2(2) of this regulation and upon completion of any combination of three (3) years of teaching or work experience in the occupational specialty. Three (3) semester hours of credit taken from the provisional certificate program may be substituted for any one (1) year of renewal experience which may be lacking.

Section 4. [5.] Specialist Certificate. (1) The certificate for vocational education specialist is intended to certify individuals who have unique knowledge, experience, or special preparation that would qualify the person for an emerging or specialty occupational program. These requests must represent areas of occupational employment that by their nature do not provide for candidates to acquire four (4) years of occupational experience as described in Section 2(1) of this regulation. These requests must be approved by the Department of Education, and under no circumstances will requests be approved for programs included in the Kentucky Program of Studies.

(2) The [A] certificate for a vocational education specialist, valid for teaching the specific subject stated on the face of the certificate, shall be issued for a duration period not to exceed [of] one (1) year and may not be renewed. Persons teaching under the specialist certificate may apply for certification under Sections 2 and 3 of this regulation, provided they successfully complete an applicable occupational competency exam in both cognitive and psychomotor areas. This exam is in lieu of the work experience requirement stated in Section 2(1) of this regulation and must be administered by the Department of Education. [upon the basis of a determination made by the Department of Education that the individual has unique knowledge or experience or special preparation that qualifies the person to be outstanding in the vocational subject to be taught and upon completion of the testing and internship provisions as described in Section 6 of this regulation.]

Section 5. [6.] In compliance with KRS 161.030, additional provisions for the issuance of certificates for vocational education - industrial education for the beginning teacher internship shall include:

(1)(a) An applicant having completed two (2) [five (5)] or more years of successful [full-time acceptable] teaching experience outside of the Commonwealth of Kentucky, who otherwise qualifies for certification, shall not be required to take the written tests or to participate in the beginning teacher internship program. [An applicant who has held a regular Kentucky teaching certificate which has lapsed for failure to meet renewal requirements and who has completed five (5) or more years of full-time acceptable teaching experience, but who otherwise qualifies for the reissuance of a Kentucky teaching certificate, shall not be required to take the written tests or to participate in the beginning teacher internship program. In calculating the minimum of five (5) years of acceptable experience, full-time

teaching shall be defined as continuous employment for at least a half day or more; full-time teaching for a major portion of a semester shall be counted as one-half (1/2) year, and full-time experience for the major portion of an academic year shall be counted as one (1) year. At least three (3) of the five (5) years of experience shall be in a position directly corresponding to the type of teaching certificate for which the application is being made.]

(b) Successful experience shall be in a position directly corresponding to the type of teaching certificate for which the application is being made and shall be further defined as follows:

1. Employment is at least on a half-time basis; 2. A full year of experience shall include at least 140 days of employment performed within the academic year; and

3. A half year of experience shall include at least seventy (70) days of employment performed within an academic semester.

(2) The completion of an approved program of preparation which corresponds to the certificate desired.

(3) The completion of the written tests designated by the State Board of Education for:

(a) General knowledge;
(b) Communication skills;
(c) Professional education concepts; and
(d) Knowledge of the specific teaching field of the applicant, with minimum scores in each test as set by the State Board of Education.

(4) Evidence of [full-time] employment in a Kentucky school as attested by the [prospective] employer in a school that is accredited by the State Board of Education.

(5) Upon successful completion of the approved program of preparation and upon completion of the designated tests with acceptable scores, the Department of Education shall issue a statement of eligibility for employment which shall serve as evidence of eligibility for the one (1) year certificate once a teaching position is secured. The statement of eligibility shall be valid for a four (4) year period beginning from the date of issuance from the Department of Education and ending on the same date four (4) years later. If the internship is not begun within the four (4) year period, the individual must requalify for another statement of eligibility by retaking and passing the designated written tests with acceptable scores.

(6)(a) The employment of a teacher intern shall not begin earlier than the effective date shown on the statement of eligibility.

(b) The one (1) year certificate shall be issued effective from the date of employment and shall expire June 30 of the next calendar year. If the teacher's first year performance is judged to be less than satisfactory, the teacher shall be provided with an opportunity to repeat the internship one (1) time through the reissuance of another one (1) year certificate if the teacher is re-employed for a second year.

(7) The first year of employment as a beginning teacher shall serve as the internship as described in KRS 161.030 and 704 KAR 20:310. [The Superintendent of Public Instruction shall design, for state board approval, the plan which provides for the beginning teacher committee, the support services for the beginning teacher, the evaluation of the performance of the beginning teacher, the development of criteria

and procedures for the evaluation of the performance of the beginning teacher, and the training of the evaluators who make up the beginning teacher committee.]

(8) The one (1) year internship shall include a minimum of 140 days of full-time equivalent teaching experience.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: James Fouche and Alice McDonald

(1) Type and number of entities affected: Eight state teacher education institutions; the vocational school; all teachers in vocational schools.

(a) Direct and indirect costs or savings to those affected: No appreciable change from current practice.

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body: No appreciable change from current practice.

(a) Direct and indirect costs or savings: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: Revised requirements will be published in periodic updates certification requirements.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: The revisions are the new alternatives to older practices.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? No response by agency.

EDUCATION AND HUMANITIES CABINET

Department of Education

Office of Instruction

(Proposed Amendment)

704 KAR 20:305. Written examination prerequisites for teacher certification.

RELATES TO: KRS 161.030

PURSUANT TO: KRS 156.070, 161.030

NECESSITY AND FUNCTION: KRS 161.030 requires that[, effective January 1, 1985,] all new teachers, including out-of-state teachers with less than two (2) [five (5)] years' experience, successfully complete appropriate written tests prior to initial certification in Kentucky. The tests are to measure communication skills, general knowledge, professional education concepts, and knowledge in the specific teaching field of the applicant. The State Board of Education is charged with selecting the tests; determining minimum acceptable levels of achievement on each test; establishing a reasonable fee related to the cost of administration of the tests, such fees to be paid by the teacher applicants; and establishing procedures for persons having less than minimum levels of performance on any test to repeat that test and be informed of strengths and weaknesses in performance areas. This regulation implements such duties relative to teacher testing.

Section 1. (1) [Effective January 1, 1985,] All new teacher applicants and out-of-state applicants for certification with less than two (2) [five (5)] years of teaching experience as defined in 704 KAR 20:045 shall successfully complete the appropriate written tests prior to initial Kentucky certification. Each applicant shall successfully complete the National Teacher Examinations for communication skills, general knowledge, and professional knowledge, except that the applicants for certification as teachers of industrial education described in 704 KAR 20:222 shall take other designated examinations as specified in 704 KAR 20:310. In addition, each applicant shall successfully complete the appropriate specialty examination corresponding to the teacher's preparation and selected from the National Teacher Examinations specialty tests with the following exceptions:

(a) [(1)] Applicants prepared for vocational agriculture and applicants prepared for health education shall take the specialty examinations developed by the Department of Education and approved by the State Board of Education.

(b) [(2)] Applicants for health occupations shall take the examination required for state licensure in the respective health occupations specialty.

(c) [(3)] Applicants for certification in industrial education - preparation level, as described in 704 KAR 20:222, shall take other designated specialty tests.

(d) [(4)] Applicants whose teaching specialty is in a major for which no appropriate specialty test is available shall not be required to take a specialty test, except that effective January 1, 1988, such teacher applicants shall take the test corresponding to the minor teaching specialty.

(2) In the event that a person who completes an out-of-state teacher preparation program comes to Kentucky after the deadline date for taking the written tests, a temporary

certificate may be issued for a period of up to six (6) months, provided the prospective employer cannot otherwise fill the vacant position with a certified teacher. If the written tests are available during the period of the temporary certificate, the teacher shall take the tests. If the person successfully completes the written tests, the certificate shall be extended for the remainder of the year. In the event the person fails the examination, the temporary certificate shall be valid only for the current semester.

Section 2. In order to satisfy the testing prerequisites for teacher certification, [and before an initial certificate is granted,] each applicant shall make the minimum passing score on each of the four (4) tests of communication skills, general knowledge, professional knowledge, and the specialty test in the applicant's teaching field. The minimum passing scaled scores for the respective tests are established as follows:

(1) The National Teacher Examinations Core Battery Tests:

- (a) Communication Skills - 643;
- (b) General Knowledge - 637;
- (c) Professional Knowledge - 641.

(2) The National Teacher Examinations Specialty Tests:

- (a) Art Education - 470 [465];
- (b) Biology and General Science - 520 [517];
- (c) Business Education - 490 [489];
- (d) Chemistry, Physics and General Science - 470 [465];
- (e) Early Childhood Education - 470 [471];
- (f) Education in the Elementary School - 480;
- (g) English Language and Literature - 480 [476];
- (h) French - 460 [463];
- (i) German - 470 [473];
- (j) Home Economics Education - 500 [502];
- (k) Industrial Arts Education - 510 [513];

[(l) Introduction to the Teaching of Reading - 469;]

- [(m) Mathematics - 460 [464];
- [(n) Music Education - 480 [477];
- [(o) Physical Education - 490 [494];
- [(p) Social Studies - 460 [464];
- [(q) Spanish - 480 [475];
- [(r) Speech-Communication and Theatre - 410 [411]; and
- [(s) Media Specialist-Library and Audiovisual Services - 550 [547].

Section 3. Applicants for certification at the elementary level, middle grade level, school media librarian, and for special education shall take the designated specialty tests indicated below in addition to the tests for communication skills, general knowledge, and professional knowledge:

(1) Provisional Elementary Certificate - Education in the Elementary School Test;

[(2) Provisional Certificate for Early Childhood Education - Early Childhood Education Test;]

[(2) [(3)] Provisional Certificate for Teaching in the Early Elementary Grades - Early Childhood Education Test;

[(3) [(4)] Provisional Certificate for Teaching in the Middle Grades - Education in the Elementary School Test;

[(4) [(5)] Provisional Certificate for School Media Librarian - Media Specialist-Library and

Audiovisual Services Test;

[(5) [(6)] Provisional Certificate for Teachers of Exceptional Children Grades K-12 - Speech and Communication Disorders - no appropriate test available;

[(6) [(7)] Provisional Certificate for Teachers of Exceptional Children Grades K-12 (other than for speech and communication disorders) - Education in the Elementary School Test; and

[(7) [(8)] Provisional Certificate for Teachers of Exceptional Children Grades 7-12 (other than for speech and communication disorders) - The specialty test corresponding to the high school teaching major.

Section 4. Applicants for certification at the high school level shall take the test corresponding to the area or major teaching specialty as designated below in addition to the tests for communication skills, general knowledge, and professional knowledge:

[(1) Accounting - Business Education Test;]

[(2) Accounting-General Business - Business Education Test;]

[(3) Accounting-Secretarial Practice - Business Education Test;]

[(1) [(4)] Art - Art Education Test;

[(2) [(5)] Basic Business - Business Education Test;

[(3) [(6)] Biology - Biology and General Science Test;

[(7) Business Education (area) - Business Education Test;]

[(4) [(8)] Chemistry - Chemistry, Physics and General Science Test;

[(5) [(9)] Distributive Education - Business Education Test;

[(6) [(10)] Dramatics - Speech Communication Test;

[(7) [(11)] Dramatics-Speech - Speech Communication Test;

[(8) [(12)] Earth Science - No test available;

[(9) [(13)] Economics - Social Studies Test, see Section 5 of this regulation;

[(10) [(14)] Economics-Sociology - Social Studies Test, see Section 5 of this regulation;

[(11) [(15)] English - English Language and Literature Test;

[(12) [(16)] French - French Test;

[(17) General Business - Business Education Test;]

[(18) General Business - Secretarial Practice - Business Education Test;]

[(13) [(19)] Geography - Social Studies Test, see Section 5 of this regulation;

[(14) [(20)] German - German Test;

[(15) [(21)] Health - Department of Education test for health education;

[(16) [(22)] Health Occupations - Test by the state licensing agency corresponding to the health specialty;

[(17) [(23)] History - Social Studies Test;

[(18) [(24)] History-Political Science - Social Studies Test;

[(19) [(25)] Industrial Education - Orientation and Exploration Levels - Industrial Arts Education Test;

[(20) [(26)] Industrial Education - Preparation Level (area) - Shall take other designated special test corresponding to the preparation specialty;

[(21) [(27)] Journalism - No test available;

[(22) [(28)] Latin - No test available;

[(23) [(29)] Mathematics - Mathematics Test;

[(24) [(30)] Mathematics-Physical Science

(area) - Select from either Mathematics Test or Chemistry, Physics and General Science Test;

(25) [(31)] Music (either vocal and/or instrumental) - Music Education Test;

(26) [(32)] Physical Education - Physical Education Test;

(27) [(33)] Physics - Chemistry, Physics, and General Science Test;

(28) [(34)] Political Science - Social Studies Test;

(29) [(35)] Psychology - No test available;

(30) [(36)] Science (area) - Select from either Biology and General Science Test or Chemistry, Physics and General Science Test;

[(37)] Secretarial Practice - Business Education Test;

(31) [(38)] Secretarial Studies - Business Education Test;

(32) [(39)] Social Studies (area) - Social Studies Test;

(33) [(40)] Sociology - Social Studies Test, see Section 5 of this regulation;

(34) [(41)] Spanish - Spanish Test;

(35) [(42)] Speech - Speech Communication Test;

(36) [(43)] Vocational Agriculture - Department of Education test for vocational agriculture; and

(37) [(44)] Vocational Home Economics - Home Economics Education Test.

Section 5. Teacher applicants whose major specialty is in economics, economics-sociology, geography, or sociology shall take the specialty test in Social Studies for research and validation purposes, but shall not be required to make the passing score established in Section 2 of this regulation.

Section 6. (1) Applicants for initial certification may take the National Teacher Examinations on any of the dates established by the Educational Testing Service for national administration or on such dates as may be established by the Kentucky Department of Education for special administration.

(2) Applicants must authorize test results to be forwarded by the Educational Testing Service to the Kentucky Department of Education.

(3) Public announcement of testing dates and locations shall be issued sufficiently in advance of testing dates to permit advance registration as required by the Educational Testing Service. It shall be the responsibility of each applicant to seek information regarding the dates and location of the tests and to make application for the appropriate examinations prior to the deadlines established and sufficiently in advance of anticipated employment to permit test results to be received by the Department of Education and processed in the normal certification cycle.

Section 7. Applicants shall pay an examination fee for the relevant test(s) required to be taken, as such fees are currently established by the Educational Testing Service, publisher of the National Teacher Examinations, unless a lesser fee has been negotiated by the Department of Education. Fees for specialty tests developed by the Department of Education shall be equivalent to the current fees for such tests administered by the Educational Testing Service.

Section 8. Applicants who fail to achieve at least the minimum score on one (1) or more of

the core battery examinations (communication skills, general knowledge, professional knowledge) or on the specialty examination appropriate to the teaching field shall be permitted to retake the test or [those] tests [no more than two (2) additional times and only] during one (1) of the scheduled test administrations. [However, initial certification will not be granted until acceptable scores are achieved in each of the four (4) areas tested.]

Section 9. The Department of Education shall collect such data and conduct such analyses of the impact of these tests as to permit a review of these regulations on an annual or biennial basis.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: James Fouche and Alice McDonald

(1) Type and number of entities affected: All new teacher certificate applicants with less than 2 years of teaching experience.

(a) Direct and indirect costs or savings to those affected: Eliminates \$90 testing fees for applicants with from 2-4 years of teaching experience.

1. First year: \$4,500 total for about 50 persons.

2. Continuing costs or savings: None

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: No change.

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings: Minor reduction in paperwork to communicate with persons having more than 2 years of experience.

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: Include revised requirements in periodic publication on teacher certification.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: The revisions are the desirable alternatives.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to

harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? No response by agency.

EDUCATION AND HUMANITIES CABINET

Department of Education
Office of Instruction
(Proposed Amendment)

704 KAR 20:310. Written Examination and Internship Prerequisites for Vocational Teachers.

RELATES TO: KRS 161.030

PURSUANT TO: KRS 156.070, 161.030

NECESSITY AND FUNCTION: KRS 161.030 requires that, effective January 1, 1985, all new teachers, including out-of-state teachers with less than two (2) [five (5)] years' experience, successfully complete appropriate written tests prior to initial certification in Kentucky and serve a one (1) year internship. The tests are to measure communication skills, general knowledge, professional education concepts, and knowledge in the specific teaching field of the applicant. The State Board of Education is charged with selecting the tests; determining minimum acceptable levels of achievement on each test; establishing a reasonable fee related to the cost of administration of the tests, such fees to be paid by the teacher applicants; and establishing procedures for persons having less than minimum levels of performance on any test to repeat that test and be informed of strengths and weaknesses in performance areas. This regulation implements such duties relative to teacher testing and internship for vocational teachers as specified in 704 KAR 20:305, Section 1(3).

Section 1. All new industrial education, health and personal service occupation, public service teacher applicants, and other applicants for vocational teacher certificates both with and without a teacher preparation degree; and out-of-state applicants for vocational certification with less than two (2) [five (5)] years of teaching experience shall successfully complete the appropriate written tests prior to initial Kentucky certification. Each applicant without a teacher preparation degree shall successfully complete the Comprehensive Test of Basic Skills (CTBS) for communication skills and general knowledge and the Office of Vocational Education's Teacher Aptitude Test (TAT). Each applicant with a teacher preparation degree shall successfully complete the National Teachers's Examination (NTE) Core Battery as specified in 704 KAR 20:305, Section 2(1). All applicants shall take a specialty test in the occupational area for which certification is to be granted. Specialty tests are identified as follows:

(1) Industrial education - National Occupational Competency Testing Institute's (NOCTI) Teacher Occupational Competency Test (TOCT) if one corresponding to the teaching specialty is available; or if not, the Office of Vocational Education, Department of Education, developed test corresponding to the teaching specialty.

(2) Health occupations - the appropriate state or national examination, where one exists; or, if not, the Office of Vocational Education, Department of Education, developed test corresponding to the teaching specialty.

(3) Public service - the corresponding Office of Vocational Education, Department of Education, developed test.

Section 2. In order to satisfy the testing prerequisites for teacher certification, and before an initial certificate is granted, each applicant shall make the following minimum passing score on each of the following tests:

- (1) The Comprehensive Test of Basic Skills:
 - (a) Communication Skills - 742;
 - (b) General Knowledge - 720;
- (2) The Teacher Aptitude Test - 650;
- (3) Specialty Area Tests for Industrial Education:
 - (a) Air Conditioning - NOCTI - Air Conditioning Refrigeration - 548;
 - (b) Aircraft Mechanics - NOCTI - Airframe & Power Plant - 578;
 - (c) Appliance Repair - NOCTI - Major Appliance Repair - 531;
 - (d) Auto Body Repair - NOCTI - Auto Body Repair - 613;
 - (e) Auto Mechanics - NOCTI - Auto Mechanics - 554;
 - (f) Auto Parts - State Developed - Auto Parts - 490;
 - (g) Building Maintenance - NOCTI - Building Trades Maintenance - 548;
 - (h) Cabinetmaking - NOCTI - Cabinetmaking and Millwork - 523;
 - (i) Carpentry - NOCTI - Carpentry - 597;
 - (j) Civil & Highway Technology - NOCTI - Civil Technology - 392;
 - (k) Commercial Art - NOCTI - Commercial Art - 518;
 - (l) Commercial Sewing - NOCTI - Power Sewing - 600;
 - (m) Diesel Mechanics - NOCTI - Diesel Mechanics - 509;
 - (n) Drafting - NOCTI - Machine Drafting - 564;
 - (o) Electricity - NOCTI - Industrial Electrician - 538;
 - (p) Electronics - NOCTI - Electronics Technology - 498;
 - (q) General Miner - State Developed - General Miner - 520;
 - (r) Graphic Arts - NOCTI - Printing - Offset - 495;
 - (s) Heavy Equipment Operator - State Developed - Heavy Equipment Operator - 510;
 - (t) Heavy Equipment Repair - NOCTI - Diesel Mechanics - 509;
 - (u) Industrial Machinery Maintenance - State Developed - Industrial Machinery Maintenance - 480;
 - (v) Instrumentation - NOCTI - Electronics Technology - 498;
 - (w) Interior Finishing - State Developed - Interior Finishing - 460;
 - (x) Machine Shop - NOCTI - Machine Trades - 525;
 - (y) Masonry - NOCTI - Masonry - 556;
 - (z) Meat Cutting - State Developed - Meat Cutting - 580;
 - (aa) Mine Maintenance Technology - State Developed - Mine Maintenance Technology - 560;
 - (bb) Mine Equipment Operator - State Developed - Mine Equipment Operator - 570;
 - (cc) Office Machine Repair - NOCTI -

Electronics Technology - 498;
 (dd) Plumbing - NOCTI - Plumbing - 501;
 (ee) Radio & TV Production - State Developed -
 Radio & TV Production - 440;
 (ff) Radio & TV Repair - NOCTI - Radio & TV
 Repair - 629;
 (gg) Sheet Metal - NOCTI - Sheet Metal - 596;
 (hh) Small Engine Repair - NOCTI - Small
 Engine Repair - 560;
 (ii) Tailoring - NOCTI - Textile
 Production/Fabrication - 557;
 (jj) Tool and Die - NOCTI - Tool and Die Maker
 - 369;
 (kk) Truck Mechanics - NOCTI - Diesel
 Mechanics - 509;
 (ll) Upholstery - State Developed - Upholstery
 - 520;
 (mm) Welding - NOCTI - Welding - 510;
 (4) Specialty Area Test for Health and
 Personal Service Occupation:
 (a) Barbering - The Kentucky Board of
 Barbering Examination and Barbering Instructors'
 License;
 (b) Bio-Medical Equipment Technician - Board
 of Examiners for Bio-Medical Equipment
 Technicians operating under the Certification
 Commission Examination and Bio-Medical Equipment
 Technician;
 (c) Cosmetology - Kentucky Board of
 Hairdressers and Cosmetologists Instructors'
 License;
 (d) Dental Assisting - Dental Assistants'
 National Board Examination and Dental
 Assistants' Certification or American Dental
 Association National Board Examination and
 Dental Hygiene Licensure coupled with State or
 Regional Board of Dentistry Examination and
 Dental Hygiene Licensure;
 (e) Health Services - The National Council of
 Licensure Examination Administered by the
 Kentucky Board of Nursing and Registered Nurse
 License in Kentucky;
 (f) Medical Assisting - The National Council
 of Licensure Examination administered by the
 Kentucky Board of Nursing and Registered Nurse
 License in Kentucky or American Association of
 Medical Assistants' Examination and Medical
 Assistant Certification;
 (g) Medical Laboratory Technician - American
 Society of Clinical Pathologist Certification
 Examination and Medical Technologist
 Registration or National Certification Agency
 Certification Examination and Clinical
 Laboratory Scientist Certification;
 (h) Medical Secretary - State Developed -
 Medical Secretary, with a minimum score of 580;
 (i) Practical Nursing - The National Council
 Licensure Examination administered by the
 Kentucky Board of Nursing and Registered Nurse
 License in Kentucky;
 (j) Radiologic Technology - American Registry
 of Radiologic Technologists' Certification
 Examination and Radiographers' Registration;
 (k) Respiratory Therapy Technology - National
 Board for Respiratory Care;
 (l) Surgical Technology - The National Council
 Licensure Examination administered by the
 Kentucky Board of Nursing and Registered Nurse
 License in Kentucky or Association of Surgical
 Technologists' Examination under the direction
 of the Liaison Council on Certification and
 Surgical Technologists' Certification;
 (5) Specialty Area Test for Public Service:
 (a) Public Service - State Developed - Public
 Service, with a minimum score of 630; and

(6) Specialty Area Test: Other
 (a) Commercial Foods - NOCTI - Quantity Foods,
 with a minimum score of 618.

Section 3. Teacher applicants in new vocational programs for which no appropriate specialty test is yet available shall not be required to take a specialty test, except for research and validation purposes. After the new program has been piloted and fully implemented, any new teacher applicant will be required to pass [successfully take] a designated specialty test.

Section 4. Applicants for initial certification may take the written tests on any of the dates established by the Department of Education, Office of Vocational Education, with such tests to be administered at least twice monthly. Public announcement of testing dates and locations shall be issued sufficiently in advance of testing dates to permit advance registration as required by the Office of Vocational Education. It shall be the responsibility of each applicant to seek information regarding the dates and location of the tests and to make application to the Office of Vocational Education for the appropriate tests prior to the deadlines established and sufficiently in advance of anticipated employment. Applicants must authorize test results to be forwarded to the Teacher Education and Certification Division, Department of Education.

Section 5. Applicants shall pay an examination fee of fifty (50) dollars directly to the testing agency for the four (4) tests. In the event that fewer than the four (4) tests are to be taken, the fee schedule shall be as follows: (1) CTBS - Communication Skills, ten (10) dollars; (2) CTBS - General Knowledge, ten (10) dollars; (3) Teacher Aptitude Test, ten (10) dollars; (4) specialty area tests, twenty (20) dollars.

Section 6. Applicants who fail to achieve at least the minimum score on one (1) or more of the test(s) shall be permitted to retake the test or those tests [no more than two (2) additional times,] and all retakes must meet the regularly scheduled testing dates. However, initial certification will not be granted until acceptable scores are achieved in each of the required areas.

Section 7. The Department of Education shall collect such data and conduct such analyses of the impact of these tests as to permit a review of these regulations on at least a biennial basis.

Section 8. All applicants for Kentucky vocational teaching certificates who successfully complete the required written tests shall serve a one (1) year internship. The teacher/[intern] shall be a full-time employee or serve on at least a half-time basis and shall have [with] supervision, assistance, and assessment during the one (1) year internship. The Office of Vocational Education shall administer the internship program and shall follow the requirements established by the State Board of Education:

(1) A beginning teacher committee meeting the

requirements of KRS 161.030 shall be identified by the Office of Vocational Education and shall consist of:

(a) A resource teacher who is certified as a vocational teacher in the same [occupational] area in which [as] the [teacher/]intern seeks certification;

(b) The school principal where the internship is being served; and

(c) A vocational [An occupational area] teacher educator from a state-approved teacher training institution or, if the teacher training institution is unable to provide a member, an occupational specialist within the Office of Vocational Education.

(2) Internships for vocational teachers in area centers and state vocational-technical schools shall be administered by the Office of Vocational Education, Department of Education.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: James Fouche and Alice McDonald

(1) Type and number of entities affected: All new teacher certificate applicants with less than 2 years of teaching experience.

(a) Direct and indirect costs or savings to those affected: Eliminates \$90 testing fees for applicants with from 2-4 years of teaching experience.

1. First year: \$4,500 total for about 50 persons.

2. Continuing costs or savings: None

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: No change.

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings: Minor reduction in paperwork to communicate with persons having more than 2 years of experience.

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: Include revised requirements in periodic publication on teacher certification.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: The revisions are the desirable alternatives.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? No response from agency.

EDUCATION AND HUMANITIES CABINET Department of Education Office of Instruction (Proposed Amendment)

704 KAR 20:320. Beginning teacher internship program.

RELATES TO: KRS 161.030

PURSUANT TO: KRS 156.070, 161.030

NECESSITY AND FUNCTION: KRS 161.030 requires that [effective January 1, 1985,] all new teachers and out-of-state teachers with less than two (2) [five (5)] years of successful teaching experience who are seeking initial certification in Kentucky shall serve a one (1) year internship. This regulation serves to implement the statutory provisions for the beginning teacher internship by establishing the uniform statewide procedures and processes necessary to carry out the intent of the legislation.

Section 1. (1) Inasmuch as several states have adopted or are in the process of adopting plans similar to the teacher internship as provided in KRS 161.130, it is considered advisable that these states share in communication, materials, and research data relating to the internship. Accordingly, the Superintendent of Public Instruction may enter into formal and informal agreements with other states to promote a cooperative approach that will serve to enhance the efforts that Kentucky might otherwise make alone.

(2) A Kentucky plan for the supervision, assistance, and assessment of teacher interns shall be developed by the Superintendent of Public Instruction, for approval by the State Board of Education, and continuously improved, using whatever resources are available, both in state and out of state. Whenever documents, instruments, video, or other materials have been developed in other states and then adopted or adapted for use in Kentucky appropriate references shall give credit for the source.

(3) The Kentucky plan shall be characterized as a professional judgment model in that the statutes provide for the three (3) member beginning teacher committee to make the professional judgment as to whether the performance of the teacher intern has been satisfactory or unsatisfactory.

Section 2. (1) In arriving at its professional judgment, the committee shall take into consideration the progress of the teacher intern throughout the entire school year and, particularly, the level of performance that has been achieved near the end of the school year. The beginning teacher committee shall determine the progress and improvement of the teacher intern pursuant to KRS 161.030, by a systematic observation of classroom performance, by a

review of portfolio materials that are accumulated by the intern as requested by the committee, and by a review of the response of the teacher intern to the suggestions and recommendations made by the committee during its meetings with the intern throughout the period of internship.

(2) As a significant part of the process, the committee shall utilize the Performance Measurement System that has been developed by the state of Florida which emphasizes observation of teacher behaviors in a series of instructional domains that have been identified through extensive analysis of the research literature. The data derived from the Performance Measurement System shall be used to reinforce the appropriate behaviors of the intern teacher and to assist the intern teacher in recognizing behaviors that are ineffective or counterproductive for pupil learning. The data from the current Performance Measurement System shall be utilized as a focus for assistance from the resource teacher. The Florida Performance Measurement System is incorporated herein by reference and identified as including the following documents:

(a) Domains: Concepts and Indicators of Effective Teaching (n.d.);

(b) Domains: Knowledge Base of the Florida Performance Measurement System, 1983; and

(c) Manual for Coding Teacher Performance on the Summative Observation Instrument, 1985 [1984].

These documents shall be applied by the Division of Teacher Education and Certification, State Department of Education, Frankfort, Kentucky 40601.

Section 3. (1) The three (3) member beginning teacher committee shall be made up of the school principal, a resource teacher, and a teacher educator.

(2) The school principal shall serve as ex officio chairperson of the beginning teacher committee and shall be responsible for convening the committee and coordinating its efforts by scheduling observations and committee meetings. Internship for teachers identified in 704 KAR 20:310 shall be administered by the Office of Vocational Education. The principal shall be responsible for collecting and filing such reports of the internship as are required by the Department of Education. In the event that more than two (2) teacher interns are employed in the same school, the principal's responsibility may be shared with [Whenever it is not reasonably feasible and practicable for a school principal to fully serve on all required beginning teacher committees within his or her school,] an assistant principal who holds [regular] certification as a school principal [may be delegated to attend required committee meetings or beginning teacher observations], but such an assistant principal shall fully report and document [such] committee meetings and teacher observations to the school principal[, who shall keep such use of an assistant principal to a minimum and who, in any event, shall cast the vote reserved for the principal on each beginning teacher committee]. In unusual situations the Superintendent of Public Instruction may permit the assistant principal to serve in lieu of the principal on a beginning teacher committee.

(3) The resource teacher shall spend a minimum

of seventy (70) hours working with the beginning teacher; twenty (20) of these hours shall be observing the beginning teacher in the classroom setting; fifty (50) of these hours shall be in consultation other than class time or attending assessment meeting. The resource teacher shall be appointed by the Superintendent of Public Instruction from a pool of qualified resource teachers who meet the statutory requirements of having completed at least four (4) years of successful teaching experience as attested by his or her immediate supervisor or by having achieved tenure, and by having achieved a master's degree or the equivalent Rank II non-degree program or the accumulation of 2,000 hours of continuing professional activities. The Department of Education shall also give priority in the selection of resource teachers who have the same certification as a teacher intern and also in the order of priority teachers located in the same school, teachers located in the same school district, and teachers located in an adjacent [another] school district. Prior to making the appointment the Department of Education shall determine the availability and willingness of persons to serve as resource teachers and for taking the prerequisite training. Within these stated requirements, the resource teacher shall be selected and assigned on a random basis; however, the Superintendent of Public Instruction should consult with the superintendent of the local district which employs the resource teacher before making the appointment.

(4) The teacher educator member shall be designated by the Department of Education from a list of teacher educators appointed by the presidents of each state approved teacher training institution. Teacher training institutions shall be encouraged to provide teacher educator members in the approximate proportion of the number of teacher education graduates produced the previous year. The Department of Education shall consult in advance with representatives of the teacher training institutions with respect to the school districts and the geographical area to be served by teacher educators from each teacher training institution. In the event that a teacher educator is not available to serve on a beginning teacher committee, the local district superintendent shall appoint an instructional supervisor, from the school district who has received special training in evaluating and assisting teachers to serve in lieu of the teacher educator.

(5) Each principal of a school in which a teacher intern is employed and each member of the beginning teacher committee shall engage in the special training in evaluating and assisting teachers provided by the State Department of Education. The cost of training for the committee members, shall be reimbursed by the State Department of Education in accordance with state travel regulations. The training for the resource teachers shall ordinarily be scheduled before the opening of the school term[; the remuneration for attendance shall be considered as a part of the contract with each resource teacher]. The training for teacher educator members will be scheduled through the various teacher education institutions. Training for vocational teacher educators shall be administered by the Office of Vocational Education, State Department of Education.

Section 4. (1) The teacher internship as described in KRS 161.030 shall take place in a school that is accredited by the Kentucky State Board of Education and shall ordinarily occur during the first year of employment [in a full-time teaching position]. The teacher shall be a full-time employee or shall serve on at least a half-time basis and shall have supervision, assistance, and assessment during the one (1) year internship. As a condition for issuing the one (1) year certificate for teacher internship, the intern shall identify the specific teaching assignment including the school, the school district, and the school principal. [The one (1) year internship shall include a minimum of 140 days of actual full-time teaching in the classroom assignment.] Only blocks of time of one (1) semester to include a minimum of seventy (70) days of teaching in the classroom may apply toward the one (1) year [140 day] internship requirement, and consequently, the one (1) year certificate for the teaching internship shall not be valid for a contract of less than one (1) semester of seventy (70) days]. A beginning teacher committee shall be established for each teacher intern whose initial employment begins at any time during the school term except when the date of employment does not allow for the completion of at least seventy (70) days of classroom teaching in the remainder of the school term. In such instances where the remaining period of employment is less than seventy (70) days and, consequently, less than the amount of time required to satisfy a semester of internship, the local school district shall be responsible for providing assistance and supervision to the teacher intern for that period of employment.

(2) The Department of Education shall prepare a handbook describing the internship process as delineated in these regulations and shall provide copies to the teacher intern and to each member of the beginning teacher committee. The local school district superintendent shall provide for an orientation meeting of the beginning teacher interns at the opening of the school term for the purpose of clearly informing them about the process. At that time, or as soon thereafter as the information may be available, the names of the members of the beginning teacher committee will be provided to the beginning teacher intern.

(3) The beginning teacher committee chairperson shall work out the meeting schedules so that all three (3) committee members will be present at each meeting. On full-year assignments the first meeting shall be held by November 1 [or by the end of the second month of employment]; the second meeting shall be held by January 15 [or by the end of four and one-half (4 1/2) months of employment]; the third meeting shall be held by March 15 [or by the end of six and one-half (6 1/2) months of employment]; and the final meeting shall be held by April 10. In situations where the employment of the beginning teacher intern begins later than the usual opening of the school term in the district, the schedule should be adjusted appropriately by the school principal [; however, in no case shall an internship program begin later than the beginning of the sixth month of the school term]. In instances where the beginning teacher internship is scheduled for less than the full term, provisions shall be made for at least two (2) meetings of the beginning teacher committee

and for at least two (2) observations of the internship teacher by each of the committee members.

(4) Prior to the first, second, and third meetings of the beginning teacher committee each member shall make an observation visit of at least one (1) hour in duration in the classroom or at the work station of the intern. Additional observation visits prior to the fourth and final meeting or at other times, shall be optional with the committee. As a general guide such visits should be scheduled a week in advance so that the beginning teacher may be well prepared. At the first meeting of the beginning teacher committee, there shall be a review of the process and materials used for the observations, the establishment of expectations on the part of the beginning teacher intern and on the part of each of the committee members, a general outline or schedule for the events to take place during the remainder of the internship program, and suggestions for the work of the resource teacher with the beginning teacher. At the second and third committee meetings there shall be a review of progress based upon a combination of the observation visits and the reports of the resource teacher and of the intern teacher. There shall also be a restatement of expectations for the performance of the teacher intern, and a restatement of suggestions of the committee members for the assistance by the resource teacher. At the fourth meeting the committee shall render a professional judgment with respect to the teacher internship.

(5) The decision of the beginning teacher committee as to satisfactory completion of the internship shall be reported to the local school superintendent or other employer and to the State Department of Education by April 15. If the committee feels that a person not satisfactorily completing the internship could benefit from a second year of internship, if hired by the same or a different district, it may attach to its decision the mitigating or extenuating circumstances contributing to unsatisfactory completion which the committee reasonably feels might allow the beginning teacher to satisfactorily complete a second year of internship. If the intern is initially employed for the second semester of a school year, a progress report based upon at least two (2) observations of the committee members and two (2) committee meetings of the beginning teacher committee shall be given to the local school superintendent and to the State Department of Education by May 15.

(6) If a teacher's first year of performance is judged by the committee to be unsatisfactory by reason of unsatisfactory performance, the teacher shall have the opportunity to repeat the internship during another year provided the teacher is employed by a school district within the next three (3) school years. If such employment is not obtained, the teacher must requalify by passing the National Teacher Examinations or the examinations stipulated in 704 KAR 20:305 and 704 KAR 20:310 and obtaining a new statement of eligibility for certification.

(7) Interns who have completed only one (1) satisfactory semester of internship shall have the opportunity to continue the internship with employment for a semester during another school year provided the teacher is employed by a school district; however, if such employment is not obtained within the next three (3) school

years, the teacher must requalify for admission to the remaining internship by again passing the National Teacher Examinations or the examinations stipulated in 704 KAR 20:305 and 704 KAR 20:310. [If the teacher's first year of performance is not of sufficient duration to satisfy the minimum requirement of 140 days of actual full-time teaching, the teacher shall have the opportunity to continue to completion the internship during another school year provided the teacher is employed by a school district within the next three (3) school years. If such employment is not obtained the teacher must requalify by passing the National Teacher Examinations or the examinations stipulated in 704 KAR 20:305 and 704 KAR 20:310 and obtaining a new statement of eligibility for certification.]

Section 5. (1) Within the provisions of the budgetary act the Department of Education shall contract with the local school district, or make other appropriate arrangements, and the Office of Vocational Education shall reimburse state-operated vocational schools, district for the direct services of the resource teachers to each teacher intern and in addition [such to include a minimum of seventy (70) clock hours of direct services to each teacher intern and, in addition,] for participation in committee supervision and assessment meetings [and in the training program for resource teachers]. Such contract shall provide for extra service payments above and beyond the provisions of the local salary scale for work done outside normal working hours and shall not exceed the amount of \$1,000 for a year of service as a resource teacher. Any services for less than one (1) year shall be reimbursed on a pro-rata basis for the actual services performed. The contract shall also provide for the employment of substitute teachers to provide at least twenty (20) clock hours of released time for the resource teacher to observe and assist in the classroom of the teacher intern.

(2) The Department of Education shall contract with the colleges and universities for partial reimbursement of travel expenses and staff time. Each institution shall make its own determination as to the assignment of personnel and reimbursement for travel expenses.

Section 6. Complaints relative to failure of the beginning teacher committee to comply with and follow all prescribed statutory and regulatory requirements and procedures in assisting and assessing an intern shall be directed to, and assessed by, the Department of Education which shall, whenever practical, make a determination thereon within sixty (60) days following the receipt of each complaint.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19,

1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: James Fouche and Alice McDonald

(1) Type and number of entities affected: All accredited elementary and secondary schools; approximately 1,000 new teachers each year.

(a) Direct and indirect costs or savings to those affected: No appreciable change over current practice.

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: No change.

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: Must include revisions in periodic publications on teacher certification.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: These revisions are the desirable alternatives developed after a year of experience with a new program.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? No response by agency.

EDUCATION AND HUMANITIES CABINET Department of Education Office of Vocational Education (Proposed Amendment)

705 KAR 1:010. Three year program plan.

RELATES TO: KRS 156.010, 156.035, 163.020, 163.030

PURSUANT TO: KRS 156.035, 156.070, 163.030

NECESSITY AND FUNCTION: KRS 156.010 designates the Department of Education as the sole state agency for developing and approving state plans required by federal law as prerequisites to receiving federal funds for vocational education; KRS 156.035 authorizes the State Board of Education to implement any act of Congress appropriating and apportioning funds to the state and to provide for the proper disbursement of such funds; KRS 163.020 accepts and agrees to comply with federal vocational education acts; and KRS 163.030 gives the State Board authority to comply with state and federal vocational education laws. The 1986-88 Kentucky Three Year Program Plan for Vocational Education

is necessary in order to be eligible to receive federal funds under P.L. 98-524, and this regulation formally adopts such plan developed and approved by the Department of Education.

Section 1. Pursuant to the authority vested in the Kentucky State Board of Education, the 1986-88 Kentucky Three Year Program Plan for Vocational Education as adopted on May 7 [January 8], 1986 is hereby prepared and approved by the State Board of Education, in accordance with the appropriate federal guidelines, and submitted to the U.S. Secretary of Education for approval. This document is incorporated by reference and hereinafter shall be referred to as the 1986-88 Kentucky Three Year Program Plan for Vocational Education, as amended. Copies of the document may be obtained from the Office of Vocational Education, State Department of Education.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: James A. White

(1) Type and number of entities affected: 180 school districts, 14 vocational regions, 20 community colleges and universities.

(a) Direct and indirect costs or savings to those affected: N/A

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements:

(2) Effects on the promulgating administrative body: N/A

(a) Direct and indirect costs or savings:

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements:

(3) Assessment of anticipated effect on state and local revenues: Will meet regulations required to obtain federal grant.

(4) Assessment of alternative methods; reasons why alternatives were rejected: No alternatives available.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? Yes.

EDUCATION AND HUMANITIES CABINET Department of Education Office of Vocational Education (Proposed Amendment)

705 KAR 2:030. Foundation program units.

RELATES TO: KRS 156.070, 157.360, 163.020, 163.030

PURSUANT TO: KRS 156.035, 156.070, 157.320, 163.030

NECESSITY AND FUNCTION: KRS 156.070 gives the State Board of Education the management and control of the common schools; KRS 157.360 requires the Superintendent of Public Instruction to allot to school districts, as a part of the Foundation Program, classroom units for vocational education for classes meeting state board regulations; and KRS 163.020 and 163.030 mandate that the state provide for and administer a vocational education program. This regulation establishes methods and procedures to cover the allocation of vocational education units under the Foundation Program.

Section 1. Local school districts shall request vocational education units May 15. The request shall be made only for programs which have been included in the required local plan for vocational education. Request for new units shall be based on plans submitted by the local school district which are developed in conjunction with the regional vocational staff and the Program Services Division, Office of Vocational Education.

Section 2. Vocational units shall be allocated to local school districts to provide vocational education programs for the secondary school students in that district. A calculation shall be made to determine the relative number of units per district as compared to their proportionate share of the total statewide secondary, grades 9-12, enrollment. Districts having less than their calculated number of units shall receive priority in the allocation of new units. Only that portion of a teacher's time devoted to vocational education shall be used for calculating vocational units. Vocational units shall be allocated only for those programs that have:

(1) Certified teachers who satisfy the requirements of the Kentucky State Plan for Vocational Education and meet the requirements of the Kentucky Program of Studies.

(2) Facilities and equipment which meet established minimum requirements.

(3) A curriculum which serves at least one (1) of the objectives of vocational education. Failure to meet any one (1) of these criteria shall be cause to withhold the vocational unit.

Section 3. The following activities shall be approvable for vocational units:

(1) A planning period for up to one-tenth (0.1) vocational unit for teachers with two (2) vocational periods and up to two-tenths (0.2) vocational unit for teachers with three (3) or more vocational periods.

(2) One (1) class period for supervision of cooperative vocational education or work

experience programs when there is a minimum of ten (10) and a maximum of fifteen (15) participating students with training agreements on file; two (2) class periods for this purpose when the number of students enrolled is a minimum of sixteen (16) and a maximum of twenty-seven (27). When only one (1) supervision period is provided, the supervision and planning periods shall be scheduled consecutively during the time students are on the job.

(3) One (1) class period for one (1) teacher in each vocational program area to work with activities of integrated and approved vocational student organizations.

(4) One (1) class period for one (1) designated teacher to serve as a vocational department head in a high school with five (5) or more full-time equivalent vocational teachers.

(5) One (1) class period for each agriculture teacher for supervision of occupational work experience programs for a minimum of thirty (30) and a maximum of fifty (50) students; two (2) periods for a teacher with more than fifty (50) students when at least twenty (20) students are juniors or seniors.

(6) Class period(s) for supervision of cooperative work experience and agricultural programs supervision require a prerequisite of at least three (3) vocational teaching periods for the teacher.

Section 4. Class sizes shall be considered in allocating vocational education units. (1) All vocational classes shall have a minimum membership of ten (10) students.

(2) Two (2) sections of the same class shall have a minimum average of twelve (12) students per class; three (3) or more sections of the same class shall have a minimum average of fifteen (15).

(3) The maximum number of students per class shall be based on the class setting. For a classroom setting, the maximum enrollment shall be thirty (30). For a laboratory or shop setting, the maximum enrollment shall be twenty-seven (27) or the number for which the facility is equipped, whichever is less. For a supervised out-of-school setting, the maximum enrollment shall be twenty-seven (27).

(4) Approval by the Superintendent of Public Instruction is required for justification of exceptions. Justifications shall be submitted by the local superintendent concurrent with the professional staff data forms.

Section 5. Vocational classes which are laboratory, shop, or practical exercise classes shall require two (2) consecutive class periods if the gross period of time for one (1) class is less than sixty (60) minutes. Programs having exploratory objectives shall be considered on individual requests as exceptions to the minimum length of class period.

Section 6. The Superintendent of Public Instruction shall calculate units for programs offered in local high schools based on the information provided on the professional staff data (PSD) form which is completed on September 15 and amended as of February 1. The PSD shall be used to determine the amounts of time devoted to vocational programs, services, and activities. Additional justification shall be provided as needed to justify periods not devoted to teaching. Units shall be allocated

for each vocational period calculated to the nearest tenth of a unit.

Section 7. The allocation of units to local school districts sending students to state vocational-technical schools and area vocational education centers shall be calculated on the basis of the number of students enrolled as of October 1. A vocational education unit shall be allotted for thirty (30) students attending the school three (3) hours per day, five (5) days per week or equivalent to this amount of student time. Units will be calculated to the nearest one-tenth (0.1) unit. The "contract" vocational unit shall be calculated at the value for a Rank II teacher with four (4) to nine (9) years experience and one (1) month extended employment. The unit shall include the foundation program value for salary, capital outlay, and current expenses.

Section 8. The funds calculated from the Foundation Program for students attending state-operated vocational schools shall be divided. Twenty (20) percent shall be transferred to the local school district owning the facility and eighty (80) percent transferred to the Office of Vocational Education for operating the program. If the facility is state-owned, 100 percent of the funds shall be transferred to the Office of Vocational Education.

Section 9. A local school district operating an area vocational education center which serves more than one (1) school district shall enter into a contract with the participating local district(s) to recover the funds lost on the average daily attendance (ADA) deduct for vocational units. Each district sending students will retain the full value of ADA on the students from that district. The vocational units will be allocated to the district operating the school, on the basis of PSD forms on each vocational teacher. The ADA deduct under KRS 157.360 will be charged to the districts receiving the vocational units. That district will recover a portion of such cost through its contract with participating district(s). The total cost in which each participating district will share will be the Foundation Program allotment loss caused by the ADA deduct calculated for the total vocational units allotted for the vocational school, and the share thereof of each participating district shall be equal to the proportion of the FTE student enrollment per district to the total FTE student enrollment of the school applied to said total cost.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will

be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Laurel True

(1) Type and number of entities affected: None at present; could affect 40 owning districts.

(a) Direct and indirect costs or savings to those affected: No total change; only redistribution of funds.

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: Contracts or agreements between owning and participating districts.

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings: No change in total costs.

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: None

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: No other alternative methods were discovered to be considered.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: This regulation change makes permissible a method of deducting ADA which permits local operation of AVEC serving multiple districts.

Tiering:

Was tiering applied? Yes.

EDUCATION AND HUMANITIES CABINET Department of Education Office of Vocational Rehabilitation (Proposed Amendment)

706 KAR 1:010. Three-year plan for vocational rehabilitation services.

RELATES TO: KRS 156.010, 156.031, 163.140, 163.160

PURSUANT TO: KRS 163.140

NECESSITY AND FUNCTION: Section 101, Title I, P.L. 93-112, as amended, requires the submission of a three (3) year state plan for Vocational Rehabilitation Services to the Secretary, United States Department of Education. The plan must be approved in order for a state to be eligible for grants from the allotments of funds under Title I, P.L. 93-112, as amended by P.L. 93-516 and P.L. 95-602, and P.L. 98-221, and this regulation adopts the pertinent state plan developed and approved by the Department of Education and sets forth rules governing the services, personnel, and administration of the Office of Vocational Rehabilitation.

Section 1. Pursuant to the authority vested in the Kentucky State Board of Education by KRS 163.140, the revised Kentucky State Plan for Vocational Rehabilitation Services for the period October 1, 1985 through September 30, 1988, as amended on May 7, 1986, is presented herewith for filing with the Legislative Research Commission, and incorporated by reference. A copy of said plan can be obtained from the Office of Vocational Rehabilitation, Department of Education.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Kathy Williams

(1) Type and number of entities affected:

(a) Direct and indirect costs or savings to those affected: Regulations pertain to vocational rehabilitation to 27,550 disabled Kentuckians served by this program annually.

1. First year: None

2. Continuing costs or savings: None

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: No additional reporting or paperwork requirements.

(2) Effects on the promulgating administrative body: Monies for this program are based on 80/20 match with the United States Department of Education, Rehabilitation Services Administration. The Kentucky legislature has appropriated funding through state fiscal year 1986.

(a) Direct and indirect costs or savings:

1. First year: No additional costs.

2. Continuing costs or savings: Expenditures will remain stable.

3. Additional factors increasing or decreasing costs: No additional cost savings.

(b) Reporting and paperwork requirements: No additional reporting or paperwork requirements.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: Office policies filed as regulations to enhance consistency in statewide application as pertains to disabled applicants for the program.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None identified.

(a) Necessity of proposed regulation if in conflict: Not applicable.

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions: Not applicable.

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. This regulation concerns eligible disabled population of the Commonwealth. Tiering is not applicable when regulations pertain to individuals.

EDUCATION AND HUMANITIES CABINET
Department of Education
Office of Vocational Rehabilitation
(Proposed Amendment)

706 KAR 1:020. Independent living plan.

RELATES TO: KRS 156.010, 156.035, 163.140, 163.160

PURSUANT TO: KRS 156.035, 156.070, 163.140

NECESSITY AND FUNCTION: Title VII, Part A, P.L. 93-112, as amended, requires the submission of a Three (3) Year State Plan for Independent Living Rehabilitation Services, to the Secretary, Department of Education. The plan must be approved in order for a state to be eligible for grants from the allotment of funds under Title VII, Part A, of the Rehabilitation Act of 1973, P.L. 93-112, as amended by P. L. 93-516, P. L. 95-602 and P. L. 98-221. This regulation adopts such a plan, and thereby implements statutory responsibility of the Department of Education and the State Board of Education under KRS 156.010, 156.035, 163.140, and 163.160.

Section 1. Pursuant to the authority vested in the Kentucky State Board of Education by KRS 156.035 and 163.140, the Kentucky State Plan for Independent Living Rehabilitation Services for the period October 1, 1984 through September 30, 1987 is presented herewith for filing with the Legislative Research Commission, and incorporated by reference, as revised May 7, 1986 [amended July 2, 1985]. This plan describes how federal funds will be utilized to provide services for independent living to individuals with disabilities so severe that they presently do not have potential for employment, and a copy of said plan can be obtained from the Office of Vocational Rehabilitation, Department of Education.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Kathy Williams

(1) Type and number of entities affected:

(a) Direct and indirect costs or savings to those affected: Regulations pertain to independent living rehabilitation services provided to Kentuckians with severe

disabilities. At this time, we cannot estimate the number of persons who will be served.

1. First year: None

2. Continuing costs or savings: None

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: No additional reporting or paperwork requirements.

(2) Effects on the promulgating administrative body: Monies for this program are based on 90/10 match with the United States Department of Education, Rehabilitation Services Administration.

(a) Direct and indirect costs or savings:

1. First year: None

2. Continuing costs or savings: Cost at 10% state match for total grant award is estimated at \$19,333 - actual not known due to Gramm-Rudman.

3. Additional factors increasing or decreasing costs: None

(b) Reporting and paperwork requirements: Establishment of independent living system will require paperwork documentation.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: No alternatives possible per KRS Chapter 13A.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication:

(a) Necessity of proposed regulation if in conflict: None identified.

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions: Not applicable.

(6) Any additional information or comments: Not applicable.

Tiering:

Was tiering applied? No. This regulation concerns independent living rehabilitation services to Kentuckians with severe disabilities. Tiering is not applicable when regulations pertain to individuals.

PUBLIC PROTECTION AND REGULATION CABINET
Public Service Commission
(Proposed Amendment)

807 KAR 5:067. Purchased water adjustment for privately-owned utilities [clause].

RELATES TO: KRS Chapter 278

PURSUANT TO: KRS 278.030(1), 278.040(3)

NECESSITY AND FUNCTION: KRS 278.030(1) provides that all rates charged [received] by a water utility subject to the jurisdiction of the Public Service Commission shall be fair, just and reasonable. This regulation prescribes the requirements under which a privately-owned water utility may implement a purchased water adjustment [clause] designed to recover the actual [increased] costs of water purchased[, where the water utility is not financially able to absorb an increase from its supplier].

Section 1. Water Utility Base Rate. The supplier's rate in effect immediately prior to the most recent increase shall be considered the base rate.

Section 2. [1.] Application for Change in Base

Rate. [The rates a water utility is currently authorized to charge its customers are based upon the wholesale cost of water to that water utility pursuant to valid contracts or wholesale tariffs on file with the commission.] (1) For purposes of a purchased water adjustment [clause], the supplier's [this wholesale] rate as defined in Section 1 of this regulation shall be considered as the base rate for purchased water and any increase or decrease in the base rate shall be considered the changed rate.

(2) [(1)] In the event there is an increase [a change] in the supplier's base rate, and the utility determines that it is necessary to adjust its rates so as to pass the increase on to its customers, the utility shall file with the commission the original and eight (8) copies of a completed application for purchased water adjustment in the form set forth in Section 6 of this regulation. All exhibits designated therein must be filed with the application and shall be considered a part of the application. [the following information:]

[(a) A copy of the wholesale supplier's tariff effecting a change in the base rate and a statement from the wholesale supplier's evidencing the effective date of the changed rate;]

[(b) A detailed statement of water purchased under the base rate for a twelve (12) month period ended within ninety (90) days of the filing date and showing billing both under such base rate and also under the changed rate;]

[(c) A detailed statement of water sold for the same twelve (12) month period.]

[(d) A balance sheet and statement of operating expenses and revenues for the most recent twelve (12) month period for which that information is available;]

[(e) In the event of an increase only, evidence that the water utility has notified its customers of the proposed rate revision;]

[(f) Revised tariff sheets reflecting the rates the applicant proposes to charge; and]

[(g) Such other information as the commission may request for a proper determination of the purchased water adjustment.]

(2) The commission may require that the balance sheet and statement of expenses and revenues furnished pursuant to subsection (1)(d) of this section be updated to within ninety (90) days of the filing of an application and that the updated information corresponds to the same twelve (12) month period as the water purchased information furnished pursuant to subsection (1)(b) of this section.]

(3) Upon receipt of all the necessary information, the commission will review the effect of the changed rate upon the applicant's operations and if an increase is proposed determine whether all or a part of the increase can be absorbed by the applicant. An applicant shall not implement its proposed revised rates until the commission issues an order authorizing the applicant to adjust its rates. If an adjustment is authorized, the supplier's changed rate shall become the supplier's base rate for use in future applications.]

(3) [(4)] An applicant shall not implement its proposed rates until the commission issues an order authorizing the applicant to adjust its rates. The maximum amount of the adjustment so ordered shall not produce revenue adjustments greater than the difference between the purchased water billed at the base rate and the

purchased water billed at the changed rate. Where the applicant's unaccounted for water loss is determined to be greater than either fifteen (15) percent or the percent expressly allowed in the applicant's last rate case, water purchases as defined in subsection (1)(b) of this section shall be adjusted to allow only the unaccounted-for water loss found reasonable.

(4) [(5)] In the event of an increase only, the applicant shall notify its customers of the proposed rate increase. The notice [required by subsection (1)(e) of this section] may be accomplished by a bill insert or by publication once a week for three (3) consecutive weeks in a newspaper of general circulation. Such notice shall set out the rates proposed to be charged by the applicant to its customers and shall contain the following language: "The rates contained in this notice are the rates proposed by (name of utility). However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice."

Section 3. [2.] Calculation of the Purchased Water Adjustment. If a change is made in a base rate charged to a water utility by its supplier(s), the unit charges of the utility's [wholesale] tariff shall be increased or decreased by a purchased water adjustment calculated as follows:

(1) Water purchases shall be computed at the supplier's base rate and the supplier's changed rate using a period of twelve (12) calendar months ending within ninety (90) days of the filing date of the application [preceding the month of the effective date of the supplier's rate change]. The difference between these amounts shows the total change in the applicant's purchased water costs.

(2) The total change in purchased water costs shall be divided by the actual number of cubic feet or gallons sold, yielding the purchased water adjustment expressed in cents per cubic foot or gallons, unless the applicant's unaccounted-for water loss exceeds either fifteen (15) percent or the percent allowed in the applicant's last rate case.

(3) In instances where the water loss exceeds fifteen (15) percent and no reasonable percentage has been determined in its last rate case, the actual water sales shall be divided by eighty-five (85) percent yielding the maximum allowable water purchases. Where a reasonable percentage of unaccounted-for water loss was expressly determined in the applicant's last rate case, the actual water sales shall be divided by (100 percent minus the percentage found reasonable) yielding the maximum allowable water purchases. The maximum allowable water purchases shall then be multiplied by the supplier's base rate and the changed rate. The difference between these amounts will be [change in cost per cubic foot or gallons, yielding] the total allowable change in the applicant's purchased water costs. The total allowable change shall then be divided by the actual number of cubic feet or gallons sold, yielding the purchased water adjustment expressed in cents per cubic foot or gallons.

Section 4. [3.] Procedure for Distribution of Refunds from Suppliers. In the event a water utility receives a refund from its supplier for

amounts previously paid, the water utility shall immediately apply to the commission for authority to make adjustments on the amounts charged customers' bills under this regulation as follows:

(1) The total refund received by the water utility shall be divided by the number of cubic feet or gallons of water the water utility estimates it will sell to its customers during the two (2) month period beginning with the first day of the month following receipt of the refund, yielding the refund factor to be applied against each cubic foot or gallon of water sold thereafter.

(2) Effective with meter readings taken on and after the first day of the second month following receipt of the refund, the water utility will reduce by the refund factor any purchased water adjustment that would otherwise be applicable during the period. The period of reduced purchased water adjustment shall be adjusted, if necessary, in order to most nearly approximate the total amount to be refunded. The water utility shall make full distribution of the refund within two (2) months.

(3) In the event a water utility receives a large or unusual refund, the water utility may apply to the commission for a deviation from the procedure for distribution of refunds specified herein.

[Section 4. Water Utility Tariffs. Every water utility that makes an application under Section 1 shall have a tariff on file with the commission containing a purchased water adjustment clause conforming to this regulation.]

Section 5. Procedure for Decrease in Purchased Water Costs. In the event a water utility receives a decrease in the rates charged it by its supplier, the purchased water adjustment shall be determined by the same procedure as set out in Section 3 of this regulation and the utility's rates to its customers reduced accordingly.

Section 6. Form of Application for Purchased Water Adjustment. Applications for purchased water adjustments shall be in substantially the following form, shall contain all information requested and shall be accompanied by all exhibits designated therein. Copies of forms for use in making such applications may be obtained from the commission upon request.

APPLICATION FOR RATE ADJUSTMENT BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY
For Purchased Water Adjustment
Pursuant to 807 KAR 5:067

Name of Utility

Business Mailing Address

Telephone Number

Area Code Number

NAME, TITLE, ADDRESS and TELEPHONE NUMBER of the person to whom correspondence or communications concerning this application should be directed:

NAME

TITLE

ADDRESS

TELEPHONE NUMBER

Area Code Number

Signature

I. Basic Information

NOTICE: (1) This application must be completed in its entirety and will not be considered until all required information has been filed with the Commission.

(2) The purchased water adjustment is designed for the purpose of providing a mechanism whereby a utility may recover the actual costs of water purchased only. No other increases in costs will be considered within this application nor is any change in rate design permissible under this regulation.

(3) Eight (8) copies of the application and exhibits must be filed. The application and any additional information that may be requested shall be addressed and/or submitted to: Public Service Commission, 730 Schenkel Lane, P.O. Box 615, Frankfort, Kentucky 40601.

1. Has this application been filed for purposes of an increase in rates, decrease in rates or a refund?

Increase _____ Decrease _____ Refund _____

2. What is the amount of the increase, decrease, or refund?

Total revenue change \$ _____
Purchased water adjustment _____ ¢ per cubic foot or gallon as determined in Item 10(c).

3. (a) Names of all wholesale suppliers and the base rate and changed rate of each. In the event the water purchased is billed by the supplier on other than a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if needed.

Supplier	Base Rates	Changed Rates
_____	_____	_____
_____	_____	_____
_____	_____	_____

(b) A copy of the wholesale supplier's tariffs, ordinances, or other documents establishing both the base supplier rate and the changed supplier rate are attached as Exhibit _____ to this application.

(c) A copy of the supplier's statement to the utility showing the effective date of the changed rate is attached as Exhibit _____ to this application.

4. (a) Has the utility provided appropriate notice to its customers by either a bill insert or by publication in accordance with the provisions of 807 KAR 5:067, Section 2(4).

Yes _____ No _____

(b) A copy of the utility's notice to its customers is attached as Exhibit _____ to this application.

5. Revised tariff sheet(s) showing the rates proposed to be charged by the utility to its

customers is attached as Exhibit _____ to this application.

Note: The revised tariff sheet(s) must show the rates proposed to be charged by the utility for each customer class in the form shown in Item 12. The issue date should be the date the application is filed with the commission. The effective date will be the date of the commission's order in this case. In the event the proposed tariff is correct and approved as filed, no further tariff forms will be required. The effective date, case number and order date will be completed by commission staff and a stamped copy of the approved tariff sheet will be returned to the utility for its files. Each sheet must be signed by the officer authorized to issue tariffs.

6. The 12-month period used to calculate the purchased water adjustment ends _____.

(Month and Year)

This test period must end within ninety (90) days of the date this application is filed.

7. Water purchases. Where water is purchased from more than one (1) supplier, purchases from each supplier must be shown separately. Where water is purchased from a supplier through more than one (1) meter and bills are computed individually for each meter, purchases should also be shown separately for each meter. Attach additional sheets if necessary.

SUPPLIER'S NAME	TOTAL GALLONS PURCHASED		
	Meter No. 1	Meter No. 2	Meter No. 3
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL	_____	_____	_____

8. Water sales. Total gallons sold during 12-month test period _____.

9. Maximum allowable gallons. The maximum allowable gallons upon which the purchased water adjustment may be based shall be determined in one of the following ways:

(a) Where a reasonable unaccounted-for water loss was expressly determined in the utility's last general rate case and actual unaccounted-for water loss exceeds the percent found reasonable, the water sales shall be divided by (100 percent minus the percent found reasonable) yielding the maximum allowable gallons to be entered in Item 10(a) or (b).

(b) Where no reasonable unaccounted-for water loss was expressly determined in the utility's last general rate case and the actual water loss exceeds 15 percent, the water sales shall be divided by 85 percent and the resulting gallons entered in Item 10(a) or (b).

(c) Where no reasonable water loss was expressly determined in the utility's last general rate case and the actual unaccounted for water loss is less than 15 percent, the actual gallons of water purchased shall be entered in Item 10(a) or (b).

10. Allowable change in purchased water costs.

(a) Where supplier bills on a flat rate schedule:

$$\frac{\text{Allowable gallons}}{\text{changed rate}} \times \text{cost at changed rate} = \text{cost at changed rate}$$

$$\frac{\text{Allowable gallons}}{\text{base rate}} \times \text{cost at base rate} = \text{cost at base rate}$$

(b) Where supplier bills on a declining block rate schedule*

Changed Rates Usage Blocks	Rate	Cost
1st _____ gal. x 12 mo. = _____ gal. (12 x Min.) = _____		
Next _____ gal. x 12 mo. = _____ gal. x _____ = _____		
Next _____ gal. x 12 mo. = _____ gal. x _____ = _____		
Next _____ gal. x 12 mo. = _____ gal. x _____ = _____		
Over _____ gal. x 12 mo. = _____ gal. x _____ = _____		
Total allowable gal. _____		
Cost at changed rate \$ _____		

Base Rates Usage Blocks	Rate	Cost
1st _____ gal. x 12 mo. = _____ gal. (12 x Min.) = _____		
Next _____ gal. x 12 mo. = _____ gal. x _____ = _____		
Next _____ gal. x 12 mo. = _____ gal. x _____ = _____		
Next _____ gal. x 12 mo. = _____ gal. x _____ = _____		
Over _____ gal. x 12 mo. = _____ gal. x _____ = _____		
Total allowable gal. _____		
Cost at changed rate \$ _____		

Cost at changed rate \$ _____	
minus _____	
Cost at base rate \$ _____	
ALLOWABLE CHANGE \$ _____	

*Where the utility receives purchased water through two (2) or more meters and the supplier computes bills individually for each meter, the costs should be calculated separately for each meter at the base rate and the changed rate, then combined to arrive at the total allowable change in costs. Attach additional sheets if necessary.

(c) Purchased water adjustment.

$$\frac{\text{Allowable Change}}{\text{Gallons Sold}} \times \text{per gal. or c.f.} = \text{per gal. or c.f.}$$

NOTE: In the event the utility receives a decrease in the rates from its wholesale supplier, the purchased water adjustment shall be calculated in the same manner as set out in Items 9 and 10, and its rates reduced accordingly.

11. Refund. In the event a refund is received from the supplier for amounts previously paid, the following tabulations will be made:

(a) Total refund received	\$ _____
(b) Total amount of water estimated to be sold during 2-month period beginning with the first day of the month following receipt of the refund	_____ M. Gal.

- (c) Refund factor unit of water sold (Item (a) divided by Item (b)) _____
- (d) The refund factor may be adjusted in the final month to more accurately reflect the amount to be refunded.

12. Form for filing Rate Schedules

For _____

(Community, Town or City

P.S.C. No. _____

SHEET NO. _____

CANCELLING P.S.C. NO. _____

Name of Issuing Corp. _____

SHEET NO. _____

CLASSIFICATION OF SERVICE

RATE PER UNIT

DATE OF ISSUE _____ DATE EFFECTIVE _____

ISSUED BY _____ TITLE _____

Name of Officer _____

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. _____ dated _____.

RICHARD D. HEMAN, JR., Chairman

ROBERT M. DAVIS, Secretary

APPROVED BY AGENCY: May 15, 1986

FILED WITH LRC: May 15, 1986 at 11 a.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation will be held on June 25, 1986 at 9 a.m., EDT, in the Public Service Commission Hearing Room No. 1 on Schenkel Lane in Frankfort, Kentucky. Those interested in attending this hearing shall contact: Forest M. Skaggs, Secretary, Kentucky Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Barbara Jones

(1) Type and number of entities affected: Privately-owned water utilities that purchase water. 70, potentially.

(a) Direct and indirect costs or savings to those affected: Shorter period savings - \$50,000 and Absorption test savings - \$100,000.

1. First year: Shorter period savings = \$100,000 and absorption test savings = \$200,000.

2. Continuing costs or savings: Same

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: Decreases accounting filing requirements and eliminates financial statements as filing requirements in response to industry comments.

(2) Effects on the promulgating administrative body: Decreases PSC review period and avoids information request.

(a) Direct and indirect costs or savings: Decreases PSC review period and avoids information request.

1. First year: Will free up time of staff person assigned to case.

2. Continuing costs or savings: Same

3. Additional factors increasing or decreasing costs: None

(b) Reporting and paperwork requirements: Simplified order and fewer information requests.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: No alternatives would pass through these purchased water costs on a more expeditious basis, except automatic pass through. Automatic pass through rejected to protect interests of ratepayer as well as utility.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. Reduction of filing requirements and cost savings as discussed previously should be available to all utilities that purchase water, whatever their size. A distinction has been drawn, however, between privately-owned water utilities and water districts or associations based upon HB 810.

PUBLIC PROTECTION AND REGULATION CABINET

Department of Housing, Buildings

and Construction

(Proposed Amendment)

815 KAR 20:030. License application; qualifications for examination, examination requirements, expiration, renewal, revival or reinstatement of licenses [examination].

RELATES TO: KRS Chapter 318

PURSUANT TO: KRS 13.082, 318.010, 318.020, 318.040, 318.050, 318.054

NECESSITY AND FUNCTION: KRS 318.040 requires the Department to conduct examinations for master and journeyman plumber applicants. This regulation relates to those requirements and the fees required. It also relates to the time, place and methods of examinations. [KRS 318.050 was amended by the 1976 General Assembly to eliminate the fixed fees for such examinations as was shown in the previous act. The Department now has the authority to set such fees by regulation.]

Section 1. Applications for Examination for Master or Journeyman Plumber's Licenses. Applications for examination for master or journeyman plumber's licenses shall be submitted to the Department of Housing, Buildings and Construction on forms furnished by the department. Each application shall be properly

notarized and accompanied by a fee of \$100 if for a master plumber's license or twenty-five (25) dollars if for a journeyman plumber's license. A signed photograph of the applicant not less than two (2) inches square nor larger than four (4) inches square taken within two (2) years shall accompany each application. Application fees shall be submitted at least two (2) weeks prior to the date of examination and remitted by post office or express money order, bank draft or certified check payable to the Kentucky State Treasurer.

Section 2. Examinations for Master or Journeyman Plumber's Licenses. (1) Examination of applicants. Regular examination of applicants for master or journeyman plumber's licenses shall be conducted during the months of February, May, August and November of each year. Special examinations may be conducted at such times as the Department of Housing, Buildings and Construction may direct.

(2) Time and place of examination. Notice of the time and place of examination shall be given by the United States mail at least one (1) week prior to the date of examination to all persons having applications on file.

(3) Materials required for journeyman plumbers' examinations. Applicants for journeyman plumber's licenses shall furnish the materials required for the practical examination.

(4) The testing requirements shall be designed by the State Plumbing Examining Committee and shall be more complex for the master's examination.

Section 3. Renewals of Master and Journeyman Plumber's Licenses. (1) Renewal fees. The annual license renewal fee shall be \$150 for master plumbers and thirty (30) dollars for journeyman plumbers.

(2) Remittance of renewal fees. Renewal fees shall be remitted by post office or express money order, bank draft, or certified check payable to the Kentucky State Treasurer.

Section 4. Expiration, Renewal or Reinstatement of License. All licenses issued under KRS 318.040 shall expire on June 30 as prescribed in KRS 318.054.

Section 5. Examination Requirements for Master Plumber Applicants. Examination for applicants desiring to become licensed as a master plumber shall consist of:

(1) Answering ten (10) oral questions pertaining to basic principles of plumbing and the State Plumbing Law, Regulation and Code.

(2) Answering twenty-five (25) written questions giving essay type answers pertaining to basic principles of plumbing and the State Plumbing Law, Regulation and Code.

(3) Preparing a drawing from a sheet of instruction that describes the number and type of fixture on each floor. The applicant is to draw all stacks, wastes and vents and insert the proper pipe size required thereon. Oversized piping will be counted off the same as undersized.

(4) The passing grade for master plumbers shall be eighty (80) percent.

Section 6. Examination Requirements for Journeyman Plumber Applicants. Examination for applicants desiring to become licensed as a

journeyman plumber shall consist of:

(1) Answering ten (10) oral questions pertaining to basic principles of plumbing and the State Plumbing Law, Regulation and Code.

(2) Answering twenty-five (25) written questions giving essay type answers pertaining to basic principles of plumbing and the State Plumbing Law, Regulation and Code.

(3) Preparing a drawing from a sheet of instruction that describes the number and type of fixture on each floor. The applicant is to draw all stacks, wastes and vents and insert the proper pipe size required thereon. Oversized piping will be counted off the same as undersized.

(4) Completing a practical section in which the applicant will properly caulk a cast iron soil pipe spigot into a cast iron hub. Soldering six (6) one-half (1/2) inch copper solder connections and either making a quarter segment of a shower pan, from a detailed drawing, to dimension, that must fit into a template or wiping by hand a solder joint connecting three (3) inch lead to a brass caulking ferrule or a three (3) inch to two (2) inch lead wye branch.

(5) The passing grade for journeyman plumbers shall be seventy-five (75) percent.

Section 7. All Master Plumbers and Journeyman Plumbers shall notify the department of the name of their business and its address, their employer and his address and any time a change of employment is made.

CHARLES A. COTTON, Commissioner

ROBERT M. DAVIS, Secretary

APPROVED BY AGENCY: May 12, 1986

FILED WITH LRC: May 13, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation will be held on June 23, 1986, at 10 a.m., in the office of the Department of Housing, Buildings and Construction, U.S. 127 South, Frankfort, Kentucky. Those interested in attending this hearing shall contact: Judith G. Walden, Office of General Counsel, Department of Housing, Buildings and Construction, The 127 Building, U.S. 127 South, Frankfort, Kentucky 40601. If no written requests to appear at the public hearing are received by June 18, 1986, the hearing may be cancelled.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Carl VanCleve

(1) Type and number of entities affected:

(a) Direct and indirect costs or savings to those affected:

1. First year: None

2. Continuing costs or savings: None

3. Additional factors increasing or decreasing costs (note any effects upon competition): N/A

(b) Reporting and paperwork requirements: N/A

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: Minimal due to time required to complete regulatory impact analysis.

2. Continuing costs or savings: None

3. Additional factors increasing or decreasing costs: None

(b) Reporting and paperwork requirements: See Item 2(a) above.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons

why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication:

(a) Necessity of proposed regulation if in conflict: None

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions: N/A

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. N/A

**CABINET FOR HUMAN RESOURCES
Department for Mental Health and Mental
Retardation Services
(Proposed Amendment)**

902 KAR 12:080. Policies and procedures for mental health/mental retardation facilities.

RELATES TO: KRS Chapter 210

PURSUANT TO: KRS 210.010

NECESSITY AND FUNCTION: KRS 210.010 directs the Secretary of the Cabinet for Human Resources to prescribe regulations for the institutions under the control of the cabinet. The function of this regulation is to adopt policies and procedures for such institutions.

Section 1. Oakwood Policy Manual. The policies set forth in the February 15, 1986, edition of the "Oakwood Policy Manual" consisting of three (3) volumes relating to the operation of Oakwood ICF-MR Facility are hereby adopted by reference.

Section 2. Hazelwood Policy Manual. The policies and procedures set forth in the May 15, 1986 [October 15, 1985], edition of the "Hazelwood Policy Manual" consisting of two (2) volumes relating to the operation of Hazelwood ICF-MR Facility are hereby adopted by reference.

Section 3. Central State Hospital ICF-MR Policy Manual. The policies and procedures set forth in the September 1, 1985, edition of the "Central State Hospital ICF-MR Policy Manual" consisting of two (2) volumes relating to the operation of Central State Hospital ICF-MR Facility are hereby adopted by reference.

Section 4. Eastern State Hospital Policy Manual. The policies and procedures set forth in the April 15, 1986, edition of the "Eastern State Hospital Policy Manual" consisting of twenty-one (21) volumes relating to the operation of Eastern State Hospital Facility are hereby adopted by reference.

Section 5. Central State Hospital Policy Manual. The policies and procedures set forth in the May [April] 15, 1986, edition of the "Central State Hospital Policy Manual" consisting of nineteen (19) volumes relating to the operation of Central State Hospital Facility are hereby adopted by reference.

Section 6. Western State Hospital Policy Manual. The policies and procedures set forth in the April 15, 1986, edition of the "Western State Hospital Policy Manual" consisting of thirty-two (32) volumes relating to the operation of Western State Hospital Facility are

hereby adopted by reference.

Section 7. Glasgow ICF Policy Manual. The policies and procedures set forth in the September 1, 1985, edition of the "Glasgow ICF Policy Manual" consisting of twelve (12) volumes relating to the operation of Glasgow ICF Facility are hereby adopted by reference.

Section 8. Western State Hospital ICF Policy Manual. The policies and procedures set forth in the March 15, 1986, edition of the "Western State Hospital ICF Policy Manual" consisting of nine (9) volumes relating to the operation of Western State Hospital ICF Facility are hereby adopted by reference.

Section 9. Volta Policy Manual. The policies and procedures set forth in the September 1, 1985, edition of the "Volta Policy Manual" consisting of one (1) volume relating to the operation of Volta Facility are hereby adopted by reference.

Section 10. Kentucky Correctional Psychiatric Center Policy Manual. The policies and procedures set forth in the April 15, 1986, edition of the "Kentucky Correctional Psychiatric Center Policy Manual" consisting of thirteen (13) volumes relating to the operation of Kentucky Correctional Psychiatric Center Facility are hereby adopted by reference.

Section 11. Location of Manuals Referenced in This Regulation. A copy of each manual referenced in this regulation is on file in the Office of the Commissioner for Health Services, 275 East Main Street, Frankfort, Kentucky, and is open to public inspection.

Section 12. Summary of Amendments.

Section 2 is revised as follows:

HAZELWOOD POLICY MANUAL

87-3-2 #15

Volunteer Advisory Council

This is a newly established policy in order to develop a more extensive volunteer program, and to involve and educate members of the community as to the mission and function of Hazelwood.

87-3-3 #19

Earthquake Emergency Procedure

This is a newly established policy in order to increase the facility's preparedness for an emergency condition involving earthquake.

87-6-4 #2

Work Activity Advisory Council

This is a newly established policy in order to increase the contacts the Work Activity Center has for obtaining work, and to educate the community as to the mission and purpose of Hazelwood and its Work Activities Center.

87-9-2 29B Affirmative Action
This is a revision and it more clearly and directly falls in line with the Affirmative Action Plan for the Division of Institutional Care.

87-5-7 6D 24-Hour Census Report
This is a revision which more simply and clearly identifies what the current practice of census reporting shall be.

Section 5 is revised as follows:

CENTRAL STATE HOSPITAL POLICY MANUAL

Section B - Content Page - revised page - Added B 25 to the content page.

Section B No. 25 - new policy - this policy is to formally define the role of the Unit Manager's Unit to assist in meeting JCAH standards for therapeutic environmental monitoring. No extra money or employees are needed to implement this policy.

Section E No. 3 - revised only the first page - reflects an addition to Section #2 and will require no additional staff and only minimal additional expense.

Section E No. 7 - new policy - be accepted to meet JCAH standards. No extra monies or employees are needed.

Section J No. 1 - revised - a specific Quality Assurance Plan for Physical Therapy to meet JCAH standards. No extra monies are needed.

Section L No. 4 - new - a specific Quality Assurance Plan for Social Services to meet JCAH standards. This policy outlines the functions of the committee. No extra monies are needed.

Section N No. 1 - revised - this policy has been updated and corrected by the District Manager. No increase in time or money spent will be necessitated by this revision.

Section T No. 1 - revised - last sentence in the first paragraph of procedure as no services are now provided in the general area. No extra monies are needed.

Section X Nos. 1, 2, 7, 12, 13, & 15 - revised policies - revisions were made on these policies to be in compliance with JCAH. No extra monies or employees are needed.

Section Y No. 1 - revised - Item No. 7 was added under the Procedure Section to be in compliance with Joint Commission. No increase in expenses or work load on the personnel.

Section Z No. 2 - revised - to assure quality monitoring of patient care. The change will not impact on cost or expenditures.

Section BB No. 1 - revised - three new paragraphs added under the procedure section to be in compliance with JCAH. No extra monies will be needed.

Section HH No. 7.10 - revised - addition was added to Section 6 under the procedure to meet JCAH standards and no increase in expenditure or time is expected.

Section HH No. 9.55 - revised - to meet JCAH standards and to help administration monitor the therapeutic environment. No extra monies or employees will be needed.

Section HH No. 9.55A - new - to meet JCAH standards and to help administration monitor the therapeutic environment and no extra monies or employees will be needed.

Section HH No. 10.56 - revised - needed a more consistent method of identifying patients with infectious disease. This proposed policy attempts to simplify the process. No extra monies are needed.

Section HH No. 10.95 - new - this policy was written to meet JCAH standards and to give guidance to physicians and nurses. No extra monies will be needed.

E-2 - NURSING MANUAL

Section G - No. 7.10 - Clothing, Grooming & Personal Hygiene

To meet JCAH standards and to help administration monitor the therapeutic environment. No extra monies or employees will be needed.

Section G - No. 7.11 - Recreational Supplies and Equipment

To meet JCAH standards and to help administration monitor the therapeutic environment. No extra monies or employees will be needed.

E-3 - ACTIVITIES THERAPY

Section M - No. 3 - Quality Assurance

Revised policy in order for it to more closely state the information JCAH Standards allude to. The revision does not require extra staff to implement and no increase in cost will be incurred.

E-11 - PHARMACY MANUAL

Updated the manual to be in compliance with JCAH. These changes will not increase the expenditures or increase workload on the personnel.

Addition to No. 1

7. Up-to-date pharmaceutical reference material concerning drugs will be kept in the Pharmacy Information Center required by Kentucky Board of Pharmacy.

- a. Remington Pharmaceutical Sciences
- b. USP-DI
- c. Facts and Comparisons
- d. Drug Interaction Facts

Addition to No. 7

12. Pharmacist will review patient's profile regularly.

Change on No. 10 - Only changed date.

Addition to No. 11 - Add Sample Form for Adverse Drug Reaction Report

Addition to No. 14

8. Emergency Carts and Emergency Boxes are all inspected for contents and out-dated drugs.
9. Disinfectants and drugs for external use shall be stored separately from internal and injectable drugs.
10. Drugs requiring refrigeration shall be checked to assure proper storage.
11. Drugs shall be checked for expiration dates and removed if not in date.

Made new form for DRUG CABINET INSPECTION REPORT which includes three new check items. They are listed below.

Emergency Carts, Emergency Boxes, Lighting

Addition to No. 17

8. Emergency Carts and Boxes shall be inspected after use and monthly for out-dated drugs and deteriorated items.

CRASH CART MEDICATIONS list - only changed date.

Up-date List No. 19

Authorized Prescribers Medication Dispensed List - Up-Date

Up-date List No. 20

Clinical Staff who are authorized to Administer Medications List - Up-Date

Addition to No. 21

- e. Telephone orders shall be accepted only from physicians on the list of authorized prescribers.

[Section 4 is revised as follows:

EASTERN STATE HOSPITAL POLICY MANUAL

- D1, Page 43 Hepatitis B Immunoprophylaxis - New Policy
A new policy covers the screening, immunization, and follow-up procedures for varied high-risk patient groups.
- D1, Page 12 AWOL Policy
A revision of policy to provide for notification of sheriffs and families cases where patients are discharged from AWOL status.
- D1, Page 22 Employee Health Screening Program - Revised Policy
Policy revision to include screening procedures for employees working in areas considered to be high risk for possible exposure to Hepatitis B Virus.
- D5, Page 14 Engineering and Maintenance Policy revised to include emergency disaster tools.

Section 5 is revised as follows:

CENTRAL STATE HOSPITAL POLICY MANUAL

E-1 Policy & Procedure Manual

Section A, No.1

The Governing Body bylaws were revised to meet JCAH standards. The implementation of these bylaws should not result in any additional cost.

Section C, No. 4

New policy added to the Fire & Safety Section as required by Joint Commission.

Section D, No. 1

Proposed revisions of the Clinical Staff Bylaws. These revisions are proposed to place us in compliance on Chapter 3 - Professional Staff Organization. Should not result in any additional cost.

Section D, No. 3

New departmental policy on clinical privileging to meet JCAH standards. Should not result in any additional cost.

Section E, No. 5

New policy to be accepted to meet JCAH standards and no extra monies are needed.

Section E, No. 6

New policy accompanying guidelines to be included in the Medical Services section and no increase in expenditure or time or money will be initiated as a result of this inclusion.

Section Z, No. 3

New policy to meet JCAH standards. Should not result in any additional cost.

SECTION HH - TREATMENT PROGRAM

Content Pages Added new policies to the content.

Section HH, No. 1.10

Revised to more adequately and correctly reflect the Admissions process as it currently exists, to include procedures related to computerization, and to meet JCAH standards. No increase in time or expense is expected from this revision.

Section HH, No. 2.80

Policy and form revised to meet JCAH standards. No additional cost should result.

Section HH, No. 4.40

Page 3 has been revised to add No. 16 to include information required by JCAH standards. Since this procedure is already in effect, no increase in time or expense is anticipated.

Section HH, No. 8.75

No. 4.85 - revised and Section HH, The two policies were combined to define responsibilities and delete outdated material. No increase in expenditures of time or money is expected from these changes. REMOVE SECTION HH No. 8.75 from your manual.

Section HH, No. 7.10

This policy has been revised to meet JCAH standards. No increase in expenditure or time or money is expected.

Section HH, No. 7.30

This policy has been revised to meet JCAH standards and no increase in time or money is expected.

Section HH, No. 8.65	This policy was revised to incorporate the use of a psychosocial worksheet. The outline for the evaluation was revised to include information required to meet JCAH standards. It should not impact on the expenditure of time.	Insert Page 36
Section HH, No. 8.70	Revisions were made to allow for the use of "Group Therapy Weekly Report" and for these reports to be placed in a separate section of the chart. These changes were made to ensure that documentation is completed as required. This revised policy should not result in any significant additional cost nor should it impact on the expenditure of time.	Insert Pages 38 through 49.
Section HH, No. 9.10	Policy revised to show more clearly the Activity Therapy referral process and the relationship of Activity Therapy staff in treatment planning process. This revised policy should not result in any additional cost and it will not impact the expenditure of time since it clarifies the current policy.	Section 6 is revised as follows: WESTERN STATE HOSPITAL POLICY MANUAL F-1, Patient Rights Policy No. 3 Procedure updated to comply with 902 KAR 12:020 Sections 1-9 and 902 KAR 12:040 Section 2. F-1, Visitation Policy No. 12 Updated to comply with 902 KAR 12:020 Section 6(4). Patient Advocate Policies and Procedures Manual F-5, Patient Rights Policy No. 1 Procedure updated to comply with 902 KAR 12:020 Sections 1-9 and 902 KAR 12:040 Section 2.
Section HH, No. 9.48	Policy was revised to meet JCAH standards. No added expenditure of time or money is expected.	Section 10 is revised as follows:
Section HH, No. 9.48A	Policy was written to document an existing patient education group. No added expenditure of time or money is expected.	KENTUCKY CORRECTIONAL PSYCHIATRIC CENTER POLICY MANUAL
Section HH, No. 10.53	New policy. The Clinical Executive Committee approved Hepatitis B testing for all first admission patients. This policy is essential to determine carriers of the Hepatitis B virus. The cost of testing is minimal.	#J-4/27 PPD Skin Tests The policy statement of this Policy and Procedure has been revised to allow more time to give the initial PPD (from 24 hours to one week).
E-3 - Activities Therapy Department Manual		#J-5/B-1 Patient Laundry and Tailor Shop This policy was revised to state that state clothing for all patients would be sent to the LLCC Main Laundry and only personal clothing would be laundered in the KCPC mini-laundry as the washing machine in 5A was wearing out too quickly and could not handle the volume of laundry being sent.
Section J, No. 10	Activity Therapy staff have developed a revision in their patient progress notes policy to include current information. This policy revision will not affect staffing, cost or efficiency in using time.	#J-5/B-30 Packages for Post-Convicted Patients This is a new policy which was implemented to limit the amount of personal property the post-convicted patients accumulated during their stay at KCPC, and also to comply with policies of the Corrections Cabinet.
Section S, No. 1	This policy was written at the request of the Accreditation Committee to address our provision of barber services to CSH patients. The services covered in this policy are already being provided. There will be no increase in cost.	#J-2/A-4 Duties of 8-4 Nursing Shift Supervisor Revised: Letter N - new duty added; letter C - deleted part due to change; letter D deleted part due to change of responsibilities.
E-12 - Medical Records		#J-2/A-5 Duties of the 4-12 Nursing Shift Supervisor Revised: Letter U added, new duty.
New revised cover sheet and index.		#J-2/A-6 Duties of the 12-8 Nursing Shift Supervisor Revised: Letter X added, new duty.
Medical Records Department - Page 1 - There has been an addition made to the last paragraph. The page following page 1 has had No. 9 added to the page.		#J-2/A-14 Nursing Service Report Revised: #2 to Letter B changed for clarification.
On Page 12 in the first paragraph - ten years has been changed to 5 years.		#J-2/A-15 Nursing Staff Meetings (Monthly) Revised: Letter B deleted statement as we no longer have Pre-trial Coordinator.

#J-2/A-16	Nursing Supply and Storage Area and After-Hours Acquisition of Supplies. Revised: Letter B deleted; letter C changed to B and redefined for clarification.	#J-2/B-21	EEG Revised: Letter C, word changes and new information added for clarification; letter F, new information added; letter G, new information added for clarification.
#J/A-23	Stripping Charts Revised: Note deleted as there is no longer a Behavior Unit on 3D.	#J-2/B-24	Enema Revised: Charting, letter D, word changes for clarification; letter E, new information added.
#J-2/B-2	Admission Revised: Letter B, information deleted due to change of policy; letter D word change for clarification, and last sentence deleted due to change of policy; letter E new information added; letter H new information added for clarification; letter K, new information added for medical clarification.	#J-2/B-25	Enema (Retention) Revised: Letter E, new information added.
#J-2/B-3	Admission Chart Packet Revised: Letter B added new form; #5, changing all other numbers; letter C new; #7 added. Also another NOTE added.	#J-2/B-26	Fecal Impaction Removal Revised: New word to the policy name; letter F, new information added.
#J-2/B-9	Chart Form Sequence Revised: Letter A added to #1 (new), changing all the numbers; NOTED added new statement for clarification.	#J-2/B-27	First Aid Revised: Letter F, under What to do; #3, new information added.
#J-2/B-10	Charting on Inpatients Revised: Letter L, word clarification; letter W, word clarification; #GG, new information added for clarification.	#J-2/B-35	In-Hospital Incident Reports Revised: Letter B, #2, grammar changed; letter C, word changed for clarification.
#J-2/B-12	Cultures Revised: Letter F, word change for clarification; letter G, #4, new information added.	#J-2/B-36	Intake and Output Revised: Statement added to new information; Letter J, #2, changed; #e changed, #4 changed; and #5 and #6 the same.
#J-2/B-13	Dental Consultations Revised: Letter B, new information added (new dentist, procedure change); letter D, new information added for clarification; letter E deleted due to no longer using the form; letter F deleted part of sentence, no longer use forms; letter H, new information added for clarification; letter I, word added to information; letter L deleted due to change of procedure; letter M, information changed due to new procedure.	#J-2/B-39	Lab Procedures and EKG Procedures Revised: Letter A, new information added.
#J-2/B-18	Discharge Revised: Letter B, word change for clarification; letter C, deleted due to information, change of policy; letter F, new information added, changing all the other numbers.	#J-2/B-40	Medical Emergency Plan - Transfer to Humana Hospital University of East End Medical Center. Revised: The name of the policy and the policy statement were revised as new information was added. Letter D changed in wording due to policy change; letter E, added new statement; letter F, new information added; letter G, new information added; letter H, word changed; letter I, word change; letter J, #1, number changed.
#J-2/B-19	Discontinuation of Physicians Orders on Patients Admitted/Transferred to Other Hospitals for Treatment. Revised: Letter B, word changes for clarification.	#J-2/B-42	General Rules for Preparing and Administering Medication Revised: Letter A added as was not in old procedure, thus changing all the other numbers; letter J, new information added for clarification, under Charting; letter B, wording change for grammar.
#J-2/B-20	Ear Irrigation Revised: Letter N, #3, word changed for clarification.	#J-2/B-43	Oral Medication Revised: Letter A, new information added; letter G, #3, new information added; #5, word change for clarification.
		#J-2/B-59	Drugs Brought to KCPC by Admitted Patients Revised: Letter J, wording changes for clarification.
		#J-2/B-60	Nursing Assessment and History Revised: Letters C, D, E, new information added to the policy.

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#J-2/B-61	Nursing Care/Treatment Plans Revised: Numbers changed to the alphabet, A thru Q. Letter A, new information added; letter C, new information added; letter D, one word deleted; letter G, new information added; letter M, new information and word changed for clarification; letter Q, new information added.	#J-2/B-92	Weight Revised: Letter A, #1, new information added; letter A, #6, new information added for clarification.
#J-2/B-62	Off-Grounds Clinic Consultations Revised: Letter C, new information added; letter D, word change; letter F, new information added; letter G, word change for clarification.	#J-2/B-93	X-Ray Procedures Revised: Letter A, #1, new information added; letter A, #2, new information added; letter A, #3, information added; letter A, #4, new information added; letter A, #7, new information added. Under NOTE, x-ray procedure of special diet has all been changed due to new information on procedure methods.
#J-2/B-64	Oxygen (O ₂) Therapy Revised: NOTE, new information added for clarification of Oxygen.	#J-4/1	Autoclaving Instruments #D extra step added to procedure.
#J-2/B-66	Physician Log Sheet - Daily Restraint and Seclusion Revised: New letter G, added information.	#J-4/3	Blood/Body Fluid Precautions New policy in order to adhere to new recommendations from the Center for Disease Control.
#J-2/B-75	Special Diets Revised: Letter A deleted one statement; letter B, new information added; letter D, word changed; letter O, new information added for clarification.	#J-4/4	Cleaning Thermometers Deleted as we no longer use glass thermometers. We are using IVAC.
#J-2/B-76	Sputum Collection Revised: Letter J, one statement deleted, and new statement added; Procedure for Luki Tube deleted from the policy. Under Charting, letter C, wording change for clarification.	#J-4/5	Contact Isolation New policy to adhere to new recommendations from the Center for Disease Control.
#J-2/B-83	TPR Revised: Letter A, IVAC thermometer added; NOTE added under letter P, #11; deleted IVAC policy and procedure from Index (J-2/B-38).	#J-4/7	Contagious Diseases in KCPC Employees New policy.
#J-2/B-86	Transcribing Physicians' Orders Revised: Policy statement; letter D, new information added; letter G, statement deleted from policy and new information added due to protocol; letter I and J, both are new information added for clarification.	#J-4/8	Disinfection of Dirty Instruments #E change in supplies used; #K changed procedure; #L deleted.
#J-2/B-87	Transfer (Inter-Facility, KCPC) Revised: Letter A, #1, deleted due to policy change; #2 changed to #1, and new information added, also word changing for grammar; #2 new information added. NOTE, new, added for information; letter B, #1, word change; #2, word change, #3 word change, #4 word change (all for clarification), #5 deleted as N/A now.	#J-4/9	Disposal of Contaminated Waste from the Units Change in responsible person in #C; change in #D of responsible person; #E deleted.
#J-2/B-88	Collection of Urine Specimen Revised: Letter A, #4, as new wording added; NOTE, new information added, under note #2, word change, under example #7, wording changed for clarification.	#J-4/10	Disposal of Hypodermic Syringes, Needles, and Contraband Items Change in #3 to C and change in time.
#J-2/B-91	Vital Signs Revised: Letters A, B, C, E word changing for clarification; letter D, new information added.	#J-4/11	Drainage/Secretion Precautions New policy to adhere to new recommendations from the Center for Disease Control.
		#J-4/12	Employee Tuberculin Skin Test Name of policy changes from "Employees' PPD's".
		#J-4/13	Enteric Precautions Condensed into A thru G.
		#J-4/15	Infection Control Change in isolation area and new Health Department requirements #A, #B, #C, #D, #E and some new statement added; F, G, H new statement added.
		#J-4/18	Isolation New Policy.
		#J-4/19	Isolation Cart Change in location of equipment.
		#J-4/20	Isolation of Laundry on the Units #A added statement.
		#J-4/23	Needle-stick Injuries New Policy.
		#J-4/25	Nursing Responsibilities for Cleaning and Sanitizing of Work Spaces in the Preparation of Sterile Supplies. Change in location of equipment.
		#J-4/27	PPD Change in #F.

#J-4/28 Respiratory Isolation
Change #A thru #n and shorten
statements.

#J-4/29 Sanitation of Medication Cabinets
and Medicine Refrigerators
Change in #A, #B, #C, #D, and #E.

#J-4/29a Sanitation and Storage of Safety
Razors
New Policy.

#J-4/30 Sterile Stock Supplies
Ordering and maintaining change
in #A.

#J-4/31 Strict Isolation
Change in statement and #A thru
#R.

#J-4/32 Terminal Cleaning of the
Isolation Room
New Policy.

#J-4/33 Tuberculosis Isolation (AFB
Isolation)
New Policy.]

DENNIS D. BOYD, Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: May 6, 1986

FILED WITH LRC: May 13, 1986 at 1 p.m.

PUBLIC HEARING SCHEDULED: A public hearing on
this regulation has been scheduled for June 23,
1986 at 9 a.m. in the Department for Health
Services Auditorium, 275 East Main Street,
Frankfort, Kentucky. However, this hearing will
be cancelled unless interested persons notify
the following office in writing by June 18, 1986
of their desire to appear and testify at the
hearing: R. Hughes Walker, General Counsel,
Cabinet for Human Resources, 275 E. Main Street,
4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Verna Fairchild

(1) Type and number of entities affected: This
regulation with the attached reference material
is the on-going policy and procedure manual of
the state facilities for the treatment of
patients with mental illness and mental
retardation. These facilities function with
2,880 staff members serving 1,850 residents.

(a) Direct and indirect costs or savings to
those affected:

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing
costs (note any effects upon competition):

(b) Reporting and paperwork requirements:

(2) Effects on the promulgating administrative
body: This regulation usually does not affect
the fiscal operation of these state facilities
significantly. It affects the care and treatment
of patients, compliance with JCAH standards, and
Kentucky licensure regulations. The work
environment of the staff is frequently the
subject of this regulation also, along with the
orderly management of the various programs.

(a) Direct and indirect costs or savings:

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing
costs:

(b) Reporting and paperwork requirements:

(3) Assessment of anticipated effect on state
and local revenues: None

(4) Assessment of alternative methods; reasons
why alternatives were rejected: Present
procedure not previously adopted by regulation.

(5) Identify any statute, administrative
regulation or government policy which may be in
conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in
conflict:

(b) If in conflict, was effort made to
harmonize the proposed administrative regulation
with conflicting provisions:

(6) Any additional information or comments:
None

Tiering:

Was tiering applied? Yes

CABINET FOR HUMAN RESOURCES Department for Health Services (Proposed Amendment)

902 KAR 50:030. Farm manufacturing
requirements.

RELATES TO: KRS 217C.010 to 217C.990

PURSUANT TO: KRS 194.050, 211.090(1)(c)

NECESSITY AND FUNCTION: The Cabinet for Human
Resources is directed by KRS Chapter 217C to
regulate milk for manufacturing purposes. This
regulation sets uniform standards for the
production, transportation, handling, sampling,
examination, grading and sale of manufacturing
milk and milk products and for the inspection of
dairy farms and provides for the issuance,
revocation and reinstatement of producer permits.

Section 1. Manufacturing Milk Producer Permits
and Inspections. (1) Prior to the issuance of
any permit to a manufacturing milk producer, the
cabinet shall conduct an inspection of the
producer's facilities. If the producer is not in
substantial compliance with this regulation, he
shall not be issued a permit and violations
shall be given him in writing and posted in a
conspicuous place at the dairy farm. A permit
may be issued whenever the inspection reveals
substantial compliance with this regulation. [A
reinspection will be made by the cabinet after
the time deemed necessary to correct the
violation(s), but not before the lapse of three
(3) days. Provided that, if the inspector
determines during the inspection that
corrections on the farm will require some
capital investment, a reasonable extension of
time shall be granted by the cabinet. Upon
reinspection, if the farm does not meet the
requirements for a permit, it shall not be
issued and the producer's authorization to sell
milk for human food from the farm shall be
withheld by the cabinet until such time as the
farm qualifies for a permit. Whenever
authorization to sell milk from a farm is
withheld by the cabinet, a request for
reinspection shall be made by the producer in
writing, including a statement that the
violation(s) previously noted by the last
inspection report have been corrected.]

(2) All new producers must be inspected by the
cabinet and a permit issued prior to beginning
shipment.

(3) Permits shall not be transferable with
respect to persons or locations and shall remain
valid unless suspended or revoked by the cabinet.

Section 2. Quality Requirements and
Enforcement Procedures for Raw Milk. (1) Basis.
The classification of raw milk for manufacturing

purposes shall be based on organoleptic examination (sight and odor) and quality control test for sediment content and bacterial estimate, abnormal milk and antibiotics. Examinations and tests to detect pesticides or other adulterants may be conducted by the cabinet as deemed necessary.

(2) Sight and odor. The flavor and odor of acceptable raw milk shall be fresh and sweet. The milk shall be free from objectionable feed and other off-flavors and off-odors that would adversely affect the finished product, and it shall not show an abnormal condition (including, but not limited to curdled, ropy, bloody or mastitic condition), as indicated by sight or odor.

(3) Frequency of tests:

(a) Bacterial estimate; monthly.

(b) Sediment content; monthly.

(c) Antibiotics: four (4) times each six (6) months.

(d) Abnormal milk: four (4) times each six (6) months.

(e) Adulteration (excessive water) and pesticides; as deemed necessary by the cabinet.

(4) Methods of testing. Methods for determining quality test shall be those described in the current edition of Standard Methods for the Examination of Dairy Products, unless otherwise approved by the cabinet, and shall be performed in an official laboratory or an officially designated laboratory.

(5) Quality standards:

(a) Bacterial classification:

Bacterial Estimate Classification	Direct Microscopic Clump Count, Standard Plate or Plate Loop	[Resazurin Reduction to Munsell Color Standards 5 P 7/4]
No. 1 Satisfactory	Not Over 500,000/ml.	[Not Less Than 2 1/2 Hours]
No. 2 Satisfactory	Not Over 1,000,000/ml. [3,000,000]	[Not Less Than 1 1/2 Hours]
Undergrade [No. 3 & 4 Unsatisfactory]	Over 1,000,000/ml. [3,000,000]	[Less Than 1 1/2 Hours]

(b) Sediment content classification:

Sediment Content Classification	Milk in Cans (off-the-bottom method) 1 1/8 inch diameter disc)*	Milk in Farm Bulk Tanks sample 0.40 inch diameter disc)*
No. 1 Acceptable equivalent	Not to exceed 0.50 mg.	Not to exceed 0.50 mg.
No. 2 Acceptable equivalent	Not to exceed 1.50 mg.	Not to exceed 1.50 mg.
No. 3 Probational equivalent	Not to exceed 2.50 mg.	Not to exceed 2.50 mg.
No. 4 Reject	Over 2.50 mg.	Over 2.50 mg. equivalent

*Sediment content based on comparison with applicable charts of Sediment Standards prepared by the U.S. Department of Agriculture. The four (4), two (2) or one (1) ounce sample and appropriate sediment standards may be used with the approval of the cabinet.

(c) Antibiotic classification. Negative on individual producer test.

(d) Abnormal milk. Not in excess of 1,000,000 [1,500,000] somatic cell count/ml.

(6) Enforcement procedures:

(a) Sight and odor. All bulk tank loads or individual producer milk received shall be examined on an organoleptic basis by the hauler or by milk grader. Milk shall not be received if any off odors or abnormal conditions are found which will adversely affect the finished product. Producer milk which is rejected for sight and odor by a hauler or milk grader shall be identified by coloring if in cans or tagged with a reject tag if in a bulk tank.

(b) Bacterial estimates. At least once each month at irregular intervals, a representative mixed sample of each producer's milk shall be tested by the company. Producers shall be notified of the results of all tests performed. A producer shall be given a warning notice by the cabinet or a company representative authorized in writing by the cabinet, whenever two (2) of the last four (4) counts exceed bacterial standards specified herein. An additional sample shall be taken within twenty-one (21) days of the sending of such notice, but not before the lapse of three (3) days. A producer shall remain under warning notice so long as two (2) of the last four (4) analyses exceed the standards. A producer's permit shall be suspended by the cabinet whenever three (3) of the last five (5) samples exceed the standard. A producer may be issued a temporary permit [have his permit reinstated] by the cabinet upon written request from the producer whenever the cause of high bacterial count is corrected or is believed to have been corrected as shown by farm inspection. The first sample analyzed, after a temporary permit has been issued shall be in compliance with the standard for which the permit was suspended, otherwise the temporary permit shall be withdrawn [and the first shipment of milk meeting the satisfactory bacterial standards. Such producer, upon reinstatement, shall have the status of a new producer]. Upon reinstatement, the producer shall have no milk on hand which was produced during the period when his permit was suspended unless otherwise specified by the cabinet. Samples shall then be taken at the rate of not more than two (2) per week on separate days within a three (3) week period, and the cabinet shall reinstate the permit upon compliance with the appropriate standard set forth or take additional enforcement action as required by this subsection.

(c) Sediment:

1. Bulk tank producers. If the sediment disc is classified as #1, #2, or #3, the producer's milk may be accepted. If the sediment disc is classified as #4, the milk shall be rejected and the producer shall be notified by the cabinet or a company representative authorized by the cabinet in writing. Provided, that if the shipment of milk is commingled with other milk in a transport tank prior to the sediment test

being run, the producer's milk shall be resampled by the hauler or milk grader and retested by the company on the next pick-up. However, if it is impractical to collect a sample on the next pick-up, no more milk shall be collected unless a sample for sediment analysis is collected. If the retest of this sample is classified #4, the milk from this farm shall not be accepted thereafter until a satisfactory sediment test is obtained. If the milk is classified #3, the producer shall be notified and each additional milk pick-up shall be sampled and tested for a period not to exceed ten (10) days. If at the end of this ten (10) day period, the milk does not meet the #1 or #2 sediment test standard, it shall not be accepted thereafter until a satisfactory sediment test is obtained.

2. Can producers. If the sediment disc is classified as #1, #2 or #3, the producer's milk may be accepted. If the sediment disc is classified #4, the milk shall be rejected and the producer shall be notified by the cabinet or a company representative authorized in writing by the cabinet. In the case of milk classified as #3 or #4, all cans of that producer shall be tested and the producer shall be notified. Milk classified as #4 shall be rejected and an approved color added to the milk. This procedure for retesting successive shipments and accepting #3 milk and rejecting #4 milk may continue for a period not to exceed ten (10) days. If at the end of this time all the producer's milk does not meet the #1 or #2 sediment standards, it shall not be accepted thereafter until a satisfactory sediment is obtained.

(d) Antibiotics. At least four (4) times each six (6) months, each producer's milk shall be tested individually or in a commingled sample (not exceeding fifteen (15) producers). Provided, that where a commingled sample is positive each producer represented in the sample shall be tested immediately and if the producer sample is positive, the milk shall be withheld from the market until a negative sample is obtained by the cabinet or milk grader.

(e) Abnormal milk. Each company shall have an approved abnormal milk screening program. Each producer shall be tested at least four (4) times each six (6) months and those showing a somatic cell count in excess of 1,000,000 [1,500,000] per ml. shall be notified in writing by the cabinet or company [and also given a list of the principal causes of excess somatic cell counts]. Whenever practicable, the fieldmen shall visit those producers having somatic cell counts in excess of 1,000,000 [1,500,000] per ml. to assist the producer in the correction of the problem. Whenever two (2) of the last four (4) somatic cell counts exceed 1,000,000 [1,500,000] per ml, the producer shall be given a warning notice by the cabinet or a company representative authorized in writing by the cabinet. The producer shall remain under "warning notice" so long as two (2) of the last four (4) analyses are unsatisfactory. After issuance of a notice, an additional sample shall be collected within twenty-one (21) days after issuance of notice to suspend permit, but in no case before the lapse of three (3) days. A producer's permit shall be suspended by the cabinet when three (3) of the last five (5) somatic cell counts exceed the standard. A producer may be issued a temporary permit [have his permit reinstated] by the cabinet upon written request from the producer

whenever the cause of the high somatic cell count is corrected or is believed to have been corrected. The first sample analyzed, after a temporary permit has been issued shall be in compliance with the standard for which the permit was suspended, otherwise the temporary permit shall be withdrawn [, and the first shipment of milk must meet the standards. Such producer, upon reinstatement, shall have the status of new producer]. Samples shall then be taken at the rate of not more than two (2) per week on separate days within a three (3) week period, and the cabinet shall reinstate the permit upon compliance with the appropriate standard set forth or take additional enforcement action as required by this subsection.

(f) New producers. An examination for bacterial quality and sediment shall be made on the first shipment of milk from producers shipping milk to a plant for the first time or after a period of non-shipment for ten (10) days. Thereafter, the milk shall meet the requirements for frequency of test and producer compliance outlined in this section.

(g) Transfer producer:

1. Prior to the collection and/or acceptance of milk from a transfer producer, the new company shall check the official status of the producer with the cabinet. The cabinet shall notify the company to whom the producer is currently shipping, of the inquiry. [All producers desiring to transfer from one (1) company to another shall request, in writing, his quality records for the past ninety (90) days, a copy of his last inspection sheet and permit if one has been issued. These records shall be evaluated and approved by the new company before the milk may be accepted. Each company shall issue the producer's transfer records, upon receipt of a written request, within twenty-four (24) hours of a normal working week using the forms approved by the cabinet. A copy of the producer transfer records shall be forwarded to the cabinet within five (5) days, by the company issuing the transfer records.] The existing status of a transfer producer with regard to his farm sanitation and milk quality record shall be in effect with the new company. Producers whose permit has been suspended by the cabinet are not eligible to transfer, until such time as their permit has been reinstated, unless otherwise approved by the cabinet. The new buyer shall examine and classify each transfer producer's milk within ten (10) days after receipt of the producer's first shipment, and shall subsequently examine shipments in accordance with the provisions of this section.

2. The status of any Grade A producer whose permit has been suspended shall be cleared by the manufacturing milk company with the cabinet before the milk can be accepted. If this milk is received for a period in excess of ten (10) days, such producer would be subject to all provisions of this regulation.

3. Grade A surplus milk shall be tested or screened by the manufacturing milk company upon arrival to assure themselves and the cabinet that the milk is in compliance with the manufacturing milk standards.

Section 3. Farm Requirements for Milk for Manufacturing. (1) Health of herd:

(a) General health. All animals in the herd

shall be maintained in a healthy condition.

(b) Tuberculin test. The herd shall be located in an area within the state which meets the requirements of a modified accredited area in which not more than one-half (1/2) of one (1) percent of the cattle have been found to be infected with tuberculosis as determined by the provisions of the "Uniform Methods and Rules" for establishing and maintaining tuberculosis-free herds of cattle, and modified accredited areas which are approved by the Animal Disease Eradication Division, Agricultural Research Service, U. S. Department of Agriculture. If the herd is not located in such an area, it shall be tested annually under the jurisdiction of the aforesaid program. All additions to the herd shall be from an area or from herds meeting these same requirements.

(c) Brucellosis test. The herd shall be located in an area within the state in which the percentage of cattle affected with brucellosis does not exceed one (1) percent and the percentage of herds in which brucellosis is present does not exceed five (5) percent in accordance with provisions of the "Uniform Methods and Rules" for establishing and maintaining certified brucellosis-free areas which are approved by the Animal Disease Eradication Division, Agricultural Research Service, U. S. Department of Agriculture. If the area in which the herd is located does not meet these requirements, the herd shall be blood-tested annually or milk-ring-tested semiannually. All additions to the herd shall be from herds meeting these same requirements.

(2) Milking procedures. Milking shall be done in an approved milking barn, stable, or parlor under relatively dust free conditions.

(a) The udders, flanks and teats of all milking cows shall be free of dirt and dust at time of milking as far as is practicable.

(b) Cows which secrete abnormal milk shall be milked last or with separate equipment. This milk shall be excluded from the supply, and is prohibited from sale under this regulation.

(c) Milking shall be carried out in an approved area.

(3) Milking barn or milking area. An approved milking area of adequate size and arrangement shall be provided to permit normal sanitary milking operations.

(a) Adequate light shall be properly distributed for both day and night milking.

(b) The milking area shall be well ventilated to minimize odors and prevent excessive condensation.

(c) Floors and gutters shall be kept clean, in good repair, graded to drain and be constructed of concrete or other impervious material.

(d) No swine, fowl or other animals shall be permitted in the milking area.

(e) Bedding shall be permitted in the milking area provided it is kept clean and relatively dust free. Manure shall be removed daily.

(f) If feed or other material is stored overhead, the milking area shall be sealed.

(g) Walls and ceilings shall be kept clean and in good repair. It is recommended that the milking area be completely enclosed. However, if clean, orderly, dust free milking operations can be conducted, the requirements of the walls may be waived.

(h) Feed shall be stored in such a manner as will not increase the dust content of the air or attract flies in the milking area.

(i) The milking area floor shall be kept clean, the manure removed daily, and stored to prevent access of cows to accumulation thereof.

(j) Outside surfaces of pipeline systems located in the milking area shall be kept clean.

(k) Milk stools, surcingles and antikickers shall be kept clean.

(4) Cowyard and cattle housing area. The cowyard and cattle housing area shall be constructed to be well drained and relatively free of organic waste.

(a) The cowyard shall be graded to drain as well as local conditions will permit.

(b) Cowyards which are muddy due to recent rains shall not be considered in violation of this section.

(c) The cattle housing area shall be free of excessive manure, soiled bedding, and waste material to prevent the soiling of cows.

(d) All manure removed from the milking area shall be stored so as to prevent access of cows to accumulation thereof and to minimize fly breeding.

(5) Milkhouse or milkroom. There shall be provided a conveniently located milkhouse or milkroom in which the cooling, handling and storing of milk, the washing, sanitizing and storing of equipment and utensils shall be done. Provided, that present milking areas with milkhouse, milkroom facilities combined in a non-separated operation given approval prior to the effective date of this regulation will be acceptable for as long as the combined facility is operated in a sanitary manner.

(a) The floor shall be constructed of concrete and well drained.

(b) The walls and ceilings shall be constructed of relatively smooth, easily cleanable material. A light colored material is recommended.

(c) A drain through the floor or wall shall be provided. The drain shall not be located under a can cooler or bulk tank. The drain may discharge to the surface of the ground provided that waste from the [one (1)] drain does not pool or cause an insect breeding problem.

(d) The milkhouse space shall be large enough to allow ample room as follows: Walkways and working areas shall be a minimum of thirty (30) inches, and the bulk tank shall be kept a minimum of eighteen (18) inches from the walls on all sides except that tank with a self-contained unit may be closer to the wall. There shall be a minimum of six (6) inches between the lowest point of the bulk tank and the floor.

(e) Artificial light shall be provided with a minimum of 100 watts or more capacity. The light fixture shall not be located over the bulk tank. Flood lights are recommended near the ends but not over bulk tanks.

(f) Ventilation shall be sufficient to prevent odors and condensation.

(g) The milkhouse shall be kept clean and free from unnecessary articles and used for no other purposes except as may be permitted by the cabinet. Only insecticides and rodenticides approved for use in the milkhouse shall be stored in the milkhouse. Such insecticides and rodenticides shall be stored in such a manner as not to contaminate milk, milking equipment, sinks or cleaning supplies.

(h) All outer openings shall be screened or protected against the entrance of insects. Outer doors shall open outward and be self-closing,

except doors between the milkroom and milking area may open either way or both ways and be self-closing. Provided, that during the winter months when a screen door may be taken down, the milkhouse door may open inward if it is self-closing. On bulk tank installations, an approved hose port shall be properly constructed through the outer wall for milk pick-up operations.

(i) Running water under pressure shall be provided. Water heating facilities conveniently available to supply ample hot water to the milkhouse shall be provided for all bulk tank installations. An ample supply of water shall be available to the milkroom for all can shippers.

(j) A two (2) compartment wash and rinse vat shall be provided, except when milking equipment is cleaned-in-place, a single compartment wash vat will be acceptable.

(k) A concrete slab at least four (4) feet by four (4) feet shall be located outside the milkhouse under the hose port.

(l) The milkhouse shall be supplied with approved brushes, cleaners, and sanitizers [and] to properly clean and sanitize equipment and utensils.

(m) The can cooler may be stored in a suitable place away from the milkhouse in order to be easily accessible to the can hauler, provided approval is given by the cabinet.

(6) Utensils and equipment. Utensils, milk cans, milking machines (including pipeline systems), and other equipment used in the handling of milk shall be maintained in good condition, shall be free from rust, open seams, milkstone, or any unsanitary condition, and shall be washed, rinsed and drained after each milking, stored in suitable facilities and sanitized immediately before use. All new farm bulk tanks shall meet "3-A Sanitary Standards" for construction and shall be installed in accordance with regulations of the cabinet. Single service articles shall be properly stored and shall not be reused.

(a) Utensils-construction. All multi-use containers, equipment and other utensils used in the handling, storage or transportation of milk or milk products shall be made of smooth, nonabsorbent, noncorrodible, nontoxic material, properly constructed and easily cleaned and be kept in good repair. Joints and seams shall be welded or soldered flush. Woven-wire cloth shall not be used for straining milk. When milk is strained, single-service strainer pads shall be used and shall not be reused. Single-service articles shall be properly stored, handled, dispensed and used in a manner that prevents contamination of milk or milk contact surfaces.

1. All multi-use containers, utensils, pails and pipes shall be constructed of smooth, heavy-gauge material, with a nonreadily corrodible surface which is nonabsorbent and nontoxic (the use of cadmium is expressly prohibited), and shall be of such construction as to be easily cleaned. All joints and seams shall be flush, with a solid, welded or soldered, burnished surface.

2. All containers, utensils, and other equipment shall be in good repair, and free of breaks and corroded places.

3. Strainers, if used, shall be so constructed as to utilize single-service strainer pads only, and such strainer pads are not reused. Woven-wire cloth strainers shall not be used.

4. All milking machines, including pails,

heads, milk claws, milk tubing, and other milk contact parts shall be so constructed as to be easily cleaned.

5. New or replacement milk cans shall have an umbrella type cover.

6. All cleaned-in-place milk pipelines installed after the effective date of this regulation shall be so installed as to be rigid and self-draining. All connections shall provide a smooth, flush interior surface.

7. Pipelines installed prior to the effective date of this regulation may be accepted if joined with tygon or other material approved by the cabinet, providing joints are hand cleaned if not sufficiently cleaned by CIP methods. Each joint of this type shall have a tight, rigid hanger next to the joint.

(b) Utensils-cleaning. All multi-use containers, equipment and other utensils used in handling, storage or transportation of milk and milk products shall be thoroughly cleaned after each usage. All multi-use containers, equipment and other utensils used shall be stored in the milkhouse unless otherwise approved by the cabinet.

(c) Utensils-bacterical treatment. All multi-use containers, equipment, and other utensils used in handling, storage or transportation of milk or milk products shall, before each usage, be subjected effectively to an approved bactericidal process. Steam, hot-water, or hot-air treatment shall not be accepted unless the equipment or containers are completely immersed or exposed for the required time, or longer, at the required temperature, or higher, throughout the period of exposure. Pouring hot or so-called boiling water from vessel to vessel shall not be acceptable. All milk containers, utensils, and other equipment, with the exception of milking machine pulsators and air hoses, shall be immersed for at least one (1) minute, in, or exposure for at least one (1) minute to a flow of, an approved chemical bactericide containing at least fifty (50) ppm chlorine or other approved sanitizer of proper strength after use. All milk contact surfaces shall be wetted by the bactericidal solutions, and piping so treated shall be filled. Bactericidal sprays may be used for large equipment. Chemical solutions, once used, shall not be reused for bactericidal treatment on any subsequent day, but may be reused for other purposes.

(d) Utensils-storage. All containers and other utensils used in the handling, storage or transportation of milk or milk products, unless stored in bactericidal solutions, shall be stored so as to drain dry, and so as not to become contaminated before being used. All equipment and utensils shall be accessible for inspection. All milking equipment containers and other utensils used shall be stored in the milkhouse unless otherwise approved by the cabinet.

1. All milk utensils and equipment shall be left in the bactericidal solution or stored in the milkhouse on racks, in such a manner as to protect them from the contamination, inverting such articles as can be inverted. Pipeline milkers which are cleaned-in-place may be stored in place. Such storage racks should be constructed of metal protected against rusting, with the lowest shelf not less than twenty-four (24) inches above the floor.

2. Strainer pads, parchment papers and gaskets

shall be kept, until used, in the original package with covers closed, and stored in a suitable container or cabinet to protect them from contamination.

3. All equipment and utensils shall be accessible for inspection.

(e) Utensils-handling. After bactericidal treatment, containers and other milk and milk product utensils shall be handled in such a manner as to prevent contamination of any surface with which milk or milk products come into contact. Sanitized product-contact surfaces, including farm cooling holding tank openings and outlets shall be protected against contact with unsanitized equipment and utensils, hands, clothing, splash, condensation and other sources of contamination. Any sanitized product-contact surfaces, which has been otherwise exposed to contamination shall be again cleaned and sanitized before being used.

(7) Surroundings shall be relatively neat and clean to prevent insect breeding and/or rodent haborage.

Section 4. Cooling. (1) All milk shall be cooled within two (2) hours after milking to fifty (50) degrees Fahrenheit or lower and maintained at fifty (50) degrees Fahrenheit or lower until transferred to the transport truck unless delivered to the plant within two (2) hours after milking. Milk in bulk tanks shall be cooled to forty (40) degrees Fahrenheit or lower within two (2) hours after milking and maintained at fifty (50) degrees Fahrenheit or lower until transferred to the transport truck. Whenever the first milking does not reach the bulk tank agitators, cooling shall be considered in violation.

(2) Cooling facilities shall be available to cool and store a full supply of milk between pick-up at fifty (50) degrees Fahrenheit or below. Can milk shall be collected at least every fourth day.

(3) Bulk tanks shall be designed and sized for everyday or every other day pick-up and be capable of cooling the milk to forty (40) degrees Fahrenheit after each milking and maintaining the milk to fifty (50) degrees Fahrenheit or below. In no case shall bulk tank milk be picked up after three (3) days. Paper towels should be available for wiping bulk tank measuring stick during milk pick-up.

(4) Milk shall not be transferred from one (1) producer to another or received by one (1) producer from another.

Section 5. Water supply. (1) Each producer shall have an adequate, properly located and properly protected water supply.

(2) The supply shall be adequate for the needs of the producer to properly clean his equipment, milkhouse and milking area.

(3) The supply shall, on physical inspection, be protected against surface water and in the case of cisterns have a filter or roof wash barrel of approved type.

(4) In no case shall the supply be within 100 feet of any cesspool, privy or lateral field, unless otherwise approved by the cabinet.

(5) If the cabinet is in doubt to the physical protection of the supply, a water sample may be collected and analyzed by the cabinet. Samples not meeting state [the Natural Resources and Environmental Protections Cabinet's] requirements shall be retested within thirty

(30) days after notification is given to the producer in writing by the cabinet. Whenever two (2) consecutive samples are found to be in excess of the coliform standard a notice of intent to suspend permit shall be issued by the cabinet and a follow-up sample collected within thirty (30) days. In the event such sample is in excess of the standard, the producer shall be suspended until a negative sample is obtained.

(6) After July 1, 1986, all new producers shall have a negative water sample analysis prior to the issuance of a permit.

Section 6. Milkhouse, milking area and toilet waste. (1) Waste from the milkhouse, milking area and toilet shall be properly disposed of in a manner approved by the cabinet.

(2) Milkhouse and milking area waste discharging to the ground surface shall not pool or cause fly breeding problems.

(3) Waste from flush type toilets shall be properly disposed of underground.

(4) Pit privies shall be properly constructed to prevent fly breeding.

Section 7. Personnel Health and Cleanliness. No person affected with any disease in a communicable form, or while a carrier of such disease, shall work at any dairy farm in any capacity which brings him into contact with the production, handling, storage and transportation of milk for manufacturing purposes, containers, equipment and utensils; and no milk producer shall employ in any such capacity any such person, or any person suspected of having any disease in a communicable form, or of being a carrier of such disease. Any milk producer upon whose dairy farm any communicable disease occurs or who suspects that any employee has contacted any disease in a communicable form, or has become a carrier of such a disease in a communicable form, shall notify the regulatory agency immediately. All persons engaged in the milking operation shall wear clean outer garments. The milkers' hands shall be kept clean.

Section 8. Procedure When Infection is Suspected. When reasonable cause exists to suspect the possibility of transmission of infection from any person concerned with the handling of milk for manufacturing purposes, the cabinet shall require any or all of the following measures:

(1) The immediate exclusion of that person from milk handling;

(2) The immediate exclusion of the milk supply concerned;

(3) Adequate medical and bacteriological examination of the person and body discharges.

Section 9. Prohibited Acts Relating to Manufacturing Milk Producers. The following acts and the causing thereof within the Commonwealth of Kentucky are hereby prohibited:

(1) No person shall produce, sell or offer for sale any manufacturing milk or milk products within this state without a permit as provided in this regulation.

(2) No person shall, within this state produce, provide, sell, offer or expose for sale or have in possession with intent to sell any manufacturing milk or milk product which is adulterated, misbranded or otherwise in violation of this regulation.

(3) No person shall prohibit entry of

inspection, or prohibit the taking of a sample or prohibit the access to records or evidence, to duly authorized agent of the cabinet.

(4) No person shall remove, destroy, alter, forge or falsely represent, without proper authority any tag, stamp, mark or label used by the cabinet.

(5) No person shall remove or dispose of a detained or quarantined article without proper authority from the cabinet.

Section 10. Manufacturing Milk Producer Permit Suspension and Reinstatement. (1) Individual producer's permit may be suspended, whenever the cabinet has reason to believe that a public health hazard exists; or whenever the producer has violated any of the requirements of this regulation; or whenever the producer has interfered with the cabinet in the performance of its duties. Provided, that the cabinet shall, in all cases except where the milk involved creates, or appears to create an imminent hazard to the public health; or in any case of a willful refusal to permit authorized inspection, serve upon the producer a written notice of intent to suspend the permit, which notice shall specify with particularity the violation(s) in question and afford the permit holder reasonable opportunity to correct such violation(s). A suspension of a permit shall remain in effect until the violation(s) have been corrected to the satisfaction of the cabinet.

(2) Upon written application of any person whose permit has been suspended, or upon application within forty-eight (48) hours of any person who has been served with a notice of intention to suspend and in the latter case before suspension, the cabinet shall within a reasonable time proceed to a hearing to ascertain the facts of such violation or interference and upon evidence presented at such hearing shall affirm, modify or rescind the suspension or intention to suspend. Any permit suspended under the provisions of this section may be reinstated by submission of proper evidence satisfactory to the cabinet that the violations have been corrected.

Section 11. Survey procedures. Each manufacturing milk company's producers, producers' associations or other producer groups shall be surveyed by the cabinet at least once every two (2) years. In the event such survey results has an unsatisfactory rating, such company, association or group shall be notified and shall be given a reasonable period of time, not to exceed six (6) months, to attain a satisfactory rating. If upon resurvey, the producer's rating is still not of an acceptable level, each producer shipping milk to such company shall be inspected by the cabinet to determine individual compliance. Each producer found in violation may have their permit suspended in accordance with this regulation. No producer shall be allowed to transfer to another company during the reinspection period unless authorized by the cabinet.

C. HERNANDEZ, Commissioner
E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 15, 1986

FILED WITH LRC: May 13, 1986 at 1 p.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health

Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Leon Townsend

(1) Type and number of entities affected: 1,700
(a) Direct and indirect costs or savings to those affected: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: None by industry - Same for regulatory agency.

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: None by industry - Same for regulatory agency.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: Present regulation does not meet Federal requirements.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication:

(a) Necessity of proposed regulation if in conflict: None

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: These are minor proposed amendments required for Kentucky to remain in compliance with Federal standards.

Tiering:

Was tiering applied? No. N/A

CABINET FOR HUMAN RESOURCES Department for Health Services (Proposed Amendment)

902 KAR 50:050. Manufacturing plant requirements.

RELATES TO: KRS 217C.010 to 217C.990

PURSUANT TO: KRS 194.050, 211.090

NECESSITY AND FUNCTION: The Cabinet for Human Resources is directed by KRS Chapter 217C to regulate milk for manufacturing purposes. This regulation sets uniform sanitary and operational standards for manufacturing milk plants, receiving stations, transfer stations and handlers and provides for the issuance and revocation of permits relating thereto.

Section 1. Permits and Inspections. (1) No person shall operate a manufacturing milk plant, receiving station, transfer station or be a handler of manufacturing milk in this state who does not possess a valid permit as herein

provided. Prior to the issuance of a permit, each plant, receiving station or transfer station [handler] shall be inspected by the cabinet. Inspections shall be made at least annually thereafter.

(2) Only a person who is in satisfactory compliance with the requirements of this regulation shall be entitled to a permit. Permits shall not be transferable with respect to persons or locations and shall expire December 31, following the date of issuance.

(3) Manufactured milk and milk products from points beyond the limits of routine inspection of the Commonwealth of Kentucky, or its police jurisdiction, may be sold in the Commonwealth of Kentucky, or its police jurisdiction, provided they are produced and processed under regulations which are substantially equivalent to this regulation, and provided further, that the governmental unit concerned accepts Kentucky's manufacturing milk and milk products on a reciprocal basis.

(4) Properly prepared plans for all transfer stations, receiving stations and milk plants regulated under this regulation which are hereafter constructed, reconstructed or extensively altered, shall be submitted to the cabinet for approval before work is begun.

Section 2. Requirements for Manufactured Milk Product Plants in Kentucky. The [following] regulations promulgated by the U.S. Department of Agriculture as set forth in the January 1, 1986 [1977], edition of the Code of Federal Regulations, Title 7, Part 58, Subpart B, with amendments effective July 1, 1986, as published in Vol. 50, No. 166, August 27, 1985, Federal Register, are hereby adopted by reference.

[(1) Section 58.101 Definitions, meaning of words.

(2) Section 58.122 Purpose, approved plants under USDA inspection and grading service.

(3) Section 58.123 approved plants, survey and approval.

(4) Section 58.124 Denial or suspension of plant approval.

(5) Section 58.125 Premises, buildings, facilities, equipment and utensils, premises.

(6) Section 58.126 Buildings.

(7) Section 58.127 Facilities.

(8) Section 58.128 Equipment and utensils.

(9) Section 58.129 Personnel, cleanliness and health, cleanliness.

(10) Section 58.130 Health.

(11) Section 58.131 Protection and transport of raw milk and cream, equipment and facilities.

(12) Section 58.132 quality specifications for raw milk, basis for classification.

(13) Section 58.133 Methods for quality and wholesomeness determination.

(14) Section 58.134 Sediment Content.

(15) Section 58.135 Bacterial estimate.

(16) Section 58.136 Rejected milk.

(17) Section 58.137 Excluded milk.

(18) Section 58.138 Quality testing of milk from new producers.

(19) Section 58.139 Record of tests.

(20) Section 58.140 Field service.

(21) Section 58.141 Alternate quality control program.

(22) Section 58.142 Operations and operating procedures, product quality and stability.

(23) Section 58.143 Raw product storage.

(24) Section 58.144 Pasteurization or ultra-pasteurization.

(25) Section 58.145 Composition and wholesomeness.

(26) Section 58.146 Cleaning and sanitizing treatment.

(27) Section 58.147 Insect and rodent control program.

(28) Section 58.148 Plant records.

(29) Section 58.149 Alternate quality control programs for dairy products.

(30) Section 58.150 Packaging and general identification, containers.

(31) Section 58.151 Packaging and repackaging.

(32) Section 58.152 General identification.

(33) Section 58.153 Storage of finished product, dry storage.

(34) Section 58.154 Refrigerated storage.

(35) Section 58.155 Inspection, grading and official identification, grading.

(36) Section 58.156 Inspection.

(37) Section 58.157 Inspection or grading certificates.

(38) Section 58.158 Official identification.

(39) Section 58.159 Explanation of terms, terms.

(40) Section 58.205 Supplemental specifications for plants manufacturing, processing and packaging nonfat dry milk, instant nonfat dry milk, dry whole milk, and dry buttermilk, definitions, meaning of words.

(41) Section 58.210 Rooms and compartments, dry storage of product.

(42) Section 58.211 Packaging room for bulk products.

(43) Section 58.212 Hopper or dump room.

(44) Section 58.213 Repackaging room.

(45) Section 58.214 Equipment and utensils, general construction, repair and installation.

(46) Section 58.215 Pre-heaters.

(47) Section 58.216 Hotwells.

(48) Section 58.217 Evaporators and/or vacuum pans.

(49) Section 58.218 Surge tanks.

(50) Section 58.219 High pressure pumps and lines.

(51) Section 58.220 Drying systems.

(52) Section 58.221 Collectors and conveyors.

(53) Section 58.222 Dry dairy product cooling equipment.

(54) Section 58.223 Special treatment equipment.

(55) Section 58.224 Sifters.

(56) Section 58.225 Clothing and shoe covers.

(57) Section 58.226 Portable and stationary bulk bins.

(58) Section 58.227 Sampling device.

(59) Section 58.228 Dump hoppers, screens, mixers and conveyors.

(60) Section 58.229 Filler and packaging equipment.

(61) Section 58.230 Heavy duty vacuum cleaners.

(62) Section 58.231 Quality specifications for raw materials, general.

(63) Section 58.232 Milk.

(64) Section 58.233 Skim milk.

(65) Section 58.234 Buttermilk.

(66) Section 58.235 Modified dry milk products.

(67) Section 58.236 Operations and operating procedures, pasteurization and heat treatment.

(68) Section 58.237 Condensed surge supply.

(69) Section 58.238 Condensed storage tanks.

(70) Section 58.239 Drying.

(71) Section 58.240 Cooling dry products.

(72) Section 58.241 Packaging, repackaging and storage.

(73) Section 58.242 Product adulteration.

- (74) Section 58.243 Checking quality.
- (75) Section 58.244 Number of samples.
- (76) Section 58.245 Method of official sample analysis.
- (77) Section 58.246 Cleaning of dryers, collectors, conveyors, ducts, sifters and storage bins.
- (78) Section 58.247 Insect and rodent control program.
- (79) Section 58.248 Requirements for finished products bearing USDA official identification, nonfat dry milk.
- (80) Section 58.249 Instant nonfat dry milk.
- (81) Section 58.250 Dry whole milk.
- (82) Section 58.251 Dry buttermilk.
- (83) Section 58.305 Supplemental specifications for plants manufacturing, processing and packaging butter and related products, definitions, meaning of words.
- (84) Section 58.311 Rooms and compartments, coolers and freezers.
- (85) Section 58.312 Churn rooms.
- (86) Section 58.313 Print and bulk packaging rooms.
- (87) Section 58.314 Equipment and utensils, general construction, repair and installation.
- (88) Section 58.315 Continuous churns.
- (89) Section 58.316 Conventional churns.
- (90) Section 58.317 Bulk butter trucks, boats, texturizers, and packers.
- (91) Section 58.318 Butter, frozen or plastic cream melting machines.
- (92) Section 58.319 Printing equipment.
- (93) Section 58.320 Brine tanks.
- (94) Section 58.321 Cream storage tanks.
- (95) Section 58.322 Quality specifications for raw material, cream.
- (96) Section 58.323 Whipped butter.
- (97) Section 58.324 Butteroil.
- (98) Section 58.325 Anhydrous milkfat.
- (99) Section 58.326 Plastic cream.
- (100) Section 58.327 Frozen cream.
- (101) Section 58.328 Salt.
- (102) Section 58.329 Color.
- (103) Section 58.330 Butter starter cultures.
- (104) Section 58.331 Starter distillate.
- (105) Section 58.332 Operations and operating procedures, segregation of raw material.
- (106) Section 58.334 Pasteurization.
- (107) Section 58.335 Quality control tests.
- (108) Section 58.336 Frequency of sampling for quality control of cream, butter and related products.
- (109) Section 58.337 Official test methods.
- (110) Section 58.338 Composition and wholesomeness.
- (111) Section 58.339 Containers.
- (112) Section 58.340 Printing and packaging.
- (113) Section 58.341 Repackaging.
- (114) Section 58.342 General identification.
- (115) Section 58.343 Storage of finished product in coolers.
- (116) Section 58.344 Storage of finished product in freezer.
- (117) Section 58.345 Requirements for finished products bearing USDA official identification, butter.
- (118) Section 58.346 Whipped butter.
- (119) Section 58.347 Butteroil or anhydrous milkfat.
- (120) Section 58.348 Plastic cream.
- (121) Section 58.349 Frozen cream.
- (122) Section 58.405 Supplemental specifications for plants manufacturing and packaging cheese, definitions, meaning of words.
- (123) Section 58.406 Rooms and compartments, starter facility.
- (124) Section 58.407 Make room.
- (125) Section 58.408 Brine room.
- (126) Section 58.409 Drying room.
- (127) Section 58.410 Paraffining room.
- (128) Section 58.411 Rindless cheese wrapping area.
- (129) Section 58.412 Coolers or curing rooms.
- (130) Section 58.413 Cutting and packaging rooms.
- (131) Section 58.414 Equipment and utensils, general construction, repair and installation.
- (132) Section 58.415 Starter vats.
- (133) Section 58.416 Cheese vats, tanks and drain tables.
- (134) Section 58.417 Mechanical agitators.
- (135) Section 58.418 Automatic cheese making equipment.
- (136) Section 58.419 Curd mill and miscellaneous equipment.
- (137) Section 58.420 Hoops, forms and followers.
- (138) Section 58.421 Press.
- (139) Section 58.422 Brine tank.
- (140) Section 58.423 Cheese vacuumizing chamber.
- (141) Section 58.424 Monorail.
- (142) Section 58.425 Conveyor for moving and draining block or barrel cheese.
- (143) Section 58.426 Rindless cheese wrapping equipment.
- (144) Section 58.427 Paraffin tanks.
- (145) Section 58.428 Speciality equipment.
- (146) Section 58.429 Washing machine.
- (147) Section 58.430 Quality specifications for raw material, milk.
- (148) Section 58.431 Hydrogen peroxide.
- (149) Section 58.432 Catalase.
- (150) Section 58.433 Cheese cultures.
- (151) Section 58.434 Calcium chloride.
- (152) Section 58.435 Color.
- (153) Section 58.436 Rennet, pepsin, other milk clotting enzymes and flavor enzymes.
- (154) Section 58.437 Salt.
- (155) Section 58.438 Operations and operating procedures, cheese from pasteurized milk.
- (156) Section 58.439 Cheese from unpasteurized milk.
- (157) Section 58.440 Make schedule.
- (158) Section 58.441 Records.
- (159) Section 58.442 Laboratory and quality control tests.
- (160) Section 58.443 Whey handling.
- (161) Section 58.444 Packaging and repackaging.
- (162) Section 58.445 General identification.
- (163) Section 58.446 Requirements for finished products bearing USDA official identification, quality requirements.
- (164) Section 58.505 Supplemental specifications for plants manufacturing and packaging cottage cheese, definitions, meaning of words.
- (165) Section 58.510 Rooms and compartments, rooms and compartments.
- (166) Section 58.511 Equipment and utensils, general construction, repair and installation.
- (167) Section 58.512 Cheese vats or tanks.
- (168) Section 58.513 Agitators.
- (169) Section 58.514 Container fillers.
- (170) Section 58.515 Mixers.
- (171) Section 58.516 Starter vats.
- (172) Section 58.517 Quality specifications for raw material, general.
- (173) Section 58.518 Milk.

- (174) Section 58.519 Dairy products.
- (175) Section 58.520 Nondairy ingredients.
- (176) Section 58.521 Operations and operating procedures, pasteurization and product flow.
- (177) Section 58.522 Reconstituting nonfat dry milk.
- (178) Section 58.523 Laboratory and quality control tests.
- (179) Section 58.524 Packaging and general identification.
- (180) Section 58.525 Storage of finished product.
- (181) Section 58.526 Requirements for cottage cheese bearing USDA official identification, official identification.
- (182) Section 58.527 Physical requirements.
- (183) Section 58.528 Microbiological requirements.
- (184) Section 58.529 Chemical requirements.
- (185) Section 58.530 Keeping quality requirements.
- (186) Section 58.605 Supplemental specifications for plants manufacturing, processing and packaging frozen desserts, definitions, meaning of words.
- (187) Section 58.619 Rooms and compartments, mix processing room.
- (188) Section 58.620 Freezing and packaging rooms.
- (189) Section 58.621 Freezing tunnels.
- (190) Section 58.622 Hardening and storage rooms.
- (191) Section 58.623 Equipment and utensils, homogenizer.
- (192) Section 58.624 Freezers.
- (193) Section 58.625 Fruit or syrup feeders.
- (194) Section 58.626 Packaging equipment.
- (195) Section 58.627 Quality specifications for raw material, milk and dairy products.
- (196) Section 58.628 Sweetening agents.
- (197) Section 58.629 Flavoring agents.
- (198) Section 58.630 Stabilizers.
- (199) Section 58.631 Emulsifiers.
- (200) Section 58.632 Acid.
- (201) Section 58.633 Color.
- (202) Section 58.634 operations and operating procedures, assembling and combining mix ingredients.
- (203) Section 58.635 Pasteurization of the mix.
- (204) Section 58.636 Homogenization.
- (205) Section 58.637 Cooling the mix.
- (206) Section 58.638 Freezing the mix.
- (207) Section 58.639 Addition of flavor.
- (208) Section 58.640 Packaging.
- (209) Section 58.641 Hardening and storage.
- (210) Section 58.642 Quality control tests.
- (211) Section 58.643 Frequency of sampling.
- (212) Section 58.644 Test methods.
- (213) Section 58.645 General identification.
- (214) Section 58.646 Requirements for finished products bearing USDA official identification, official identification.
- (215) Section 58.647 Composition requirements for ice cream.
- (216) Section 58.648 Microbiological requirements for ice cream.
- (217) Section 58.649 Physical requirements for ice cream.
- (218) Section 58.650 Requirements for frozen custard.
- (219) Section 58.651 Requirements for ice milk.
- (220) Section 58.652 Composition requirements for sherbet.
- (221) Section 58.653 Microbiological requirements for sherbet.
- (222) Section 58.654 Physical requirements for sherbet.
- (223) Section 58.705 Supplemental specifications for plants manufacturing, processing and packaging pasteurized process cheese and related products, definitions, meaning of words.
- (224) Section 58.706 Equipment and utensils, general construction repair and installation.
- (225) Section 58.707 Conveyors.
- (226) Section 58.708 Grinders or shredders.
- (227) Section 58.709 Cookers.
- (228) Section 58.710 Fillers.
- (229) Section 58.711 Quality Specifications for raw material, cheddar, colby, washed or soaked curd, granular or stirred curd cheese.
- (230) Section 58.712 Swiss.
- (231) Section 58.713 Gruyere.
- (232) Section 58.714 Cream cheese, Neufchatel cheese.
- (233) Section 58.715 Cream, plastic cream and anhydrous milkfat.
- (234) Section 58.716 Nonfat dry milk.
- (235) Section 58.717 Whey.
- (236) Section 58.718 Flavor ingredients.
- (237) Section 58.719 Coloring.
- (238) Section 58.720 Acidifying agents.
- (239) Section 58.721 Salt.
- (240) Section 58.722 Emulsifying agents.
- (241) Section 58.723 Operations and operating procedures, basis for selecting cheese for processing.
- (242) Section 58.724 Blending.
- (243) Section 58.725 Trimming and cleaning.
- (244) Section 58.726 Cutting and grinding.
- (245) Section 58.727 Adding optional ingredients.
- (246) Section 58.728 Cooking the batch.
- (247) Section 58.729 Forming containers.
- (248) Section 58.730 Filling containers.
- (249) Section 58.731 Closing and sealing containers.
- (250) Section 58.732 Cooling the packaged cheese.
- (251) Section 58.733 Quality control tests.
- (252) Section 58.734 Requirements for processed cheese products bearing USDA official identification, official identification.
- (253) Section 58.735 Quality specifications for raw materials.
- (254) Section 58.736 Quality specifications for finished products, pasteurized process cheese.
- (255) Section 58.737 Pasteurized process cheese food.
- (256) Section 58.738 Pasteurized process cheese spread and related products.
- (257) Section 58.805 Supplemental specifications for plants manufacturing, processing, and packaging whey, whey products and lactose, definitions, meaning of words.
- (258) Section 58.806 Rooms and compartments, general.
- (259) Section 58.807 Equipment and utensils, general construction, repair and installation.
- (260) Section 58.808 Quality specifications for raw materials, whey.
- (261) Section 58.809 Operations and operating procedures, pasteurization.
- (262) Section 58.810 Temperature requirements.
- (263) Section 58.811 General.
- (264) Section 58.812 Methods of official sample analysis.
- (265) Section 58.813 Requirements for finished products bearing USDA official identification,

dry whey.

(266) Section 58.905 Supplemental specifications for plants manufacturing, processing, and packaging evaporated, and condensed milk or ultra pasteurized products, definitions, meaning of words.

(267) Section 58.912 Equipment and utensils, general construction, repair and installation.

(268) Section 58.913 Evaporators and vacuum pans.

(269) Section 58.914 Fillers.

(270) Section 58.915 Batch or continuous in-container thermal processing equipment.

(271) Section 58.916 Homogenizer.

(272) Section 58.917 Operations and operating procedures, general.

(273) Section 58.918 standardization.

(274) Section 58.919 Pre-heat, pasteurization.

(275) Section 58.920 Homogenization.

(276) Section 58.921 Concentration.

(277) Section 58.922 Thermal processing.

(278) Section 58.923 Filling containers.

(279) Section 58.924 Aseptic filling.

(280) Section 58.925 Sweetened condensed.

(281) Section 58.926 Heat stability.

(282) Section 58.927 Storage.

(283) Section 58.928 Quality control tests.

(284) Section 58.929 Frequency of sampling for quality control.

(285) Section 58.930 Official test methods.

(286) Section 58.931 General identification.

(287) Section 58.932 Quality specifications for raw materials, milk.

(288) Section 58.933 Stabilizers.

(289) Section 58.934 Sugars.

(290) Section 58.935 Chocolate and cocoa.

(291) Section 58.936 Requirements for finished products bearing USDA official identification, milk.

(292) Section 58.937 Physical requirements for evaporated milk.

(293) Section 58.938 Physical requirements and microbiological limits for sweetened condensed milk.

(294)] The Code of Federal Regulations [containing the above referenced sections] is published by the Office of the Federal Register, National Archives and Records Service, General Services Administration, Washington, D.C., 20408. Copies of this publication shall be on file in the Office of the Commissioner for Health Services, 275 East Main Street, Frankfort, Kentucky, 40621, and is open for public inspection. Copies are also available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402.

Section 3. Prohibited Acts Relating to Manufacturing Milk Plants, Receiving Stations, Transfer Stations and Handlers. The following acts and the causing thereof within the Commonwealth of Kentucky are hereby prohibited:

(1) No person shall process, handle, sell or offer for sale any milk or milk products for manufacturing purposes within this state without a permit as provided in this regulation.

(2) No person shall within this state process, handle, provide, sell, offer or expose for sale, or have in possession with intent to sell any milk or milk product for manufacturing purposes which is adulterated, misbranded or otherwise in violation of this regulation.

(3) No person shall prohibit entry or inspection, or prohibit the taking of a sample

or prohibit access to records or evidence, to duly authorized agents of the cabinet.

(4) No person shall remove, destroy, alter, forge or falsely represent, without proper authority any tag, stamp, mark or label used by the cabinet.

(5) No person shall remove or dispose of a detained or quarantined article without proper authority from the cabinet.

Section 4. Manufacturing Milk Plant, Receiving Station, Transfer Station and Handler Permit Suspension and Reinstatement. (1) Permits issued under this regulation may be suspended, whenever the cabinet has reason to believe that a public health hazard exists; or whenever the permit holder has violated any of the requirements of this regulation; or whenever the permit holder has interfered with the cabinet in the performance of its duties. Provided, that the cabinet shall, in all cases except where the milk or milk products involved creates, or appears to create, an imminent hazard to the public health; or in any case of a willful refusal to permit authorized inspection, serve upon the permit holder a written notice of intent to suspend the permit, which notice shall specify with particularity the violation(s) in question and afford the permit holder reasonable opportunity to correct such violation(s). A suspension of a permit shall remain in effect until the violation(s) has been corrected to the satisfaction of the cabinet.

(2) Following the issuance of a permit, each milk plant, receiving station, or transfer station [or handler] shall be inspected at least annually. Should the violation of any requirement set forth in this regulation be found to exist, a second inspection may be required after the time deemed necessary to remedy the violation, but not before three (3) days; the reinspection will be used to determine compliance with the requirements of this regulation. Whenever a violation continues to exist on the reinspection, the cabinet may issue an official notice, and specify a time for the violation to be corrected. Failure to comply with the requirements of the official notice may be cause for permit suspension in accordance with this regulation.

(3) Upon written application of any person whose permit has been suspended, or upon application within forty-eight (48) hours of any person who has been served with a notice of intention to suspend and in the latter case, before suspension, the cabinet shall within a reasonable time proceed to a hearing to ascertain the facts of such violation or interference and upon evidence presented at such hearing shall affirm, modify, or rescind the suspension or intention to suspend. Any permit suspended under the provisions of this section may be reinstated by submission of proper evidence satisfactory to the cabinet that the violations have been corrected.

Section 5. Trade Secrets. No person who in an official capacity obtains any information under the provisions of this regulation which is entitled to protection as a trade secret (including information as to quantity, quality, source of disposition of milk or milk products, or results of inspections or tests thereof) shall use such information to his own advantage or to reveal it to any unauthorized person.

C. HERNANDEZ, Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 15, 1986

FILED WITH LRC: May 13, 1986 at 1 p.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Leon Townsend

(1) Type and number of entities affected: 33

(a) Direct and indirect costs or savings to those affected: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: None by industry - Same for regulatory agency.

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: None by industry - Same for regulatory agency.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: Present regulation does not meet Federal requirements.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication:

(a) Necessity of proposed regulation if in conflict: None

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: These are minor proposed amendments required for Kentucky to remain in compliance with Federal standards.

Tiering:

Was tiering applied? No. N/A

CABINET FOR HUMAN RESOURCES Department for Health Services (Proposed Amendment)

902 KAR 50:110. Grade A milk and milk products standards.

RELATES TO: KRS 217C.010 to 217C.990

PURSUANT TO: KRS 194.050, 211.090

NECESSITY AND FUNCTION: The Cabinet for Human Resources is directed by KRS Chapter 217C to regulate the production, transportation, processing, handling, sampling, examination, grading, sale and such other matters relating to Grade A milk and milk products as may be necessary to protect the public health. This

regulation establishes uniform permit requirements and sanitary standards for Grade A milk producers, processors, handlers and distributors, Grade A dry and condensed milk, Grade A dry and condensed whey and the fabrication of single-service containers and closures for milk and milk products.

Section 1. Grade A Milk and Milk Products. The permit requirements, sanitary and quality requirements for the production, processing, handling and distribution of Grade A milk and milk products as set forth in the publication entitled, "Grade A Pasteurized Milk Ordinance," 1978 recommendations, Part II, of the United States Public Health Service/Food and Drug Administration 1985 Edition [(as amended 1979, 1981 and 1983)] is hereby adopted by reference. A copy of the publication is on file in the Office of the Commissioner, Department for Health Services, 275 East Main Street, Frankfort, Kentucky 40621, and shall be open for public inspection. Copies are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. In addition, the following requirement shall be applicable to the "Reinstatement of Permits" provision set forth on page 39 of said publication: The first sample analyzed, after a temporary permit has been issued to a producer whose permit has been suspended, shall be in compliance with the standard(s) for which the permit was suspended.

Section 2. Grade A Condensed, Dry Milk Products, Condensed and Dry Whey. The permit requirements, sanitary and quality requirements for the production, processing, handling, and distribution of Grade A condensed dry milk products, condensed and dry whey as set forth in the publication entitled "Grade A Condensed and Dry Milk Products and Condensed and Dry Whey," 1978 recommendations, Part II, of the United States Public Health Service/Food and Drug Administration 1985 Edition is hereby adopted by reference. A copy of the publication is on file in the Office of the Commissioner, Department for Health Services, 275 East Main Street, Frankfort, Kentucky 40621, and shall be open for public inspection. Copies are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Section 3. Fabrication of Single-Service Containers and Closures for Milk and Milk Products. The sanitary and quality requirements for the fabrication of single-service containers and closures for milk and milk products as set forth in the publication entitled "Fabrication of Single-Service Containers and Closures for Milk and Milk Products," 1985 [1978] Edition, of the U.S. Public Health Service, Food and Drug Administration is hereby adopted by reference. A copy of the publication is on file in the Office of the Commissioner, Department for Health Services, 275 East Main Street, Frankfort, Kentucky 40621, and shall be open for public inspection. Copies are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

C. HERNANDEZ, Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 15, 1986

FILED WITH LRC: May 13, 1986 at 1 p.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Leon Townsend

- (1) Type and number of entities affected: 3,600
- (a) Direct and indirect costs or savings to those affected: None
 - 1. First year:
 - 2. Continuing costs or savings:
 - 3. Additional factors increasing or decreasing costs (note any effects upon competition):
- (b) Reporting and paperwork requirements: None by industry - Same for regulatory agency.
- (2) Effects on the promulgating administrative body:
 - (a) Direct and indirect costs or savings: None
 - 1. First year:
 - 2. Continuing costs or savings:
 - 3. Additional factors increasing or decreasing costs:
 - (b) Reporting and paperwork requirements: None by industry - Same for regulatory agency.
- (3) Assessment of anticipated effect on state and local revenues: None
- (4) Assessment of alternative methods; reasons why alternatives were rejected: Present regulation does not meet Federal requirements.
- (5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication:
 - (a) Necessity of proposed regulation if in conflict: None
 - (b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:
- (6) Any additional information or comments: These are minor proposed amendments required for Kentucky to remain in compliance with Federal standards.

Tiering:

Was tiering applied? No. N/A

CABINET FOR HUMAN RESOURCES Department for Employment Services Division of Unemployment Insurance (Proposed Amendment)

903 KAR 5:260. Unemployment insurance procedures.

RELATES TO: KRS 341.005 through 341.990
PURSUANT TO: KRS 13A.100, 194.050(1), 341.115
NECESSITY AND FUNCTION: Title III of the Social Security Act authorizes the states to implement an unemployment insurance program. The Cabinet for Human Resources is authorized by KRS 194.050 to adopt such rules and regulations as are necessary to implement programs mandated by federal law or to qualify for receipt of federal funds and as are necessary to cooperate with federal agencies for the proper administration of the cabinet and its programs. The function of

this regulation is to implement the procedures required to administer the unemployment insurance program in accordance with applicable state and federal laws and regulations.

Section 1. In order to facilitate the administration of the unemployment insurance program as authorized by Title III of the Social Security Act and KRS Chapter 341, the following operating manuals are adopted by reference:

(1) Unemployment Insurance Local Office Manual as issued February, 1984 and last revised April 22 [March 21], 1986. This manual includes procedures: for requiring proper identification of persons filing claims for benefits; for taking and processing initial, additional, reactivated and continued claims for benefits; for assigning claimants to the appropriate group for the eligibility review program; for conducting the eligibility review program; for stopping and releasing payment of benefits; for entering claim history and benefit payment information into the data base; for taking and processing interstate claims, combined wage claims, claims by former federal employees and ex-servicemembers, and claims for extended benefits and federal supplemental compensation benefits; for conducting investigations and issuing determinations regarding a claimant's separation, ability to work, availability for work, active search for work, benefit entitlement, and deductions from benefits; for processing employers' protests to claims; for taking requests for reconsideration of monetary eligibility; for establishing benefit overpayments and initiating recovery or recoupment by processing partial payment agreements or issuing liens; for initiating action on lost or returned checks; for detecting and initiating recovery of fraudulent overpayments; for filing appeals to eligibility determinations; for reporting workload time spent; for compiling claims and nonmonetary determination statistics; and for ranking of local offices based on performance criteria.

(2) Unemployment Insurance Benefit Branch Procedures Manual issued May, 1982 and last revised March 7, 1986. This manual includes procedures for administering the payment of unemployment insurance benefits; for maintaining accounts for all benefit income and expenditures; for detecting, establishing and initiating recovery of benefit overpayments; for assigning benefit charges to employer accounts; for conducting a quality review of nonmonetary determinations affecting the payment of benefits; for processing unemployment claims for former federal employees, ex-servicemembers, combined wage claimants, interstate claims, claims for Disaster Unemployment Assistance, claims under the Trade Readjustment Act and claims under the Work Incentive Program; for reconsidering monetary rate determinations; for processing payment for lost or returned benefit checks; and for investigating potential fraud and recommendation of recovery action or criminal prosecution.

(3) Unemployment Insurance Tax Collection and Accounting Branch Manual issued November, 1982 and last revised April 4, 1986 [August 1, 1985]. This manual includes procedures: for setting up, transferring and cancelling employer contribution and reimbursement accounts; for collecting quarterly taxes from contributory employers and for billing reimbursing employers

for benefits paid; for auditing quarterly wages and tax reports by making adjustments, assessing additional payment and penalties and crediting tax overpayments; for adjusting wages if required when a reconsideration of monetary benefit eligibility is filed; and for collecting delinquent taxes by filing tax liens, recommending suits and temporary restraining orders, garnishing wages, filing claims in bankruptcy or against monies due to delinquent employers from state agencies.

(4) Unemployment Insurance Administrative Support Branch Manual issued December, 1983 and last revised November 9, 1984. This manual includes procedures: for maintaining files of benefit claims, employer records, appeals, and unemployment insurance commission orders; for maintaining mail security operations for all checks received by the division; for gathering statistics and conducting statistical studies; for verifying workload items for the budget process; for publishing statistical reports for the division and for general publication; for maintaining and distributing federal and state-released procedures; for maintaining all procedures manuals; for conducting the unemployment insurance quality appraisal; for training division personnel; for retaining and disposing of records; for providing data processing liaison services; for preparing state and federal budgets; for operating the Cost Model Management System; for maintaining the Cost Information System; for controlling forms control; and for monitoring purchases, expenditures and repairs.

(5) Unemployment Insurance Field Audit Manual issued February, 1984 and last revised January 11, 1985. This manual includes procedures for handling matters which cannot be handled directly or expediently by the central office tax branch, such as procedures: for locating employers; for conducting investigations of employers, and their payrolls and employment records; for determining an employer's status under the law; for assessing contributions and collecting delinquent contributions; for serving legal papers; for conducting property investigations; for auditing employer records; and for furnishing technical assistance to employers.

(6) Unemployment Insurance Director's Office Manual issued November 18, 1983, and last revised December 12, 1984. This manual includes procedures for operating the Fraud Investigations and Internal Security Unit such as procedures for: administering the unit; detecting fraud; prosecuting fraud cases; closing out fraud cases; preventing fraud; maintaining internal security; and conducting other investigations.

(7) Kentucky Unemployment Insurance Commission Administrative Branch Manual issued September 1, 1985. This manual includes procedures for the daily operations of the branch. Such procedures include staff duties and responsibilities, the review of cases, the conduct of hearings, the preparation of decisions and the proper handling of records and reports.

Section 2. All documents incorporated by reference herein are on file for public inspection in the Office of the Commissioner for Employment Services, 275 East Main Street, Frankfort, Kentucky 40621 and in local unemployment insurance offices located

throughout the state.

Section 3. Summary of Amendment. Unemployment Insurance Local Office Manual. (1) Chapter 4000 [2000], Video Operations [Initial Claims], strike pages (4215-4215(2)) - (4216-4230) dated 3-11-86 [(2020-2020(2)) - (2020-2040) dated 1-31-86], and substitute in lieu thereof pages (4215-4215(2)) - (4230-4230) dated 4-7-86, which provides instructions for entering payorders for disqualified or invalid weeks and an address for submitting the Equipment Operations Log. [(2020-2020(2)) - (2030-2040) dated 3-5-86, which provides for identification of National Guard and Reserve Armed Forces members in the initial claimstakeing interview to assure that weekend drill pay is properly deducted from benefits. Strike contents dated 10-30-85, and substitute in lieu thereof contents dated 3-10-86. Strike pages (2010-2020) - (2020-2020) dated 8-30-85, and substitute in lieu thereof pages (2010-2020) - (2020-2020) dated 3-10-86, which provides that a claimant may request wages earned in the base period but paid subsequent to the base period be reallocated to the base period if an invalid claim would thereafter become valid.]

(2) Chapter 5000 [4000], Interstate and Combined Wage Claims [Video Operations], strike contents dated 11-21-83, and entire chapter [page dated 10-30-85], and substitute in lieu thereof new Chapter dated 4-1-86, which provides instructions for the telecommunication of interstate claims, removes duplicated material from the Combined Wage Claims Section and revises the chapter's format to the standardized Department for Employment Services Manual format. [page dated 3-11-86. Strike pages (4120-4120(3)) - (4120-4120(4)) dated 10-18-85, and pages (4120-4120(5)) - (4120-4120(6)) dated 1-31-86, and insert in lieu thereof pages (4120-4120(3)) - (4120-4120(6)) dated 3-11-86, which provides instructions for entering specific transactions on Program 4B and entering the actual date a cash repayment is received to prevent a notice being generated by the Automated Recovery System due to a delay in entering. Strike pages (4215-4215(2)) - (4216-4230) dated 3-1-85, and insert in lieu thereof pages (4215-4215(2)) - (4216-4230) dated 3-11-86, which corrects a description of Benefit Payorder Transaction 67 and provides instructions for maintaining an Equipment Operations Log.]

(3) Chapter 6000, Claims Investigation, strike pages (6130-6131) dated 11-15-85, and pages (6131-6132) - (6132-6150) dated 9-16-85 [(6032-6032) - (6033-6034) dated 9-16-85], and substitute in lieu thereof pages (6130-6131) - (6132-6150) dated 4-1-86, which provides instructions for the issuance of a form to the claimant explaining why a request for training approval was denied [(6032-6032) - (6033-6034) dated 3-5-86, which provides instructions for deduction of weekend drill pay for National Guard and Reserve Armed Forces members and amends a section regarding the allocation for deduction purposes of a lump-sum retirement payment]. Strike pages (6275-6280) - (6300-6302) dated 9-16-85 [(6193-6200) - (6200-6202) dated 2-12-86, pages (6202-6202) - (6206-6206) dated 9-16-85, and pages (6207-6207) - 6212-6222) dated 9-16-85], and insert in lieu thereof pages (6275-6280) - (6300-6302) dated 4-3-86, which provides for the administrator or appointee of

the district judge to certify as to eligibility and sign a claim for benefits after the claimant's death [(6193-6200) - (6206-6206) dated 3-7-86, and pages (6207-6207) - (6220-6222) dated 3-7-86, which revises this section to include instructions that restitution of overpayments must not be sought or accepted after the statute of limitations has expired except on federal claims]. Strike pages (6015-6016) - (6017-6017) dated 12-11-85 [(6034-6034) - (6037-6040) dated 9-16-85, pages (6150-6175) - (6184-6190) dated 9-16-85, and pages (6190-6190) - (6190-6193) dated 11-22-85], and insert in lieu thereof pages (6015-6016) - (6017-6017) dated 4-14-86, which provides additional guidelines in determining eligibility of school employees involving a vacation or holiday period [(6034-6039) - (6039-6040) dated 3-10-86, and pages (6150-6175) - (6190-6193) dated 3-10-86, which provides instructions regarding the reallocation of wages from the quarter they were paid to the quarter in which they were earned when requested by the claimant to make an invalid claim become valid]. Strike pages (6190-6190) - (6190-6193) dated 3-10-86 [(6100-6101) - (6101-6106) dated 9-16-85], and insert in lieu thereof pages (6190-6190) - (6190-6193) dated 4-14-86, which provides instructions regarding the reallocation of wages from the quarter they were paid to the quarter they were earned resulting in an invalid claim becoming valid [(6100-6101) - (6101-6106) dated 3-14-86, which adds instructions regarding labor dispute claims where affected claimants may be applying in two (2) or more local offices]. Strike pages (6130-6131) - (6133-6150) dated 4-1-86, and pages (6150-6175) - (6179-6179) dated 3-10-86 [page (6033-6033) - (6033-6034) dated 3-5-86], and insert in lieu thereof pages (6130-6131) - (6179-6179) dated 4-16-86, which defines the criteria for approval or disapproval of requests for Approved Training and more fully describes the form used by the local office JTPA Coordinator [page (6033-6033) - (6033-6034) dated 3-17-86, which deletes a sentence that was inadvertently left in when the procedures were previously revised]. Strike pages (6034-6039) - (6039-6040) dated 3-10-85, and insert in lieu thereof pages (6034-6039) - (6039-6040) dated 4-22-86, which adds an additional company to the list of employers with approved SUB plans.

(4) Chapter 7000 [14000], Fraud [Charts, Form Letters, Reference Materials], strike pages (7000-7008) - (7010-7020) dated 10-18-85 [Wage Deduction Table], and substitute in lieu thereof pages (7000-7008) - (7020-7020) dated 4-2-86, which provides instructions for identifying and notifying central office of claimants with unserved warrants [new Wage Deduction Table].

(5) Chapter 8000 [15000], Appeals [Local Office Ranking], strike pages (8000-8008) - (8008-8010) dated 10-30-85 [contents and entire Chapter dated 11-15-85], and substitute in lieu thereof pages (8000-8008) - (8008-8010) dated 4-10-86, which provides instructions for preparation and distribution of appeal forms. [contents and entire Chapter dated 3-12-86, which provides revision of the point accumulation schedule and deletes the Quarterly Quality Review which is no longer a factor in the ranking system. Strike pages (15000-15010) - (15055-15060) dated 3-12-86, and substitute in lieu thereof pages (15000-15010) - (15055-15060) dated 3-21-86, which is for "housekeeping" purposes and corrects obsolete references to

regional supervisors and the Fiscal Section.]

(6) Chapter 10000, Unemployment Compensation for Ex-Servicemen, strike pages (10030-10032) - (10032-10034) dated 1-15-86, and pages (10040-10044) - (10044-10044) dated 1-15-86, and insert in lieu thereof pages (10030-10032) - (10032-10034) dated 4-8-86, and pages (10040-10044) - (10044-10044) dated 4-8-86, which removes references to a form that is now obsolete.

(7) Chapter 13000, Statistical Reports, strike pages (13220-13220) - (13220-13220(2)) dated 11-14-86, and insert in lieu thereof pages (13220-13220) - (13220-13220(2)) dated 4-2-86, which adds instructions for preparation of a form.

Section 4. Summary of Amendment. Tax Collections and Accounting Branch Manual. [Unemployment Insurance Benefit Branch Manual. Add] Chapter 200 [6000], Compliance Unit, [Video Operations.] strike entire Chapter 200 dated 11-30-82 [contents page dated 10-15-85], and substitute in lieu thereof Chapter 2000, dated 4-4-86, Status and Compliance Section - Compliance Functions, which revises the chapter's format to the standardized Department for Employment Services Manual format and clarifies the section's operating procedures [contents page dated 3-7-86].

JAMES P. DANIELS, Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: May 2, 1986

FILED WITH LRC: May 13, 1986 at 1 p.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986, at 9 a.m. in the Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986, of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Office of General Counsel, Cabinet for Human Resources, 275 East Main Street, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: James Daniels

(1) Type and number of entities affected: Thousands of U.I. claimants.

(a) Direct and indirect costs or savings to those affected:

1. First year: None
2. Continuing costs or savings: None
3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: None
2. Continuing costs or savings: None
3. Additional factors increasing or decreasing costs: None

(b) Reporting and paperwork requirements: None

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: None

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict: N/A

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions: N/A

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. All claimants treated equally.

CABINET FOR HUMAN RESOURCES
Department for Social Insurance
Division of Management and Development
(Proposed Amendment)

904 KAR 1:013. Payments for acute care and mental hospital inpatient services.

RELATES TO: KRS 205.520

PURSUANT TO: KRS 194.050

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility to administer the program of Medical Assistance in accordance with Title XIX of the Social Security Act. KRS 205.520 empowers the cabinet, by regulation, to comply with any requirement that may be imposed, or opportunity presented by federal law for the provision of medical assistance to Kentucky's indigent citizenry. This regulation sets forth the method for determining amounts payable by the cabinet for acute care and mental hospital inpatient services.

Section 1. Acute Care Hospital and Mental Hospital (Including Psychiatric Facility) Inpatient Services. The state agency will pay for inpatient hospital services provided to eligible recipients of Medical Assistance through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated hospitals to provide services in conformity with applicable state and federal laws, regulations, and quality and safety standards.

Section 2. Establishment of Payment Rates. The policies, methods, and standards to be used by the cabinet in setting payment rates are specified in the cabinet's "Inpatient Hospital Reimbursement Manual" revised April 1, 1986 [August 3, 1985], which is incorporated herein by reference. For any reimbursement issue or area not specified in the manual, the cabinet will apply the Medicare standards and principles described in 20 CFR Sections 405.402 through 405.488 (excluding the Medicare inpatient routine nursing salary differential).

Section 3. Compliance with Federal Medicaid Requirements. The cabinet will comply with the requirements shown in 42 CFR 447.250 through 447.280.

Section 4. General Description of the Payment System. (1) Use of prospective rates. Each hospital will be paid using a prospective payment rate based on allowable Medicaid costs and Medicaid inpatient days. The prospective rate will be all inclusive in that both routine and ancillary cost will be reimbursed through the rate. For universal rate years prior to January 1, 1985 the prospective rate will not be

subject to retroactive adjustment except to the extent that an audited cost report alters the basis for the prospective rate and/or the projected inflation index utilized in setting the individual rate is different from actual inflation as determined by the index being used. For universal rate years beginning on or after January 1, 1985, the prospective rate will not be subject to retroactive adjustment except to the extent that facilities with a rate based on unaudited data will have their rate appropriately revised for the rate year when the audited cost report is received from the fiscal intermediary. However, total prospective payments shall not exceed the total customary charges in the prospective year. Overpayments will be recouped by payment from the provider to the cabinet of the amount of the overpayment, or alternatively, by the withholding of the overpayment amount by the cabinet from future payments otherwise due the provider.

(2) Use of a uniform rate year. A uniform rate year will be set for all facilities, with the rate year established as January 1 through December 31 of each year. The first uniform rate year for mental hospitals shall be July 1, 1985 through June 30, 1986; however, effective January 1, 1986 the mental hospital rate year shall be re-established and shall be January 1 through December 31 of each year thereafter. Changes of rates throughout the rate year as a result of policy changes shall not change the rate year, although the facility rates may change. Hospitals are not required to change their fiscal years.

(3) Trending of cost reports. Allowable Medicaid cost as shown in cost reports on file in the cabinet, both audited and unaudited, will be trended to the beginning of the rate year so as to update Medicaid costs. When trending, capital costs and return on equity capital are excluded. The trending factor to be used will be the Data Resources, Inc. rate of inflation for the period being trended.

(4) Indexing for inflation. After allowable costs have been trended to the beginning of the rate year, an indexing factor is applied so as to project inflationary cost in the uniform rate year. The forecasting index currently in use is prepared by Data Resources, Inc. This policy shall be effective August 3, 1985.

(5) [(4)] Peer grouping. Acute care hospitals will be peer grouped according to bed size. The peer groupings for the payment system will be: 0-50 beds, 51-100 beds, 101-200 beds, 201-400 beds, and 401 beds and up (except that the designated state teaching hospitals affiliated with or a part of the University of Kentucky and the University of Louisville shall not be included in the array for facilities with 401 beds and up unless such facility's primary characteristics are considered essentially the same as the peer group's, and the facility, although not a university teaching hospital as such, is treated in the same manner with regard to the upper limit to recognize the presence of the major pediatric teaching component existing outside the state university hospitals). No facility in the 201-400 peer group shall have its operational per diem reduced below that amount in effect in the 1982 rate year as a result of the establishment of a peer grouping of 401 beds and up. Mental hospitals will not be peer grouped but will have a separate array of mental hospitals only.

(6) [(5)] Use of a minimum occupancy factor. A minimum occupancy factor will be applied to operating and capital costs attributable to the Medicaid program. A sixty (60) percent occupancy factor will apply to hospitals with 100 or fewer beds. A seventy-five (75) percent occupancy factor will apply to facilities with 101 or more beds. Operating costs are all costs except professional (physician) and capital costs. Capital costs are interest and depreciation related to plant and equipment. The minimum occupancy factor is not applicable with regard to operating costs of mental hospitals. Effective January 1, 1986, the operating cost occupancy factor shall be applied in such a manner as not to reduce otherwise allowable payments for operating costs below eighty (80) percent of the appropriate peer group upper limit.

(7) Use of a reduced depreciation allowance. The allowable amount for depreciation on building and fixtures (not including major movable equipment) shall be sixty-five (65) percent of the reported depreciation amount as shown in the hospital's cost reports. The use of a reduced depreciation allowance is not applicable with regard to mental hospitals.

(8) [(6)] Use of upper limits. For acute care hospitals, an upper limit will be established on all costs (except Medicaid capital cost) at the weighted median per diem cost for hospitals in each peer group, using the most recent medicaid cost report available as of December 1 of each year. For mental hospitals, an upper limit will be established on all costs (except Medicaid capital cost) at the weighted median per diem cost for hospitals in the array. Upon being set, the arrays and upper limits will not be altered due to revisions or corrections of data; however the arrays and/or upper limits may be changed as a result of changes of agency policy. The upper limit is established at 120 percent for those acute care hospitals serving a disproportionate number of poor patients (defined as twenty (20) percent or more Medicaid clients as compared to the total number of clients served) and the upper limit is established at 105 percent for those mental hospitals serving a disproportionate number of poor patients (defined as thirty-five (35) percent or more Medicaid clients as compared to the total number of clients served). For the designated state teaching hospitals affiliated with or a part of the University of Kentucky and the University of Louisville; and major pediatric teaching hospitals affiliated thereto, their upper limit shall recognize their status as teaching hospitals traditionally serving a disproportionate number of poor patients, and shall be set at 126 percent of the median of the array for all other hospitals of comparable size (401 beds and up).

(9) [(7)] Operating costs shall not include professional (physician) costs for purposes of establishing the median based upper limits. Professional costs shall be trended separately.

(10) [(8)] Hospitals whose general characteristics are those of an acute care or mental hospital (i.e., because they are primarily rehabilitative in nature) are not subject to the operating cost upper limits.

(11) [(9)] Rate appeals. As specified in the Inpatient Hospital Reimbursement Manual, hospitals may request an adjustment to the prospective rate with the submittal of

supporting documentation. The established appeal procedure allows a representative of the hospital group to participate as a member of the rate review panel.

Section 5. Payments to Participating Out-of-State Hospitals. Participating out-of-state hospitals, except those where the other state's Medicaid Program pays on the basis of diagnosis related groupings, shall be reimbursed for covered services rendered eligible Kentucky Medicaid recipients at the lower of the rate paid by the other state's Medicaid Program or the upper limit for Kentucky hospitals in a peer group for hospitals of comparable size (or total array, in the instance of mental hospitals), except that payments shall not exceed charges. For those participating out-of-state hospitals where the other state's Medicaid Program pays on the basis of diagnosis related groupings, reimbursement for covered services rendered eligible Kentucky Medicaid recipients shall be at the lower of eight (80) percent of the hospital's covered charges or the upper limit for Kentucky hospitals in a peer group for hospitals of comparable size. The operating cost upper limits shall be appropriately adjusted to include capital costs. The appropriate amount to include for capital costs shall be the average allowable per diem capital cost for the peer group (not adjusted for occupancy). Professional costs (i.e., physician fees) shall be paid on the basis of the usual and customary charges of the provider.

FONTAINE BANKS, Acting Deputy Commissioner
E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 16, 1986

FILED WITH LRC: April 17, 1986 at 10 a.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Roy Butler

(1) Type and number of entities affected: All hospitals participating in the Medicaid program.

(a) Direct and indirect costs or savings to those affected: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: \$7.1 to \$8.0 million (costs).

2. Continuing costs or savings: \$7.1 to \$8.0 million (costs).

3. Additional factors increasing or decreasing costs: None

(b) Reporting and paperwork requirements: None

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons

why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. Not applicable to Medicaid regulations.

CABINET FOR HUMAN RESOURCES
Department for Medicaid Services
(Proposed Amendment)

904 KAR 1:036. Amounts payable for skilled nursing and intermediate care facility services.

RELATES TO: KRS 205.520

PURSUANT TO: KRS 194.050

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility to administer the program of Medical Assistance in accordance with Title XIX of the Social Security Act. KRS 205.520 empowers the cabinet, by regulation, to comply with any requirement that may be imposed, or opportunity presented, by federal law for the provision of medical assistance to Kentucky's indigent citizenry. This regulation sets forth the method for determining amounts payable by the cabinet for skilled nursing care facility services and intermediate care facility services.

Section 1. Reimbursement for Skilled Nursing and Intermediate Care Facilities. All skilled nursing or intermediate care facilities participating in the Title XIX program shall be reimbursed in accordance with this regulation. Payments made shall be in accordance with the requirements set forth in 42 CFR 447.250 through 42 CFR 447.280. A skilled nursing facility desiring to participate in Title XIX shall be required to participate in Title XVIII-A.

Section 2. Basic Principles of Reimbursement.

(1) Payment shall be on the basis of rates which are reasonable and adequate to meet the costs which must be incurred by efficiently and economically operated facilities in order to provide care and services in conformity with applicable state and federal laws, regulations, and quality and safety standards.

(2) Payment amounts shall be arrived at by application of the reimbursement principles developed by the cabinet (Kentucky Medical Assistance Program Intermediate Care/Skilled Nursing Facility Reimbursement Manual, revised April 14, 1986 [September 26, 1985], which is hereby incorporated by reference) and supplemented by the use of the Title XVIII-A reimbursement principles.

Section 3. Implementation of the Payment System. The cabinet's reimbursement system is supported by the Title XVIII-A Principles of Reimbursement, with the system utilizing such principles as guidelines in unaddressed policy areas. The cabinet's reimbursement system includes the following specific policies,

components or principles:

(1) Prospective payment rates for routine services shall be set by the cabinet on a facility by facility basis, and shall not be subject to retroactive adjustment. Prospective rates shall be set annually, and may be revised on an interim basis in accordance with procedures set by the cabinet. An adjustment to the prospective rate (subject to the maximum payment for that type of facility) will be considered only if a facility's increased costs are attributable to one (1) of the following reasons: governmentally imposed minimum wage increases; the direct effect of new licensure requirements or new interpretations of existing requirements by the appropriate governmental agency as issued in regulation or written policy which affects all facilities within the class; or other governmental actions that result in an unforeseen cost increase. The amount of any prospective rate adjustment may not exceed that amount by which the cost increase resulting directly from the governmental action exceeds on an annualized basis the inflation allowance amount included in the prospective rate for the general cost area in which the increase occurs. For purposes of this determination, costs will be classified into two (2) general areas, salaries and other. The effective date of interim rate adjustment shall be the first day of the month in which the adjustment is requested or in which the cost increase occurred, whichever is later.

(2) The prospective rate shall not exceed, on a facility by facility basis, an administratively established maximum payment for that type of facility. The state will set a uniform rate year for SNFs and ICFs (July 1-June 30) by taking the latest audited cost data available as of May 16 of each year and trending the facility costs to July 1 of the rate year. (Unaudited, partial year, and/or budgeted cost data may be used if a full year's audited data is unavailable. Unaudited reports are subject to adjustment to the audited amount, and will be used when an audited cost report ending within twenty-four (24) months of the 30th of April preceding the rate year is not available. Facilities paid on the basis of partial year or budgeted cost reports shall have their reimbursement settled back to allowable cost, with usual upper limits applied. Facilities beginning program participation on or after July 1, 1984 whose rates are subject to settlement back to cost will not be included in the arrays until such time as the facilities are no longer subject to cost settlement.) After allowable costs are indexed for inflation for the rate year, freestanding (non-hospital based) facilities will be arrayed and the maximum set at 102 percent of the median for the class (SNF or ICF). In recognition of the higher costs of hospital based SNFs, their upper limit shall be set at 135 percent of 102 percent of the median of allowable trended and indexed costs of all other SNFs. The maximum payment amounts will be adjusted each July 1, beginning with July 1, 1985, so that the maximum payment amount for the prospective uniform rate year will be at 102 percent of the median per diem allowable costs for the class (SNF or ICF) on July 1 of that year. For purposes of administrative ease in computations normal rounding may be used in establishing the maximum payment amount, with the maximum payment amount rounded to the

nearest five (5) cents. Upon being set, the arrays and upper limits will not be altered due to revisions or corrections of data. For ICF-MRs, a prospective rate will be set in the same manner as for freestanding SNFs and basic ICFs, except that the maximum (upper limit) shall be set at 110 percent of the median of the array.

(3) The reasonable direct cost of ancillary services provided by the facility as a part of total care shall be compensated on a reimbursement cost basis as an addition to the prospective rate except for ventilator therapy services which shall be paid on a prospective rate basis. Ancillary services reimbursement shall be subject to a year-end audit, retroactive adjustment and final settlement. Ancillary costs may be subject to maximum allowable cost limits under federal regulations. Any percentage reduction made in payment of current billed charges shall not exceed twenty-five (25) percent, except in the instance of individual facilities where the actual retroactive adjustment for a facility for the previous year reveals an overpayment by the cabinet exceeding twenty-five (25) percent of billed charges, or where an evaluation by the cabinet of an individual facility's current billed charges shows the charges to be in excess of average billed charges for other comparable facilities serving the same area by more than twenty-five (25) percent. A refund will be requested from a facility if the amount paid to the facility for legend drugs, covered legend devices and non-legend drugs, if applicable, exceeds the program's computed maximum allowable cost. The amount of refund will be determined by conducting a statistically accurate sample of the Medicaid patients for the facility's fiscal year. The percentage that a facility is over the computed maximum allowable cost will be multiplied by the amount paid by the program for drugs for the fiscal year under review.

(4) Interest expense used in setting the prospective rate is an allowable cost if permitted under Title XVIII-A principles and if it meets these additional criteria:

(a) It represents interest on long-term debt existing at the time the vendor enters the program or represents interest on any new long-term debt, the proceeds of which are used to purchase fixed assets relating to the provision of the appropriate level of care. If the debt is subject to variable interest rates found in balloon-type financing, renegotiated interest rates will be allowable. The form of indebtedness may include mortgages, bonds, notes and debentures when the principal is to be repaid over a period in excess of one (1) year; or

(b) It is other interest for working capital and operating needs that directly relates to providing patient care. The form of such indebtedness may include, but is not limited to, notes, advances and various types of receivable financing; however, short-term interest expense on a principal amount in excess of program payments made under the prospective rate equivalent to two (2) months experience based on ninety (90) percent occupancy or actual program receivables will be disallowed in determining cost;

(c) For both paragraphs (a) and (b) of this subsection, interest on a principal amount used to purchase goodwill or other intangible assets

will not be considered an allowable cost.

(5) Compensation to owner/administrators will be considered an allowable cost provided that it is reasonable, and that the services actually performed are a necessary function. Compensation includes the total benefit received by the owner for the services he renders to the institution, excluding fringe benefits routinely provided to all employees and the owner/administrator. Payment for services requiring a licensed or certified professional performed on an intermittent basis will not be considered a part of compensation. "Necessary function" means that had the owner not rendered services pertinent to the operation of the institution, the institution would have had to employ another person to perform the service. Reasonableness of compensation will be based on total licensed beds (all levels).

(6) The allowable cost for services or goods purchased by the facility from related organizations shall be the cost to the related organization, except when it can be demonstrated that the related organization is in fact equivalent to any other second party supplier, i.e., a relationship for purposes of this payment system is not considered to exist. A relationship will be considered to exist when an individual or individuals possess twenty (20) percent or more of ownership or equity in the facility and the supplying business; however, an exception to the relationship will be determined to exist when fifty-one (51) percent or more of the supplier's business activity of the type carried on with the facility is transacted with persons and organizations other than the facility and its related organizations.

(7) The amount allowable for leasing costs shall not exceed the amount which would be allowable based on the computation of historical costs, except that for general intermediate care facilities entering into lease/rent arrangements prior to April 22, 1976, intermediate care facilities for the mentally retarded entering into lease/rent arrangements prior to February 23, 1977, and skilled nursing facilities entering into lease/rent arrangements prior to December 1, 1979, the cabinet will determine the allowable costs of such arrangements based on the general reasonableness of such costs.

(8) The following provisions are applicable with regard to median per diem cost center upper limits:

(a) For facilities (except ICF-MRs) beginning participation in the Medicaid program on or after April 1, 1981, (and classified as newly participating facilities for purposes of this subsection), the following upper limits (within the class) shall be applicable with regard to otherwise allowable per diem costs, by cost center: for nursing services, 125 percent of the median; for dietary services, 125 percent of the median; for capital costs, 105 percent of the median; and for all other costs, 105 percent of the median.

(b) Facilities participating in the Medicaid program prior to April 1, 1981, shall be classified as newly participating facilities (solely for purposes of this subsection) when either of the following occurs on or after April 1, 1981: first, when the facility expands its bed capacity by expansion of its currently existing plant or, second, when a multi-level facility (one providing more than one (1) type of care) converts existing personal care beds in

the facility to either skilled nursing or intermediate care beds, and the number of additional or converted personal care beds equals or exceeds (in the cumulative) twenty-five (25) percent of the Medicaid certified beds in the facility as of March 31, 1981. Facilities participating in the Medicaid program prior to April 1, 1981 shall not be classified as newly participating facilities solely because of changes of ownership.

(c) For purposes of application of this subsection the facility classes are basic intermediate care and skilled nursing care. The "median per diem cost" is the midpoint of the range of all facilities' costs (for the class) which are attributable to the specific cost center, which are otherwise allowable costs for the facilities' prior fiscal year, and which are adjusted by trending, indexing and the occupancy factor. The median for each cost center for each class shall be determined annually using the same cost data for the class which was used in setting the maximum payment amount. The Department for Medicaid Services [Division for Medical Assistance] shall notify all participating facilities of the median per diem cost center upper limits currently in effect.

(d) A facility may request that the Reimbursement Review Panel grant a waiver of its status as a newly participating facility based upon a presentation of facts showing that the provider had already incurred a substantial material financial obligation or binding commitment toward building or expanding a facility prior to April 1, 1981. The obtaining of a certificate of need shall not be construed, in itself, to be sufficient to justify approval of a waiver request, and a waiver, if granted, shall be applicable only with regard to that building or expansion for which the waiver was requested and approved.

(e) Intermediate care facilities for the mentally retarded (ICF-MRs) are not subject to the median per diem cost center upper limits shown in this subsection.

(9) Certain costs not directly associated with patient care will not be considered allowable costs. Costs which are not allowable include political contributions, travel and related costs for trips outside the state (for purposes of conventions, meetings, assemblies, conferences, or any related activities), and legal fees for unsuccessful lawsuits against the cabinet. However, costs (excluding transportation costs) for training or educational purposes outside the state are allowable costs.

(10) To determine the gain or loss on the sale of a facility for purposes of determining a purchaser's cost basis in relation to depreciation and interest costs, the following methods will be used for changes of ownership occurring before July 18, 1984:

(a) Determine the actual gain on the sale of the facility.

(b) Add to the seller's depreciated basis two-thirds (2/3) of one (1) percent of the gain for each month of ownership since the date of acquisition of the facility by the seller to arrive at the purchaser's cost basis.

(c) Gain is defined as any amount in excess of the seller's depreciated basis as computed under program policies at the time of the sale, excluding the value of goodwill included in the purchase price.

(d) A sale is any bona fide transfer of legal ownership from an owner(s) to a new owner(s) for reasonable compensation, which is usually fair market value. [Stock transfers, except stock transfers followed by liquidation of all company assets and which may be revalued in accordance with Internal Revenue Service rules, are not considered changes of facility ownership.] Lease-purchase agreements and/or other similar arrangements which do not result in transfer of legal ownership from the original owner to the new owner are not considered sales until such time as legal ownership of the property is transferred.

(e) If an enforceable agreement for a change of ownership was entered into prior to July 18, 1984, the purchaser's cost basis will be determined in the manner set forth in paragraphs (a) through (d) of this subsection.

(11) Notwithstanding the provisions contained in subsection (10) of this section, or in any other section or subsection of this regulation or the "Kentucky Medical Assistance Program Intermediate Care/Skilled Nursing Facility Reimbursement Manual," the cost basis for any facility changing ownership on or after July 18, 1984 (but not including changes of ownership pursuant to an enforceable agreement entered into prior to July 18, 1984 as specified in subsection (10)(e) of this section) shall be determined in accordance with the methodology set forth [in the Social Security Act (as amended by the Deficit Reduction Act of 1984) and shown] herein for the reevaluation of assets of skilled nursing and intermediate care facilities.

(a) No increase will be allowed in capital costs. [The Social Security Act, Section 1861(v)(1)(O) (as published in the Commerce Clearing House Medicare/Medicaid Guide) specifies the following:]

"(i) In establishing an appropriate allowance for depreciation and for interest on capital indebtedness and (if applicable) a return on equity capital with respect to an asset of a hospital or skilled nursing facility which has undergone a change of ownership, such regulations shall provide that the valuation of the asset after such change of ownership shall be the lesser of the allowable acquisition cost of such asset to the owner of record as of the date of the enactment of this subparagraph, (or, in the case of an asset not in existence as of such date, the first owner of record of the asset after such date), or the acquisition cost of such asset to the new owner."

"(ii) Such regulations shall provide for recapture of depreciation in the same manner as provided under the regulations in effect on June 1, 1984."

"(iii) Such regulations shall not recognize, as reasonable in the provision of health care services, costs (including legal fees, accounting and administrative costs, travel costs, and the costs of feasibility studies) attributable to the negotiation or settlement of the sale or purchase of any capital asset (by acquisition or merger) for which any payment has previously been made under this title."

(b) The allowable historical base for depreciation for the purchaser will be the lesser of the allowable historical cost of the seller less any depreciation allowed to the seller in prior periods, or the actual purchase price. [The Social Security Act, Section

1902(a)(13) (as published in the Commerce Clearing House Medicare/Medicaid Guide) further specifies the following:]

["(B) That the state shall provide assurances satisfactory to the Secretary that the payment methodology utilized by the State for payments to hospitals, skilled nursing facilities, and intermediate care facilities can reasonably be expected not to increase such payments, solely as a result of a change of ownership, in excess of the increase which would result from the application of section 1861(v)(1)(O)."]

(c) The amount of interest expense allowable to the purchaser is limited to the amount that was allowable to the seller at the time of the sale.

(12) Each facility shall maintain and make available such records (in a form acceptable to the cabinet) as the cabinet may require to justify and document all costs to and services performed by the facility. The cabinet shall have access to all fiscal and service records and data maintained by the provider, including unlimited onsite access for accounting, auditing, medical review, utilization control and program planning purposes.

(13) The following shall apply with regard to the annual cost report required of the facility:

(a) The year-end cost report shall contain information relating to prior year cost, and will be used in establishing prospective rates and setting ancillary reimbursement amounts.

(b) New items or expansions representing a departure from current service levels for which the facility requests prior approval by the program are to be so indicated with a description and rationale as a supplement to the cost report.

(c) Cabinet approval or rejection of projections and/or expansions will be made on a prospective basis in the context that if such expansions and related costs are approved they will be considered when actually incurred as an allowable cost. Rejection of items or costs will represent notice that such costs will not be considered as part of the cost basis for reimbursement. Unless otherwise specified, approval will relate to the substance and intent rather than the cost projection.

(d) When a request for prior approval of projections and/or expansions is made, absence of a response by the cabinet shall not be construed as approval of the item or expansion.

(14) The cabinet shall audit each year-end cost report in the following manner: an initial desk review shall be performed of the report and the cabinet will determine the necessity for and scope of a field audit in relation to routine service cost. A field audit may be conducted for purposes of verifying [prior year] cost to be used in setting the [new] prospective rate; field audits may be conducted annually or at less frequent intervals. A field audit of ancillary cost will be conducted as needed.

(15) Year-end adjustments of the prospective rate and a retroactive cost settlement will be made when:

(a) Incorrect payments have been made due to computational errors (other than the omission of cost data) discovered in the cost basis or establishment of the prospective rate.

(b) Incorrect payments have been made due to misrepresentation on the part of the facility (whether intentional or unintentional).

(16) Reimbursement paid may not exceed the

facility's customary charges to the general public for such services, except in the case of public facilities rendering inpatient services at a nominal charge (which may be reimbursed at the prospective rate established by the cabinet).

(17) The cabinet may develop and/or utilize methodology to assure an adequate level of care. Facilities determined by the cabinet to be providing less than adequate care may have penalties imposed against them in the form of reduced payment rates.

(18) Each facility shall submit the required data for determination of the prospective rate no later than sixty (60) days following the close of the facility's fiscal year. This time limit may be extended at the specific request of the facility (with the cabinet's concurrence).

(19) Each ICF which admits a recipient from an SNF during the period of September 1, 1985 through January 31, 1986 shall receive an incentive payment of seven (7) dollars and fifty (50) cents for each day of covered care rendered such recipient, subject to the following conditions:

(a) The recipient must meet SNF patient status criteria as of August 31, 1985 only because of non-availability of an ICF bed, where the recipient is on the waiting list of an ICF; and

(b) The incentive payment may be paid for more than ninety (90) covered days of care only if all such days are prior to February 1, 1986.

(20) When a recipient in a SNF changes patient status (from SNF to ICF) on or after February 1, 1986 and is admitted to an ICF within the permitted transfer period for the recipient (i.e., while the recipient still qualifies for coverage at the skilled rate), the ICF [Each ICF which admits a recipient from an SNF on or after February 1, 1986 as a result of a change of patient status (from SNF to ICF)] shall receive an incentive payment of seven (7) dollars and fifty (50) cents for each day of covered care rendered the recipient; such incentive payment shall be paid for no more than ninety (90) days of care.

(21) The incentive payment referenced in subsections (19) and (20) of this section shall be paid without regard to maximum payment limitations shown elsewhere in this regulation.

(22) Effective September 26, 1985 (for services provided on or after September 1, 1985), a participating skilled nursing facility may be paid for care provided to Medicaid eligible patients who meet intermediate care patient status criteria subject to the following criteria or conditions:

(a) The payment will be made at the upper limit for payments to intermediate care facilities, or the skilled nursing rate for the facility if lower;

(b) The patient must be in the skilled nursing facility bed awaiting placement to an intermediate care bed; and

(c) The patient must have been reclassified from SNF patient status to ICF patient status; or, alternatively, the patient must meet ICF patient status criteria, and the appropriate representative of the Department for Social Services must certify that no ICF bed is available and that an emergency exists so that placement in the SNF bed offers the best alternative in the circumstances. Payment made based on the certification that no ICF bed is available and that an emergency exists may be made for no more than thirty (30) days; however,

the certification and declaration of emergency may be renewed by the Department for Social Services as appropriate and payment may be made pursuant to such renewal.

(23) SNF's which on February 1, 1986 continued to care for recipients who were classified as meeting SNF patient status criteria as of August 31, 1985 only because of non-availability of an ICF bed, where the recipient is on the waiting list of an ICF, may receive the usual SNF rate for those recipients subject to the following transitional reimbursement standards and criteria:

(a) The facility must file a letter of intent with the Cabinet for Human Resources, Office of the Secretary, 275 East Main Street, Fourth Floor, Frankfort, Kentucky 40621 by January 31, 1986 (receipt in the cabinet is required) for downward conversion of the bed(s) in which the recipient(s) is residing.

(b) Any facility which files a letter of intent must submit to the Certificate of Need Authority (CONA) an appropriate certificate of need application for downward conversion of the skilled bed(s), no later than February 14, 1986, in order for the transitional reimbursement payments to continue.

(c) Payment under this transitional reimbursement provision shall continue only until such time as the Certificate of Need Authority (CONA) has acted on the application and any appropriate licensure action has been effected.

Section 4. Prospective Rate Computation. The prospective rate for each facility will be set in accordance with the following:

(1) Determine allowable prior year cost for routine services.

(2) The allowable prior year cost, not including fixed or capital costs, will then be trended to the beginning of the uniform rate year and increased by a percentage so as to reasonably take into account economic conditions and trends. Such percentage increase shall be known as an inflation factor.

(3) The unadjusted basic per diem cost (defined as the unadjusted allowable cost per patient per day for routine services) will then be determined by comparison of costs with the facility's occupancy rate (i.e., the occupancy factor) as determined in accordance with procedures set by the cabinet. The occupancy rate shall not be less than actual bed occupancy, except that it shall not exceed ninety-eight (98) percent of certified bed days (or ninety-eight (98) percent of actual bed usage days, if more, based on prior year utilization rates). The minimum occupancy rate shall be ninety (90) percent of certified bed days for facilities with less than ninety (90) percent certified bed occupancy. The cabinet may impose a lower occupancy rate for newly constructed or newly participating facilities, or for existing facilities suffering a patient census decline as a result of a competing facility newly constructed or opened serving the same area. The cabinet may impose a lower occupancy rate during the first two (2) full facility fiscal years an existing skilled nursing facility participates in the program under this payment system.

(4) Cost center median related per diem upper limits will then be applied as appropriate to the unadjusted basic per diem cost. The

resultant adjusted amounts (and unadjusted amounts, as applicable) will be combined (or recombined) to arrive at the basic per diem cost (defined as the adjusted allowable cost per patient per day for routine services).

(5) To the basic per diem cost shall be added a specified dollar amount for investment risk and an incentive for cost containment in lieu of a return on equity capital, except that no return for investment risk shall be made to non-profit facilities, and publicly owned and operated facilities shall not receive the investment or incentive return.

(a) Cost incentive and investment schedule for general intermediate care facilities:

(Effective 8-3-85)

Basic Per Diem Cost	Investment Factor Per Diem Amount	Incentive Factor Per Diem Amount
\$28.99 [27.00] & below	\$.92	\$.58
29.00 - 29.99 [28.00 - 28.99]	\$.86	\$.50
30.00 - 30.99 [29.00 - 29.99]	\$.78	\$.41
31.00 - 31.99 [30.00 - 30.99]	\$.70	\$.32
32.00 - 32.99 [31.00 - 31.99]	\$.61	\$.21
33.00 - 33.99 [32.00 - 32.99]	\$.51	\$.09
34.00 - 35.06 [33.00 - 33.95]	\$.35	-

Maximum Payment \$35.06 [33.95]

(b) Cost incentive and investment schedule for intermediate care facilities for the mentally retarded:

(Effective 8-3-85)

Basic Per Diem Cost	Investment Factor Per Diem Amount	Incentive Factor Per Diem Amount
[\$56.99 & below* \$65.99 & below	-	-]
[57.00 - 62.99] 66.00 - 71.99	\$1.38	\$.87
[63.00 - 68.99] 72.00 - 77.99	\$1.29	\$.75
[69.00 - 74.99] 78.00 - 83.99	\$1.18	\$.62
[75.00 - 80.99] 84.00 - 89.99	\$1.06	\$.47
[81.00 - 86.99] 90.00 - 95.99	\$.92	\$.31
[87.00 - 92.99] 96.00 - 102.59	\$.76	\$.13
[93.00 - 99.06]	\$.53	-

Maximum Payment \$102.59 [99.06]

[*For a basic per diem of \$56.99 and below, the investment amount will be equal to 7.5 percent, but not to exceed \$1.38 and the incentive amount will be equal to 5.0 percent, but not to exceed \$.87.]

(c) Cost incentive and investment schedule for skilled nursing facilities:

(Effective 8-3-85)

Basic Per Diem Cost	Investment Factor Per Diem Amount	Incentive Factor Per Diem Amount
\$ <u>38.99</u> [36.99] & below	\$.92	\$.58
<u>39.00 - 40.99</u>	.86	.50
[<u>37.00 - 38.99</u>]		
<u>41.00 - 42.99</u>	.78	.41
[<u>39.00 - 40.99</u>]		
<u>43.00 - 44.99</u>	.70	.32
[<u>41.00 - 42.99</u>]		
<u>45.00 - 46.99</u>	.61	.21
[<u>43.00 - 44.99</u>]		
<u>47.00 - 48.99</u>	.51	.09
[<u>45.00 - 46.99</u>]		
<u>49.00 - 50.31</u>	.35	-
[<u>47.00 - 48.72</u>]		

Maximum Payment \$50.31 [48.72]*

*The maximum payment for hospital based skilled nursing facilities is set at \$67.91 [65.77].

(6) The prospective rate is then compared, as appropriate, with the maximum payment. If in excess of the program maximum, the prospective rate shall be reduced to the appropriate maximum payment amount. The maximum payment amounts have been set to be at or about 102 percent of the median of adjusted basic per diem costs for the class, recognizing that hospital based skilled nursing facilities have special requirements that must be considered. The cabinet has determined that the maximum payment rates shall be reviewed annually against the criteria of 102 percent of the median for the class and that adjustments to the payment maximums will be made effective July 1, 1985 and each July 1 thereafter. This policy shall allow, but does not require lowering of the maximum payments below the current levels if application of the criteria against available cost data should show that 102 percent of the median is a lower dollar amount than has been currently set.

Section 5. Reimbursement Review and Appeal. Participating facilities may appeal cabinet decisions as to application of the general policies and procedures in accordance with the following:

(1) First recourse shall be for the facility to request in writing to the Director, Division of Medical Assistance, a re-evaluation of the point at issue. This request must be received within forty-five (45) days following notification of the prospective rate or forwarding of the audited cost report by the program. The director shall review the matter and notify the facility of any action to be taken by the cabinet (including the retention of the original application of policy) within twenty (20) days of receipt of the request for review or the date of the program/vendor conference, if one is held, except that additional time may be taken as necessary to secure further information or clarification pertinent to the resolution of the issue.

(2) Second recourse shall be for the facility to request in writing to the Commissioner, Department for Social Insurance, a review by a standing review panel to be established by the commissioner. This request must be postmarked within fifteen (15) days following notification of the decision of the Director, Division of Medical Assistance. Such panel shall consist of three (3) members: one (1) member from the Division of Medical Assistance, one (1) member from the Kentucky Association of Health Care Facilities, and one (1) member from the Division of Management and Development, Department for Social Insurance. A date for the reimbursement review panel to convene will be established within twenty (20) days after receipt of the written request. The panel shall issue a binding decision on the issue within thirty (30) days of the hearing of the issue, except that additional time may be taken as necessary to secure further information or clarification pertinent to the resolution of the issue. In carrying out the intent and purposes of the program the panel may take into consideration extenuating circumstances which must be considered in order to provide for equitable treatment and reimbursement of the provider. The attendance of the representative of the Kentucky Association of Health Care Facilities at review panel meetings shall be at the cabinet's expense.

Section 6. Definitions. For purposes of Sections 1 through 6 of this regulation, the following definitions shall prevail unless the specific context dictates otherwise.

(1) "Allowable cost" means that portion of the facility's cost which may be allowed by the cabinet in establishing the reimbursement rate. Generally, cost is considered allowable if the item of supply or service is necessary for the provision of the appropriate level of patient care and the cost incurred by the facility is within cost limits established by the cabinet, i.e., the allowable cost is "reasonable."

(2) "Ancillary services" means those direct services for which a separate charge is customarily made, and which except for ventilator therapy services are retrospectively settled on the basis of reasonable allowable cost at the end of the facilities' fiscal year. Ancillary services are limited to the following:

(a) Legend and non-legend drugs, including indwelling [urethral] catheters and syringes, and irrigation supplies and solutions utilized with those catheters regardless of how those supplies and solutions are utilized. Coverage and allowable cost payment limitations are specified in the cabinet's regulation on payment for drugs.

(b) Physical, occupational and speech therapy.

(c) Laboratory procedures.

(d) X-ray.

(e) Oxygen and other related oxygen supplies and inhalation therapy.

(f) Psychological and psychiatric therapy (for ICF/MR only).

(g) Ventilator therapy services, subject to the coverage limitations shown in the Reimbursement Manual.

(3) "Hospital based skilled nursing facilities" means those skilled nursing facilities so classified by Title XVIII-A.

(4) The "basic per diem cost" is the computed rate arrived at when otherwise allowable costs are trended and adjusted in accordance with the

inflation factor, the occupancy factor, and the median cost center per diem upper limits.

(5) "Inflation factor" means the comparison of allowable routine service costs, not including fixed or capital costs, with an inflation rate to arrive at projected current year cost increases, which when added to allowable costs, including fixed or capital costs, yields projected current year allowable costs. The inflation factor shall be included for rates computed on August 3, 1985 and thereafter.

(6) [(5)] "Incentive factor" means the comparison of the basic per diem cost with the incentive return schedule to arrive at the actual dollar amount of cost containment incentive return to be added to the basic per diem cost.

(7) [(6)] "Investment factor" means the comparison of the basic per diem cost with the investment return schedule to arrive at the actual dollar amount of investment return to be added to the basic per diem cost.

(8) [(7)] "Maximum allowable cost" means the maximum amount which may be allowed to a facility as reasonable cost for provision of an item of supply or service while complying with limitations expressed in related federal or state regulations.

(9) [(8)] "Maximum payment" means the maximum amount the cabinet will reimburse, on a facility by facility basis, for routine services.

(10) [(9)] "Occupancy factor" means the imposition of an assumed level of occupancy used in computing unadjusted basic per diem rates.

(11) [(10)] "Prospective rate" means a payment rate of return for routine services based on allowable costs and other factors, and includes the understanding that except as specified such prospective rate shall not be retroactively adjusted, either in favor of the facility or the cabinet.

(12) [(11)] "Routine services" means the regular room, dietary, medical social services, nursing services, minor medical and surgical supplies, and the use of equipment and facilities. Routine services include but are not limited to the following:

(a) All general nursing services, including administration of oxygen and related medications, handfeeding, incontinency care and tray services.

(b) Items which are furnished routinely and relatively uniformly to all patients, such as patient gowns, water pitchers, basins, and bed pans. Personal items such as paper tissues, deodorants, and mouthwashes are allowable as routine services if generally furnished to all patients.

(c) Items stocked at nursing stations or on the floor in gross supply and distributed or utilized individually in small quantities, such as alcohol, applicators, cotton balls, band-aids and tongue depressors.

(d) Items which are utilized by individual patients but which are reusable and expected to be available in an institution providing a skilled nursing or intermediate care facility level of care, such as ice bags, bed rails, canes, crutches, walkers, wheelchairs, traction equipment, and other durable medical equipment.

(e) Laundry services, including personal clothing to the extent it is the normal attire for everyday facility use, but excluding dry cleaning costs.

(f) Other items or services generally

available or needed within a facility unless specifically identified as ancillary services. (Items excluded from reimbursement include private duty nursing services and ambulance services costs.)

[Section 7. Implementation Date. The provisions of this regulation, as amended, shall be effective with regard to services provided on or after September 26, 1985 except as otherwise specified herein.]

FONTAIN BANKS, Acting Deputy Commissioner
E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 16, 1986

FILED WITH LRC: April 17, 1986 at 10 a.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 E. Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Roy Butler

(1) Type and number of entities affected: All skilled and intermediate care facilities participating in Medicaid.

(a) Direct and indirect costs or savings to those affected: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: \$6,600,000 (costs)

2. Continuing costs or savings: \$6,600,000 (costs)

3. Additional factors increasing or decreasing costs: None

(b) Reporting and paperwork requirements: None

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. Not applicable for Medicaid regulations.

**CABINET FOR HUMAN RESOURCES
Department for Social Insurance
Division of Management & Development
(Proposed Amendment)**

**904 KAR 2:016. Standards for need and amount;
AFDC.**

RELATES TO: KRS 205.200(2), 205.210(1)

PURSUANT TO: KRS 205.200(2)

NECESSITY AND FUNCTION: The Cabinet for Human Resources is required to administer the public assistance programs. KRS 205.200(2) and 205.210(1) require that the secretary establish the standards of need and amount of assistance for the Aid to Families with Dependent Children Program, hereinafter referred to as AFDC, in accordance with federal regulations and Title IV-A of the Social Security Act. This regulation sets forth the standards by which the need for and the amount of an AFDC assistance payment is established.

Section 1. Definitions. (1) "Assistance group" is composed of one (1) or more children and may include as specified relative any person specified in 904 KAR 2:006, Section 3. The assistance group shall include the dependent child, child's eligible parent(s), and all eligible siblings living in the home with the needy child. Additionally, if the dependent child's parent is a minor living in the home with his/her eligible parent(s), the minor's parent(s) shall also be included in the assistance group if the minor's parent applied for assistance. The incapacitated natural or adoptive parent of the child(ren) who is living in the home [and legally married to the specified relative] shall be included as second parent if the technical eligibility factors are met.

(2) "Sanctioned individual" means any person who is required to be included in the assistance group but who is excluded from the assistance group due to failure to fulfill an eligibility requirement.

(3) [(2)] "Full-time employment" means employment of thirty (30) hours per week or 130 hours per month or more.

(4) [(3)] "Part-time employment" means employment of less than thirty (30) hours per week or 130 hours per month or not employed throughout the entire month.

(5) [(4)] "Full-time school attendance" means a workload of at least:

(a) Twenty-five (25) clock hours per week in a General Educational Development (GED) program; or

(b) Twelve (12) semester hours or more in a college or university; or six (6) semester hours or more during the summer term; or the equivalent in a college or university if other than a semester system is used; or

(c) The number of hours required by the individual high school/vocational school to fulfill their definition of full time.

(6) [(5)] "Part-time school attendance" means a workload of anything less than "full-time school attendance."

(7) [(6)] "Gross income limitation standard" means 185 percent of the sum of the assistance standard, as set forth in Section 8 of this regulation, and any educational allowance as set forth in Section 9 of this regulation.

(8) [(7)] "Prospective budgeting" means computing the amount of assistance based on

income and circumstances which will exist in the month(s) for which payment is made.

(9) [(8)] "Recoupment" means recovery of overpayments of assistance payments.

(10) [(9)] "Retrospective budgeting" means computing amount of assistance based on actual income and circumstances which existed in the second month prior to the payment month.

Section 2. Resource Limitations. Real and personal property owned in whole or in part by an applicant or recipient including sanctioned individual(s) and his/her parent(s), even if the parent(s) is not an applicant or recipient, if the applicant/recipient is a dependent child living in the home of said parent, shall be considered. The amount that can be reserved by each assistance group shall not be in excess of \$1,000 equity value excluding those items specifically listed in subsection (1) as follows:

(1) Excluded resources. The following resources shall be excluded from consideration:

(a) One (1) owner-occupied home;

(b) Home furnishings, including all appliances;

(c) Clothing;

(d) One (1) motor vehicle, not to exceed \$1,500 equity value;

(e) Farm machinery, livestock or other inventory, and tools and equipment other than farm, used in a self-employment enterprise;

(f) Items valued at less than fifty (50) dollars each;

(g) One (1) burial plot/space per family member;

(h) Funeral agreements not to exceed maximum equity of \$1,500 per family member;

(i) Real property which the assistance group is making a good faith effort to sell. This exemption shall not exceed a period of nine (9) months and is contingent upon the assistance group agreeing to repay AFDC benefits received beginning with the first month of the exemption. Any amount of AFDC paid during that period that would not have been paid if the disposal of property had occurred at the beginning of the period is considered an overpayment. The amount of the repayment shall not exceed the net proceeds of the sale. If the property has not been sold within the nine (9) months, or if eligibility stops for any other reason, the entire amount of assistance paid during the nine (9) month period shall be treated as an overpayment;

(j) Other items/benefits mandated by federal regulations.

(2) Disposition of resources. An applicant/recipient must not have transferred or otherwise divested himself/herself of property without fair compensation in order to qualify for assistance. If the transfer was made expressly for the purpose of qualifying for assistance and if the uncompensated equity value of the transferred property, when added to total resources, exceeds the resource limitation, the household's application shall be denied, or assistance discontinued. The time period of ineligibility shall be based on the resulting amount of excess resources and begins with the month of transfer. If the amount of excess transferred resources does not exceed \$500, the period of ineligibility shall be one (1) month; the period of ineligibility shall be increased one (1) month for every \$500 increment up to a maximum of twenty-four (24) months.

Section 3. Income Limitations. In determining eligibility for AFDC the following will apply:

(1) Gross income test. The total gross non-AFDC income of the assistance group, as well as income of parent(s), sanctioned individuals and/or amount deemed available from the parent(s)/legal guardian(s) of a minor parent/legal guardian living in the home with such assistance group, and/or amount deemed available from a stepparent(s) living in the home, and/or amount deemed available from an alien's sponsor and sponsor's spouse if living with the sponsor, shall not exceed the gross income limitation standard. Disregards specified in Section 4, subsection (1), shall apply. If total gross income exceeds the gross income limitation standard, the assistance group is ineligible.

(2) Applicant eligibility test. If the gross income is below the gross income limitation standard and the assistance group has not received assistance during the four (4) months prior to the month of application, the applicant eligibility test shall be applied. The total gross income after application of exclusions/disregards set forth in Section 4, subsections (1) and (2), shall be compared to the assistance standard set forth in Section 8. If income exceeds this standard, the assistance group is ineligible. For assistance groups who meet the gross income test but who have received assistance any time during the four (4) months prior to the application month, the applicant eligibility test shall not apply.

(3) Benefit calculation. If the assistance group meets the criteria set forth in subsections (1) and (2) of this section, benefits shall be determined by applying disregards in Section 4, subsections (1), (2), and (3). If the assistance group's income, after application of appropriate disregards, exceeds the assistance standard, the assistance group is ineligible. Amount of assistance for the initial two (2) months of eligibility shall be determined prospectively in accordance with 45 CFR 233.34 and for subsequent months retrospectively, in accordance with 45 CFR 233.35.

(4) A period of ineligibility shall be established in accordance with 45 CFR 233.20(a)(3)(ii)(F), for applicants/recipients whose income in the month of application or during any month for which assistance is paid exceeds the limits as set forth in subsections (2) or (3) of this section due to receipt of lump sum income. The ineligibility period shall be recalculated if any of the following circumstances occur:

(a) The standard of need increases and the amount of grant the assistance group would have received also changes.

(b) The income received has become unavailable to the assistance group for reasons beyond their control.

(c) The assistance group incurs and pays medical expenses in accordance with 42 CFR 435.831(C).

Section 4. Excluded/Disregarded Income. All gross non-AFDC income received or anticipated to be received by the assistance group, natural parent(s) and/or parent(s)/legal guardian(s) of a minor parent/legal guardian living in the home with such assistance group, and/or stepparent(s) living in the home, shall be considered with the

applicable exclusions/disregards as set forth below:

(1) Gross income test. All incomes listed below shall be excluded/disregarded:

(a) Disregards applicable to stepparent income and/or income of the parent(s)/legal guardian(s) of a minor parent/legal guardian living in the home with the assistance unit, as set forth in Section 5 of this regulation;

(b) Disregards applicable to alien sponsor's income, as set forth in Section 6 of this regulation;

(c) Disregards applicable to self-employment income, as set forth in 45 CFR 233.20(a)(6)(v)(B) and 45 CFR 233.20(a)(11)(i)(b)(1)(i);

(d) Work Incentive Program (WIN) incentive payments;

(e) Earnings received by a dependent child from participation in the Summer Youth Program under the Job Training Partnership Act (JTPA) for a period not to exceed six (6) months within a given year;

(f) Unearned income received by a dependent child from participation in a JTPA program;

(g) Reimbursement for training-related expenses made by a manpower agency to applicants or recipients in institutional and work experience training programs under the WIN program;

(h) Value of the monthly allotment of food stamp coupons or value of United States Department of Agriculture (USDA) donated foods;

(i) Non-emergency medical transportation payments;

(j) Principal of loans;

(k) Educational grants, loans, scholarships, including payments for actual educational costs made under the GI Bill, obtained and used under conditions that preclude their use for current living costs and all education grants and loans to any undergraduate made or insured under any program administered by the United States Commissioner of Education;

(l) Highway relocation assistance;

(m) Urban renewal assistance;

(n) Federal disaster assistance and state disaster grants;

(o) Home produce utilized for household consumption;

(p) Housing subsidies received from federal, state or local governments;

(q) Receipts distributed to members of certain Indian tribes which are referred to in Section 5 of Public Law 94-114 that became effective October 17, 1975;

(r) Funds distributed per capita to or held in trust for members of any Indian tribe under Public Law 92-254, Public Law 93-134 or Public Law 94-540;

(s) Benefits received under Title VII, Nutrition Program for the Elderly, of the Older Americans Act of 1965, as amended;

(t) Payments for supporting services or reimbursement of out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides, or senior companions, and to persons serving in Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and any other programs under Titles II and III, pursuant to Section 418 of Public Law 93-113;

(u) Payments to volunteers under Title I of Public Law 93-113 pursuant to Section 404(g) of Public Law 93-113 except when the value of such

payments when adjusted to reflect the number of hours volunteers are serving is the same as or greater than the minimum wage under state or federal law, whichever is greater;

(v) The value of supplemental food assistance received under the Child Nutrition Act of 1966, as amended, and the special food service program for children under the National School Lunch Act, as amended;

(w) Payments from the Cabinet for Human Resources, Department for Social Services, for child foster care, adult foster care, or subsidized adoption;

(x) Payments made under the Low Income Home Energy Assistance Act (LIHEAP) and other energy assistance payments which are permitted to be excluded pursuant to 45 CFR 233.53 (c)(5)(i);

(y) The first fifty (50) dollars of child support payments collected in a month which represents the current month's support obligation and is returned to the assistance group; and

(z) For a period not to exceed six (6) months within a given year, earnings of a dependent child in full-time school attendance.

(2) Applicant eligibility test. The exclusions/disregards set forth in subsection (1) of this section and those listed below shall be applied:

(a) Earnings received from participation in the Job Corps Program under JTPA by an AFDC child;

(b) Earnings of a dependent child in full-time school attendance for a period not to exceed six (6) months within a given year;

(c) Standard work expense deduction of seventy-five (75) dollars for full-time and part-time employment; and

(d) Child care, for a child(ren) or incapacitated adult living in the home and receiving AFDC, is allowed as a work expense is allowed not to exceed \$160 per month per individual for full-time employment or \$110 per month per individual for part-time employment.

(3) Benefit calculation. After eligibility is established, exclude/disregard all incomes listed in subsections (1) and (2), as well as:

(a) Child support payments assigned and actually forwarded or paid to the department; and

(b) First thirty (30) dollars and one-third (1/3) of the remainder of each individual's earned income not already disregarded, if that individual's needs are considered in determining the benefit amount. The one-third (1/3) portion of this disregard shall not be applied to an individual after the fourth consecutive month it has been applied to his/her earned income. The thirty (30) dollar portion of this disregard shall be applied concurrently with the one-third (1/3) disregard, however, it shall be extended for an additional eight (8) months following the four (4) months referenced in the preceding sentence. These disregards shall be applied in accordance with 45 CFR 233.20(a)(11)(i)(D) and 45 CFR 233.20(a)(11)(ii)(B) and shall not be available to the individual until he/she has not been a recipient for twelve (12) consecutive months; and

(c) Earnings of a child in full-time school attendance or earnings of a child in part-time school attendance, if not working full-time.

(4) Exceptions. Disregards from earnings in subsection (2)(c) and (d) and subsection (3)(b) shall not apply for any month in which the individual:

(a) Reduces, terminates, or refuses to accept employment within the period of thirty (30) days preceding such month, unless good cause exists as follows:

1. The individual is unable to engage in such employment or training for mental or physical reasons; or

2. The individual has no way to get to and from the work site or the site is so far removed from the home that commuting time would exceed three (3) hours per day; or

3. Working conditions at such job or training would be a risk to the individual's health or safety; or

4. A bona fide offer of employment at a minimum wage customary for such work in the community was not made.

(b) Fails to make a timely report of earnings unless good cause exists as follows:

1. The assistance group moved and reported the move timely, however, the move resulted in a delay in receiving or failure to receive the mandatory monthly report form; or

2. An immediate family member living in the home was institutionalized or died during the filing period; or

3. The specified relative was out of town during the entire filing period; or

4. The assistance group has been directly affected by a natural disaster (i.e., fire, flood, storm, earthquake).

(c) Requests assistance be terminated for the primary purpose of evading the four (4) month limitation on the deduction in subsection (3)(b) of this section.

(5) Sanction exception. The earned income of sanctioned individuals shall be counted without providing the exclusion/disregards in either subsections (2) and (3) of this section.

Section 5. Income and Resources. Income and resources of a stepparent living in the home with a dependent child and/or parent(s)/legal guardian(s) living in the home with a minor parent/legal guardian but whose needs are not included in the grant are considered as follows:

(1) Income. The gross income is considered available to the assistance group, subject to the following exclusions/disregards:

(a) The first seventy-five (75) dollars of the gross earned income for full-time employment and/or the first seventy-four (74) [forty (40)] dollars of the gross earned income for part-time employment;

(b) An amount equal to the AFDC assistance standard for the appropriate family size, for the support of the stepparent or parent(s)/legal guardian(s) of a minor parent/legal guardian and any other individuals living in the home but whose needs are not taken into consideration in the AFDC eligibility determination and are or could be claimed by the stepparent or parent(s)/legal guardian(s) of a minor parent/legal guardian as dependents for purposes of determining his/her federal personal income tax liability;

(c) Any amount actually paid by the stepparent or parent(s)/legal guardian(s) of a minor parent/legal guardian to individuals not living in the home who are or could be claimed by him/her as dependents for purposes of determining his/her personal income tax liability;

(d) Payments by the stepparent and/or parent(s)/legal guardian(s) of a minor

parent/legal guardian for alimony or child support with respect to individuals not living in the household; and

(e) Income of a stepparent and/or parent(s)/legal guardian(s) of a minor parent/legal guardian receiving Supplemental Security Income (SSI) under Title XVI.

(2) Sanction exception. The needs of any sanctioned individual are not eligible for the exclusion(s) listed in this section.

(3) [(2)] Resources. Resources which belong solely to the stepparent and/or parent(s)/legal guardian(s) of a minor parent/legal guardian are not considered in determining eligibility of the parent or the assistance group.

Section 6. Alien Income and Resources. The gross non-AFDC income and resources of an alien's sponsor and sponsor's spouse (if living with the sponsor) hereinafter referred to as sponsor shall be deemed available to the alien(s), subject to disregards as set forth below, for a period of three (3) years following entry into the United States. If an individual is sponsoring two (2) or more aliens, the income and resources shall be prorated among the sponsored aliens. A sponsored alien is ineligible for any month in which adequate information on the sponsor/sponsor's spouse is not provided. If an alien is sponsored by an agency or organization, which has executed an affidavit of support, that alien is ineligible for benefits for a period of three (3) years from date of entry into the United States, unless it is determined that the sponsoring agency or organization is no longer in existence or does not have the financial ability to meet the alien's needs. The provisions of this section shall not apply to those aliens identified in 45 CFR 233.51(e).

(1) Income. The gross income of the sponsor is considered available to the assistance group subject to the following disregards:

(a) Twenty (20) percent of the total monthly gross earned income, not to exceed \$175;

(b) An amount equal to the AFDC assistance standard for the appropriate family size of the sponsor and other persons living in the household who are or could be claimed by the sponsor as dependents in determining his/her federal personal income tax liability, and whose needs are not considered in making a determination of eligibility for AFDC;

(c) Amounts paid by the sponsor to non-household members who are or could be claimed as dependents in determining his/her federal personal tax liability;

(d) Actual payments of alimony or child support paid to non-household members; and

(e) Income of a sponsor receiving SSI or AFDC.

(2) Resources. Resources deemed available to the alien(s) shall be the total amount of the resources of the sponsor and sponsor's spouse determined as if he/she were an AFDC applicant in this state, less \$1,500.

Section 7. Earned Income Tax Credit (EITC). In the case of an applicant or recipient of AFDC, EITC payments shall be considered as earned income when received.

Section 8. Assistance Standard. The AFDC assistance standard, including amounts for food, clothing, shelter, utilities and non-medical transportation from which countable income is

deducted in determining eligibility for and the amount of the AFDC assistance payment, is as follows:

Number of Eligible Persons	Monthly Standard
1 Child	\$140
2 Persons	\$170
3 Persons	\$197
4 Persons	\$246
5 Persons	\$288
6 Persons	\$325
7 or more Persons	\$362

Section 9. Educational Allowance. An educational allowance shall be included in the assistance standard each month at the request of the caretaker relative, if the criteria in subsection (1) of this section are met and verified for said month(s) and funds are available. Households receiving the educational allowance shall be subject to time frames, procedures, and penalties established for households required to report monthly.

(1) Technical requirements. The following requirements must be met during any month for which an education allowance is paid.

(a) The caretaker relative must be included in the assistance grant;

(b) The caretaker relative must be enrolled full time, as defined in Section 1, in high school (including primary and secondary), vocational school, or a General Educational Development (GED) program for which no wage or child care allowance is received. If attending college, the caretaker relative must be enrolled either full or part-time, as defined in Section 1;

(c) A cost must have been incurred for the care of a child(ren) who is/are under the age of thirteen (13) or a child(ren) who is/are under the age of eighteen (18), if a physician determines said child is unable to attend school due to a physical or mental disability, and is/are included in the assistance grant; and

(d) The payment for child care is made to a provider who is not a household member.

(2) Educational allowance payment standards. The amount of monthly educational allowance payment shall be based on the number of eligible children for whom care is being provided and whether or not enrollment is full or part-time. The payment standards are as follows:

Number of Children	Full-time Enrollment	Part-time Enrollment
1	\$120	\$70
2 or more	\$150	\$90

(3) Limitations. The number of months an educational allowance payment is made shall be limited according to the type of program in which the student enrolls and shall not be provided beyond completion of one (1) program at each level.

(a) High school level.

1. A student may change programs within this level, however, the cumulative number of months payment is made shall not exceed the maximum for the program in which the student last enrolls as follows:

Type of Program	Maximums
General Educational Development (GED)	12 months
High School (includes primary and secondary)	24 months

2. A student wishing to continue his/her education past the high school level may be eligible for additional payments not to exceed the maximums for the post-high school level.

(b) Post-high school level. A student may change programs within this level, however, the cumulative number of months payment is made shall not exceed the maximum for the program in which the student last enrolls as follows:

Type of Program	Maximums
Vocational School	24 months
College/University	50 months

Section 10. Recoupment. The following provisions are effective for all overpayments discovered on or after April 1, 1982, regardless of when the overpayment occurred.

(1) Necessary action will be taken promptly to correct and recoup any overpayments.

(2) Overpayments, including assistance paid pending hearing decisions, shall be recovered:

(a) The overpaid assistance unit;

(b) Any assistance unit of which a member of the overpaid assistance unit has subsequently become a member; or

(c) Any individual member of the overpaid assistance unit whether or not currently a recipient.

(3) Overpayments shall be recovered through:

(a) Repayment by the individual to the cabinet; and/or

(b) Reduction of future AFDC benefits, which shall result in the assistance group retaining, for the payment month, family income and liquid resources of not less than ninety (90) percent of the amount of assistance paid to a like size family with no income in accordance with Section 8; and/or

(c) Civil action in the court of appropriate jurisdiction.

(4) Overpayments may be waived for inactive non-fraud cases involving less than thirty-five (35) dollars in overpayment.

(5) In cases which have both an overpayment and an underpayment, the cabinet shall offset one against the other in correcting the payment to current recipients.

(6) Neither reduction in future benefits nor civil action shall be taken except after notice and an opportunity for a fair hearing is given and the administrative and judicial remedies have been exhausted or abandoned in accordance with Title 904, Chapter 2.

Section 11. Provisions contained in this regulation shall become effective May 16, 1986 [October 1, 1984].

MIKE ROBINSON, Deputy Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: May 6, 1986

FILED WITH LRC: May 15, 1986 at 11 a.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will

be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Roy Butler

(1) Type and number of entities affected: A small number of households with members determined to be "sanctioned" may have AFDC benefits decreased.

(a) Direct and indirect costs or savings to those affected: Unknown

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body: Minor. Benefits may decrease in AFDC households that contain a sanctioned individual.

(a) Direct and indirect costs or savings: Unknown. We do not have information available on "sanctioned" individuals, but the number will be insignificant.

1. First year: N/A

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: N/A

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: This provisions is being amended due to the publication of final rules and policy clarification 86-1 which explains the proper implementation of the filing unit policy.

Tiering:

Was tiering applied? No. Tiering is not applicable to this program.

CABINET FOR HUMAN RESOURCES
Department for Social Insurance
Division of Management & Development
(Proposed Amendment)

904 KAR 2:020. Child support.

RELATES TO: KRS 205.795

PURSUANT TO: KRS 205.795

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility for administering the Child Support Program in accordance with Title IV-D of the Social Security Act and KRS 205.710 to 205.800 and 205.992. The cabinet is required by the Social Security Act to make efforts to establish paternity and/or secure support from absent parents of children receiving public assistance as a result of desertion or abandonment or due to birth

out-of-wedlock and for other children on application. KRS 205.795 empowers the secretary to adopt regulations pertaining to the administration of the Child Support Program. This regulation specifies the procedure for the operation of the program.

Section 1. Compliance with Federal Regulations. The cabinet shall administer the Kentucky Child Support Program in accordance with Title IV-D of the Social Security Act and Title 45 CFR Sections 301, 302, 303, 304, 305, 306 and 307.

Section 2. Relation to Title IV-A Program. The cabinet shall administer the Kentucky Child Support Program, as the program relates to Title IV-A recipients, in accordance with regulations cited in Section 1 above and Title 45 CFR Sections 205, 232, 233, 234, and 235.

Section 3. Relation to Title IV-E Program. The cabinet shall administer the Kentucky Child Support Program, as it relates to Title IV-E recipients, in accordance with regulations cited in Section 1 of this regulation and Title 45 CFR Section 1356.

Section 4. Definitions. (1) "Cabinet" shall mean the Cabinet for Human Resources.

(2) "Secretary" shall mean Secretary of the Cabinet for Human Resources or his designee.

(3) "Court order" shall mean any judgment, decree, or order of the courts of this or any other state.

(4) "Dependent child" or "needy dependent child" shall mean any person under age eighteen (18) who is not otherwise emancipated, self-supporting, married or a member of the Armed Forces of the United States and is a recipient of or an applicant for public assistance or who has applied for child support services in accordance with Title IV-D of the Social Security Act.

(5) "Duty of support" shall mean any obligation of support imposed or imposed by law or by court order, decree, or judgment whether interlocutory or final, and includes the duty to pay arrearages of support past due in addition to medical support whenever health care coverage is available at a reasonable cost.

(6) "Parent" shall mean the natural or adoptive parent of a child and includes the father of a child born out-of-wedlock if paternity has been established in a judicial proceeding or in any manner consistent with the laws of this state.

(7) "AFDC recipient" shall mean a child or caretaker relative who is receiving AFDC as prescribed by Title IV-A of the Social Security Act.

(8) "Cooperation" shall mean the act of providing to the IV-D agency or the responsible local official any verbal or written information or documentation needed by the IV-D agency or local official for child support activities, and otherwise complying with the requirements of the Child Support Program.

(9) "Good cause" shall mean that the public assistance recipient has a valid and acceptable reason (as determined by the cabinet) for failing to cooperate in activities related to the Child Support Program.

(10) "Non-public assistance recipient" shall mean any child or family who does not receive

public assistance, but does receive child support services based on an application filed with the IV-D agency or with a responsible local official who has entered into a written agreement with the IV-D agency.

(11) "Responsible local official" shall mean the elected or appointed official in a political subdivision who is legally responsible for law enforcement activities and has entered into a written agreement with the IV-D agency.

(12) "Title IV-D agency" shall mean the organizational unit in the state that has responsibility for administering the Title IV-D (Child Support) Program.

(13) "Title IV-A agency" shall mean the organizational unit in the state that has responsibility for administering the Title IV-A (AFDC) program.

(14) "Title IV-E agency" shall mean the organizational unit in the state that has responsibility for administering the Title IV-E (foster care maintenance and adoption assistance) program.

(15) "Paternity blood tests" shall mean those tests used in contested paternity actions including, but not limited to, ABO and Human Leucocyte Antigen (HLA) tests administered by qualified laboratories or medical personnel.

(16) "Public assistance" shall mean money grants, assistance in kind or services to or for the benefit of needy aged, needy blind, needy permanently and totally disabled persons, needy children or persons with whom a needy child lives, or a family containing a combination of these categories.

(17) "Consumer reporting agency" shall mean any person which, for monetary fees, dues, or on a cooperative non-profit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports.

Section 5. Initiation of [Child] Support Action. [Child] support activity shall be initiated upon referral of forms from the Title IV-A or Title IV-E agency or upon application of a non-public assistance recipient to the IV-D agency or its authorized representative.

Section 6. Safeguarding Information. Pursuant to 45 CFR 303.21 and consistent with KRS 205.175 and 205.990, the cabinet will disclose information regarding recipients of child support services only to public officials or the recognized persons, such as private attorneys, acting on behalf of the recipients of child support services, who require the information for their official duties and to other persons and agencies involved with the administration of the Child Support Program or other federally assisted programs which provide cash benefits or services to needy individuals.

(1) Pursuant to 45 CFR 303.21(b), the IV-D agency may not disclose to any committee or legislative body any information that identifies by name or address any applicant or recipient.

(2) Pursuant to 45 CFR 303.105 and consistent with KRS Chapter 205, the cabinet shall disclose arrearage information to consumer reporting agencies in cases where the overdue support is greater than \$1,000. The cabinet may release

arreage information when the amount owed is less than \$1,000.

(a) The consumer reporting agency must submit a written request for such information to the cabinet.

(b) Within ten (10) calendar days of receipt of such request, the cabinet shall notify the parent owing the support of the proposed release of information. The notification must inform the parent of the methods available to contest the accuracy of the information.

(c) The parent shall contact the cabinet within twenty (20) days of the date of the above notice to contest the accuracy of the information.

Section 7. Establishing Paternity. In establishing paternity for children in the Child Support Program pursuant to the Social Security Act, the cabinet may utilize any of the provisions which are contained in Kentucky Revised Statutes related to paternity.

Section 8. Securing and Enforcing [Child] Support. In securing or enforcing [child] support for children in the Child Support Program pursuant to the Social Security Act, the cabinet may utilize any of the provisions which are contained in Kentucky Revised Statutes related to [child] support.

Section 9. Assignment of [Child] Support to IV-D Agency. (1) By accepting public assistance for or on behalf of a needy dependent child, a public assistance recipient assigns to the cabinet the right to all past due and future child support including any voluntary contributions made by the absent parent. Any support income received by AFDC recipients must be forwarded to the cabinet no later than the tenth (10th) day of the month following receipt.

(2) Non-public assistance recipients may assign their support rights to the cabinet, but these recipients are not required to make such an assignment.

Section 10. Agency Receipt of Support Payments. (1) When the support payment is made payable to the cabinet, money received is credited to the account of the non-custodial or absent parent.

(2) If [both] the amount of the current month's [child] support collection or [and] the court ordered amount, whichever is lower, [equal or] exceeds the AFDC grant by fifty (50) dollars or more, the IV-D agency will notify the IV-A agency, as required by 45 CFR 302.32.

Section 11. Non-Public Assistance Recipients. The IV-D agency will provide all services to individuals who are not recipients of public assistance benefits as provided in 45 CFR 302.33(a). Pursuant to KRS 205.721, the cabinet shall continue to provide IV-D services for the period of not less than five (5) months after the family's AFDC benefits have been discontinued. These services shall be continued indefinitely unless the client requests discontinuance of IV-D services.

(1) An application fee for these services must be paid in accordance with 45 CFR 302.33 and KRS 205.721.

(2) In addition to the fees provided for in 42 U.S.C. 453(e)(2) and 463 regarding the federal parent locator service, the state may charge a

fee for federal income tax refund intercept services in accordance with 45 CFR 303.72. Additionally, any other fee which must be paid to the federal government for services will be collected by the IV-D agency from the applicant.

Section 12. Cooperative Agreements. Pursuant to 45 CFR 302.34, 42 USC 654(7) and KRS 205.800, all eligible local officials may enter into a written agreement with the cabinet to cooperate in activities relative to the Child Support Program when approved by the cabinet. When officials enter into an agreement with the cabinet, federal financial participation (FFP) for child support activities will be provided pursuant to federal laws and regulations when billing is submitted in accordance with procedures established by the cabinet. The officials shall provide the cabinet in timely fashion such statistical information concerning IV-D activities as prescribed by the cabinet in the manner and form prescribed by the cabinet. If no agreement is executed, referrals for child support activities may be made to local law enforcement officials in accordance with the official's statutory obligations, but the officials will not be eligible for reimbursement as specified above.

Section 13. Distribution of [Child] Support Payments. Distribution of [child] support payments received by the cabinet are made in accordance with 45 CFR 302.32, 302.38, 302.51, and 302.52. The first fifty (50) dollars, up to the obligation amount, of all child support collected in a month by the cabinet for an AFDC assistance unit which represents the current month's support obligation shall be returned to the assistance unit. Rights related to hearings as written in 904 KAR 2:055 do not apply to payment of the pass-through of support collected by the IV-D agency.

Section 14. Good Cause for Refusal to Cooperate. (1) The IV-D agency or its authorized representative must immediately notify the IV-A or IV-E agency at such time as the recipient refuses to cooperate in [child] support enforcement efforts. If the IV-A or IV-E agency should determine, pursuant to laws and regulations, that the recipient has a good cause for failing to cooperate and that pursuit of [child] support action would be detrimental to the best interests of the child, the IV-D agency will not pursue any action in the child's behalf.

(2) If the agency determines that the recipient has good cause for not cooperating but that additional [child] support action would not harm the child, the IV-D agency may proceed in the name of the cabinet for the use of and in behalf of the minor dependent child pursuant to federal laws and regulations.

Section 15. Parent Locator Service. The cabinet shall use available resources to locate absent parents for children in the Child Support Program in accordance with Kentucky Revised Statutes and applicable federal laws and regulations.

Section 16. Paternity Blood Testing. Pursuant to 45 CFR 303.5(c) the IV-D agency shall identify laboratories within the state which perform legally and medically acceptable blood tests, including ABO and HLA tests, which tend

to include or exclude an alleged father in paternity proceedings under KRS Chapter 406. The IV-D agency shall make a list of such laboratories available upon request. In addition, the cabinet shall provide a list of all such laboratories to the Kentucky Bar Association and to the Administrative Office of the Courts for distribution to appropriate agencies and individuals on an annual basis.

MIKE ROBINSON, Deputy Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 28, 1986

FILED WITH LRC: May 13, 1986 at 1 p.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Roy Butler

(1) Type and number of entities affected: 3,600 additional cases with 1.5 children per case; total children 5,400.

(a) Direct and indirect costs or savings to those affected:

1. First year: \$993,600 passed on to non-AFDC clients; no charge to clients.

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: \$59,600 incentives - may be passed on to local jurisdictions with contracting officials.

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: None

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. Not applicable.

CABINET FOR HUMAN RESOURCES Department for Social Insurance Division of Management & Development (Proposed Amendment)

904 KAR 2:022. Kentucky administrative process for child support.

RELATES TO: KRS 405.400 to 405.530

PURSUANT TO: KRS 405.520

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility for administering the child support program in accordance with Title IV-D of the Social Security Act, Title 45 CFR Sections 301, 302, 303, 304, 305, 306, and 307 and KRS 205.710 to 205.800. In addition, KRS 405.400 to 405.530, the Kentucky Administrative Process for Child Support Act, provides for the establishment and enforcement of child support obligations through administrative process when paternity is not in question. The administrative process supplements existing judicial remedies for non-support. Administrative process can be used to establish and enforce support obligations for children receiving Aid to Families with Dependent Children benefits, hereinafter referred to as AFDC, as well as for non-AFDC children. This regulation sets forth the procedures the cabinet will employ in administratively establishing and enforcing child support obligations.

Section 1. Definitions. In addition to the terms defined in KRS 405.420, the following terms shall be defined as set forth below.

(1) "Administrative process" shall mean a method for establishing and enforcing child support obligations pursuant to KRS 405.400 to 405.530 and the provisions of this regulation.

(2) "Appointment letter" shall mean the cabinet's notification to the parent that the parent's liability for support of the child is being determined. A financial statement for the parent's completion will be included with the appointment letter.

(3) "Default" shall mean the parent's failure to return the financial statement and/or to keep an appointment to determine a support obligation under administrative process.

(4) "Notice of minimum monthly support obligation" shall mean an administrative order issued by the cabinet pursuant to KRS 405.440 notifying the parent of the amount of the child support obligation and of the parent's rights to request a hearing.

(5) "Dispute hearing" shall mean the process whereby the parent's objections to a notice of minimum monthly support obligation are heard by an impartial hearing officer upon a timely request.

(6) "Person in possession or control" shall mean the person who has custody of the earnings or property.

(7) "Order to withhold" shall mean an administrative order issued by the cabinet to a person in possession or control of the parent's earnings or property to withhold an amount equal to a stated arrearage to satisfy a delinquent child support obligation.

(8) "Order to deliver" shall mean an administrative order issued by the cabinet to have earnings or property, belonging to the parent, forwarded by the person in possession or control of the earnings or property to the cabinet to satisfy delinquent child support.

(9) "Delinquent support" shall mean past due and unpaid installments on an obligation determined under a court order or a Cabinet for Human Resources administrative order (KRS 405.430) for support of a dependent child, which is owed to or on behalf of the child, or for maintenance to the spouse (or former spouse) with whom the child is living, only if a maintenance obligation has been established with respect to the spouse and the support obligation established with respect to the child is being enforced under the state's IV-D plan.

(10) "Order to release withholding" shall mean an order to the person in possession or control of a parent's earnings or property notifying that person that the cabinet is releasing any claim to the designated earnings or property.

(11) "Order to withhold earnings" shall mean an administrative order issued by the cabinet to a parent's employer to withhold an amount equal to the current obligation plus an amount to be applied toward liquidation of the delinquent support.

(12) "Secretary" shall mean Secretary of the Cabinet for Human Resources or his designee.

Section 2. Administrative Establishment. The cabinet may administratively establish a child support obligation when paternity is not in question, there is no existing order for support of the child and the parent resides or is employed in Kentucky. The cabinet shall send an appointment letter and a financial statement to

the parent to assure the parent's right to participate in the establishment of the support obligation. Additionally, the cabinet may administratively establish the debt which accumulated during the first ninety (90) days of AFDC eligibility as an arrearage due the cabinet. Pursuant to KRS 205.792, the ninety (90) days may be extended.

(1) The cabinet shall determine the minimum monthly support obligation in accordance with KRS 405.430. In default cases, the cabinet shall set the obligation at the minimum cost basis on the scale for the number of children in the case.

(a) The following steps shall be used in applying the scale:

1. The gross income, less allowable deductions, of the noncustodial parent shall be added to the gross income, less allowable deductions, of the custodial parent to determine the "Annual Family Gross Income."

2. At the annual family gross income level in the left hand column, the lower of the "income cap" or "cost basis" shall be selected for the number of children in the case.

3. The noncustodial parent's gross income shall be divided by the annual family gross income to obtain the percentage of support to be apportioned to the noncustodial parent.

4. The figure selected in subparagraph 2 of this paragraph shall be multiplied by the percentage from subparagraph 3 of this paragraph to obtain the minimum monthly support obligation.

(b) The scale is set forth below:

Annual Family Gross Income	One (1) Child (20%)		Two (2) Children (25%)		Three (3) Children (30%)		Four (4) Children (35%)	
	Cost Basis	Income Cap	Cost Basis	Income Cap	Cost Basis	Income Cap	Cost Basis	Income Cap
\$ 0-\$ 1,000	\$207	\$ 60	\$325	\$ 60	\$ 436	\$ 60	\$ 542	\$ 60
\$ 1,000-\$ 1,250	\$207	\$ 60	\$325	\$ 60	\$ 436	\$ 60	\$ 542	\$ 60
\$ 1,251-\$ 1,500	\$207	\$ 60	\$325	\$ 60	\$ 436	\$ 60	\$ 542	\$ 60
\$ 1,501-\$ 1,750	\$207	\$ 60	\$325	\$ 60	\$ 436	\$ 60	\$ 542	\$ 60
\$ 1,751-\$ 2,000	\$207	\$ 60	\$325	\$ 60	\$ 436	\$ 60	\$ 542	\$ 60
\$ 2,001-\$ 2,250	\$207	\$ 60	\$325	\$ 60	\$ 436	\$ 60	\$ 542	\$ 62
\$ 2,251-\$ 2,500	\$207	\$ 60	\$325	\$ 60	\$ 436	\$ 60	\$ 542	\$ 69
\$ 2,501-\$ 2,750	\$207	\$ 60	\$325	\$ 60	\$ 436	\$ 66	\$ 542	\$ 77
\$ 2,751-\$ 3,000	\$207	\$ 60	\$325	\$ 60	\$ 436	\$ 72	\$ 542	\$ 84
\$ 3,001-\$ 3,250	\$207	\$ 60	\$325	\$ 65	\$ 436	\$ 78	\$ 542	\$ 91
\$ 3,251-\$ 3,500	\$207	\$ 60	\$325	\$ 70	\$ 436	\$ 84	\$ 542	\$ 98
\$ 3,501-\$ 3,750	\$207	\$ 60	\$325	\$ 76	\$ 436	\$ 91	\$ 542	\$ 106
\$ 3,751-\$ 4,000	\$207	\$ 65	\$325	\$ 81	\$ 436	\$ 97	\$ 542	\$ 113
\$ 4,001-\$ 4,250	\$207	\$ 69	\$325	\$ 86	\$ 436	\$ 103	\$ 542	\$ 120
\$ 4,251-\$ 4,500	\$207	\$ 73	\$325	\$ 91	\$ 436	\$ 109	\$ 542	\$ 128
\$ 4,501-\$ 4,750	\$207	\$ 77	\$325	\$ 96	\$ 436	\$ 116	\$ 542	\$ 135
\$ 4,751-\$ 5,000	\$207	\$ 81	\$325	\$ 102	\$ 436	\$ 122	\$ 542	\$ 142
\$ 5,001-\$ 5,250	\$207	\$ 85	\$325	\$ 107	\$ 436	\$ 128	\$ 542	\$ 149
\$ 5,251-\$ 5,500	\$207	\$ 90	\$325	\$ 112	\$ 436	\$ 134	\$ 542	\$ 157
\$ 5,501-\$ 5,750	\$209	\$ 94	\$325	\$ 117	\$ 436	\$ 141	\$ 542	\$ 164
\$ 5,751-\$ 6,000	\$211	\$ 98	\$325	\$ 122	\$ 436	\$ 147	\$ 542	\$ 171
\$ 6,001-\$ 6,250	\$213	\$102	\$325	\$ 128	\$ 436	\$ 153	\$ 542	\$ 179
\$ 6,251-\$ 6,500	\$215	\$106	\$325	\$ 133	\$ 436	\$ 159	\$ 542	\$ 186
\$ 6,501-\$ 6,750	\$217	\$110	\$325	\$ 138	\$ 436	\$ 166	\$ 542	\$ 193
\$ 6,751-\$ 7,000	\$219	\$115	\$325	\$ 143	\$ 436	\$ 172	\$ 542	\$ 201
\$ 7,001-\$ 7,250	\$221	\$119	\$325	\$ 148	\$ 436	\$ 178	\$ 542	\$ 208
\$ 7,251-\$ 7,500	\$223	\$123	\$325	\$ 154	\$ 436	\$ 184	\$ 542	\$ 215
\$ 7,501-\$ 7,750	\$225	\$127	\$325	\$ 159	\$ 436	\$ 191	\$ 542	\$ 222
\$ 7,751-\$ 8,000	\$227	\$131	\$325	\$ 164	\$ 436	\$ 197	\$ 542	\$ 230
\$ 8,001-\$ 8,250	\$229	\$135	\$325	\$ 169	\$ 436	\$ 203	\$ 542	\$ 237
\$ 8,251-\$ 8,500	\$232	\$140	\$325	\$ 174	\$ 436	\$ 209	\$ 542	\$ 244
\$ 8,501-\$ 8,750	\$234	\$144	\$325	\$ 180	\$ 436	\$ 216	\$ 542	\$ 252
\$ 8,751-\$ 9,000	\$236	\$148	\$325	\$ 185	\$ 436	\$ 222	\$ 542	\$ 259
\$ 9,001-\$ 9,250	\$238	\$152	\$325	\$ 190	\$ 436	\$ 228	\$ 542	\$ 266
\$ 9,251-\$ 9,500	\$240	\$156	\$325	\$ 195	\$ 436	\$ 234	\$ 542	\$ 273

ADMINISTRATIVE REGISTER - 1940

Annual Family Gross Income	One (1) Child		Two (2) Children		Three (3) Children		Four (4) Children	
	Cost Basis	(20%) Income Cap	Cost Basis	(25%) Income Cap	Cost Basis	(30%) Income Cap	Cost Basis	(35%) Income Cap
\$ 9,501-\$ 9,750	\$242	\$160	\$325	\$ 201	\$ 436	\$ 241	\$ 542	\$ 281
\$ 9,751-\$10,000	\$244	\$165	\$325	\$ 206	\$ 436	\$ 247	\$ 542	\$ 288
\$10,001-\$10,250	\$246	\$169	\$325	\$ 211	\$ 436	\$ 253	\$ 542	\$ 295
\$10,251-\$10,500	\$248	\$173	\$325	\$ 216	\$ 436	\$ 259	\$ 542	\$ 303
\$10,501-\$10,750	\$250	\$177	\$325	\$ 221	\$ 436	\$ 266	\$ 542	\$ 310
\$10,751-\$11,000	\$252	\$181	\$325	\$ 227	\$ 436	\$ 272	\$ 542	\$ 317
\$11,001-\$11,500	\$258	\$188	\$342	\$ 234	\$ 448	\$ 281	\$ 542	\$ 328
\$11,501-\$12,000	\$263	\$196	\$360	\$ 245	\$ 459	\$ 294	\$ 542	\$ 343
\$12,001-\$12,500	\$269	\$204	\$377	\$ 255	\$ 471	\$ 306	\$ 542	\$ 357
\$12,501-\$13,000	\$274	\$213	\$395	\$ 266	\$ 483	\$ 319	\$ 542	\$ 372
\$13,001-\$13,500	\$280	\$221	\$412	\$ 276	\$ 495	\$ 331	\$ 542	\$ 386
\$13,501-\$14,000	\$286	\$229	\$430	\$ 287	\$ 506	\$ 344	\$ 542	\$ 401
\$14,001-\$14,500	\$291	\$238	\$447	\$ 297	\$ 518	\$ 356	\$ 544	\$ 416
\$14,501-\$15,000	\$297	\$246	\$465	\$ 307	\$ 530	\$ 369	\$ 556	\$ 430
\$15,001-\$15,500	\$302	\$254	\$482	\$ 318	\$ 542	\$ 381	\$ 569	\$ 445
\$15,501-\$16,000	\$308	\$263	\$500	\$ 328	\$ 553	\$ 394	\$ 581	\$ 459
\$16,001-\$16,500	\$313	\$271	\$517	\$ 339	\$ 565	\$ 406	\$ 593	\$ 474
\$16,501-\$17,000	\$319	\$279	\$521	\$ 349	\$ 577	\$ 419	\$ 606	\$ 489
\$17,001-\$17,500	\$325	\$288	\$524	\$ 359	\$ 589	\$ 431	\$ 618	\$ 503
\$17,501-\$18,000	\$330	\$296	\$528	\$ 370	\$ 600	\$ 444	\$ 630	\$ 518
\$18,001-\$18,500	\$336	\$304	\$531	\$ 380	\$ 612	\$ 456	\$ 643	\$ 532
\$18,501-\$19,000	\$341	\$313	\$535	\$ 391	\$ 624	\$ 469	\$ 655	\$ 547
\$19,001-\$19,500	\$347	\$321	\$538	\$ 401	\$ 636	\$ 481	\$ 668	\$ 561
\$19,501-\$20,000	\$353	\$329	\$542	\$ 411	\$ 648	\$ 494	\$ 680	\$ 576
\$20,001-\$20,500	\$358	\$338	\$545	\$ 422	\$ 660	\$ 506	\$ 693	\$ 591
\$20,501-\$21,000	\$364	\$346	\$549	\$ 432	\$ 671	\$ 519	\$ 705	\$ 605
\$21,001-\$21,500	\$369	\$354	\$552	\$ 443	\$ 683	\$ 531	\$ 717	\$ 620
\$21,501-\$22,000	\$375	\$363	\$556	\$ 453	\$ 695	\$ 544	\$ 730	\$ 634
\$22,001-\$22,500	\$384	\$371	\$559	\$ 464	\$ 702	\$ 556	\$ 737	\$ 649
\$22,501-\$23,000	\$393	\$379	\$563	\$ 474	\$ 709	\$ 569	\$ 744	\$ 664
\$23,001-\$23,500	\$402	\$388	\$566	\$ 484	\$ 716	\$ 581	\$ 751	\$ 678
\$23,501-\$24,000	\$410	\$396	\$570	\$ 495	\$ 722	\$ 594	\$ 759	\$ 693
\$24,001-\$24,500	\$419	\$404	\$573	\$ 505	\$ 729	\$ 606	\$ 766	\$ 707
\$24,501-\$25,000	\$428	\$413	\$577	\$ 516	\$ 736	\$ 619	\$ 773	\$ 722
\$25,001-\$25,500	\$437	\$421	\$580	\$ 526	\$ 743	\$ 631	\$ 780	\$ 736
\$25,501-\$26,000	\$446	\$429	\$584	\$ 536	\$ 750	\$ 644	\$ 787	\$ 751
\$26,001-\$26,500	\$455	\$438	\$587	\$ 547	\$ 757	\$ 656	\$ 795	\$ 766
\$26,501-\$27,000	\$464	\$446	\$591	\$ 557	\$ 764	\$ 669	\$ 802	\$ 780
\$27,001-\$27,500	\$472	\$454	\$594	\$ 568	\$ 771	\$ 681	\$ 809	\$ 795
\$27,501-\$28,000	\$481	\$463	\$598	\$ 578	\$ 777	\$ 694	\$ 816	\$ 809
\$28,001-\$28,500	\$490	\$471	\$601	\$ 589	\$ 784	\$ 706	\$ 823	\$ 824
\$28,501-\$29,000	\$499	\$479	\$605	\$ 599	\$ 791	\$ 719	\$ 831	\$ 839
\$29,001-\$29,500	\$508	\$488	\$608	\$ 609	\$ 798	\$ 731	\$ 838	\$ 853
\$29,501-\$30,000	\$517	\$496	\$612	\$ 620	\$ 805	\$ 744	\$ 845	\$ 868
\$30,001-\$30,500	\$526	\$504	\$615	\$ 630	\$ 812	\$ 756	\$ 852	\$ 882
\$30,501-\$31,000	\$535	\$513	\$619	\$ 641	\$ 819	\$ 769	\$ 859	\$ 897
\$31,001-\$31,500	\$543	\$521	\$622	\$ 651	\$ 825	\$ 781	\$ 867	\$ 911
\$31,501-\$32,000	\$552	\$529	\$626	\$ 661	\$ 832	\$ 794	\$ 874	\$ 926
\$32,001-\$32,500	\$561	\$538	\$629	\$ 672	\$ 839	\$ 806	\$ 881	\$ 941
\$32,501-\$33,000	\$570	\$546	\$633	\$ 682	\$ 846	\$ 819	\$ 888	\$ 955
\$33,001-\$34,000	\$575	\$558	\$647	\$ 698	\$ 860	\$ 838	\$ 903	\$ 977
\$34,001-\$35,000	\$581	\$575	\$661	\$ 719	\$ 873	\$ 863	\$ 917	\$1,006
\$35,001-\$36,000	\$586	\$592	\$675	\$ 740	\$ 887	\$ 888	\$ 932	\$1,035
\$36,001-\$37,000	\$591	\$608	\$690	\$ 760	\$ 901	\$ 913	\$ 946	\$1,065
\$37,001-\$38,000	\$597	\$625	\$704	\$ 781	\$ 915	\$ 938	\$ 960	\$1,094
\$38,001-\$39,000	\$602	\$642	\$718	\$ 802	\$ 928	\$ 963	\$ 975	\$1,123
\$39,001-\$40,000	\$607	\$658	\$732	\$ 823	\$ 942	\$ 988	\$ 989	\$1,152
\$40,001-\$41,000	\$613	\$675	\$746	\$ 844	\$ 956	\$1,013	\$1,004	\$1,181
\$41,001-\$42,000	\$618	\$692	\$760	\$ 865	\$ 970	\$1,038	\$1,018	\$1,210
\$42,001-\$43,000	\$623	\$708	\$774	\$ 885	\$ 983	\$1,063	\$1,032	\$1,240
\$43,001-\$44,000	\$629	\$725	\$788	\$ 906	\$ 997	\$1,088	\$1,047	\$1,269
\$44,001-\$45,000	\$634	\$742	\$803	\$ 927	\$1,020	\$1,113	\$1,071	\$1,298
\$45,001-\$46,000	\$639	\$758	\$817	\$ 948	\$1,044	\$1,138	\$1,096	\$1,327
\$46,001-\$47,000	\$644	\$775	\$831	\$ 969	\$1,067	\$1,163	\$1,121	\$1,356
\$47,001-\$48,000	\$650	\$792	\$845	\$ 990	\$1,091	\$1,188	\$1,145	\$1,385
\$48,001-\$49,000	\$655	\$808	\$859	\$1,010	\$1,114	\$1,213	\$1,170	\$1,415
\$49,001-\$50,000	\$660	\$825	\$873	\$1,031	\$1,138	\$1,238	\$1,196	\$1,444
\$50,001-\$51,000	\$666	\$842	\$987	\$1,052	\$1,161	\$1,263	\$1,219	\$1,473
\$51,001-\$52,000	\$671	\$858	\$902	\$1,073	\$1,185	\$1,288	\$1,244	\$1,502

ADMINISTRATIVE REGISTER - 1941

Annual Family Gross Income	One (1) Child (20%)		Two (2) Children (25%)		Three (3) Children (30%)		Four (4) Children (35%)	
	Cost Basis	Income Cap	Cost Basis	Income Cap	Cost Basis	Income Cap	Cost Basis	Income Cap
\$52,001-\$53,000	\$676	\$875	\$916	\$1,094	\$1,208	\$1,313	\$1,268	\$1,531
\$53,001-\$54,000	\$682	\$892	\$930	\$1,115	\$1,232	\$1,338	\$1,293	\$1,560
\$54,001-\$55,000	\$687	\$908	\$944	\$1,135	\$1,255	\$1,363	\$1,318	\$1,590
\$55,001 Plus	\$676		\$944		\$1,255		\$1,318	

(2) After the minimum monthly support obligation and arrearage due the cabinet have been determined, the cabinet shall serve the notice of minimum monthly support obligation upon the parent either in person or by certified mail, return receipt requested, in accordance with KRS 405.440.

(a) The effective date of the obligation is the first day of the month following the month the parent receives the notice of minimum monthly support obligation.

(b) In accordance with KRS 405.430(2), the cabinet may modify the minimum monthly support obligation as established by the cabinet. [However, the cabinet shall not modify any obligation which was established by a court of competent jurisdiction.]

1. If, while verifying the income information, the cabinet finds that the parent's earnings are greater than what was previously reported, the cabinet may increase the support obligation. The cabinet may recover additional support which should have been paid under the correct obligation.

2. The cabinet shall not modify any obligation which was established by a court of competent jurisdiction.

Section 3. Appeal Procedures. The parent may request a dispute hearing in accordance with KRS 405.440. An impartial hearing officer shall conduct the dispute hearing in the county of the child's or parent's residence. The hearing shall be scheduled within sixty (60) days of the parent's request. The parent may request a hearing pursuant to the instructions in the notice of minimum monthly support obligation.

(1) The request for a dispute hearing will be considered timely if:

(a) Made within twenty (20) days of receipt of a notice of minimum monthly support obligation;

(b) Made within twenty (20) days after the parent is notified that a request for modification of the obligation will not be honored; or

(c) Made after thirty (30) days but before fifty (50) days have passed since the parent requested a modification of the obligation, but the cabinet has not acted upon the request.

(2) If the request is not made within the time period specified in subsection (1) of this section, the parent must show good cause for the late request. Good cause reasons may include, but are not limited to:

(a) The parent's being away from home during the entire filing period;

(b) The parent's inability to read the notice of minimum monthly support obligation; or

(c) The parent's incapacity due to a serious illness during the entire filing period.

(3) The parent or his/her authorized representative may review case material pertinent to the reason for the dispute and may present witnesses at the hearing.

(4) If the objection is being filed on an original notice of minimum monthly support obligations, the obligation shall be stayed pursuant to KRS 405.450(2).

(5) If the objection is being filed on a request for modification of obligation, the amount on the prior notice is enforceable and that amount must be paid while the hearing is pending.

(a) If the parent prevails, the cabinet shall promptly return to the parent any overpayments made since the hearing was requested.

(b) If the cabinet prevails, the obligation will be retroactive to the effective date on the notice of minimum monthly support obligation.

(6) The parent may withdraw the hearing request by writing to the local IV-D office or the Hearing Branch in the Department for Social Insurance's Division of Administrative Review.

(7) The parent or the cabinet may file an appeal to the circuit court within twenty (20) days after receipt of the hearing officer's decision pursuant to KRS 405.450.

Section 4. Mandatory Withholding of Earnings. The cabinet shall initiate withholding of earnings procedures when a delinquency equal to the amount of support payable for one (1) month is identified. The cabinet will issue advance notice to the parent prior to the implementation of the withholding.

(1) The advance notice to the parent, to be sent by certified mail, return receipt requested, shall contain at a minimum the following information:

(a) The amount of the delinquent support and the amount to be withheld, including the amount to be applied toward the liquidation of overdue support;

(b) Notification that the order to withhold earnings applies to the parent's current and any subsequent employers;

(c) That only mistakes of fact, i.e., wrong person identified or incorrect amount of overdue or current support, may be contested;

(d) Procedures for contesting the order; and

(e) Notification that the parent must contact the cabinet within ten (10) days from the date the notice was received to contest the order. Failure to contact the cabinet in a timely fashion will result in the implementation of the withholding.

(2) If the parent contests the withholding of earnings, he/she must be given an opportunity to state and defend his case, including the right to present to the cabinet copies of subsequent support orders and/or payment records.

(a) Within forty-five (45) days of the date of the advance notice, the cabinet must determine whether withholding of earnings is appropriate and notify the parent of the results of the case review.

(b) If withholding is to begin, a copy of the order to withhold earnings shall be sent to the

parent.

(3) The order to withhold earnings shall be served on the employer by certified mail, return receipt requested. It shall include at a minimum the following information:

(a) The parent's Social Security Number;
(b) The amount to be withheld, including amounts to be applied toward delinquent support;

(c) Notification that the total withheld cannot exceed the maximum permissible under the Consumer Credit Protection Act;

(d) Notification that withholding must begin no later than the first pay period that occurs after fourteen (14) days following the date the order to withhold earnings was mailed;

(e) That the employer must send the remittance to the agency designated by the cabinet within ten (10) days of date the employee is paid;

(f) That the employer may combine amounts due the agency designated by the cabinet into one (1) transmittal provided that the employer identifies by IV-D account number and/or Social Security Number the amount attributable to each parent;

1. If more than one (1) order against the parent exists, the cabinet will allocate the payments among the parent's cases;

2. Payments will first be applied toward the current month's support obligation(s);

3. In cases where there are multiple orders being enforced by the cabinet against the parent, payments will be credited first to the account of the case containing the oldest support order;

(g) That the order to withhold earnings is binding until further notice and that the employer will be liable for the accumulated amount if he fails to abide by the order;

(h) That pursuant to KRS Chapter 405, the employer will be subject to a fine and/or a jail sentence for discharging, refusing to employ, or taking disciplinary action against the parent because of the withholding of earnings; and

(i) That the employer must notify the cabinet when the parent's employment is terminated, giving the cabinet the new employer's name and address and the parent's last known address, if known.

(4) The order to withhold earnings may be terminated as deemed appropriate by the secretary; however, payment of the delinquent support shall not constitute the sole basis for the prevention or termination of the order to withhold earnings.

(5) The cabinet may initiate withholding of earnings procedures prior to the accumulation of one (1) month's arrearage upon the request of the parent obligated to pay the support.

Section 5. [4.] Additional Administrative Enforcement Remedies. Whenever the cabinet determines that the parent owes delinquent support, the cabinet may implement administrative enforcement remedies to collect the delinquent support amounts. Personal property shall be exempted from attachment as specified in KRS Chapter 427.

(1) Order to withhold. When a delinquency equal to the amount of support payable for one (1) month [of thirty-two (32) days or more] is identified, the cabinet shall determine the total amount of support owed. The cabinet shall serve an order to withhold to the person(s) in possession or control of the parent's earnings or property. A copy of the order to withhold

shall be provided to the parent. The order shall state the basis for and the amount of the delinquent support and shall state that the parent may offer a bond satisfactory to the cabinet to avoid losing possession of the property.

(a) When one (1) or more person(s) in possession or control of the parent's earnings or property is identified, the cabinet may issue and serve an order to withhold for each person in possession or control. When more than one (1) person in possession or control answers the order to withhold and the combined assets exceed the amount of the delinquent support, the cabinet shall:

1. Decide which person in possession or control to serve with an order to deliver. The cabinet may take into consideration the parent's request as to which source to withhold.

2. Send an order to release withholding to any person in possession or control not being served with an order to deliver.

3. Request only a portion of an asset to satisfy the delinquent support when the total asset exceeds the amount of delinquent support.

(b) The parent may contact the cabinet for an explanation of administrative enforcement. The cabinet may accept partial payment sufficient to release the order to withhold when deemed appropriate by the secretary.

(2) Order to deliver. When the employer or the person in possession or control of the earnings or property responds to the order to withhold, the cabinet may complete and serve on the person in possession or control an order to deliver the earnings and/or property to the cabinet. Earnings or property delivered to the cabinet in accordance with an order to deliver shall be applied to the amount of delinquent support pursuant to federal law.

(3) Order to release withholding. The cabinet shall issue and serve an order to release withholding on its claim on the parent's earnings or property when the stated delinquent support is satisfied.

MIKE ROBINSON, Deputy Commissioner
E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: May 5, 1986

FILED WITH LRC: May 13, 1986 at 1 p.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Roy Butler

(1) Type and number of entities affected: 5,520 cases; 8,280 children (1.5 per case).

(a) Direct and indirect costs or savings to those affected:

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative

body:

- (a) Direct and indirect costs or savings:
 1. First year: \$2.4 million increased collections; \$182,000 state share salary and expenses for 26 staff; \$2.2 million net benefit.
 2. Continuing costs or savings:
 3. Additional factors increasing or decreasing costs:
- (b) Reporting and paperwork requirements: None
- (3) Assessment of anticipated effect on state and local revenues: \$365,645 incentives, some of which will be passed to local jurisdictions.
- (4) Assessment of alternative methods; reasons why alternatives were rejected:
- (5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication:
- (a) Necessity of proposed regulation if in conflict:
- (b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:
- (6) Any additional information or comments:

Tiering:

Was tiering applied? No. Not applicable.

CABINET FOR HUMAN RESOURCES
Department for Social Insurance
Division of Management & Development
(Proposed Amendment)

904 KAR 2:140. Supplementary policies for programs administered by the Department for Social Insurance.

RELATES TO: KRS 194.030(6), Chapter 205

PURSUANT TO: KRS 194.050

NECESSITY AND FUNCTION: KRS 194.010 designates the Cabinet for Human Resources as the primary state agency responsible for the development and operation of assistance programs, and KRS 194.050 empowers the secretary of the Cabinet for Human Resources to adopt, administer and enforce regulations sufficient to operate the programs and fulfill the responsibilities vested in the cabinet. This regulation states the general policy of the cabinet with regard to program materials incorporated into regulatory form by reference for use by the Department for Social Insurance, and incorporates by reference materials related to the programs of aid to families with dependent children, medical assistance, home energy assistance, refugee assistance, food stamps, child support enforcement, state supplemental payments for the aged, blind or disabled, disability determination, and collections which are essential for the implementation of those programs.

Section 1. General Policy Relating to Program Materials Incorporated by Reference. (1) Kentucky administrative regulations relating to program matters reflect the policy of the cabinet with regard to the issues addressed in the regulation.

(2) Materials incorporated by reference shall be construed and interpreted in such a manner as to be consistent with the intent of agency policy as reflected in Kentucky administrative regulations, and shall be considered the agency statement of policy with regard to issues not otherwise addressed in Kentucky administrative

regulations.

Section 2. Incorporation by Reference. The following listed materials are hereby incorporated by reference, effective on the date shown.

(1) Department for Social Insurance Manual of Operations, effective May [February] 1, 1986. The Manual of Operations provides operating instructions, procedural detail, and technical clarification for use of the department's field staff in implementing programs, under the authority of the department, including: aid to families with dependent children; refugee assistance; home energy assistance; child support enforcement; state supplementary payments; and medical assistance.

(2) Department for Social Insurance Manual of Forms, effective May [February] 1, 1986. The Manual of Forms provides forms with instructions for completion, usage, distribution and files maintenance for use of the department's field staff in implementing programs under the authority of the department, including: aid to families with dependent children; refugee assistance; home energy assistance; child support enforcement; state supplementary payments; medical assistance; and the food stamp program.

(3) Federal regulations at 45 CFR Parts 16, 74, and 95, effective May 1, 1986 [October 1, 1985]. Part 16, Procedures of the Departmental Grant Appeals Board, provides requirements and procedures applicable to resolution of certain disputes arising under several assistance programs funded by the United States Department of Health and Human Services. Part 74, Administration of Grants, establishes uniform requirements for the administration of grants provided under the authority of the United States Department of Health and Human Services, and principles for determining costs applicable to activities assisted by Department of Health and Human Services grants. Part 95, General Administration - Grant Programs (Public Assistance and Medical Assistance), establishes requirements of the United States Department of Health and Human Services for various administrative matters relating to grant programs, including time limits for states to file claims, cost allocation plans, and conditions for federal financial participation for automatic data processing equipment and services.

Section 3. All documents incorporated by reference herein may be reviewed during regular working hours in the Division of Management and Development, Department for Social Insurance, 275 East Main Street, Frankfort, Kentucky.

MIKE ROBINSON, Deputy Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 29, 1986

FILED WITH LRC: May 13, 1986 at 8 a.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main

Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Roy Butler

(1) Type and number of entities affected: All recipients of assistance programs administered by the Department for Social Insurance.

(a) Direct and indirect costs or savings to those affected: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings: *None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: None

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: *Costs or savings are shown in the impact analysis for the governing regulations which show any policy changes.

Tiering:

Was tiering applied? No. Not applicable for public assistance regulations.

CABINET FOR HUMAN RESOURCES

Department for Social Insurance
Division of Management & Development
(Proposed Amendment)

904 KAR 2:150. Incorporation by reference of materials relating to the Aid to Families with Dependent Children Program.

RELATES TO: KRS 194.030(6), 205.200, 205.220, 205.231

PURSUANT TO: KRS 194.050

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility under the provisions of KRS Chapter 205 to administer public assistance programs under Title IV-A of the Social Security Act, namely Aid to Families with Dependent Children, herein referred to as AFDC. This regulation incorporates into regulatory form, by reference, materials used by the cabinet in the implementation of the AFDC program.

Section 1. Incorporation by Reference. The cabinet shall incorporate by reference materials used in the implementation of the Aid to Families with Dependent Children Program, subject to the provisions contained in 904 KAR 2:140, Section 1, Supplementary policies for programs administered by the Department for

Social Insurance.

Section 2. Listing of Incorporated Materials. The following listed materials are hereby incorporated by reference, effective on the date shown:

(1) Federal regulations at 45 CFR Parts 200-299, which set forth the federal requirements and guidelines for the administration of the Aid to Families with Dependent Children Program, effective April [February] 1, 1986; and

(2) Federal action transmittals, which provide operating instructions, procedural detail and technical clarification for use by the department's staff in administering the Aid to Families with Dependent Children Program, as follows: SSA-AT-77-44, 78-13, 78-14, 78-16, 78-21, 78-27, 78-28, 78-38, 79-2, 79-4, 79-5, 79-7, 79-11, 79-14, 79-18, 79-22, 79-26, 79-29, 79-31, 79-32, 79-33, 79-35, 79-42, 79-44, 80-2, 80-3, 80-9, 80-11, 80-19, 80-22, 80-24, 80-29, 80-30, 80-36, 80-38, 80-42, 80-44, 80-45, 80-50, 81-2, 81-7, 81-8, 81-10, 81-11, 81-12, 81-15, 81-16, 81-17, 81-18, 81-23, 81-29, 81-31, 81-33, 81-34, 81-35, 81-36, 81-37, 82-1, 82-5, 82-6, 82-9, 82-11, 82-13, 82-15, 82-16, 82-17, 82-18, 82-19, 82-20, 82-28, 82-33, 82-34, 83-6, 83-7, 83-10, 83-11, 83-13, 83-14, 83-17, 83-18, 83-21, 83-22, 83-23, 83-25, 83-27, 84-2, 84-3, 84-5, 84-6, 84-7, 84-8, 84-9, 84-13, 84-16, 84-25, 85-10 and 85-27, 86-1, effective April [February] 1, 1986.

Section 3. All documents incorporated by reference herein may be reviewed during regular working hours in the Division of Management and Development, Department for Social Insurance, 275 East Main Street, Frankfort, Kentucky.

MIKE ROBINSON, Deputy Commissioner
E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 29, 1986

FILED WITH LRC: May 13, 1986 at 8 a.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Roy Butler

(1) Type and number of entities affected: All applicants and recipients of the public assistance program administered by the state.

(a) Direct and indirect costs or savings to those affected: Minimal

1. First year: Unknown

2. Continuing costs or savings: Unknown

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body: Development of the Income and Eligibility Verification System (IEVS).

(a) Direct and indirect costs or savings: Cost of development and ongoing operation of IEVS. Unknown cost savings from information found

during the system match.

1. First year: \$32,000 estimated developmental cost for IEVS.

2. Continuing costs or savings: \$8,000 estimated ongoing computer costs.

3. Additional factors increasing or decreasing costs: Number, frequency, and complexity of system matches.

(b) Reporting and paperwork requirements: System matches for all applicants and recipients of public assistance will be required, including Medical Assistance. There are 234,446 participating individuals.

(3) Assessment of anticipated effect on state and local revenues: No impact.

(4) Assessment of alternative methods; reasons why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict: N/A

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions: N/A

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. Not applicable for public welfare regulations.

CABINET FOR HUMAN RESOURCES
Department for Social Insurance
Division of Management & Development
(Proposed Amendment)

904 KAR 2:170. Incorporation by reference of materials relating to the Child Support Program.

RELATES TO: KRS 205.795

PURSUANT TO: KRS 194.050

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility for administering the Child Support Program in accordance with Title IV-D of the Social Security Act and KRS 205.710 to 205.800, 205.992, and KRS 405.400 to KRS 405.530. This regulation incorporates into regulatory form, by reference, materials used by the cabinet in the implementation of the Child Support Program.

Section 1. Incorporation by Reference. The cabinet shall incorporate by reference materials used in the implementation of the Child Support Program, subject to the provisions contained in 904 KAR 2:140, Section 1, Supplementary Policies for Programs Administered by the Department for Social Insurance.

Section 2. Listing of Incorporated Materials. The following listed materials are hereby incorporated by reference, effective on the date shown:

(1) Federal child support regulations at 45 CFR Parts 300-399, which set forth the requirements and guidelines for the administration of the Child Support Program, effective February 1, 1986;

(2) Federal Office of Child Support Enforcement Action Transmittals, which provide federal program instructions for the implementation of the child support enforcement program in accordance with federal laws and regulations, as follows: OCSE-AT-75-5, 75-6,

76-1, 76-2, 76-5, 76-7, 76-8, 76-9, 76-14, 76-21, 76-22, 76-23, 77-3, 77-14, 78-2, 78-5, 78-6, 78-8, 78-16, 78-18, 79-2, 79-3, 79-6, 79-7, 79-8, 80-5, 80-9, 80-11, 80-17, 81-7, 81-12, 81-26, 82-17, 83-15, 83-18, [and] 84-05, and 86-04, effective May 1, 1986 [October 1, 1984];

(3) Department for Social Insurance Child Support Manual of Procedures, which provides operational instructions and procedural detail for the implementation of the child support enforcement program, effective May [February] 1, 1986;

(4) Department for Social Insurance Child Support System Handbook, which provides systems and data processing instructions for the implementation of the child support enforcement program, effective October 1, 1985;

(5) Department for Social Insurance Child Support Action Memorandums, which provide program clarifications, instructions, and procedural detail for the implementation of the child support enforcement program, as follows: DCSE-AM-82-07, 82-36, 83-16, 83-21, 83-30, 83-31, 83-38, 83-39, 84-10, 84-16, 84-18, 84-19, 84-20, 84-29, 84-34, 84-36, 85-10, 85-19, 85-22, 85-30, 85-32 and errata, 85-36, 85-39, [and] 85-42, 86-09, and 86-12, effective May [February] 1, 1986; and

(6) Department for Social Insurance Child Support Administrative Process Manual, which provides operational instructions and procedural detail for the implementation of administrative procedures in the child support enforcement program, effective May [February] 1, 1986.

Section 3. All documents incorporated by reference herein may be reviewed during regular working hours in the Division of Management and Development, Department for Social Insurance, 275 East Main Street, Frankfort, Kentucky.

MIKE ROBINSON, Deputy Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 29, 1986

FILED WITH LRC: May 13, 1986 at 8 a.m.

PUBLIC HEARING SCHEUDLED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Roy Butler

(1) Type and number of entities affected: All recipients of IV-D services and associated absent responsible parents.

(a) Direct and indirect costs or savings to those affected: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings: None

1. First year:

2. Continuing costs or savings:
3. Additional factors increasing or decreasing costs:
 - (b) Reporting and paperwork requirements: None
 - (3) Assessment of anticipated effect on state and local revenues:
 - (4) Assessment of alternative methods; reasons why alternatives were rejected:
 - (5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication:
 - (a) Necessity of proposed regulation if in conflict:
 - (b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:
 - (6) Any additional information or comments: Results in no fiscal impact.

Tiering:

Was tiering applied? No. Not applicable to the Child Support Program.

**CABINET FOR HUMAN RESOURCES
Department for Social Insurance
Division of Management & Development
(Proposed Amendment)**

904 KAR 3:020. Eligibility requirements.

RELATES TO: KRS 194.050

PURSUANT TO: KRS 194.050

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility to administer a Food Stamp Program as prescribed by the Food Stamp Act of 1977, as amended, and 7 CFR Part 270 through 280. KRS 194.050 provides that the secretary shall, by regulation, develop policies and operate programs concerned with the welfare of the citizens of the Commonwealth. This regulation sets forth the eligibility requirements used by the cabinet in the administration of the Food Stamp Program.

Section 1. Eligibility Requirements. In accordance with regulations promulgated by the Food and Nutrition Service (FNS), of the United States Department of Agriculture, national uniform standards of eligibility for the Food Stamp Program, composed of both financial and non-financial criteria, shall be utilized. Financial criteria shall consist of income and resource limitations. Non-financial criteria shall consist of certain technical factors. Participation in the program shall be limited to those households whose incomes are determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet. The income eligibility standards are derived from the Office of Management and Budget's (OMB) non-farm income poverty guidelines.

Section 2. Countable Income. All income from any source shall be counted, except income specifically excluded in Section 3 of this regulation, including but not limited to:

- (1) Wages earned by a household member, including all wages received by a striker the month prior to the month of the strike, or the month of application, in accordance with 7 CFR Part 273.1(g).
- (2) The gross income of a self-employment enterprise, including the total gain from the sale of any capital goods or equipment related

to the business, excluding the cost of doing business.

(3) Training allowance from vocational and rehabilitative programs recognized by federal, state or local governments, to the extent that they are not reimbursements.

(4) Payments under Title I (Volunteers in Service to America, University Year for Action, etc.) of the Domestic Volunteer Service Act of 1973 shall be considered earned income unless specifically excluded in 7 CFR Part 273.9(c)(10)(iii).

(5) The earned or unearned income of excluded household members as set forth in 904 KAR 3:035, Section 5(3).

(6) Assistance payments from federal or federally aided public assistance such as supplemental security income (SSI) or aid to families with dependent children (AFDC); general assistance (GA) programs, or other assistance programs based on need.

(7) Annuities; pensions; retirement; veteran's or disability benefits; worker's or unemployment compensation; strike pay; old-age, survivors, or social security benefits; foster care payments for children or adults; gross income minus the cost of doing business derived from rental property in which a household member is not actively engaged in the management of the property at least twenty (20) hours a week.

(8) Wages earned by a household member which are garnisheed or diverted by an employer and paid to a third party for a household expense.

(9) Support or alimony payments made directly to the household from nonhousehold members and/or any portion of such payments returned to the household by the cabinet.

(10) Such portion of scholarships, educational grants, fellowships, deferred payment loans for education, veterans educational benefits and the like which are not excludable under Section 3(6) of this regulation.

(11) Payments from government sponsored programs, dividends, interest, royalties, and all other direct money payments from any source which can be construed to be a gain or benefit.

(12) Monies withdrawn or dividends which are or could be received from a trust fund considered to be excludable under 7 CFR Part 273.8(e)(8) by a household, unless otherwise exempt under the provisions set forth in 7 CFR Part 273.9(c).

(13) That amount of monthly income of an alien's sponsor and the sponsor's spouse (if living with the sponsor) that has been deemed to be that of the alien in accordance with 7 CFR Part 273.11(h).

(14) Assistance monies from another program, as specified in 7 CFR 273.11(j), which are withheld for purposes of recouping an overpayment which resulted from the household's intentional failure to comply with that program's requirements. These withheld monies shall be considered as income in accordance with 7 CFR 273.11(j).

Section 3. Income Exclusions. The following payments shall not be considered as income:

- (1) Money withheld from an assistance payment, earned income or other income source, or monies received from any income source which are voluntarily or involuntarily returned, to repay a prior overpayment received from that income source, provided the overpayment was not excludable in accordance with 7 CFR Part

273.9(c). However, monies withheld, as specified in Section 2, subsection (14) of this regulation shall not be excluded.

(2) Child support payments received by AFDC recipients which must be transferred to the division administering Title IV-D of the Social Security Act, as amended, to maintain AFDC eligibility. However, any portion of such monies returned to the household by the cabinet shall not be excluded.

(3) Any gain or benefit which is not in the form of money payable directly to the household.

(4) Money payments that are not payable directly to a household, but are paid to a third party for a household expense are excludable as a vendor payment.

(5) Any income in the certification period which is received too infrequently or irregularly to be reasonably anticipated, but not in excess of thirty (30) dollars in a quarter.

(6) Educational loans on which payment is deferred, grants, scholarships, fellowships, veteran educational benefits, and the like to the extent that they are used for tuition and mandatory fees at an institution of higher education, including correspondence schools at that level, or a school at any level for the physically or mentally handicapped.

(7) All loans, including loans from private individuals as well as commercial institutions, other than educational loans on which repayment is deferred.

(8) Reimbursements for past or future expenses to the extent they do not exceed actual expenses, and do not represent a gain or benefit to the household.

(9) Money received and used for the care and maintenance of a third party beneficiary who is not a household member.

(10) The earned income of children who are members of the household, who are students at least half-time and who have not attained their eighteenth birthday.

(11) Money received in the form of a non-recurring lump-sum payment.

(12) The cost of producing self-employment income. If the cost of producing farm self-employment income exceeds the income derived from self-employment farming as defined in CFR Part 273.11(a), such losses shall be offset against any other countable income in the household.

(13) Any income specifically excluded by any other federal statute from consideration as income for the purpose of determining eligibility for the Food Stamp Program.

(14) Any energy assistance payments made under federal laws or certified as excludable energy payments by FNS.

Section 4. Income Eligibility Standards. Participation in the Food Stamp Program is limited to those households whose incomes fall at or below the applicable standards as established by FNS and which are set forth below:

(1) Households which contain a member who is elderly or disabled as defined in 904 KAR 3:010, Section 1(10) shall have their net income compared to 100 percent of the federal income poverty guidelines.

(2) All other households shall have their gross income (total income after excluded income has been disregarded but before any deductions have been made) compared to 130 percent of the

federal income poverty guidelines and their net income compared to 100 percent of the federal income poverty guidelines.

Section 5. Income Deductions. The following shall be allowable income deductions:

(1) A standard deduction per household per month. This standard shall be periodically adjusted by FNS to reflect changes in the cost of living for a prior period of time as determined by FNS.

(2) Twenty (20) [Eighteen (18)] percent of gross earned income.

(3) Payments for the actual cost for the care of a child or other dependent when necessary for a household member to seek, accept or continue employment or attend training or pursue education preparatory to employment. This deduction for non-elderly/non-disabled households shall not exceed the child care maximum established by FNS. Elderly/disabled households with a child care deduction shall not exceed the excess shelter maximum established by FNS. [This deduction shall not exceed the excess shelter/child care maximum established by FNS.]

(4) Monthly shelter cost in excess of fifty (50) percent of the household's income after all other allowable deductions have been made. The shelter deduction [alone or in combination with the dependent care deduction in subsection (3) of this section] shall not exceed the excess shelter[/child care] maximum established by FNS, except that households containing an elderly or disabled member shall not be subject to said maximum in regards to the shelter deduction. The excess shelter[/child care] maximum shall be adjusted periodically by FNS to reflect changes in the cost of living for a prior period of time. Allowable monthly shelter expenses shall be those expenses outlined in 7 CFR Part 273.9(d)(5). The cabinet shall develop a standard utility allowance for use in calculating shelter cost for those households which incur heating/cooling (by air conditioning units only) costs separate and apart from their rent or mortgage payments in accordance with 7 CFR Part 273.9(d)(6). If the household is not entitled to the utility standard or does not choose to use the utility standard, it may claim actual utility expenses for any utility which it does pay separately. The standard utility allowance shall be adjusted at least annually to reflect changes in the cost of utilities.

(5) Allowable medical expenses, excluding special diets, in excess of thirty-five (35) dollars per month incurred by any household member who meets the definition of elderly or disabled, as set forth in 7 CFR Part 271.2, are those meeting the criteria set forth in 7 CFR Part 273.9(d)(3) including, but not limited to:

- (a) Medical and dental care;
- (b) Hospitalization or outpatient treatment and nursing care;
- (c) Medication and medical supplies;
- (d) Health and hospitalization premiums; and
- (e) Dentures, hearing aids, eyeglasses and prosthetics.

Section 6. Resources. Uniform national resource standards of eligibility shall be utilized. Eligibility shall be denied or terminated if the total value of a household's liquid and non-liquid resources, not exempt under Section 7 of this regulation and in accordance with 7 CFR Part 273.8, exceed:

- (1) \$3000: for all households with one (1) [two (2)] or more members, when at least one (1) member is sixty (60) years or older; or
- (2) \$2000 [1500]: for all other households.
- (3) Households in which all members receive AFDC benefits and whose gross income does not exceed 130 percent of the federal income poverty guidelines shall be considered as having met the food stamp resource requirement.

Section 7. Exempt Resources. The following resources shall not be considered in determining eligibility:

- (1) The home and surrounding property which is not separated from the home by intervening property owned by others.
- (2) Household goods, personal effects including one (1) burial plot per household member, the cash value of life insurance policies and pension funds (except that Keogh plans which involve no contractual relationship with individuals who are not household members and Individual Retirement Accounts shall not be exempt), and prepaid burial plans if a contractual agreement for repayment must be signed in order to withdraw any funds.
- (3) Licensed/unlicensed vehicles as specified in 7 CFR Part 273.8.
- (4) Property which annually produces income consistent with its fair market value, even if only used on a seasonal basis.
- (5) Property which is essential to the employment or self-employment of a household member, in accordance with 7 CFR Part 273.8(e)(5).
- (6) Installment contracts for the sale of land or buildings if the contract or agreement is producing income consistent with its fair market value.
- (7) Any governmental payments which are designated for the restoration of a home damaged in a disaster, if the household is subject to legal sanction if funds are not used as intended.
- (8) Resources whose cash value is not accessible to the household.
- (9) Resources which have been prorated as income.
- (10) Indian lands held jointly with the tribe, or land that can be sold only with the approval of the Department of the Interior's Bureau of Indian Affairs; and
- (11) Resources which are excluded for food stamp purposes by express provision of federal statute.

Section 8. Transfer of Resources. Households which have transferred resources knowingly for the purpose of qualifying or attempting to qualify for food stamps shall be disqualified from participation in the program for up to one (1) year from the date of the discovery of the transfer in accordance with 7 CFR 273.8(i).

Section 9. Non-financial Criteria. Non-financial eligibility standards apply equally to all households and consist of:

- (1) Residency. A household must live in the county in which they make application;
- (2) Identity. Applicant's identity will be verified; also, where an authorized representative applies for the household, both the applicant's and the authorized representative's identities will be verified;
- (3) Citizenship and alien status. Program participation shall be limited to either

citizens of the United States or eligible aliens, as outlined in 7 CFR Part 273.4. Individuals whose status is questionable shall be ineligible to participate until such status has been verified;

(4) Household size. Size of household will be verified through readily available documentary evidence or through a collateral contract; and

(5) Students. Persons aged eighteen (18) to sixty (60) who are physically and mentally fit and enrolled at least half-time in an institution of higher education are ineligible to participate unless they meet criteria specified in 7 CFR Part 273.5.

(6) Mandatory monthly reporting (MMR). Households shall be required to file monthly reports in accordance with 7 CFR 273.21 and any waivers thereto approved by FNS as a condition of eligibility, unless otherwise exempted by the appropriate federal agency.

(7) Social security number (SSN). Households applying for or participating in the Food Stamp Program must comply with SSN requirements by providing the SSN of each household member or applying for one (1) prior to certification. Failure to comply without good cause shall be determined for each household member and shall result in such individual's disqualification from participation in the Food Stamp Program until this requirement is met.

(8) Work registration. All household members between the ages of eighteen (18) and sixty (60), except those exempt in 7 CFR Part 273.7(b), shall be required to register for work, accept suitable employment and be subject to other work registration requirements specified in 7 CFR Part 273.7. Strikers whose households are eligible in accordance with 904 KAR 3:035, Section 5(9), shall be subject to the work registration requirements unless exempt for reasons other than employment at the time of application.

(9) Quality Control. Refusal to cooperate in completing a quality control review shall result in termination of the participating household's benefits.

Section 10. Provisions contained in this regulation shall become effective May 1, 1986 [April 1, 1985].

MIKE ROBINSON, Deputy Commissioner
E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 15, 1986

FILED WITH LRC: April 17, 1986 at 10 a.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Roy Butler

(1) Type and number of entities affected: Implementation will increase the number of people participating; it will also increase the allotment size for all those who work or pay child care.

(a) Direct and indirect costs or savings to those affected: Our estimates show 48,580 will be affected by the earned income deduction. Approximately 4,193 households receive the child care deduction and 165,323 receive the shelter deduction.

1. First year:
2. Continuing costs or savings:
3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: Minimal

(2) Effects on the promulgating administrative body: None - the increase in benefits to the clients is 100 percent federally funded.

- (a) Direct and indirect costs or savings: None
1. First year:
 2. Continuing costs or savings:
 3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: None

(3) Assessment of anticipated effect on state and local revenues: Local revenues will increase as participants will be eligible for more food stamp benefits.

(4) Assessment of alternative methods; reasons why alternatives were rejected:

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. N/A

CABINET FOR HUMAN RESOURCES
Department for Social Insurance
Division of Management & Development
(Proposed Amendment)

904 KAR 3:090. Incorporation by reference of materials relating to the Food Stamp Program.

RELATES TO: KRS 194.030(6)

PURSUANT TO: KRS 194.050

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility to administer a Food Stamp Program as prescribed by the Food Stamp Act of 1977 as amended, and 7 CFR Parts 251-282. KRS 194.050 authorizes the Secretary, Cabinet for Human Resources, to issue regulations necessary for the operation of the cabinet's programs. This regulation incorporates into regulatory form, by reference, materials used by the cabinet in the implementation of the Food Stamp Program.

Section 1. Incorporation by Reference. The cabinet shall incorporate by reference materials used in the implementation of the Food Stamp Program, subject to the provisions contained in 904 KAR 2:140, Section 1, Supplementary Policies for Programs Administered by the Department for Social Insurance.

Section 2. Listing of Incorporated Materials. The following materials are hereby incorporated by reference, effective on the date shown:

(1) Federal food stamp regulations at 7 CFR Parts 250, 251 and 271-282, which set forth the federal requirements and guidelines for the administration of the Food Stamp Program and federal food stamp general notices published through the Federal Register, effective May [February] 1, 1986;

(2) Department for Social Insurance Food Stamp Handbook, which provides operating instructions, procedural detail and technical clarification for use by the department's field staff in administering the Food Stamp Program, effective May [February] 1, 1986; and

(3) Federal food stamp regional letters, which set forth federal clarification of federal food stamp regulations, as follows: 80-5, 80-5.1, 80-6, 80-7, 80-8, 80-9, 80-10, 80-11, 80-13, 80-15, 80-16, 80-17, 80-19, 80-21, 80-22.1, 80-23, 80-30, 80-31, 80-32, 80-33, 80-34, 80-36, 80-38, 80-39, 80-41.1, 80-42, 80-43, 80-44, 80-47, 80-48, 80-49, 80-50, 80-51, 80-52, 80-53, 80-54, 80-58, 80-58.1, 80-58.2, 80-59, 80-62, 80-67, 80-71, 80-72, 80-73, 80-76.1, 80-77, 80-78, 80-79, 80-80, 80-81, 80-82, 80-83, 80-85, 80-86, 80-87, 80-88, 80-89, 80-91, 80-92, 80-93, 80-96, 80-98, 80-99, 80-100, 80-101, 80-102, 80-103, 80-105, 80-106, 81-3, 81-3.1, 81-3.2, 81-4, 81-4.1, 81-4.2, 81-4.3, 81-5, 81-6, 81-8, 81-9, 81-10, 81-10.1, 81-10.2, 81-11, 81-12, 81-13, 81-14, 81-15, 81-16, 81-17, 81-18, 81-19, 81-20, 81-20.1, 81-20.2, 81-21, 81-22, 81-23, 81-24, 81-25, 81-26, 81-27, 81-28, 81-29, 81-30, 81-30.1, 81-33, 81-34, 81-34.1, 81-36, 81-37, 81-38, 81-39, 81-40, 81-41, 81-42, 81-43, 81-44, 81-45, 81-46, 81-46.1, 81-47, 81-48, 81-49, 81-50, 81-51, 81-52, 81-53, 81-54, 81-55, 81-57, 81-57.1, 81-58, 81-59, 81-60, 81-62, 81-64, 81-65, 81-66, 81-67, 81-68, 82-2, 82-3, 82-4, 82-5, 82-6, 82-7, 82-8, 82-9, 82-10, 82-11, 82-12, 82-13, 82-14, 82-15, 82-16, 82-17, 82-18, 82-18.1, 82-19, 82-20, 82-21, 82-23, 82-25, 82-25.1, 82-26, 82-27, 82-29, 82-29.1, 82-30, 82-31, 82-32, 82-35, 82-36, 82-37, 82-38, 82-39, 82-40, 83-1, 83-1.1, 83-1.2, 83-2, 83-2.1, 83-3, 83-4, 83-5, 83-6, 83-7, 83-9, 83-12, 83-14, 83-15, 83-17, 83-18, 83-19, 83-21, 83-22, 83-24, 83-25, 83-26, 83-27, 83-28, 83-30, 83-31, 83-33, 83-36, 84-1, 84-2, 84-3, 84-4, 84-5, 84-6, 84-7, 84-8, 84-9, 84-10, 84-11, 84-12, 84-13, 84-14, 84-15, 84-16, 84-17, 84-18, 84-19, 84-20, 84-21, 84-22, 84-23, 84-24, 84-26, 84-27, 84-28, 84-29, 84-30, 84-31, 84-32, 84-33, 84-34, 84-35, 84-36, 84-37, 84-38, 84-39, 84-40, 84-41, 84-42, 84-43, 84-45, 84-46, 84-47, 84-48, and 84-49, effective January 1, 1985.

(4) Federal Food and Nutrition Service South East Regional Office (SERO) regulations supplement which sets forth federal policy clearances of federal regulations specified in subsection (1) of this section, effective May [February] 1, 1986.

Section 3. All documents incorporated by reference herein may be reviewed during regular working hours in the Division of Management and Development, Department for Social Insurance, 275 East Main Street, Frankfort, Kentucky.

MIKE ROBINSON, Deputy Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 29, 1986

FILED WITH LRC: May 13, 1986 at 8 a.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health

Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Roy Butler

(1) Type and number of entities affected: All households applying for or receiving food stamps.

(a) Direct and indirect costs or savings to those affected: Not significant.

1. First year: Minimal

2. Continuing costs or savings: Unknown

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: Minimal

(2) Effects on the promulgating administrative body: The revisions will keep the state's practice in compliance with federal requirements.

(a) Direct and indirect costs or savings: Minimal

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: Insignificant

(3) Assessment of anticipated effect on state and local revenues: No significant impact.

(4) Assessment of alternative methods; reasons why alternatives were rejected: Changes are in compliance with federal regulations.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict: N/A

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions: N/A

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. Not applicable to Food Stamp Program.

CABINET FOR HUMAN RESOURCES
Department for Social Services
Division of Field Services
(Proposed Amendment)

905 KAR 1:180. DSS policy and procedures manual.

RELATES TO: KRS 194.030(8), 194.060, 199.011 to 199.375, 199.420 to 199.990, 200.080 to 200.120, 205.201 to 205.204, 205.455 to 205.465, Chapters 208 and 209

PURSUANT TO: KRS 194.050, 199.420, 200.080, 209.030

NECESSITY AND FUNCTION: P.L. 97-35, "Block Grants for Social Services - Title XX," authorizes grants to states for social services. KRS 194.050 authorizes the Cabinet for Human Resources to adopt such rules and regulations as are necessary to implement programs mandated by federal law, or to qualify for receipt of

federal funds and as are necessary to cooperate with federal agencies for the proper administration of the cabinet and its programs. The function of this manual is to implement a statewide social services program.

Section 1. DSS Policies and Procedures Manual. For the purpose of implementing and enforcing those sections of the Kentucky Revised Statutes relating to social service programs for children and adults that apply to the Department for Social Services, the Secretary of the Cabinet for Human Resources hereby adopts, by reference, the Department for Social Services' Policy and Procedural Manual as revised through April, 1986 [March, 1986], as the current policies and procedures of that department. The manual contains policies and procedures relating to management procedures, adult services, support services, family and children's services, and youth services. The Department for Social Services' Policy and Procedures Manual may be reviewed in any departmental field office located in each of the 120 counties or at the Office of the Commissioner, Department for Social Services, 275 East Main Street, Frankfort, Kentucky, during regular working hours.

Section 2. Summary of Amendment. In Chapter V, Youth Services, Community Based, Revocation of Supervised Placement, strike pages 20 through 23 dated 6/84, and insert in lieu thereof Chapter V, Youth Services, Community Based, Revocation of Supervised Placement, pages 20 through 23 dated 4/86 which revises the procedures for the revocation hearings process. Revisions include: changing the definition of "Chairperson;" changing Juvenile Court Liaison to Juvenile Specialist and Field Office Supervisors to Family Services Office Supervisor; transportation shall be provided by appropriate staff if another source of transportation is unavailable; and rather than the Deputy Commissioner and Director of the Division of Program Management being standing chairpersons, the Commissioner will name one (1) member of the Hearing Board as Chairperson. [In Chapter V, Youth Services, insert the following as Section A: Table of Contents; Section A., General Policies and Procedures; Section A.1., Admissions; Section A.2., Treatment Services; Section A.3., Health, Medical, Safety, and Dietary Services; Section A.4., Quality Assurance; Section A.5., Training; and Section A.6., Education Services. This section sets forth operating policies and procedures for youth services provided by the Department for Social Services, Division of Children's Residential Services.]

Section 3. 905 KAR 1:190, Conduct of hearings for revocation of supervised placement, is hereby repealed.

ANNA GRACE DAY, Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: May 9, 1986

FILED WITH LRC: May 15, 1986 at 11 a.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify

the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Eugenia Jump

(1) Type and number of entities affected: None
(a) Direct and indirect costs or savings to those affected:

1. First year:
2. Continuing costs or savings:
3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements:
(2) Effects on the promulgating administrative body: Minor

(a) Direct and indirect costs or savings: Possibly savings from less staff time used for transporting youth to and from hearings.

1. First year:
2. Continuing costs or savings:
3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements:
(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. Applies statewide.

CABINET FOR HUMAN RESOURCES Department for Medicaid Services (Proposed Amendment)

907 KAR 1:004. Resource and income standard of medically needy.

RELATES TO: KRS 205.520

PURSUANT TO: KRS 194.050

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility to administer the program of Medical Assistance in accordance with requirements of Title XIX of the Social Security Act. KRS 205.520(3) empowers the cabinet, by regulation, to comply with any requirement that may be imposed or opportunity presented by federal law for the provisions of medical assistance to Kentucky's indigent citizenry. This regulation sets forth the resource and income standards by which eligibility of the medically needy is determined.

Section 1. Resource Limitations and Exclusions of the Medically Needy. The following provisions are applicable with regard to computation of allowable resources:

(1) The upper limit for resources for family size of one (1) and for family size of two (2) is set at \$1,700 and \$3,400 respectively,

effective January 1, 1986; at \$1,800 and \$3,600 respectively, effective January 1, 1987; at \$1,900 and \$3,800 respectively, effective January 1, 1988; and at \$2,000 and \$4,000 respectively, effective January 1, 1989, with fifty (50) dollars for each additional member.

(2) A homestead, occupied or abandoned, household equipment, and farm equipment without limitation on value are excluded from consideration.

(3) Equity of \$6,000 in income-producing, non-homestead real property, business or non-business, essential for self-support, is excluded from consideration. In addition, for AFDC related MA only cases the value of otherwise countable real property (whether income producing or non-income producing) may be excluded from consideration for six (6) months if a good faith effort is being made to dispose of the property properly; an additional three (3) months may be allowed for the disposal at the request of the recipient if efforts to dispose of the property within the six (6) month period have been unsuccessful.

(4) Equity of \$4,500 in automobiles is excluded from consideration; however, if an automobile is used for employment, to obtain medical treatment of a specific or regulation medical problem, or if specially equipped (e.g., as for use by the handicapped) the total value of such automobile is excluded.

(5) Burial reserves of up to \$1,500 per individual, which may be in the form of burial agreement(s), (prepaid burials or similar arrangements, trust fund(s), life insurance policies, or other separate and identifiable funds are excluded from consideration. The cash surrender value of life insurance is considered when determining the total value of burial reserves. When burial funds are commingled with other funds, the applicant has up to thirty (30) days to un-commingle the burial reserve amount.

(6) Burial spaces, plots, or vaults are excluded from consideration as a countable resource without regard to value.

(7) Resources determined in accordance with subsections (3), (4), and (5) of this section to be in excess of excluded amounts must be considered countable resources when determining whether the individual or family group exceeds the upper limits specified in subsection (1) of this section. If resources exceed the upper limits, the individual or family group is ineligible.

(8) The following exclusions are also applicable as stated:

(a) Proceeds from the sale of a home are excluded from consideration for three (3) months from date of receipt if used to purchase another home.

(b) Resources of a blind or disabled person necessary to fulfill an approved plan for achieving self-support are excluded from consideration.

(c) Payments or benefits from federal statutes, other than Title XVI (Supplemental Security Income), are excluded from consideration (as either a resource or income) if precluded from consideration in Title XVI determinations of eligibility by the specific terms of the statute.

(d) Disaster relief assistance is excluded from consideration.

(e) Cash or in-kind replacement for repair or replacement of an excluded resource is excluded

from consideration if used to repair or replace the excluded resource within nine (9) months of the date of receipt.

Section 2. Income and Resource Exemptions. Income and resources which are exempted from consideration for purposes of computing eligibility for the comparable money payment program (Aid to Families With Dependent Children and Supplemental Security Income) shall be exempted from consideration by the cabinet, except that the AFDC earned income disregard (first thirty (30) dollars and one-third (1/3) of the remainder) may not be allowed in determining eligibility for medical assistance only.

Section 3. Income Limitations of the Medically Needy. Eligibility from the standpoint of income is determined by comparing adjusted income as defined in Section 4 of this regulation, of the applicant, applicant and spouse, or applicant, spouse and minor dependent children with the following scale of income protected for basic maintenance:

Size of Family	Annual	Monthly
1	\$2,300	\$192
2	2,700	225
3	3,200	267
4	3,900	325
5	4,600	383
6	5,200	433

For each additional member, \$600 annually or fifty (50) dollars monthly is added to the scale.

Section 4. Additional Income Considerations. In comparing income with the scale as contained in Section 3 of this regulation, gross income is adjusted as follows in all cases with exceptions as contained in Section 5 of this regulation:

(1) In cases of adults and children, the standard work related expenses of adult members and out-of-school youth are deducted from gross earnings. For those with either full-time or part-time employment the standard work expense deduction is seventy-five (75) dollars per month. All earnings of an in-school child are disregarded. Full-time and part-time employment, and school attendance, shall be as defined in 904 KAR 2:016, Standards for need and amount; AFDC.

(2) In cases of adults and children, dependent care as a work expense is allowed not to exceed \$160 per child or incapacitated adult per month for full-time employment (as defined in subsection (1) of this section) or \$110 per child or incapacitated adult per month for part-time employment (as defined in subsection (1) of this section). A dependent care work expense deduction is allowed only when the dependent is included in the assistance unit.

Section 5. Individuals in Chronic Care Institutions. For aged, blind or disabled individuals in chronic care facilities, the following requirements with respect to income limitations and treatment of income shall be applicable.

(1) In determining eligibility, the appropriate medically needy standard is used as are appropriate disregards and exclusions from

income. In determining patient liability for the cost of institutional care, gross income is used as shown in subsections (2) and (3) of this section.

(2) Income protected for basic maintenance, effective July 1, 1986, is forty (40) [twenty-five (25)] dollars monthly in lieu of the figure shown in Section 3 of this regulation. All income in excess of forty (40) [twenty-five (25)] dollars is applied to the cost of care except as follows:

(a) Available income in excess of forty (40) [twenty-five (25)] dollars is first conserved as needed to provide for needs of the spouse and minor children up to the appropriate family size amount from the scale as shown in Section 3 of this regulation.

(b) Remaining available income is then applied to the incurred costs of medical and remedial care that are not subject to payment by a third party, including Medicare and health insurance premiums and medical care recognized under state law but not covered under the state's Medicaid plan.

(3) The basic maintenance standard allowed the individual during the month of entrance into or exit from the long term care facility shall reasonably take into account home maintenance costs.

(4) When an individual loses eligibility for a supplementary payment due to entrance into a participating long term care facility, and the supplementary payment is not discontinued on a timely basis, the amount of any overpayment is considered as available income to offset the cost of care (to the Medical Assistance Program) if actually available for payment to the provider.

Section 6. Spend-Down Provisions. No technically eligible individual or family is required to utilize protected income for medical expenses before qualifying for medical assistance. Individuals with income in excess of the basic maintenance scale as contained in Section 3 of this regulation may qualify for any part of a three (3) month period in which medical expenses incurred have utilized all excess income anticipated to be in hand during that period.

Section 7. Consideration of State Supplementary Payments. For an individual receiving state supplementary payments, that portion of the individual's income which is in excess of the basic maintenance standard is applied to the special need which results in the supplementary payment.

Section 8. Special Needs Contributions for Institutionalized Individuals. Voluntary payments made by a relative or other party on behalf of a long term care facility resident or patient shall not be considered as available income if made to obtain a special privilege, service, or item not covered by the Medical Assistance Program. Examples of such special services or items include television and telephone service, private room and/or bath, private duty nursing services, etc.

Section 9. Pass-through Cases. Increases in social security payments due to cost of living increases which are solely responsible for ineligibility of the individual for supplemental

security income benefits or state supplementary payments, and which are received after April 1, 1977, shall be disregarded in determining eligibility for medical assistance benefits; such individuals shall remain eligible for the full scope of program benefits with no spend-down requirements.

Section 10. Relative Responsibility. For purposes of the Medical Assistance Program, spouses are considered responsible for spouses and parents are considered responsible for dependent minor children. Stepparents are responsible for their stepchildren as shown in Section 10(7) and Section 11 of this regulation. This responsibility, with regard to income and resources, is determined as follows:

(1) "Living with" is defined as sharing a common living arrangement or household, but not including living in the same room in a long term care facility. "Living apart" is defined as not sharing a common household, whether due to estrangement, disability, or illness.

(2) In cases of aged, blind, or disabled applicants or recipients living with their spouse, total resources and adjusted income of the couple is considered in relation to the resource and income limitations for a family size of two (2), or if other dependents live with the couple, the appropriate family size including the dependents.

(3) In cases of aged, blind, or disabled couples, living apart for any reason other than institutionalization, both of whom are concurrently applying for or receiving MA only, income and resources are considered in relation to resource and income limitations for a family size of two (2), or if other dependents live with either spouse, the family size including such dependents, but only for the first six (6) months after the month of separation, that such couple lives apart; however, if mutual consideration of income and resources causes the individuals to lose eligibility as a couple, eligibility for the individuals is determined in accordance with subsection (4) of this section. If the separation is due to the institutionalization of a spouse, mutual consideration of income ceases in the month after the month of separation but resources are considered mutually available to each other the month of separation and the six (6) months following that month.

(4) In cases of an aged, blind, or disabled individual living apart from a spouse (for a reason other than institutionalization) who is not a recipient of MA only, eligibility is determined on a couple basis for the month of separation and as a single individual after the month of separation.

(5) For an individual whose case is being worked as if he/she were a single individual due to living apart from his/her spouse, as shown in Section 10(3) and (4) of this regulation, who has jointly held resources with his/her spouse, one-half (1/2) of the jointly held resource would be considered a resource; except that the entire amount of a jointly held checking or savings account is considered a resource if the resource may be accessed independently of the spouse.

(6) Total resources and adjusted income of parent(s) and children for whom application is made is considered in relation to limitations for family size. Excluded, however, is the

income and/or resources of an SSI parent and the SSI essential person spouse whose medical assistance eligibility is based on inclusion in the SSI case. Resources and income of an SSI essential person, spouse or non-spouse, whose medical assistance eligibility is not based on inclusion in the SSI case must be considered.

(7) In cases of a blind or disabled child under eighteen (18) living with his/her parent(s) (including stepparent, if applicable), total resources and adjusted income of the parent(s) is related to limitations for family size, including the applicant or recipient child and other dependent children of parent using the adult scale. The income and resources of the parent(s) shall also be considered available to such child who is aged eighteen (18) through twenty-one (21), if in school, when to do so will work to the child's benefit and the individual was aged eighteen (18) through twenty-one (21) in September, 1980, and was MA eligible at that time.

(8) Income and resources of parent(s) are not considered available to a child living apart from the parents' for a period in excess of thirty (30) days, but any continuing contribution actually made is considered as income. Living apart may mean living in a medical institution, special school or in foster care and such status continues even if the child makes visits to the parent(s) home. For comparison with the resource and income limitations, the child's individual resources and/or income are considered in relation to family size of one (1).

(9) When a recipient in a family case has income and resources considered in relation to family size and enters a long term care facility, his/her income and resources are considered in the same manner as previously for up to one (1) year. For such an individual, the twenty-five (25) dollars maintenance standard is not applicable since his/her needs are considered with that of other family members. The eligibility of the individual, with regard to income and resources, must be determined on the basis of living apart from the other family members whenever it becomes apparent that the separation will last for more than one (1) year.

Section 11. Treatment of Income of the Stepparent or Parent/Legal Guardian of a Minor Parent/Legal Guardian (hereinafter referred to as a "Grandparent") and Effect on Eligibility of the Assistance Group. An incapacitated (as determined by the department) stepparent's income, or a grandparent's income, is considered in the same manner as for a parent if the stepparent or grandparent is included in the family case. When the stepparent or grandparent living in the home is not being included in the family case the stepparent's or grandparent's gross income is considered available to the spouse or minor parent in accordance with the policies set forth in this section.

(1) Disregards/exclusions from income. The following disregards/exclusions from income shall be applied:

(a) The first seventy-five (75) dollars of the gross earned income of the stepparent or grandparent who is employed full time or part time (with full-time and part-time employment as defined in Section 4(1) of this regulation).

(b) An amount equal to the medically needy income limitations scale as shown in Section 3

of this regulation for the appropriate family size, for the support of the stepparent or grandparent and any other individuals living in the home but whose needs are not taken into consideration in the medical assistance eligibility determination and are claimed by the stepparent or grandparent as dependents for purposes of determining his/her federal personal income tax liability.

(c) Any amount actually paid by the stepparent or grandparent to individuals not living in the home who are claimed by him/her as dependents for purposes of determining his/her personal income tax liability.

(d) Payments by the stepparent or grandparent for alimony or child support with respect to individuals not living in the household.

(e) Income of a stepparent or grandparent receiving Supplemental Security Income.

(f) Verified medical expenses for the stepparent or grandparent and his/her dependents in the home.

(2) Determining eligibility of the children. When a stepparent or grandparent has available income remaining after disregards/exclusions are applied, such income may be deemed to the spouse (of the stepparent) or minor parent (child of the grandparent) but not to the stepchild(ren) or grandchild(ren). Eligibility of the stepchild(ren) or grandchild(ren) is determined in the following manner in order to take this requirement into consideration.

(a) The available income deemed to the spouse or minor parent shall be the lesser of the amount available or the medically needy income level for one (1), as shown in Section 3 of this regulation.

(b) The income of the spouse or minor parent (including the amount deemed) shall be combined with that of the child(ren) and the total compared against the medically needy income level for the appropriate family size. If there is no excess income, the child is eligible. If there is an excess, the excess amount may be spent down in the usual manner.

(3) Determining eligibility of the spouse or minor parent. Available income of the stepparent or grandparent remaining after exclusions/disregards are applied must be considered fully available to the spouse or minor parent. The eligibility of the spouse or minor parent is therefore determined in the same manner as shown in subsection (2) of this section, except that the full amount available (including that portion of the available income, if any, which is in excess of the medically needy income level for one (1)) is deemed to the spouse or minor parent.

(4) When the spouse or minor parent, or both the spouse or minor parent and child(ren) has a spend-down case(s), uncovered incurred medical expenses of all members of the budget unit may be used to meet the spend-down amount(s).

Section 12. Companion Cases. When spouses or parent(s) and children living in the same household apply separately for assistance, relative responsibility must be taken into consideration.

(1) In the case of an application for assistance for a dependent child(ren), the income, resources and needs of the parent(s) must be included in the determination of need of the child(ren) even when the parent(s) applies for assistance for himself/herself on the basis

of age, blindness, or disability (except as shown in subsection (3) of this section).

(2) In the case of a spouse, income and resources of both spouses are combined and compared against the medically needy income and resources limits for a family size of two (2) even though a separate determination of eligibility must be made for each individual.

(3) In the case of families with children with a parent eligible for supplemental security income (SSI), neither the income, resources, nor needs of the SSI eligible individual are to be included in the determination of eligibility of the children.

Section 13. Treatment of Lump-Sum Income. The following policy is effective January 1, 1986: for adult related cases, lump-sum income is prorated over the three (3) month period following the agency's notice of receipt by the client, with any amount spent by the client prior to notification of the agency deducted from the total considered available; any portion of the income remaining available after the three (3) month period is considered in relation to resource limitations; for AFDC related cases, lump sum income is divided by the medically needy income level and prorated over the resultant number of months.

Section 14. Transferred Resources. When an applicant or recipient transfers a nonexcluded resource(s) for the purpose of becoming eligible for medical assistance, the value of the transferred resource(s) will be considered a resource to the extent provided for by this section. The provisions of this section are applicable to both family related cases and medical assistance only cases based on age, blindness, or disability.

(1) The disposal of a resource, including liquid assets, at less than fair market value shall be presumed to be for the purpose of establishing eligibility unless the individual presents convincing evidence that the disposal was exclusively for some other purpose. If the purpose of the transfer is for some other reason or if the transferred resource was considered an excluded resource at the time it was transferred, the value of the transferred resource is disregarded. If the resource was transferred for an amount equal to at least the assessed value for tax purposes, the resource will be considered as being disposed of for fair market value.

(2) After determining that the purpose of the transfer was to become or remain eligible, the cabinet shall first add the uncompensated equity value of the transferred resource to other currently held resources to determine if retention of the property would have resulted in ineligibility. For this purpose, the resource considered available shall be the type of resource it was prior to transfer, e.g., if non-homestead property was transferred, the uncompensated equity value of the transferred property would be counted against the permissible amount for non-homestead property. If retention of the resource would not have resulted in ineligibility, the value of the transferred resource would thereafter be disregarded.

(3) If retention would result in ineligibility, the cabinet will consider the excess transferred resource available for up to

twenty-four (24) months, subject to the following conditions:

(a) The value of the total excess resources considered available (including the uncompensated equity value of the transferred resource) shall be reduced by \$500 for each month that has elapsed since the transfer, beginning with the month of transfer; except

(b) The reduction provided for in paragraph (a) shall not be applicable with regard to any month in which the individual received medical assistance but was actually ineligible due to the provisions of this section.

(4) For those recipients who were receiving assistance on February 28, 1981, this section is applicable only with respect to resources transferred subsequent to that date.

(5) The uncompensated value may be excluded from consideration when good cause exists. A waiver of consideration of the uncompensated amount will be granted subject to the following criteria:

(a) "Good cause" means that an expense (or loss) was incurred by the individual or family group due to a natural disaster, fire, flood, storm or earthquake; or illness resulting from accident or disease; or hospitalization or death of a member of the immediate family; or civil disorder or other disruption resulting in vandalism, home explosions, or theft of essential household items.

(b) The exclusion may not exceed the amount of the incurred expense or loss.

(6) If the individual is in a long term care facility, the actual cost of long term care (rather than the \$500) may be deducted from the uncompensated value excess on a monthly basis.

Section 15. Special Provisions for AIS/MR Recipients. Effective April 1, 1983, medical assistance eligibility for participants in the program of alternative intermediate services for the mentally retarded (AIS/MR) shall be determined taking into consideration the special provisions contained in this section.

(1) The income and resources of the parent(s) and/or spouse shall not be considered available to the AIS/MR participant.

(2) Income protected for basic maintenance of the AIS/MR participant shall be the standard for the federal supplemental security income program.

(3) The attributed cost of care against which monthly available income of the AIS/MR participant shall be applied shall be the projected annual average cost of care for all participants divided by twelve (12) and rounded to the nearest dollar.

(4) Determinations of eligibility for medical assistance of the AIS/MR participant's parent(s), spouse, and/or dependent children shall be made on the same basis as if the participant was institutionalized.

Section 16. Implementation. The provisions of this regulation, as amended, will be effective on August [April] 1, 1986, applicable at the time of the next determination of eligibility for each applicant or recipient, except as otherwise specified herein.

FONTAINE BANKS, Acting Deputy Commissioner

E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: May 6, 1986

FILED WITH LRC: May 13, 1986 at 1 p.m.

PUBLIC HEARING SCHEDULED: A public hearing on

this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Roy Butler

(1) Type and number of entities affected: All Medicaid recipients in long-term care facilities.

(a) Direct and indirect costs or savings to those affected: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings: None

1. First year: \$2,600,000 (costs)*

2. Continuing costs or savings: \$2,600,000 (costs)*

3. Additional factors increasing or decreasing costs: None

(b) Reporting and paperwork requirements: None

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:
*Increase in personal needs allowance to \$40 per month.

Tiering:

Was tiering applied? No. Not applicable for Medicaid regulations.

CABINET FOR HUMAN RESOURCES Department for Medicaid Services (Proposed Amendment)

907 KAR 1:028. Other laboratory and x-ray services.

RELATES TO: KRS 205.520

PURSUANT TO: KRS 194.050

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility to administer the program of Medical Assistance in accordance with Title XIX of the Social Security Act. KRS 205.520 empowers the cabinet, by regulation, to comply with any requirement that may be imposed or opportunity presented by federal law for the provision of medical assistance to Kentucky's indigent citizenry. This regulation sets forth the provisions relating to other laboratory and x-ray services for which payment shall be made by the Medical Assistance Program in behalf of both the categorically needy and medically needy.

Section 1. Covered Services. Laboratory services provided by a participating independent laboratory shall be limited to the following procedures when prescribed by a physician or dentist:

- (1) Bilirubin;
- (2) Bleeding time;
- (3) Blood culture (definitive);
- (4) Red blood count;
- (5) White blood count;
- (6) Differential;
- (7) Complete blood count;
- (8) Cholesterol;
- (9) Clotting time;
- (10) Hemoglobin;
- (11) Hematocrit;
- (12) Acid phosphatase;
- (13) Alkaline phosphatase;
- (14) Potassium;
- (15) Prothrombin time;
- (16) RA test (latex agglutinations);
- (17) Stool (occult blood);
- (18) Sedimentation rate;
- (19) Sodium;
- (20) Glucose (blood);
- (21) Blood typing;
- (22) Blood urea nitrogen;
- (23) Uric acid;
- (24) SGOT or SGPT (serum transaminase);
- (25) Stool (ova and parasites);
- (26) Pap smear;
- (27) Urine analysis;
- (28) Pregnancy test;
- (29) Smears for bacteria, stained;
- (30) Cultures (throat, urine, etc.);
- (31) Package of the following twelve (12) tests when performed on automatic laboratory analyzing machine: cholesterol, calcium, phosphorus, total serum bilirubin, albumin, total protein, uric acid, blood urea nitrogen, glucose, lactic dehydrogenase, alkaline phosphatase, and serum transaminase;
- (32) Dilantin level;
- (33) Electrolytes;
- (34) Glucose tolerance (two (2) hour);
- (35) Glucose tolerance (four (4) hour);
- (36) Glucose tolerance (six (6) hour);
- (37) Master chem twenty-four (24);
- (38) Thyroid profile;
- (39) Arthritis profile;
- (40) CPK (creatine phosphokinase);
- (41) VDRL (venereal disease rule out);
- (42) Drug abuse screen;
- (43) Phenobarbital;
- (44) Any three (3) through six (6) automated tests;
- (45) Any seven (7) through twelve (12) automated tests;
- (46) Any thirteen (13) through sixteen (16) automated tests;
- (47) Any seventeen (17) through eighteen (18) automated tests; [and]
- (48) Any nineteen (19) or more automated tests; and
- (49) Platelet count.

Section 2. The provisions of Section 1 of this regulation shall be effective September 1, 1985 [May 1, 1983].

FONTAINE BANKS, Acting Deputy Commissioner
E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 15, 1986 at 11 a.m.

PUBLIC HEARING SCHEDULED: A public hearing on

this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Roy Butler

(1) Type and number of entities affected: About 50 participating independent laboratories and an estimated 500 recipients.*

(a) Direct and indirect costs or savings to those affected: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: \$3,000 (costs)*

2. Continuing costs or savings: \$3,000 (costs)

3. Additional factors increasing or decreasing costs: None

(b) Reporting and paperwork requirements: None

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

*It is estimated about 500 tests will be performed at an average cost of \$6 each.

Tiering:

Was tiering applied? No. Not applicable for Medicaid regulations.

CABINET FOR HUMAN RESOURCES Department for Medicaid Services (Proposed Amendment)

907 KAR 1:250. Incorporation by reference of materials relating to the Medical Assistance Program.

RELATES TO: KRS 194.030(6), 205.520

PURSUANT TO: KRS 194.050

NECESSITY AND FUNCTION: The Cabinet for Human Resources has responsibility to administer the program of Medical Assistance in accordance with Title XIX of the Social Security Act. KRS 205.520 empowers the cabinet, by regulation, to comply with any requirement that may be imposed, or opportunity presented, by federal law for the provision of medical assistance to Kentucky's indigent citizenry. This regulation incorporates into regulatory form, by reference, materials used by the cabinet in the implementation of the Medical Assistance Program and is applicable for

both the categorically and medically needy.

Section 1. Incorporation by Reference. The cabinet shall incorporate by reference materials used in the implementation of the Medical Assistance Program, subject to the provisions contained in 904 KAR 2:140, Section 1, Supplementary policies for programs administered by the Department for Social Insurance.

Section 2. Listing of Incorporated Material. The following listed materials are hereby incorporated by reference, effective on the date shown:

(1) Federal Medicaid regulations at 42 CFR Parts 430-456, and interim final regulations at 42 CFR Parts 430-456, effective May [February] 1, 1986. The regulations contain federal supplementary policies, interpretations and implementing instructions for the Medical Assistance Program as authorized by Title XIX of the Social Security Act.

(2) Federal "State Medicaid Manual," effective May [February] 1, 1986. The "State Medicaid Manual" contains federal interpretations and clarifications of policy relating to implementation of the Medical Assistance Program.

(3) Federal action transmittals and program memoranda issued by the Health Care Financing Administration as follows: HCFA-AT-79-63, 79-72, 79-98, 80-9, 80-59, 81-23, 81-33, 81-35, 82-1, 82-2, 82-20, 83-1, 83-4, 83-7, 83-8, 83-11, 84-1, 84-2, 84-4, 84-5, 84-10, 84-16, 85-1, and HCFA PM-85-4, 85-10, and 85-13, effective October 1, 1985. Action transmittals and program memoranda contain federal instructions relating to implementation of the Medical Assistance Program.

(4) Federal transmittal notices issued by the Health Care Financing Administration as follows: DQC-1-82, 10-82; DPO-76-81, 77-81, 78-81; MCD-46-81, 48-81, 55-81, 61-81, 62-81, 64-81, 67-81, 82-81, 86-81, 87-81, 89-81, 92-81, 1-82, 2-82, 6-82, 7-82, 10-82, 14-82, 16-82, 17-82, 18-82, 19-82, 25-82, 26-82, 28-82, 30-82, 33-82, 34-82, 35-82, 38-82, 41-82, 42-82, 50-82, 52-82, 2-83, 5-83, 9-83, 11-83, 12-83, 13-83, 14-83, 15-83, 19-83, 20-83, 26-83, 28-83, 29-83, 30-83, 35-83, 39-83, 40-83, 42-83, 1-84, 6-84, 7-84, 8-84, 9-84, 11-84, 13-84, 14-84, 15-84, 16-84, 18-84, 20-84, 23-84, 24-84, 25-84, 26-84, 27-84, 29-84, 34-84, 35-84, 36-84, 39-84, 48-84, 50-84, 51-84, 55-84, 2-85, 4-85, 5-85, 6-85, 8-85, 10-85, 11-85, 14-85, 18-85, 19-85, 21-85, 22-85, 23-85, 24-85, 25-85, 27-85, 28-85, 29-85, 30-85, 31-85, 32-85, 33-85, 34-85, 36-85, 37-85, 38-85, 39-85, 41-85, 42-85, 43-85, 44-85, 46-85, [and] 47-85, 01-86, 03-86, 04-86, 05-86, 07-86, and 10-86, effective May [February] 1, 1986. Transmittal notices contain federal clarifications of policy relating to implementation of the Medical Assistance Program.

(5) Medicare and Medicaid Guide, Volumes I, II, III, and IV, as published by the Commerce Clearing House, Inc., with the following related new developments transfer binders: 1981-1, 1981-2, 1982, 1983-1, 1983-2, and 1984-1, effective May [February] 1, 1986. The Medicare and Medicaid Guide contains reprints of federal laws and regulations relating to the Medicare and Medicaid programs; reprints of Medicare/Medicaid related court decisions; Medicare principles of reimbursement; summaries of state plan characteristics; and other items of general information relating to the Medicare

and Medicaid programs. Although the cabinet is bound by federal Medicaid law and regulations in the implementation of the Medical Assistance Program, the Guide is used principally as supplementary material for reimbursement issues in situations where the cabinet's vendor reimbursement system uses the Medicare cost principles in unaddressed areas.

(6) State Medicaid Program policies and procedures manuals and letters issued by the cabinet, and which contain benefit descriptions and operating instructions used by agency staff and participating vendors in the provision of, and billing for, Medical Assistance benefits provided eligible program recipients, as follows:

(a) Home and Community Based Services Waiver Project Adult Day Health Care Services, effective October 1, 1985;

(b) Alternative Intermediate Services/Mental Retardation Project, effective October 1, 1985;

(c) Birthing Center Services, effective May 1, 1986 [October 1, 1985];

(d) Community Mental Health Benefits, effective July 1, 1985;

(e) Dental Benefits, effective May 1, 1986 [October 1, 1985];

(f) Early and Periodic Screening, Diagnosis and Treatment Benefits, effective July 1, 1985;

(g) Family Planning Benefits, effective May 1, 1986 [October 1, 1985];

(h) Hearing Services Benefits, effective October 1, 1985;

(i) Home and Community Based Services Waiver Project, effective October 1, 1985;

(j) Home Health Benefits, effective May 1, 1986 [October 1, 1985];

(k) Hospital Services Benefits, effective October 1, 1985;

(l) Independent Laboratory Services Benefits, effective May 1, 1986 [October 1, 1985];

(m) Intermediate Care Facility Benefits, effective May 1, 1986 [October 1, 1985];

(n) Mental Hospital Services Benefits, effective May [February] 1, 1986;

(o) Nurse Anesthetist Services, effective May 1, 1986 [July 1, 1985];

(p) Nurse Midwife, effective May 1, 1986 [October 1, 1985];

(q) Pharmacy Services, effective May [February] 1, 1986 and updated Outpatient Drug List, effective April 1, 1986;

(r) Physician Services Benefits, effective May [February] 1, 1986;

(s) Primary Care Benefits, effective May 1, 1986 [October 1, 1985];

(t) Rural Health Clinic Benefits, effective May 1, 1986 [October 1, 1985];

(u) Skilled Nursing Facility Benefits, effective May [February] 1, 1986;

(v) Ambulance Transportation Benefits, effective May 1, 1986 [May 16, 1984], as revised;

(w) Vision Services Benefits, effective November 1, 1985;

(x) Podiatry Services, effective October 1, 1985;

(y) Ambulatory Surgical Center Benefits, effective July 1, 1985;

(z) Renal Dialysis Center Benefits, effective October 1, 1985;

(aa) General Provider Letter A-8, effective July 1, 1985;

(bb) Medical Director's Letter dated April 26, 1985, effective July 1, 1985; and

(cc) EDS Federal Hospital Letter (as fiscal agent for the Medicaid Program) dated April 1,

1985, effective July 1, 1985.

(dd) Provider letters dated September 20 and 23, 1985 relating to KenPac, effective February 1, 1986.

Section 3. All documents included by reference herein may be reviewed during regular working hours in the Division of Management and Development, Department for Social Insurance, 275 East Main Street, Frankfort, Kentucky. Copies may be obtained from that office upon payment of an appropriate fee which will not exceed approximate cost.

FONTAINE BANKS, Acting Deputy Commissioner
E. AUSTIN, JR., Secretary

APPROVED BY AGENCY: April 29, 1986

FILED WITH LRC: May 13, 1986 at 8 a.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation has been scheduled for June 23, 1986 at 9 a.m. in the Department for Health Services Auditorium, 275 East Main Street, Frankfort, Kentucky. However, this hearing will be cancelled unless interested persons notify the following office in writing by June 18, 1986 of their desire to appear and testify at the hearing: R. Hughes Walker, General Counsel, Cabinet for Human Resources, 275 East Main Street, 4 West, Frankfort, Kentucky 40621.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Roy Butler

(1) Type and number of entities affected: Potentially all Medicaid providers and recipients.

(a) Direct and indirect costs or savings to those affected: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: None

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings: *None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: None

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: *Any cost impact is shown in the specific program regulation relating to the particular issue that may be involved.

Tiering:

Was tiering applied? No. Not applicable for Medicaid regulations.

PROPOSED REGULATIONS RECEIVED THROUGH MAY 16, 1986

GENERAL GOVERNMENT CABINET Department of Military Affairs

106 KAR 1:050. Educational encouragement fund.

RELATES TO: KRS 38.500

PURSUANT TO: KRS 13A.350

NECESSITY AND FUNCTION: KRS 38.500 established the Kentucky National Guard Educational Encouragement Fund and authorized the Adjutant General to make rules and regulations for the administration of the fund. This regulation provides policy, procedure and qualification requirements.

Section 1. Purpose. The purpose of the education encouragement fund is to:

(1) Encourage voluntary membership and retention in the Kentucky National Guard;

(2) Improve the educational level of the guard's members; and

(3) Benefit the state as a whole, by virtue of subsections (1) and (2) of this section.

Section 2. Responsibilities. (1) The Adjutant General of Kentucky shall be responsible for the overall policies, guidance, administration, implementation and proper utilization of the Educational Encouragement Fund Board.

(2) The Educational Encouragement Fund Board, hereinafter referred to as the board, shall be charged with administering the fund.

(3) The public affairs officer, Frankfort

Headquarters, shall be responsible for initiating and maintaining an active publicity program, designed to promote the recruiting and retention incentive offered by the educational encouragement fund.

(4) National Guard Unit Commanders shall be responsible for keeping members of their command informed of the program, submission and verification of applications, and monitoring military type administrative actions (such as discharge/resignations) for the Adjutant General which could result in a change in status thus requiring forfeiture/repayment of fund benefits by its members. Change in status of a member receiving benefits shall include the following:

(a) Resignation or discharge from the guard.

(b) Drops out of school, with or without just cause.

(c) Is expelled or suspended from school.

(d) Receives an unsatisfactory drill attendance or performance report which results in not being in good standing.

(e) Member receives benefits and fails to serve the one (1) year obligation.

(5) Members of the National Guard who are recipients of funds offered by this program shall be responsible for notifying his/her Unit Commander and/or the Adjutant General of any change in status which would affect his/her entitlement thereto.

Section 3. Definitions. (1) "Matriculation" means enrollment or admission costs which may

include tuition.

(2) "Tuition" means the charge or fee that an institution normally charges for instruction.

(3) "Acceptable school" means those universities, colleges or schools enumerated in Appendix A. Copies of Appendix A can be obtained from the Department of Military Affairs, Frankfort, Kentucky 40601.

(4) "Proprietary school" means those business-oriented schools that are licensed by the State Board of Proprietary Education and are approved by the Kentucky Educational Encouragement Fund Board.

(5) "Good standing" means any active member of the Kentucky National Guard endorsed by his commander as successfully attending and participating in the required training program. A member may be considered "not in good standing" in cases where criminal or military charges affect the member's ability to perform his/her duties with the Kentucky National Guard.

Section 4. Benefits. (1) Subject to the availability of funds, the benefits provided shall consist of a monetary grant for full-time or part-time enrollment not to exceed fifty (50) percent of tuition or matriculation fees, or \$250 per term and in no event to exceed \$750 within a twelve (12) month period to qualifying members of the Kentucky National Guard.

(2) Benefits shall be payable to qualifying members attending institutions as listed in Appendix A, or others approved by the Educational Encouragement Fund Board.

(3) The Educational Encouragement Fund Board may authorize benefits payable for the following periods of study:

- (a) Semester;
- (b) Quarter;
- (c) Summer terms; or
- (d) Others, as approved by the board.

Section 5. Eligibility. (1) Active members of the Kentucky National Guard have benefit eligibility who:

(a) Are members in good standing of the active Kentucky National Guard and commit themselves to service in the Kentucky National Guard for at least one (1) year beyond the end of the term for which benefits are payable.

(b) Have verification of payment of all tuition or matriculation fees for the period of study he/she is requesting benefits for under the fund.

(c) Agree, through contract with the Department of Military Affairs to reimburse the State of Kentucky by and through the department any money paid for him/her from the fund in the event he/she fails to remain a guard member; or is expelled or suspended or quits the program without just cause.

(d) Has a minimum of one (1) year remaining as a member of the guard from the end of the academic period for which educational fund assistance is provided.

(2) The educational assistance benefit shall be applicable to eligible personnel in the following categories:

(a) Students seeking trade or vocational training or education courses for self improvement and advancement.

(b) Students seeking to achieve a two (2) year associate degree.

(c) Students seeking to achieve a four (4) year baccalaureate or graduate degree.

Section 6. Application for Benefits. (1) Eligible individuals in the active Kentucky National Guard interested in submitting applications for benefits of the educational encouragement fund shall comply with the following:

(a) Complete the application, herein filed as Appendix B, and submit to his/her Unit Commander for signature. Both signatures must be present for valid application. Applications may be obtained from the Department of Military Affairs, Frankfort, Kentucky 40601.

(b) Apply, be accepted, and enrolled for credit as a student in any university, college, community college, or vocational education school as a full-time or part-time student.

(c) Pay, or make arrangements for payment of, all educational costs at the time of registration.

(d) Provide the board a stamped "Paid" receipt for payment from the institution for all fees paid at the time of registration.

(e) Must forward the application for (approval/disapproval) consideration prior to the end of the semester for which requesting assistance. No application will be considered by the board beyond the end of the term for which assistance is requested.

(2) Unit Commanders at all levels shall forward applications with endorsements to the Adjutant General's Office as soon as possible.

Section 7. Priority System. Should demand for assistance from the educational encouragement fund exceed the supply of available funds, a priority system will be put into effect by the board.

Section 8. Appeals. Any appeal from the actions or decision of the board in connection with the administration of the educational assistance program shall be submitted in writing, within ten (10) days after receipt of the board's decision, to the Adjutant General, Department of Military Affairs. The decision of the Adjutant General shall be final.

APPENDIX A LIST OF ACCEPTABLE SCHOOLS

Senior Colleges

Asbury - Wilmore
 Bellarmine-Ursuline - Louisville
 Berea - Berea
 Brescia - Owensboro
 Campbellsville - Campbellsville
 Centre - Danville
 Cumberland - Williamsburg
 Eastern KY University - Richmond
 Georgetown - Georgetown
 Kentucky State - Frankfort
 Kentucky Wesleyan - Owensboro
 Morehead State - Morehead
 Murray State - Murray
 Northern KY University - Covington
 Pikeville - Pikeville
 Spalding - Louisville
 Thomas More - Fort Mitchell
 Transylvania - Lexington
 Union - Barbourville
 University of KY - Lexington
 University of Louisville - Louisville
 Western KY University - Bowling Green

Community Colleges

Ashland - Ashland
 Elizabethtown - Elizabethtown
 Fort Knox - Fort Knox
 Hazard - Hazard
 Henderson - Henderson
 Hopkinsville - Hopkinsville
 Jefferson - Louisville
 Lexington Technical Institute - Lexington
 Madisonville - Madisonville
 Maysville - Maysville
 Paducah - Paducah
 Prestonsburg - Prestonsburg
 Somerset - Somerset
 Southeast - Cumberland

Vocational Technical Schools

Ashland Area - Ashland
 Bowling Green Area - Bowling Green
 Central KY Area - Lexington
 Daviess CO Area - Henderson
 Harlan Area - Harlan
 Hazard Area - Hazard
 Jefferson CO Area - Jeffersontown
 Madisonville Area - Madisonville
 Mayo Area - Paintsville
 Northern KY Area - Covington
 Somerset Area - Somerset
 Tilghman Area - Paducah
 West Kentucky - Paducah
 Laurel - London

Junior Colleges

Alice Lloyd - Pippa Passes
 Lees - Jackson
 Lindsey Wilson - Columbia
 Midway - Midway
 Southeastern Christian - Winchester
 Saint Catharine - Saint Catharine
 Sue Bennett - London

Area Vocational Education Centers

Any Area Vocational Education Center funded
 by the Commonwealth of Kentucky and approved
 by the Department of Education.

Proprietary Schools

As licensed by the State Board of Proprietary
 Education.

APPENDIX B

KENTUCKY NATIONAL GUARD EDUCATIONAL
 ENCOURAGEMENT FUND APPLICATION

(All blanks must be completed before
 application will be processed)

NAME: _____ RANK: _____ SSN: _____
 HOME ADDRESS: _____
 (Street) (City) (State) (Zip Code)
 Home Phone: _____ Work Phone: _____
 KyNG Unit: _____
 KyNG Entry Date: _____
 (day, month, year)
 Inclusive dates for current enlistment: _____
 _____ to _____ (ETS)
 (day, month, year) (day, month, year)
 School/institution and address: _____
 Term beginning date: _____
 Term ending date: _____
 Tuition Cost: _____
 Were you in the Guard at the beginning of this
 school term? YES _____ NO _____

How much money have you received through this
 program in the past 12 months? _____
 Will you receive a financial grant other than
 benefits from this fund? (Excluding VA
 benefits) _____
 If so, what type? _____
 What portion of your tuition is paid by grant?
 \$ _____

APPLICANT'S STATEMENT

I, the undersigned, certify that the information
 on this form is true and correct to the best of
 my knowledge. I have read the provisions of KY
 NGR 621-1/KyANGR 53-1 and understand that the
 awarding of tuition assistance is considered on
 the basis of availability of funds, the accuracy
 of this application, the standing of the school
 and its program, the minimum one year period of
 service in the Kentucky National Guard beyond
 the end of the term applied for and I further
 understand that NO PERSON MAY RECEIVE MORE THAN
 \$250 PER TERM OR \$750 DURING A 12 MONTH PERIOD.
 I hereby promise to reimburse the Commonwealth
 of Kentucky any monies received by me due to
 overpayment, leaving the program without just
 cause, or violation of the regulation/state law
 which governs the program.

Date: _____ Signature: _____

UNIT COMMANDER'S AFFIRMATION

I certify that the applicant is a member in good
 standing in the Kentucky National Guard prior to
 the beginning of the term for which application
 is made. I further certify that the individual
 has at least one year of service remaining
 beyond the term applied for. ETS is correct:
 Yes _____ No _____

Date: _____ Signature: _____

NOTE: When this application is completed,
 forward one copy to: Educational Encouragement
 Fund Board, Boone Center, Frankfort, KY. It must
 be received prior to the end of term, and
 bursar's receipt showing payment should be
 attached (cancelled checks are not sufficient).
 If payment cannot be made until after the
 cut-off date, a statement noting when payment
 will be made must be attached. The application
 will be considered when the receipt is available.

AGO Ky FM 15-1 (1 Jan 82)
 Previous editions are obsolete.

MG. BILLY G. WELLMAN, The Adjutant General
 APPROVED BY AGENCY: May 15, 1986
 FILED WITH LRC: May 15, 1986 at 11 a.m.
 PUBLIC HEARING SCHEDULED: A public hearing on
 this regulation will be held on June 27, 1986,
 at 3 p.m. in the Conference Room, EOC Building,
 Boone Center, Frankfort, Kentucky. Those
 interested in attending this hearing shall
 contact: Roger C. Green, Jr., Director,
 Administrative Services Division, EOC Building,
 Boone Center, Frankfort, Kentucky 40601.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Roger C. Green, Jr.
 (1) Type and number of entities affected: This
 regulation is the educational encouragement fund
 policy and procedures for all members of the

Kentucky National Guard. There are approximately 8,500 National Guard members who may qualify for this assistance.

(a) Direct and indirect costs or savings to those affected: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: No change.

(2) Effects on the promulgating administrative body: None

(a) Direct and indirect costs or savings: None

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: No change.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. N/A

EDUCATION AND HUMANITIES CABINET
Department of Education
Office of Instruction

704 KAR 20:330. Endorsement for individual intellectual assessment.

RELATES TO: KRS 161.020, 161.025, 161.030

PURSUANT TO: KRS 156.070, 161.030

NECESSITY AND FUNCTION: KRS 161.020, 161.025, and 161.030 require that teachers and other professional school personnel hold certificates of legal qualifications for their respective positions to be issued upon completion of programs of preparation prescribed by the Kentucky Council on Teacher Education and Certification and approved by the State Board of Education. This regulation provides for a program of preparation-certification leading to a certificate endorsement for administering individual intellectual assessments.

Section 1. An endorsement for individual intellectual assessment shall be issued in accordance with the pertinent Kentucky statutes and State Board of Education regulations to an applicant who holds certification as a guidance counselor and who has completed the approved program of preparation for the endorsement at a teacher education institution approved under the standards and procedures included in the Kentucky Standards for the Preparation-Certification of Professional School Personnel as adopted by 704 KAR 20:005.

Section 2. The endorsement for individual intellectual assessment shall be issued for a

duration period of five (5) years and may be renewed upon completion of three (3) years of experience with administering, scoring, and interpreting individual intellectual assessments as part of the job function. If any portion of renewal experience is not completed, the certificate may be renewed upon completion of six (6) semester hours of credit selected from the areas set forth in Section 3 of this regulation.

Section 3. An endorsement for individual intellectual assessment shall be issued to an applicant who holds certification as a guidance counselor and who has completed twelve (12) semester hours of graduate credit including:

(1) Three (3) semester hours of graduate credit in basic testing and measurement concepts.

(2) Six (6) semester hours of graduate credit which relate directly to individual intellectual assessment.

(3) Three (3) semester hours of graduate credit in a supervised practicum for administering, scoring, and interpreting individual intellectual assessments.

Section 4. Guidance counselors who have qualified to administer individual intellectual assessments in accordance with the provisions of 704 KAR 7:020 shall no longer qualify after September 1, 1989, except upon receiving the certificate endorsement for individual intellectual assessment. Guidance counselors holding such approval and who complete the following curriculum requirements by September 1, 1989, may qualify on a minimum of nine (9) semester hours of graduate credit including:

(1) Three (3) semester hours of graduate credit in basic testing and measurement concepts.

(2) Six (6) semester hours of graduate credit which relate directly to individual intellectual assessment.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: James Fouche and Alice McDonald

(1) Type and number of entities affected: Seven teacher education institutions; approximately 75-100 certificate applicants per year.

(a) Direct and indirect costs or savings to those affected: No appreciable change.

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: 7

institutions must prepare written descriptions of the curriculum to be offered for the endorsement.

(2) Effects on the promulgating administrative body: No appreciable change.

(a) Direct and indirect costs or savings:

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: Regulation will be included in periodic publication on teacher certification.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: Alternative was to require completion of requirements for school psychologists; rejected because of the more limited role of the guidance counselor who administers tests.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? Yes. Requirements are in keeping with the limited role performed rather than for the more comprehensive preparation and certification for school psychologist.

EDUCATION AND HUMANITIES CABINET

Department of Education
Office of Programs

709 KAR 1:080. State plan for community education.

RELATES TO: KRS 160.155 to 160.157

PURSUANT TO: KRS 156.070, 160.156

NECESSITY AND FUNCTION: KRS 160.155 to 160.157 establish the framework for a local school district to set up, and receive state funding for, a community education program, with KRS 160.156 directing the State Board of Education to develop a state plan for community education, including the goals and objectives of such a program and a system of priorities for targeting available resources on areas with the greatest need. This regulation adopts such a state plan.

Section 1. The "State Plan for Community Education, May, 1986" is hereby adopted and incorporated herein by reference, for the purpose of administering KRS 160.155 to 160.157. Copies of such document can be obtained from the Office of Instruction, Department of Education.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in

writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Harry Graham

(1) Type and number of entities affected: 180 local school districts and respective local communities.

(a) Direct and indirect costs or savings to those affected:

1. First year: 25% cash match to state grant.

2. Continuing costs or savings: Same

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: Submit proposed local plan and final report.

(2) Effects on the promulgating administrative body: Expenditure of \$250,000 appropriated each year of biennium for community education program.

(a) Direct and indirect costs or savings:

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements: Monitoring and review of proposed projects and year-end reports.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: Statutes require state plan.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. Uniform state plan for all school districts.

FINANCE AND ADMINISTRATION CABINET

Department for Administration
School Facility Construction Commission

750 KAR 1:010. Commission procedures.

RELATES TO: KRS Chapter 157

PURSUANT TO: KRS 157.622

NECESSITY AND FUNCTION: Facility Construction Commission for the purpose of assisting local school districts to meet the school construction needs of the state. The General Assembly has appropriated funds for administrative support and debt service to allow the commission to implement its program. This regulation describes the procedures the School Facility Construction Commission will utilize in determining eligibility, determining the level of participation of each local school district, making the offer of assistance to the local school districts, determining allowable expenditure of funds, and cumulating credit for those districts that maintain their eligibility,

but do not have sufficient funds to complete their first priority project.

Section 1. Eligibility. (1) The School Facility Construction Commission shall use the statement of need, and available local revenue as certified by the State Board of Education in determining the rate of participation of each school district in any given biennium. Eligibility for participation as established in KRS 157.620(1) shall be certified by the State Board of Education. *its*

(2) A school district retaining capital outlay funds in their current expense general fund under the provisions of KRS 157.420 in the year preceding the biennium in which funds are available or during the biennium shall be ineligible to participate in the SFCC Program during such funding period.

Section 2. Rate of Participation. The rate of participation of ~~each~~ *such* eligible district shall be determined by dividing the unmet needs of each respective district by the total unmet needs of all eligible districts and multiplying that fraction times the total new debt service budgeted for the biennium. In the event there are insufficient funds budgeted in the first year of the biennium to fund all the requests, bond sales will be scheduled in the order in which the School Facility Construction Commission receives requests for approval of bond sales. All bond sales may proceed after January 1 of the first year of the biennium.

Section 3. Offer of Assistance. Upon certification of the rate of participation by the School Facility Construction Commission, the Executive Director of the School Facility Construction Commission shall ~~notify each eligible district of their entitled rate of participation and the requirements that must be met if they wish to accept the offer of assistance.~~ *its* These requirements shall include the amount of local revenue to be expended as certified by the State Board of Education, the priority order of facilities to be built as certified by the State Board of Education, and the sequence of events and deadlines to be met if the local school district accepts the offer of assistance.

Section 4. Acceptance of Offer of Assistance. (1) Within thirty (30) days of receipt of the offer of assistance the local board of education shall notify the School Facility Construction Commission of acceptance or rejection of the offer of assistance. The local district response shall indicate the amount of the offer ~~they plan to commit to construction or renovation~~ *it* immediately and/or the amount ~~they wish to hold~~ *it* in their escrow account. A district not responding within thirty (30) days shall be declared ineligible and the offer of assistance withdrawn and redistributed to the eligible recipients. In extenuating circumstances and upon written request within the original thirty (30) day period, a single thirty (30) day extension may be granted by the Executive Director of the School Facility Construction Commission.

(2) Within ninety (90) days of the offer of assistance the local district shall provide the School Facility Construction Commission with a copy of the project BG-1 form approved by the

Department of Education, an Architects Contract; Construction Managers Contract, if applicable; and a letter of approval from the Department of Education approving the financial plan for the projects to be completed. These contracts shall be negotiated by the local Board of Education; however, any fees in which the School Facility Construction Commission participates shall not exceed the fee schedules listed in Section 6(2) of this regulation. *e;*

(3) Within 120 days of the offer of assistance the local district shall provide the School Facility Construction Commission with an executed deed, Title Opinion, and Certificate of Title Insurance for the project site. If the site acquisition process is in litigation, an extension may be granted by the School Facility Construction Commission upon written request of the local board of education. Under no circumstances will the extension go beyond the biennium in which the offer was made.

Section 5. Review of Building Plans. The review and approval of building plans shall be the responsibility of the Kentucky Department of Education.

Section 6. Allowable Expenditures of Funds.

(1) All funds available from "available local revenue" as defined by KRS 157.615 shall be expended before ~~revenue generated by bond sales authorized by the SFCC are expended.~~ *funds* All funds available for ~~project shall be expended for the purpose of major renovation and/or construction of the identified project except that the balance of funds after the completion of the project may be expended on the next project on the approved facility plan of the respective districts.~~ *a* Such cost may include site acquisition, providing architectural and engineering services, financial and legal services, and equipment. The site acquisition cost shall be limited to the lesser of the actual cost of acquiring a site or the fair market value of the site as determined by qualified appraisal obtained by the School Facility Construction Commission and charged to the project account. In no case shall School Facility Construction Commission funds or funds from the restricted account be used to purchase a site greater than that required by state board regulations for construction of the approved project. In no case shall School Facility Construction Commission funds or funds from the restricted account be used to reimburse the local board of education for a site acquired before enactment of KRS 157.611. Construction cost may include the cost of fixed equipment and movable equipment, but may not include the cost of supplies as defined by "Kentucky School Financial Accounting System" Instruction Manual. *remaining*

(2) The fees of architects and engineers shall be limited to the following fee schedule if the School Facility Construction Commission participates in the payment of such fees:

Cost of Construction	Basic Fee
Up to \$25,000	12.0%
\$25,000 to \$50,000	10.4%
\$50,000 to \$75,000	9.4%
\$75,000 to \$100,000	8.7%
\$100,000 and under \$200,000	8.0%
\$200,000 and under \$300,000	7.4%
\$300,000 and under \$400,000	7.1%

\$400,000 and under \$500,000	6.8%
\$500,000 and under \$600,000	6.5%
\$600,000 and under \$700,000	6.3%
\$700,000 and under \$800,000	6.2%
\$800,000 and under \$900,000	6.1%
\$900,000 and under \$1,000,000	5.9%
\$1,000,000 and under \$1,250,000	5.8%
\$1,250,000 and under \$1,500,000	5.7%
\$1,500,000 and under \$1,750,000	5.6%
\$1,750,000 and under \$2,000,000	5.5%
\$2,000,000 and under \$2,250,000	5.4%
\$2,250,000 and under \$2,500,000	5.3%
\$2,500,000 and under \$2,750,000	5.2%
\$2,750,000 and under \$3,000,000	5.1%
\$3,000,000 and over	5.0%
Repetitive Design Project	75% of Basic Fee
Renovation Project	125% of Basic Fee

Section 7. Bond Issuance Procedures. (1) Upon acceptance of an offer of assistance by a local school district, the School Facility Construction Commission shall determine whether the local school district will issue the bonds or the SFCC will issue the bonds. Local school districts may request authority from the SFCC to issue the bonds through the local fiscal court or municipal government. Such a request shall be submitted to the commission at the time the local school district accepts the offer of assistance.

(2) If the commission grants permission to issue bonds at the local level, the procedures for issuing the bonds shall be as follows:

(a) The local board of education shall obtain the services of a financial advisor;

(b) The contract with the financial advisor shall be submitted to the School Facility Construction Commission for final approval after signature by the local school district and the financial advisor;

(c) The local board of education shall obtain the services of a trustee, paying agent, and registrar. The institution shall meet the eligibility criteria provided by the School Facility Construction Commission.

(3) In situations where the size of the bond issues is small (less than \$500,000) or there is no local participation in the repayment, the School Facility Construction Commission may determine that it is in the best interests of the School Facility Construction Commission and the local school board for the School Facility Construction Commission to manage the bond sale procedures. In cases where this determination is made, the following shall apply:

(a) The bonds will be sold in the name of the School Facility Construction Commission;

(b) The School Facility Construction Commission shall obtain the services of a financial advisor;

(c) At the discretion of the School Facility Construction Commission, multiple projects may be combined into single bond issues. These will generally be limited to small projects and projects where the respective construction bid dates are contemporaneous;

(d) The School Facility Construction Commission shall obtain the services of a trustee, paying agent, and registrar. The institution shall meet the eligibility criteria provided by the School Facility Construction Commission.

(4) The following procedures shall be followed by all participating districts:

(a) The School Facility Construction

Commission's portion of the bond sale shall be limited to a twenty (20) year issue, level repayment schedule. The maximum annual repayment amounts shall not exceed the offer of assistance from the School Facility Construction Commission;

(b) The local school district's portion of the bond sale shall be structured to meet the unique financial needs of the district. Debt service on the bonds issued shall include the minimum amount required for eligibility to participate in the program as certified by the State Board of Education. The minimum length of the local bond issue to meet eligibility criteria shall be twenty (20) years. At the discretion of the local board of education, the bond issue may include a local contribution to debt service beyond the minimum required, and the length of the local portion of the repayment schedule may exceed twenty (20) years;

(c) Interest collected and accrued on funds derived from the bond sale will be credited to the debt service schedules of the school district and the School Facility Construction Commission in the same proportions as their respective participation in the bond issue;

(d) The proceeds of the bond sale shall be continually invested until they are all expended on the project or the project is completed. Any remaining proceeds or investment income after completion of the project shall be applied to the debt service. Credit against the district's and the commission's debt service schedule shall be applied in the same percentage as the participation in the bond issue or, if permitted by the indenture, excess funds may be applied to an approved project next in order priority;

(e) A certificate of project completion shall be filed with the School Facility Construction Commission by the local school district. The certification shall summarize the application of the bond proceeds, investment earnings, and any remaining funds from either source. The certificate shall also verify the use of cash contribution as may be required for eligibility by the local school district;

(f) Fees paid to a financial advisor shall be in accordance with the following fee schedule. Fees exceeding this schedule shall be paid by the local board of education.

Maximum Fee Schedule

- Services and Expenses of Fiscal Agent
- 1% or \$3,000 whichever is greater for up to \$1,000,000
 - The next \$1,000,000 at \$6.50 per thousand
 - The next \$1,000,000 at \$6.00 per thousand
 - The next \$1,000,000 at \$5.50 per thousand
 - All over \$4,000,000 at \$5.00 per thousand

Fee is based upon the amount of bonds actually issued.

Fee to include attorney fees, printing of bonds and official statements, advertising the bond issue, travel of the fiscal agent, and other normal expenses related to the bond closing.

Fee not to include title search or rating service.

Section 8. Cumulative Credit. Any eligible district which fails in any budget period to receive an allocation of state funds that is sufficient to fund the first priority project on the approved facility plan of the district may

request the approval of the School Facility Construction Commission to accumulate credit subject to the availability of funds, for its unused state allocation for a period not to exceed four (4) years. Districts which receive funds in excess of those required to complete the first project may apply those funds to the next priority project on their approved facility plan. In the event there ~~is~~ ^{one} insufficient funds to complete the next project, those funds may accumulate as previously outlined. All fund credit accumulated in this manner shall be forfeited at any time that the local district fails to meet the eligibility criteria.

REE KARIBO, Chairman

APPROVED BY AGENCY: May 15, 1986

FILED WITH LRC: May 15, 1986 at noon.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled at 10 a.m. on June 23, 1986, in Room 207 Capitol Annex Building, Frankfort, Kentucky 40601. Persons interested in attending this hearing shall contact: Robert E. Spillman, Executive Director, School Facility Construction Commission, Finance and Administration Cabinet, 322 Capital Annex, Frankfort, Kentucky 40601.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Robert E. Spillman

(1) Type and number of entities affected: 2 state agencies and 180 local school districts.

(a) Direct and indirect costs or savings to those affected: N/A

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: Reporting requirements will be limited to those districts that receive assistance.

(2) Effects on the promulgating administrative body: Expected to be positive because it establishes procedures for the conduct of its affairs and relationship with the school districts.

(a) Direct and indirect costs or savings: N/A

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements:

(3) Assessment of anticipated effect on state and local revenues: Will provide assistance to local school districts to build facilities based upon need.

(4) Assessment of alternative methods; reasons why alternatives were rejected: Total local management was considered. The legality is questionable and does not give adequate state control.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? Yes

PUBLIC PROTECTION AND REGULATION CABINET Public Service Commission

807 KAR 5:068. Purchased water adjustment for water districts and water associations.

RELATES TO: KRS Chapter 278

PURSUANT TO: KRS 278.012, 278.015, 278.030(1), 278.040(3)

NECESSITY AND FUNCTION: KRS 278.030(1) provides that all rates charged by a water utility subject to the jurisdiction of the Public Service Commission shall be fair, just and reasonable. This regulation prescribes the requirements under which a water district or a water association may implement a purchased water adjustment designed to recover the actual costs of water purchased.

Section 1. Water Utility Base Rate. The supplier's base rate in effect immediately prior to the most recent increase shall be considered the base rate.

Section 2. Applications for Change in Base Rate. (1) For purposes of a purchased water adjustment, the supplier's rate as defined in Section 1 of this regulation shall be considered as the base rate for purchased water and any increase or decrease in the base rate shall be considered the changed rate.

(2) In the event there is an increase in the supplier's base rate, the water district or water association shall determine the increased cost of water purchased based on the twelve (12) month period ending within ninety (90) days immediately prior to the effective date of its rate adjustment to its customers. The cost of purchased water shall be calculated at the supplier's base rate and changed rate, as defined in Sections 1 and 2 of this regulation. The difference in costs shall then be divided by the actual number of cubic feet or gallons sold during the same twelve (12) month period, yielding the purchased water adjustment in cents per cubic foot or gallon unit. This adjustment amount shall be added to all the utility's rate schedules on a per unit basis regardless of the customer class.

(3) In the event there is a decrease in the supplier's rate, the purchased water adjustment shall be calculated in the same manner as set out in subsection (2) of this section and its rates reduced accordingly.

(4) In the event a water district or water association receives a refund from its supplier for amounts previously paid, the water district or water association shall immediately apply to the commission for authority to make adjustments on the amounts charged customer's bills under this regulation as follows:

(a) The total refund received by the utility shall be divided by the number of cubic feet or gallons of water the utility estimates it will sell to its customers during the two (2) month period beginning with the first day of the month following receipt of the refund, yielding the refund factor to be applied against each cubic foot or gallon of water sold thereafter.

(b) Effective with meter readings taken on and after the first day of the second month following receipt of the refund, the utility will reduce by the refund factor any purchased water adjustment that would otherwise be applicable during the period. The period of

reduced purchased water adjustments shall be adjusted, if necessary, in order to most nearly approximate the total amount to be refunded. The water utility shall make full distribution of the refund within two (2) months.

(c) In the event a water utility receives a large or unusual refund, the utility may apply to the commission for a deviation from the procedure for distribution of refunds specified herein.

Section 3. Filings With the Commission. (1) Within twenty (20) days after any such purchased water rate adjustment, the water district or water association shall file with the commission its revised tariff sheets setting forth the adjusted rates and information concerning the water purchases and sales upon which the adjustment was based sufficient to determine the accurateness of the calculations and application of the purchased water adjustment to its rates. Such tariffs and information shall be in substantially the form set forth in subsection (2) of this section. Copies of these forms may be obtained from the commission upon request.

(2) Form of purchased water adjustment filing.

PURCHASED WATER RATE ADJUSTMENT
Pursuant to KRS 278.012 and 278.015

(Name of Utility)

(Date)

(Business Mailing Address)

(Telephone Number)

1.(a) Names of all wholesale suppliers and the base rate and changed rate of each. In the event the water purchased is billed by the supplier on other than a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

Supplier(s)	Base Rate	Changed Rate
(1) _____	_____	_____
(2) _____	_____	_____
(3) _____	_____	_____

(b) A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit _____.

2. Twelve-month Period Upon Which Purchased Water Adjustment is Based

From _____ through _____
Month & Year Month & Year

3. Statement of Water Purchases (Where water is purchased from more than one (1) supplier, purchases from each supplier must be shown separately. Where water is purchased from a supplier through more than one (1) meter and bills are computed individually for each meter, purchases should also be shown separately for each meter.)

Supplier's Name	Gallons Purchased Meter No. 1	Gallons Purchased Meter No. 2
(1) _____	_____	_____
(2) _____	_____	_____
(3) _____	_____	_____
TOTAL	_____	_____

4. Total Sales for the 12-Months _____

5. Purchased Water Adjustment Factor _____
per gallon or cubic foot.

NOTE: Revised tariff sheets must be attached showing rates to be charged by the utility and the effective date of such increased rates.

Signature of Utility Officer

Title

Form for filing Rate Schedules

For _____
Community, Town or City
P.S.C. No. _____
_____ SHEET NO. _____
_____ CANCELLING P.S.C. NO. _____
Name of Issuing Corp. _____
_____ SHEET NO. _____

CLASSIFICATION OF SERVICE

RATE PER UNIT

DATE OF ISSUE _____ DATE EFFECTIVE _____
ISSUED BY _____ TITLE _____
Name of Officer
Issued by authority of an Order of the Public
Service Commission of Kentucky in Case No. _____
dated _____.

Section 4. Orders of the Commission. (1) Within thirty (30) days after the documents required by Section 3 of this regulation are filed, the commission shall enter its order either approving the rates or establishing revised rates.

(2) If the rates contained in the tariff are correct and approved as filed, no further tariff forms will be required to be filed and a stamped copy of the approved tariff sheet(s) shall be returned to the utility for its files. If the rates are incorrect and corrected rates are established by the commission, within thirty (30) days of the date of the commission's order, the utility shall file revised tariff sheet(s) setting out the rates so ordered.

RICHARD D. HEMAN, JR., Chairman

ROBERT M. DAVIS, Secretary

APPROVED BY AGENCY: May 15, 1986

FILED WITH LRC: May 15, 1986 at 11 a.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation will be held on June 25, 1986 at 9 a.m., EDT, in the Public Service Commission Hearing Room No. 1 on Schenkel Lane in Frankfort, Kentucky. Those interested in attending this hearing shall contact: Forest M. Skaggs, Secretary, Kentucky Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Barbara Jones

(1) Type and number of entities affected: Water districts and water associations. 39, potentially.

(a) Direct and indirect costs or savings to those affected: Immediate cost recovery possible. No absorption test. Therefore, significant savings to utility.

1. First year: Shorter period savings = \$100,000 and absorption test savings = \$100,000.

2. Continuing costs or savings: Same

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: Minimal. Compare former filing requirements in 807 KAR 5:067 with form of regulation. No financial statements.

(2) Effects on the promulgating administrative body: Eliminates PSC review for other than mathematical calculation.

(a) Direct and indirect costs or savings: Decreases PSC review period and avoids information request.

1. First year: Will free up time of staff person assigned to case.

2. Continuing costs or savings: Same

3. Additional factors increasing or decreasing costs: None

(b) Reporting and paperwork requirements: Virtually eliminates. Bare informational filing only.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: Given language of HB 810, no other alternatives were deemed appropriate.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

Tiering:

Was tiering applied? No. Reduction of filing requirements and cost savings as discussed previously should be available to all utilities that purchase water, whatever their size. A distinction has been drawn, however, between privately-owned water utilities and water districts or associations based upon HB 810.

PUBLIC PROTECTION AND REGULATION CABINET Department of Housing, Buildings and Construction

815 KAR 20:001. Sections Declared Independent.

RELATES TO: KRS Chapter 318

PURSUANT TO: KRS 318.130

NECESSITY AND FUNCTION: The department is directed by KRS 318.130 through the State Plumbing Code Committee to adopt and put into effect a State Plumbing Code. This regulation relates to the sovereignty of each section as it relates to other sections of the code.

Section 1. Sections Declared Independent. Each section of this code and every part of each section is hereby declared to be an independent section and part of section and the holding of any section or part of section to be void and ineffective for any cause shall not be deemed to effect any other section or part of sections.

CHARLES A. COTTON, Commissioner

ROBERT M. DAVIS, Secretary

APPROVED BY AGENCY: May 12, 1986

FILED WITH LRC: May 13, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation will be held on June 23, 1986 at 10 a.m., in the office of the Department of Housing, Buildings, and Construction, U.S. 127 South, Frankfort, Kentucky. Those interested in attending this hearing shall contact: Judith G. Walden, Office of General Counsel, Department of Housing, Buildings, and Construction, The 127 Building, U.S. 127 South, Frankfort, Kentucky 40601. If no written requests to appear at the public hearing are received by June 18, 1986, the hearing may be cancelled.

REGULATORY IMPACT ANALYSIS

Agency Contact Person: Carl VanCleve

(1) Type and number of entities affected:

(a) Direct and indirect costs or savings to those affected:

1. First year: None

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements:

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: Minimal increased cost due to time required to complete regulatory impact analysis.

2. Continuing costs or savings: N/A

3. Additional factors increasing or decreasing costs: N/A

(b) Reporting and paperwork requirements: N/A

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: N/A

(a) Necessity of proposed regulation if in conflict: N/A

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions: N/A

(6) Any additional information or comments: See Necessity and Function.

Tiering: Was tiering applied? No. N/A

ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE

Minutes of the May 5-6, 1986 Meeting

The May meeting of the Administrative Regulation Review Subcommittee was held on Monday, May 5, 1986 at 2 p.m. and on Tuesday, May 6, 1986 10 a.m. in Room 103. Representative Jim Bruce, Acting Chairman, called the meeting to order, and the secretary called the roll. Without objection the minutes of the April 17, 1986 meeting were approved.

Present were:

Members: Representative Jim Bruce, Acting Chairman; Senators Harold Haering and Pat McCuiston; Representatives Ed Holloway and Joe Meyer.

Guests: Arthur Hatterick, Personnel Board; Anne Keating, Department of Personnel; David Murrell, George Parsons, Janice Parsons, Kentucky Association of State Employees; Scott Akers, John A. Miller, Revenue Cabinet; Frank Chuppe, Real Estate Commission; Larry Perkins, State Board of Registration for Professional Engineers and Land Surveyors; Greg Holmes, Fred Lampson, Athletic Commission; Michael Bradley, Linda G. Cooper, David Sexton, Corrections Cabinet; Charles W. Hargis, Sgt. Thomas Hazlette, Christopher W. Johnson, Department of State Police; Perry R. White, Jr., Boone Driving School; A. Jack May, Department of Criminal Justice Training; Ed Martin, Mike Noyse, Sandra Pullen, Transportation Cabinet; Gary Bale, Wendell D. Bruce, Larry C. Conner, Carole Kruse, Sidney Simandle, H. M. Snodgrass, Thomas J. Vest, Akeel Zaheer, Department of Education; Tom Edwards, Steve Forbes, Guy Schofield, Betty Springate, Labor Cabinet; Carl VanCleve, Judith G. Walden, Department of Housing, Buildings and Construction; Barbara Coleman, Vic Gausepohl, Cliff Howard, Clifford Jennings, Eugenia Jump, Ishmael Preston, Mark Yancey, Cabinet for Human Resources; Dub Wilkins, KSIA - KSDD

LRC Staff: Susan Wunderlich, Joe Hood, Gregory Karambellas, Donna Valencia, Chris Lilly, and Carla Arnold.

The Administrative Regulation Review Subcommittee met on May 5 and 6, 1986, and submits the following report:

The Subcommittee determined that the following regulation exceeds statutory authority:

Personnel Board: Personnel Rules

101 KAR 1:160 (Merit system.) George Parson and David Murrell, representing the Kentucky Association of State Employees, spoke against this regulation. They felt the regulation was unconstitutional in that it restricted freedom of expression by its prohibition of addressing civic groups on political subjects, circulation of partisan political nominating petitions, and the solicitation of support for a candidate. They felt the Board had exceeded statutory authority by prohibiting political activities during non-working hours and by prohibiting activities not specified as illegal by the statutes.

Senator Haering offered an amendment to prohibit any political activity on state

property, whether the employee was on or off duty; while he was travelling in a state vehicle or on state business, during any work break and prohibiting the use of sick leave for political activities. The agency representative stated that the proposed amendment would be presented to the Board and considered when the Board developed its new regulations under Senate Bill 340.

Representative Meyer objected to Sections 1(3), 2(4), 2(7) and 2(8). He stated that contribution of goods was permitted while contribution of money was prohibited, and that this was inconsistent since there was no real distinction between the contributions. Representative Meyer felt that the restriction against addressing a political club on any partisan political matter exceeded the restriction found in KRS 18A.140, and that the regulation prohibited standing for election to town offices even though the statute permitted it. He stated that the statute prohibited the distribution of material only as part of an organized campaign effort.

The Subcommittee approved a motion by Representative Meyer that an attachment be placed on the regulation that Sections 1(3), 2(4), 2(7) and 2(8) exceeded statutory authority, and that the issue of political activities by state employees be referred to the Interim Joint Committee on State Government.

The Subcommittee determined that the following regulations, amended as agreed by the subcommittee and promulgating body, complied with KRS Chapter 13A:

Justice Cabinet: Department of State Police: Driver Training

502 KAR 10:030 (Instructor's license.) The agency agreed to amend this regulation by deleting new Section 8 (requirement of relicensure if instructor of driver training school changes school) and new Section 10 (ability to re-apply six months after suspension or denial of license) in order to conform to KRS 332.020 and 332.030.

502 KAR 10:040 (Training school facilities.) The agency agreed to amend this regulation by deleting new Section 8 (restricting instruction in county where office is located or in county adjacent to county where office is located) in order to conform to KRS 332.020 and KRS 332.030.

Candidate Selection

502 KAR 45:020 (Qualifications.) Representative Meyer objected to the use of the term "marked deformity" as a disqualification. The agency agreed to amend Section 4(3) to delete "marked deformity" and to insert in lieu thereof, "any defect which would impede or impair the performance in the job for which applicant has applied."

Department of Training: Law Enforcement Foundation Program Fund

503 KAR 5:090 (Participation; requirements; application; withdrawal.) The Subcommittee objected to the addition of a two year grace

period in the completion of the training courses mandated by KRS 15.440. The statute requires completion of the basic training course within a year of employment, and of an annual in-service training course each calendar year. The agency agreed to amend the regulation by deleting the words "and he remains separated from employment as a police officer for more than two (2) years;" in Section 1(3)(c); and, the words "The two (2) year grace period shall apply to an officer who has been "grandfathered" into the Fund under KRS 15.440(4)." in Section 1(4)(e).

Education and Humanities Cabinet: Department of Education: Teacher Certification

704 KAR 20:235 (Learning and behavior disorders; teacher's provisional certificate.) This regulation was amended by the agency and subcommittee to make typographical corrections.

Public Protection and Regulation Cabinet: Department of Housing, Buildings and Construction: Plumbing

815 KAR 20:120 (Water supply distribution.) The agency and subcommittee amended this regulation to provide for minimum required air gaps for plumbing fixtures.

The Subcommittee determined that the following regulations complied with KRS Chapter 13A:

Personnel Board: Personnel Rules

101 KAR 1:070 (Registers.)
101 KAR 1:120 (Separations and disciplinary actions.) Chairman Bruce pointed out that all personnel regulations reviewed by the Subcommittee would be repealed when Senate Bill 340 became effective in July and that new regulations would have to be promulgated.
101 KAR 1:170 (Employee grievances.)

Revenue Cabinet: Sales and Use Tax; General Exemptions

103 KAR 30:190 (Interstate and foreign commerce.)

General Government Cabinet: Real Estate Commission

201 KAR 11:190 (Rules of practice and procedure for hearings before the Kentucky Real Estate Commission.) Representative Meyer pointed out that while the amendment conformed to the objections made by the Subcommittee at its January, 1986, the objections of the reviewer showed that a uniform administrative practices act was needed.

Board of Registration for Professional Engineers and Land Surveyors

201 KAR 18:160 (Waiver for mortgage inspections.)

Athletic Commission

201 KAR 27:010 (General requirements.)
201 KAR 27:015 (Prompt payment of fees, fines and forfeitures required.)

Corrections Cabinet: Jail Standards

501 KAR 3:150 (Hearings, procedures, disposition.)

Office of the Secretary

501 KAR 6:020 (Corrections policies and procedures.) At the Subcommittee's suggestion, the agency agreed to conform this regulation to KRS Chapter 72 by amending the material incorporated by reference to delete the new

language on page 7 of Policy 1.6 that permitted removal of the body of an inmate upon the authority of a person other than the coroner, and to submit an amended regulation incorporating other changes.

Justice Cabinet: Department of State Police: Driver Training

502 KAR 10:010 (Definitions.)
502 KAR 10:020 (Department facilities; facility inspection; conflict of interest.)
502 KAR 10:050 (Contracts and agreements.)
502 KAR 10:060 (School advertising.)
502 KAR 10:070 (Training vehicle, annual inspection.)
502 KAR 10:080 (License suspension, revocation, denial.)
502 KAR 10:090 (Procedure for denial, suspension, nonrenewal or revocation hearings.)

Candidate Selection

502 KAR 45:010 (Definitions.)
502 KAR 45:030 (Disqualifications.)
502 KAR 45:040 (Application.)
502 KAR 45:050 (Physical examination.)
502 KAR 45:060 (Written examination.)
502 KAR 45:070 (Vision examination.)
502 KAR 45:080 (Oral interview.)
502 KAR 45:090 (Background investigations.)
502 KAR 45:100 (Psychological assessment.)
502 KAR 45:110 (Register.)
502 KAR 45:120 (Appointment.)
502 KAR 45:130 (Appeals.)

Department of Training: Kentucky Law Enforcement Council

503 KAR 1:070 (Training; qualifications; application.)
503 KAR 1:110 (Basic training; graduation requirements; records.)

Transportation Cabinet: Airport Zoning

602 KAR 50:100 (Marking and lighting obstruction standards.)

Education and Humanities Cabinet: Department of Education: Educational Innovation Incentive Committee

701 KAR 7:010 (Educational Innovation Incentive Grants.)

Office of Local Services: Pupil Transportation

702 KAR 5:060 (Buses; specifications and purchases.)

Office of Instruction: Instructional Services

704 KAR 3:035 (Annual in-service plan.)
704 KAR 3:292 (Chapter 1, ECIA Migrant Plan.)

Teacher Education

704 KAR 15:100 (Test designation for teacher loan/scholarship program.)

Teacher Certification

704 KAR 20:005 (Kentucky standards for preparation program approval.)
704 KAR 20:120 (Emergency certification.)
704 KAR 20:230 (Hearing impaired; teacher's provisional certificate.)
704 KAR 20:245 (Trainable mentally handicapped; teacher's provisional certificate.)

Labor Cabinet: Occupational Safety and Health

803 KAR 2:020 (Adoption of 29 CFR Part 1910.)
803 KAR 2:240 (Time for filing discrimination complaint.)

Public Protection and Regulation Cabinet:
Department of Housing, Buildings and
Construction: Kentucky Building Code
815 KAR 7:020 (Building Code.)

Plumbing

815 KAR 20:010 (Definitions.)
815 KAR 20:130 (House sewers and storm water
piping; methods of installation.)

Cabinet for Human Resources: Department for
Health Services: Hospitalization of Mentally Ill
and Mentally Retarded

902 KAR 12:080 (Policies and procedures for
mental health/mental retardation facilities.)

Department for Employment Services:
Unemployment Insurance

903 KAR 5:260 (Unemployment insurance
procedures.) With regard to unemployment
compensation hearings, Representative Meyer
requested the agency take action to insure that
files relevant to a hearing are available for
inspection by parties or their representatives.
He pointed out that the files very often are not
physically located in the local offices. The
agency representative agreed to look into the
matter and respond to Representative Meyer in
writing.

Department for Social Insurance: Public
Assistance

904 KAR 2:116E (Low income home energy
assistance program.)

Department for Social Services: Child Welfare
905 KAR 1:180 (DSS policy and procedures
manual.)

Children's Residential Services

905 KAR 7:080 (Children's treatment services
facility manual.)

905 KAR 7:210 (Central Kentucky Re-ed Center
policy and procedural manual.)

The Subcommittee had no objections to
emergency regulations which had been filed.

Other Business:

House Bill 310

Joe Hood, Counsel to the Subcommittee,
discussed House Bill 310, which requires that
regulations be enacted into statute by the
General Assembly or expire when Acts of the next
succeeding General Assembly become effective.
Representative Meyer and Senator Haering
questioned whether the bill prohibited an agency
from repromulgating administrative regulations
that so expire. Representative Bruce briefly
discussed the role of the Subcommittee under the
requirements of House Bill 310, and felt that
the Subcommittee could consider the procedures
required by the bill and the role of the
Subcommittee under the bill at future meetings.

The Subcommittee adjourned at 11 a.m. until
June 9, 1986.

CUMULATIVE SUPPLEMENT

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LOCATOR INDEX -- EFFECTIVE DATES

NOTE: Emergency regulations expire 90 days from publication or upon replacement or repeal.

VOLUME 11

Regulation	11 Ky.R. Page No.	Effective Date	Regulation	11 Ky.R. Page No.	Effective Date
1 KAR 1:010			405 KAR 18:050		
Amended	169		Amended	1851	8-13-85
405 KAR 7:020			405 KAR 18:170		
Amended	228	10-9-84	Amended	1864	8-13-85
Amended	1791	8-13-85	405 KAR 20:030		
405 KAR 7:080			Amended	1865	8-13-85
Amended	1800	8-13-85	804 KAR 4:250	360	9-11-84
405 KAR 12:010			Amended	1893	8-13-85
Amended	1831	8-13-85	804 KAR 11:030	1968	8-13-85
405 KAR 16:050			812 KAR 1:050		
Amended	1837	8-13-85	Amended	1505	
405 KAR 16:170			Withdrawn		12-17-85
Amended	1850	8-13-85	902 KAR 20:132		
			Amended	78	10-9-84
			Amended	1933	8-13-85

VOLUME 12

Emergency Regulation	12 Ky.R. Page No.	Effective Date	Emergency Regulation	12 Ky.R. Page No.	Effective Date
101 KAR 1:051E	643	10-29-85	502 KAR 45:010E	1722	3-17-86
Replaced	1228	1-3-86	Replaced	1699	5-6-86
101 KAR 1:120E	1205	1-15-86	502 KAR 45:020E	1723	3-17-86
Replaced	1351	3-4-86	Replaced	1834	5-6-86
101 KAR 1:145E	1207	1-15-86	502 KAR 45:030E	1723	3-17-86
Replaced	1595	3-4-86	Replaced	1700	5-6-86
101 KAR 1:160E	1580	3-10-86	502 KAR 45:040E	1724	3-17-86
Replaced	1693	5-6-86	Replaced	1701	5-6-86
101 KAR 1:205E	1208	1-15-86	502 KAR 45:050E	1724	3-17-86
Replaced	1596	3-4-86	Replaced	1702	5-6-86
201 KAR 9:021E	646	11-4-85	502 KAR 45:060E	1725	3-17-86
Replaced	668	1-3-86	Replaced	1703	5-6-86
301 KAR 2:044E	313	8-2-85	502 KAR 45:070E	1726	3-17-86
Replaced	347	10-8-85	Replaced	1703	5-6-86
301 KAR 2:220E	468	10-1-85	502 KAR 45:080E	1726	3-17-86
Replaced	631	12-10-85	Replaced	1704	5-6-86
301 KAR 4:050E	1716	3-28-86	502 KAR 45:090E	1727	3-17-86
302 KAR 1:030E	99	7-2-85	Replaced	1705	5-6-86
Replaced	345	9-10-85	502 KAR 45:100E	1727	3-17-86
302 KAR 20:010E	101	7-2-85	Replaced	1706	5-6-86
Replaced	220	9-10-85	502 KAR 45:110E	1728	3-17-86
302 KAR 20:065E	102	7-2-85	Replaced	1706	5-6-86
Replaced	221	9-10-85	502 KAR 45:120E	1729	3-17-86
302 KAR 20:180E	1209	1-13-86	Replaced	1707	5-6-86
Replaced	1358	3-4-86	502 KAR 45:130E	1729	3-17-86
302 KAR 31:010E	648	10-29-85	Replaced	1708	5-6-86
Replaced	1093	2-4-86	600 KAR 1:045E	315	7-26-85
405 KAR 7:020E	1139	12-2-85	Replaced	293	9-10-85
Replaced	1280	2-4-86	603 KAR 5:070E	104	7-8-85
405 KAR 8:050E	1147	12-2-85	Replaced	231	9-10-85
Replaced	1310	2-4-86	702 KAR 3:190E	1211	1-10-86
405 KAR 20:070E	1152	12-2-85	Replaced	1164	2-4-86
Replaced	1339	2-4-86	702 KAR 5:060E	1590	3-12-86
501 KAR 3:150E	1581	2-21-86	Replaced	1634	5-6-86
Replaced	1609	5-6-86	702 KAR 7:070E	1153	11-18-85
501 KAR 6:020E	1584	2-20-86	Replaced	962	1-3-86
Replaced	1716	4-14-86	704 KAR 3:355E	391	7-13-85
Resubmitted	1716	4-14-86	Replaced	417	11-12-85

ADMINISTRATIVE REGISTER - L3

Emergency Regulation	12 Ky.R. Page No.	Effective Date	Emergency Regulation	12 Ky.R. Page No.	Effective Date
704 KAR 10:022E	1211	1-13-86	904 KAR 2:006E		
Replaced	1166	2-4-86	Replaced	6	5-17-85
704 KAR 20:045E	107	6-26-85	Resubmitted	6	5-17-85
Replaced	239	9-10-85	Replaced		7-9-85
815 KAR 7:013E	472	9-25-85	904 KAR 2:116E	481	9-27-85
Replaced	638	12-10-85	Replaced	623	12-10-85
902 KAR 6:060E	109	7-10-85	Resubmitted	1591	2-21-86
Replaced	258	9-10-85	Expires		6-30-86
902 KAR 8:030E	1212	12-17-85	904 KAR 2:140E	121	7-10-85
Replaced	1172	2-4-86	Replaced	286	9-10-85
902 KAR 10:081E	1213	12-23-85	Resubmitted	484	10-8-85
Replaced	1457	3-4-86	Replaced	626	12-10-85
902 KAR 12:030E	110	6-27-85	Resubmitted	1485	2-10-86
Replaced	260	9-10-85	Replaced	1548	4-17-86
902 KAR 12:080E	1154	11-18-85	Resubmitted	1824	5-13-86
Replaced	609	12-10-85	904 KAR 2:150E	122	7-10-85
903 KAR 2:010E	1	6-11-85	Replaced	287	9-10-85
Expired		6-28-85	Resubmitted	1486	2-10-86
903 KAR 5:270E	110	6-28-85	Replaced	1549	4-17-86
Replaced	272	9-10-85	Resubmitted	1825	5-13-86
903 KAR 5:290E	1475	2-10-86	904 KAR 2:170E	123	7-10-85
Replaced	1571	4-17-86	Replaced	288	9-10-85
903 KAR 6:020E	111	6-28-85	Resubmitted	485	10-8-85
Replaced	273	9-10-85	Replaced	627	12-10-85
904 KAR 1:010E	316	8-2-85	Resubmitted	1487	2-13-86
Replaced	365	11-12-85	Replaced	1550	4-17-86
904 KAR 1:011E	2	5-17-85	Resubmitted	1826	5-13-86
Replaced	1938	7-9-85	904 KAR 2:190E	1729	4-8-86
904 KAR 1:013E	317	8-2-85	904 KAR 2:200E	9	6-11-85
Replaced	368	10-8-85	Replaced	73	8-13-85
Resubmitted	1219	12-30-85	904 KAR 3:020E	1826	4-17-86
Replaced	1815	4-17-86	904 KAR 3:090E	124	7-10-85
Resubmitted	1815	4-17-86	Replaced	289	9-10-85
904 KAR 1:015E	319	8-2-85	Resubmitted	486	10-8-85
Replaced	370	10-8-85	Replaced	628	12-10-85
904 KAR 1:020E	649	11-4-85	Resubmitted	1487	2-10-86
Replaced	1079	1-3-86	Replaced	1551	4-17-86
904 KAR 1:022E	394	8-30-85	Resubmitted	1829	5-13-86
Replaced	451	11-12-85	905 KAR 1:180E	327	7-17-85
904 KAR 1:031E	319	8-2-85	Replaced	290	9-10-85
Replaced	370	11-12-85	Resubmitted	1594	2-19-86
904 KAR 1:036E	112	6-28-85	Replaced	1552	4-17-86
Expired		8-2-85	905 KAR 6:020E	396	8-23-85
Resubmitted	320	8-2-85	Expires		12-30-85
Expired		9-26-85	905 KAR 7:030E	9	6-6-85
Resubmitted	473	9-26-85	Replaced	75	8-13-85
Replaced	615	12-10-85	905 KAR 7:060E	14	6-11-85
Resubmitted	1221	12-17-85	Replaced	79	8-13-85
Expired		2-3-86	905 KAR 7:080E	14	6-6-85
Resubmitted	1476	2-3-86	Replaced	80	8-13-85
Replaced	1817	4-17-86	906 KAR 1:030E	1488	2-10-86
Resubmitted	1817	4-17-86	Replaced	1573	4-17-86
904 KAR 1:045E	118	6-28-85	907 KAR 1:250E	1830	5-13-86
Expired		8-2-85			
Resubmitted	326	8-2-85			
Replaced	378	10-8-85			
904 KAR 1:055E	119	6-28-85	Regulation	12 Ky.R. Page No.	Effective Date
Replaced	282	9-10-85	1 KAR 4:005	22	8-13-85
904 KAR 1:250E	120	7-10-85	Amended		
Replaced	284	9-10-85	1 KAR 5:010	456	11-12-85
Resubmitted	479	10-8-85	11 KAR 3:050	1445	3-4-86
Expired		11-12-85	11 KAR 4:050		
Resubmitted	650	11-12-85	Amended	659	
Replaced	1084	1-3-86	Amended	1227	1-3-86
Resubmitted	1482	2-10-86	11 KAR 5:010	408	11-12-85
Replaced	1546	4-17-86	Amended		
904 KAR 1:310E	327	8-2-85	11 KAR 5:080	660	1-3-86
Replaced	386	10-8-85			
904 KAR 1:320E	1484	2-3-86			
Replaced	1571	4-17-86			

ADMINISTRATIVE REGISTER - L4

Regulation	12 Ky.R. Page No.	Effective Date	Regulation	12 Ky.R. Page No.	Effective Date
11 KAR 5:090			201 KAR 12:050		
Amended	661	1-3-86	Amended	670	1-3-86
11 KAR 5:100			201 KAR 12:105		
Amended	662	1-3-86	Amended	671	1-3-86
11 KAR 6:010			201 KAR 12:110		
Amended	408	11-12-85	Amended	1731	
11 KAR 7:010	1447	3-4-86	201 KAR 12:120		
12 KAR 4:110			Amended	672	1-3-86
Amended	1519	4-17-86	201 KAR 13:011	1556	4-17-86
12 KAR 4:140			201 KAR 13:070		
Amended	1519		Amended	1521	4-17-86
Amended	1730	4-17-86	201 KAR 16:010		
15 KAR 1:020			Amended	409	11-12-85
Repealed	458	11-12-85	201 KAR 16:020		
15 KAR 1:021	458	11-12-85	Amended	1522	4-17-86
20 KAR 1:010	1193	2-4-86	201 KAR 16:060	1557	4-17-86
101 KAR 1:051			201 KAR 17:070	1558	4-17-86
Amended	663		201 KAR 17:080	1559	4-17-86
Amended	1228	1-3-86	201 KAR 18:150	291	9-10-85
101 KAR 1:070			201 KAR 18:160	1695	5-6-86
Amended	1598	5-6-86	201 KAR 20:030		
101 KAR 1:120			Repealed	17	7-9-85
Amended	213	9-10-85	201 KAR 20:050		
Amended	1351	3-4-86	Repealed	17	7-9-85
Amended	1599	5-6-86	201 KAR 20:056		
101 KAR 1:140			Amended	1523	4-17-86
Amended	487		201 KAR 20:115	1452	3-4-86
Reprint	1466	12-10-85	201 KAR 20:162	87	
101 KAR 1:145	1449		Amended	328	8-13-85
Amended	1595	3-4-86	201 KAR 20:310		
101 KAR 1:160	1693	5-6-86	Amended	17	7-9-85
101 KAR 1:170	1694	5-6-86	201 KAR 22:031		
101 KAR 1:200			Amended	215	9-10-85
Amended	492	12-10-85	201 KAR 22:052		
101 KAR 1:205	1451		Amended	217	9-10-85
Amended	1596	3-4-86	201 KAR 22:070		
103 KAR 7:020			Amended	1353	3-4-86
Amended	666	1-3-86	201 KAR 22:106		
103 KAR 20:010	1193	2-4-86	Amended	218	9-10-85
103 KAR 27:080			201 KAR 23:120		
Amended	1156	2-4-86	Amended	1157	2-4-86
103 KAR 28:050			201 KAR 27:010		
Repealed	651	11-12-85	Amended	1605	5-6-86
103 KAR 28:051	458		201 KAR 27:015		
Amended	651	11-12-85	Amended	1608	5-6-86
103 KAR 30:190			301 KAR 1:015		
Amended	1601	5-6-86	Amended	501	12-10-85
106 KAR 1:050	1958		Amended	1733	
200 KAR 14:080	83	8-13-85	301 KAR 1:055		
201 KAR 1:035			Amended	502	12-10-85
Amended	497	12-10-85	Amended	1354	3-4-86
201 KAR 1:062	84		301 KAR 1:057		
Withdrawn		6-28-85	Amended	1355	3-4-86
201 KAR 1:067	1792		301 KAR 1:122		
201 KAR 2:010			Amended	1356	3-4-86
Amended	498	12-10-85	301 KAR 1:145		
201 KAR 2:125			Amended	503	12-10-85
Amended	498	12-10-85	301 KAR 1:150		
201 KAR 2:135			Amended	1357	3-4-86
Amended	499	12-10-85	301 KAR 1:170	1454	3-4-86
201 KAR 2:140			301 KAR 1:180	1455	3-4-86
Amended	499	12-10-85	301 KAR 2:040		
201 KAR 2:155			Amended	1734	
Amended	500	12-10-85	301 KAR 2:044		
201 KAR 3:065	86	8-13-85	Amended	347	10-8-85
201 KAR 9:021			301 KAR 2:045		
Amended	668	1-3-86	Amended	18	7-9-85
201 KAR 11:190	630	12-10-85	Amended	1737	
Amended	1603	5-6-86	301 KAR 2:047		
			Amended	1738	

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Regulation	12 Ky.R. Page No.	Effective Date	Regulation	12 Ky.R. Page No.	Effective Date
301 KAR 2:111			401 KAR 31:070		
Amended	25	8-13-85	Amended	710	2-4-86
Amended	1841		401 KAR 31:120		
301 KAR 2:140			Amended	713	2-4-86
Amended	672	1-3-86	401 KAR 31:160		
301 KAR 2:170			Amended	715	2-4-86
Amended	1742		401 KAR 31:170		
301 KAR 2:200			Amended	718	2-4-86
Repealed	631	10-1-85	401 KAR 31:190	1096	2-4-86
301 KAR 2:210	89	8-13-85	401 KAR 32:010		
301 KAR 2:220	631	12-10-85	Amended	723	
301 KAR 3:010			Amended	1241	2-4-86
Amended	1746		401 KAR 32:020		
301 KAR 3:030			Amended	724	2-4-86
Amended	29	8-13-85	401 KAR 32:030		
Amended	1746		Amended	725	
301 KAR 4:050	1793		Amended	1242	2-4-86
302 KAR 1:030			401 KAR 32:040		
Amended	30		Amended	727	2-4-86
Amended	345	9-10-85	401 KAR 32:050		
302 KAR 20:010			Amended	729	2-4-86
Amended	220	9-10-85	401 KAR 32:100		
302 KAR 20:055			Amended	730	2-4-86
Amended	19	8-13-85	401 KAR 34:010		
302 KAR 20:065			Amended	736	2-4-86
Amended	221	9-10-85	401 KAR 34:020		
302 KAR 20:180			Amended	738	2-4-86
Amended	1358	3-4-86	401 KAR 34:030		
302 KAR 31:010	1093	2-4-86	Amended	742	2-4-86
302 KAR 34:040	293	9-10-85	401 KAR 34:040		
401 KAR 5:005			Amended	744	2-4-86
Amended	504	12-10-85	401 KAR 34:050		
401 KAR 5:026			Amended	746	2-4-86
Reprint	303	4-9-85	401 KAR 34:060		
401 KAR 5:050			Amended	749	2-4-86
Amended	507	12-10-85	401 KAR 34:070		
401 KAR 5:055			Amended	757	2-4-86
Amended	511	12-10-85	401 KAR 34:090		
401 KAR 5:060			Amended	761	2-4-86
Amended	528	12-10-85	401 KAR 34:100		
401 KAR 5:065			Amended	768	2-4-86
Amended	540	12-10-85	401 KAR 34:180		
401 KAR 5:070			Amended	776	2-4-86
Amended	550	12-10-85	401 KAR 34:190		
401 KAR 5:075			Amended	778	2-4-86
Amended	554	12-10-85	401 KAR 34:200		
401 KAR 5:080			Amended	780	
Amended	559	12-10-85	Amended	1243	2-4-86
401 KAR 5:085			401 KAR 34:210		
Amended	566	12-10-85	Amended	785	2-4-86
401 KAR 6:300			401 KAR 34:220		
Amended	143	8-13-85	Amended	788	2-4-86
401 KAR 6:310			401 KAR 34:230		
Amended	144	8-13-85	Amended	793	
401 KAR 30:010			Amended	1246	2-4-86
Amended	674	2-4-86	401 KAR 34:240		
401 KAR 30:020			Amended	798	
Amended	684	2-4-86	Amended	1250	2-4-86
401 KAR 30:070			401 KAR 35:010		
Amended	686	2-4-86	Amended	801	2-4-86
401 KAR 30:080	1093	2-4-86	401 KAR 35:020		
401 KAR 31:010			Amended	804	2-4-86
Amended	687		401 KAR 35:050		
Amended	1231		Amended	807	2-4-86
Amended	1489	2-4-86	401 KAR 35:070		
401 KAR 31:040			Amended	810	2-4-86
Amended	698		401 KAR 35:180		
Amended	1499	2-4-86	Amended	814	2-4-86
401 KAR 31:060			401 KAR 35:190		
Amended	707	2-4-86	Amended	815	2-4-86

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Regulation	12 Ky.R. Page No.	Effective Date	Regulation	12 Ky.R. Page No.	Effective Date
401 KAR 35:200			405 KAR 7:090		
Amended	816	2-4-86	Amended	571	12-10-85
401 KAR 35:210			405 KAR 8:030		
Amended	819	2-4-86	Amended	158	8-13-85
401 KAR 35:220			Amended	900	
Amended	820	2-4-86	Amended	1288	2-4-86
401 KAR 35:230			405 KAR 8:040		
Amended	823	2-4-86	Amended	170	
401 KAR 35:240			Amended	330	8-13-85
Amended	827		Amended	911	
Amended	1253	2-4-86	Amended	1299	2-4-86
401 KAR 35:250			405 KAR 8:050		
Amended	828	2-4-86	Amended	924	
401 KAR 36:030	1097	2-4-86	Amended	1310	2-4-86
401 KAR 36:040	1099		405 KAR 10:030		
Amended	1254	2-4-86	Amended	579	12-10-85
401 KAR 36:060	1101	2-4-86	405 KAR 12:020		
401 KAR 36:070	1102	2-4-86	Amended	184	8-13-85
401 KAR 38:020			405 KAR 16:010		
Amended	830	2-4-86	Amended	931	2-4-86
401 KAR 38:030			405 KAR 16:060		
Amended	833	2-4-86	Amended	933	
401 KAR 38:040			Amended	1316	2-4-86
Amended	836	2-4-86	405 KAR 16:080		
401 KAR 38:050			Amended	936	
Amended	840		Amended	1319	2-4-86
Amended	1258	2-4-86	405 KAR 16:110		
401 KAR 38:060			Amended	187	8-13-85
Amended	844	2-4-86	405 KAR 16:130		
401 KAR 38:070			Amended	189	8-13-85
Amended	850	2-4-86	405 KAR 16:190		
401 KAR 38:090			Amended	939	
Amended	853	2-4-86	Amended	1322	2-4-86
401 KAR 38:100			405 KAR 18:060		
Amended	857	2-4-86	Amended	944	
401 KAR 38:160			Amended	1326	2-4-86
Amended	859	2-4-86	405 KAR 18:080		
401 KAR 38:170			Amended	948	
Amended	860	2-4-86	Amended	1329	2-4-86
401 KAR 38:180			405 KAR 18:110		
Amended	862	2-4-86	Amended	197	8-13-85
401 KAR 38:200			405 KAR 18:130		
Amended	863	2-4-86	Amended	198	8-13-85
401 KAR 38:210			405 KAR 18:190		
Amended	865	2-4-86	Amended	951	
401 KAR 39:010			Amended	1332	2-4-86
Amended	867	2-4-86	405 KAR 20:040		
401 KAR 39:020			Amended	955	
Amended	868	2-4-86	Amended	1336	2-4-86
401 KAR 39:080	1104	2-4-86	405 KAR 20:070		
401 KAR 42:010	1104		Amended	959	
Amended	1262	2-4-86	Amended	1339	2-4-86
401 KAR 50:035			405 KAR 24:030		
Amended	1748		Amended	582	12-10-85
401 KAR 50:042			500 KAR 1:010	1561	4-17-86
Amended	1794		500 KAR 1:020	1562	4-17-86
401 KAR 51:017			500 KAR 1:030	1564	4-17-86
Amended	869		501 KAR 3:150		
Amended	1263	2-4-86	Amended	1609	5-6-86
401 KAR 51:052			501 KAR 6:010		
Amended	879		Amended	32	8-13-85
Amended	1273	2-4-86	Amended	223	9-10-85
Reprint	1711	2-4-86	Amended	348	10-8-85
405 KAR 7:015			Repealed	1157	1-3-86
Amended	569	12-10-85	501 KAR 6:020	1106	1-3-86
405 KAR 7:020			Amended	1157	2-4-86
Amended	888		Amended	1360	3-4-86
Amended	1280	2-4-86	Amended	1612	5-6-86
405 KAR 7:060			Amended	1753	
Amended	897	2-4-86	Amended	1844	

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Regulation	12 Ky.R. Page No.	Effective Date	Regulation	12 Ky.R. Page No.	Effective Date
501 KAR 6:030	1797		603 KAR 5:070		
Amended	1845		Amended	231	9-10-85
501 KAR 6:040	1799		603 KAR 5:096		
Amended	1847		Amended	206	8-13-85
501 KAR 6:050	1801		603 KAR 7:020		
Amended	1848		Amended	1853	
501 KAR 6:060	1802		603 KAR 7:040		
Amended	1850		Amended	40	8-13-85
501 KAR 6:070	1803		700 KAR 1:010	1194	
501 KAR 6:080	1805		Amended	1508	2-4-86
Amended	1851		700 KAR 1:020	1196	2-4-86
501 KAR 6:090	1806		701 KAR 7:010	1456	
Amended	1852		Amended	1597	3-5-86
502 KAR 10:010			Amended	1633	5-6-86
Amended	1619	5-6-86	702 KAR 1:010		
502 KAR 10:020			Amended	410	
Amended	1620	5-6-86	Amended	655	12-10-85
502 KAR 10:030			702 KAR 3:020		
Amended	1620		Amended	412	11-12-85
Amended	1831	5-6-86	702 KAR 3:100		
502 KAR 10:040			Amended	413	11-12-85
Amended	1622		702 KAR 3:190		
Amended	1832	5-6-86	Amended	1164	2-4-86
502 KAR 10:050			702 KAR 5:020		
Amended	1624	5-6-86	Amended	1854	
502 KAR 10:060			702 KAR 5:060		
Amended	1624	5-6-86	Amended	1634	5-6-86
502 KAR 10:070			702 KAR 5:080		
Amended	1625	5-6-86	Amended	1857	
502 KAR 10:080			702 KAR 5:110		
Amended	1626	5-6-86	Amended	1859	
502 KAR 10:090	1696	5-6-86	702 KAR 5:140	462	11-12-85
502 KAR 35:010	91	8-13-85	702 KAR 7:020		
502 KAR 35:020	92	8-13-85	Amended	1861	
502 KAR 35:030	92	8-13-85	702 KAR 7:070		
502 KAR 35:040	94	8-13-85	Amended	962	1-3-86
502 KAR 35:050	95	8-13-85	702 KAR 7:090		
502 KAR 40:010	1565	4-17-86	Amended	208	8-13-85
502 KAR 40:020	1566	4-17-86	704 KAR 3:005		
502 KAR 40:030	1566	4-17-86	Amended	414	
502 KAR 40:040	1568	4-17-86	Amended	655	12-10-85
502 KAR 45:010	1699	5-6-86	704 KAR 3:025		
502 KAR 45:020	1700		Amended	234	9-10-85
Amended	1834	5-6-86	704 KAR 3:035		
502 KAR 45:030	1700	5-6-86	Amended	1165	2-4-86
502 KAR 45:040	1701	5-6-86	Amended	1635	5-6-86
502 KAR 45:050	1702	5-6-86	704 KAR 3:175		
502 KAR 45:060	1703	5-6-86	Amended	237	9-10-85
502 KAR 45:070	1703	5-6-86	704 KAR 3:292		
502 KAR 45:080	1704	5-6-86	Amended	1637	5-6-86
502 KAR 45:090	1705	5-6-86	704 KAR 3:304		
502 KAR 45:100	1706	5-6-86	Amended	209	8-13-85
502 KAR 45:110	1706	5-6-86	Amended	1862	
502 KAR 45:120	1707	5-6-86	704 KAR 3:320		
502 KAR 45:130	1708	5-6-86	Amended	1863	
503 KAR 1:070			704 KAR 3:325		
Amended	1627	5-6-86	Amended	1864	
503 KAR 1:110			704 KAR 3:335		
Amended	1628	5-6-86	Amended	1866	
503 KAR 5:090			704 KAR 3:345		
Amended	1629		Amended	1638	
Amended	1834	5-6-86	Amended	1837	
600 KAR 1:040			704 KAR 3:355		
Repealed	315	7-26-85	Amended	417	11-12-85
600 KAR 1:045	293	9-10-85	Amended	1867	
601 KAR 1:020			704 KAR 4:010		
Amended	356	10-8-85	Amended	963	
602 KAR 50:100			Amended	1341	2-4-86
Amended	1632	5-6-86			
603 KAR 3:030					
Amended	357	10-8-85			

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Regulation	12 Ky.R. Page No.	Effective Date	Regulation	12 Ky.R. Page No.	Effective Date
704 KAR 7:020			720 KAR 1:010		
Amended	238		Amended	1168	2-4-86
Amended	396	10-8-85	Amended	1527	4-17-86
Amended	964		725 KAR 2:020	1113	1-3-86
Amended	1341	2-4-86	745 KAR 1:010	1114	1-3-86
Amended	1871		745 KAR 1:020	1116	1-3-86
704 KAR 10:022			745 KAR 1:030	1116	1-3-86
Amended	420	11-12-85	745 KAR 1:040	1118	1-3-86
Amended	1166	2-4-86	745 KAR 1:050	1118	1-3-86
Amended	1872		745 KAR 1:060	1119	1-3-86
704 KAR 15:080			750 KAR 1:010	1962	
Amended	209	8-13-85	801 KAR 1:110	1457	3-4-86
Amended	1874		802 KAR 1:010		
704 KAR 15:100	1708	5-6-86	Amended	1760	
704 KAR 20:005			803 KAR 2:015		
Amended	421	11-12-85	Amended	252	9-10-85
Amended	1167	2-4-86	803 KAR 2:020		
Amended	1641	5-6-86	Amended	254	9-10-85
Amended	1875		Amended	1649	5-6-86
704 KAR 20:015			803 KAR 2:240	1709	5-6-86
Amended	1642		803 KAR 7:030		
Amended	1839		Amended	210	8-13-85
704 KAR 20:045			804 KAR 4:280	1120	1-3-86
Amended	239	9-10-85	805 KAR 7:040		
Amended	1367	3-4-86	Amended	211	8-13-85
Amended	1876		805 KAR 7:050		
704 KAR 20:095			Amended	211	8-13-85
Amended	1878		805 KAR 7:070		
704 KAR 20:120			Amended	212	8-13-85
Amended	1643	5-6-86	806 KAR 18:020	1710	
704 KAR 20:135			Amended	1840	
Amended	1879		806 KAR 38:030		
704 KAR 20:222			Amended	1528	4-17-86
Amended	1880		806 KAR 39:070		
704 KAR 20:230			Amended	19	
Amended	1644	5-6-86	Amended	125	7-9-85
704 KAR 20:235			807 KAR 5:001		
Amended	1646	5-6-86	Amended	127	7-9-85
704 KAR 20:245			807 KAR 5:002		
Amended	1647	5-6-86	Amended	965	1-3-86
704 KAR 20:290			807 KAR 5:006		
Amended	422	12-10-85	Amended	423	
704 KAR 20:305			Withdrawn		11-14-85
Amended	1883		Amended	967	
704 KAR 20:310			Amended	1343	
Amended	1886		Amended	1510	2-4-86
704 KAR 20:320			807 KAR 5:067		
Amended	1888		Amended	1653	
704 KAR 20:330	1961		Withdrawn		5-13-86
705 KAR 1:010			Amended	1895	
Amended	1369	3-4-86	807 KAR 5:068	1965	
Amended	1891		808 KAR 1:060		
705 KAR 2:030			Amended	40	8-13-85
Amended	1892		808 KAR 1:070		
705 KAR 4:210	295		Amended	42	8-13-85
Amended	397	10-8-85	808 KAR 1:080		
706 KAR 1:010			Amended	44	8-13-85
Amended	241		808 KAR 3:050		
Amended	398	10-8-85	Amended	1380	3-4-86
Amended	1894		808 KAR 10:210		
706 KAR 1:020			Amended	358	10-8-85
Amended	210	8-13-85	Amended	1762	
Amended	1895		808 KAR 10:220	636	12-10-85
707 KAR 1:003			808 KAR 10:230	637	12-10-85
Amended	1526	4-17-86	Amended	1763	
707 KAR 1:051			808 KAR 10:240	1806	
Amended	242		808 KAR 11:010		
Amended	398	10-8-85	Amended	45	8-13-85
Amended	1370	3-4-86	808 KAR 11:020		
709 KAR 1:080	1962		Amended	46	8-13-85
			Amended	1169	2-4-86

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Regulation	12 Ky.R. Page No.	Effective Date	Regulation	12 Ky.R. Page No.	Effective Date
810 KAR 1:013			902 KAR 12:080		
Amended	586	12-10-85	Amended	56	8-13-85
810 KAR 1:018			Amended	260	9-10-85
Amended	589	12-10-85	Amended	360	10-8-85
811 KAR 1:067			Amended	442	11-12-85
Repealed	1569	4-17-86	Amended	609	12-10-85
811 KAR 1:070			Amended	1173	2-4-86
Amended	431	11-12-85	Amended	1384	3-4-86
811 KAR 1:075			Amended	1531	4-17-86
Amended	433	11-12-85	Amended	1679	5-6-86
811 KAR 1:090			Amended	1772	
Amended	1765		Amended	1901	
811 KAR 1:205			902 KAR 13:020		
Repealed	1569	4-17-86	Amended	444	11-12-85
811 KAR 1:215			902 KAR 13:030		
Amended	1767		Amended	445	11-12-85
811 KAR 1:220	1569	4-17-86	902 KAR 13:050		
811 KAR 1:225	1807		Amended	445	11-12-85
815 KAR 7:010			902 KAR 13:070		
Amended	134	7-9-85	Amended	448	11-12-85
815 KAR 7:013	638	12-10-85	902 KAR 13:080		
815 KAR 7:020			Amended	449	11-12-85
Amended	1655	5-6-86	902 KAR 17:010		
815 KAR 7:030			Amended	450	
Repealed	463	11-12-85	Amended	658	2-4-86
815 KAR 7:031	463	11-12-85	902 KAR 20:018		
815 KAR 20:001	1967		Amended	62	8-13-85
815 KAR 20:010			902 KAR 20:106		
Amended	1659	5-6-86	Amended	611	12-10-85
815 KAR 20:030			902 KAR 20:200		
Amended	1899		Amended	65	8-13-85
815 KAR 20:070			902 KAR 20:210	1809	
Amended	1665		902 KAR 47:050	1121	1-3-86
Withdrawn		4-14-86	902 KAR 47:060	1463	3-4-86
815 KAR 20:110			902 KAR 47:070	1465	3-4-86
Amended	47	8-13-85	902 KAR 50:030		
815 KAR 20:120			Amended	1907	
Amended	436	11-12-85	902 KAR 50:050		
Amended	1667	5-6-86	Amended	1913	
815 KAR 20:130			902 KAR 50:110		
Amended	1675	5-6-86	Amended	1918	
815 KAR 20:191			902 KAR 55:015		
Amended	49	8-13-85	Amended	266	9-10-85
815 KAR 25:010			Amended	1175	2-4-86
Amended	592	12-10-85	902 KAR 55:020		
815 KAR 25:020			Amended	1176	2-4-86
Amended	599	12-10-85	902 KAR 55:030		
815 KAR 45:030			Amended	1177	2-4-86
Amended	1381	3-4-86	902 KAR 100:005		
902 KAR 2:080			Amended	978	1-3-86
Amended	343	8-13-85	902 KAR 100:010		
902 KAR 2:090			Amended	979	1-3-86
Amended	55	8-13-85	902 KAR 100:012		
902 KAR 4:060			Amended	1388	3-4-86
Amended	1528	4-17-86	902 KAR 100:015		
902 KAR 6:060			Amended	987	1-3-86
Amended	258	9-10-85	902 KAR 100:017		
902 KAR 8:020			Amended	989	1-3-86
Amended	439	11-12-85	902 KAR 100:020		
Amended	606	12-10-85	Amended	991	1-3-86
Amended	976	1-3-86	902 KAR 100:021	1123	1-3-86
Amended	1170	2-4-86	902 KAR 100:022	1128	1-3-86
Amended	1382	3-4-86	902 KAR 100:025		
Amended	1529	4-17-86	Amended	1000	1-3-86
Amended	1769		902 KAR 100:030		
902 KAR 8:030			Amended	1011	1-3-86
Amended	1172	2-4-86	902 KAR 100:035		
902 KAR 10:081	1457	3-4-86	Amended	1013	1-3-86
902 KAR 12:030			902 KAR 100:040		
Amended	260	9-10-85	Amended	1017	1-3-86

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Regulation	12 Ky.R. Page No.	Effective Date	Regulation	12 Ky.R. Page No.	Effective Date
902 KAR 100:045			902 KAR 105:040		
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902 KAR 100:050			902 KAR 105:060		
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 - Three year plan; 705 KAR 1:010
- Fiscal Management
 - Foundation program units; 705 KAR 2:030

VOCATIONAL EDUCATION (cont'd)

- Instructional programs
 - Diploma requirements; 705 KAR 4:210

VOCATIONAL REHABILITATION

- Administration
 - Independent living plan; 706 KAR 1:020
 - Three-year plan; 706 KAR 1:010

WASTE MANAGEMENT

- Administrative Procedures
 - Definitions; 401 KAR 30:010
 - General provisions; 401 KAR 30:020
 - Reference material; 401 KAR 30:070
 - Variance standards; 401 KAR 30:080
- Hazardous Waste; Fees
 - Delisting, exemption; 401 KAR 39:020
 - General provisions; 401 KAR 39:010
 - Generator registration; 401 KAR 39:010
 - Recycling; 401 KAR 39:080
- Hazardous Waste; Generator Standards
 - Appendix, manifest, instructions; 401 KAR 32:100
 - General provisions; 401 KAR 32:010
 - Manifest; 401 KAR 32:020
 - Pre-transport requirements; 401 KAR 32:030
 - Recordkeeping, reporting; 401 KAR 32:040
 - Special conditions; 401 KAR 32:050
- Hazardous Waste; Identification, Listing
 - Appendix, basis for listing; 401 KAR 31:160
 - Appendix, chemical analysis test methods; 401 KAR 31:120
 - Appendix, chlorinated dibenzo-p-dioxins and dibenzofurans; 401 KAR 31:190
 - Appendix, hazardous constituents; 401 KAR 31:170
 - Delisted streams; 401 KAR 31:070
 - General provisions; 401 KAR 31:010
 - Lists; 401 KAR 31:040
 - Rulemaking petitions; 401 KAR 31:060
- Hazardous Waste; Permitting Process
 - Application procedures; 401 KAR 38:070
 - Approval provisions; 401 KAR 38:500
 - Interim status provisions; 401 KAR 38:020
 - Part B application; 401 KAR 38:090
 - Part B requirements, groundwater; 401 KAR 38:100
 - Part B requirements, land treatment; 401 KAR 38:200
 - Part B requirements, land fills; 401 KAR 38:210
 - Part B requirements, surface impoundments; 401 KAR 38:170
 - Part B requirements, tanks; 401 KAR 38:160
 - Part B requirements, waste piles; 401 KAR 38:180
 - Permit changes; 401 KAR 38:040
 - Permit conditions; 401 KAR 38:030
 - Permits, special; 401 KAR 38:060
 - Public information procedures; 401 KAR 38:050
- Hazardous Waste Storage, Treatment, Disposal Facilities; Interim Status Standards
 - General provisions; 401 KAR 35:010
 - Appendix, drinking water; 401 KAR 35:310
 - Appendix, potentially incompatible waste; 401 KAR 35:330
 - Appendix, recordkeeping; 401 KAR 35:290
 - Appendix, test for significance; 401 KAR 35:320
 - Chemical, physical, biological treatment; 401 KAR 35:260
 - Closure, post-closure; 401 KAR 35:070
 - Containers; 401 KAR 35:180
 - Facility standards, general; 401 KAR 35:020
 - General provisions; 401 KAR 35:010
 - Incinerators; 401 KAR 35:240

WASTE MANAGEMENT (cont'd)

- Land treatment; 401 KAR 35:220
- Landfill; 401 KAR 35:230
- Manifest system, recordkeeping, reporting; 401 KAR 35:050
- Surface impoundments; 401 KAR 35:200
- Tanks; 401 KAR 35:190
- Underground injection; 401 KAR 35:270
- Waste piles; 401 KAR 35:210
- Hazardous Waste Storage, Treatment, Disposal Facilities; Owner and Operator Standards
 - Closure, post-closure; 401 KAR 34:070
 - Containers; 401 KAR 34:180
 - Contingency plan, emergency procedure; 401 KAR 34:040
 - Facility standards, general; 401 KAR 34:020
 - Financial requirements, closure; 401 KAR 34:090
 - Financial requirements, post-closure; 401 KAR 34:100
 - General provisions; 401 KAR 34:010
 - Ground water protection; 401 KAR 34:060
 - Incinerators; 401 KAR 34:240
 - Landfills; 401 KAR 34:230
 - Land treatment; 401 KAR 34:220
 - Manifest system, recordkeeping, reporting; 401 KAR 34:050
 - Preparedness, prevention; 401 KAR 34:030
 - Surface impoundments; 401 KAR 34:200
 - Tanks; 401 KAR 34:190
 - Waste piles; 401 KAR 34:210
- Specific Hazardous Wastes and Types of Hazardous Waste Management Facilities
 - Energy recovery; 401 KAR 36:040
 - Lead-acid batteries; 401 KAR 36:070
 - Recyclable materials, disposal; 401 KAR 36:030
 - Recyclable materials, precious metal recovery; 401 KAR 36:060
- Underground Storage Tanks
 - General provisions; 401 KAR 42:010

WATER

- Sanitary Engineering
 - Water well construction; 401 KAR 6:310
 - Water well drillers; 401 KAR 6:300
- Water Quality
 - Application requirements; 401 KAR 5:060
 - Criteria, standards; 401 KAR 5:080
 - Definitions, general provisions; 401 KAR 5:050
 - Permit conditions; 401 KAR 5:065
 - Permit provisions; 401 KAR 5:070
 - Permit, variance fees; 401 KAR 5:085
 - Permits; 401 KAR 5:005
 - Review procedures; 401 KAR 5:075
 - Scope, applicability; 401 KAR 5:055

