

AN ACT relating to workforce investment boards.

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

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 151B IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 4 of this Act, unless the context indicates otherwise:

(1) "Commissioner" means the commissioner of the Department of Workforce Investment;

(2) "KWIB" means the Kentucky Workforce Investment Board created in Section 2 of this Act;

(3) "Local board" means a local workforce investment board for a set region of Kentucky as designated by the Governor pursuant to Section 3121 of the Workforce Innovation and Opportunity Act;

(4) "Secretary" means the secretary of the Education and Workforce Development Cabinet;

(5) "Workforce Investment Act" means the Workforce Investment Act of 1998, 29 U.S.C. sec. 2801 et. seq.; and

(6) "Workforce Innovation and Opportunity Act" means the Workforce Innovation and Opportunity Act, 29 U.S.C. sec. 3101 et. seq.

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 151B IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Workforce Investment Board is hereby created pursuant to the requirements of Section 2821 of the Workforce Investment Act and Section 3111 of its successor, the Workforce Innovation and Opportunity Act.

(2) The KWIB's function is to develop and implement the state workforce plan and assist the Governor in the creation of local boards pursuant to the Section 2831 of the Workforce Investment Act and Section 3121 of the Workforce Innovation and Opportunity Act.

- (3) The KWIB shall ensure that the state's unified plan as required by Section 3112 of the Workforce Innovation and Opportunity Act meets all requirements as specified under that Act.
- (4) The KWIB shall be responsible for setting and monitoring the performance indicators required by Section 3141 of the Workforce Innovation and Opportunity Act.
- (5) The KWIB shall establish a system of statewide accountability and transparency to measure the performance of local boards according to the primary and additional indicators of performance as contained in Section 3141 of the Workforce Innovation and Opportunity Act.
- (6) The KWIB shall establish one (1) stop delivery systems in accordance with all elements of Section 3151 of the Workforce Innovation and Opportunity Act including the designation or certification of a one (1) stop operator through a competitive bidding process. Pursuant to Section 3151(d)(2) of the Workforce Innovation and Opportunity Act, the one (1) stop operator may not receive funds under that Act unless it is designated through a competitive bidding process and it shall be a public, private, or nonprofit entity or consortium of entities, which may include:
- (a) An institution of higher education;
 - (b) An employment service state agency established under the Wagner-Peyser Act, 29 U.S.C. sec. 49 et. seq., on behalf of the local office of the agency;
 - (c) A community-based organization, nonprofit organization, or intermediary;
 - (d) A private for-profit entity;
 - (e) A government agency; and
 - (f) Another interested organization or entity, which may include a local chamber of commerce or other business organization, or a labor organization.

(7) The KWIB and local boards shall be attached to the Department of Workforce Investment, Education and Workforce Development Cabinet for administrative purposes only.

(8) The secretary and commissioner shall monitor the activities of the KWIB and the local boards and shall have the authority to promulgate administrative regulations as needed to implement the requirements of Sections 1 to 4 of this Act and the Workforce Innovation and Opportunity Act.

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 151B IS CREATED TO READ AS FOLLOWS:

The KWIB and local boards and staff employed by these boards shall be subject to:

(1) The Kentucky Model Procurement Code, KRS Chapter 45A;

(2) State travel reimbursement requirements in accordance with KRS 45.101 and administrative regulations promulgated thereunder;

(3) State employee salary and pay limitations set forth in KRS Chapter 18A and administration regulations promulgated thereunder and shall not be awarded any bonuses or salary enhancements or adjustments from state or federal moneys;

(4) Conflict of interest laws found in KRS 11A.040 and 45A.340;

(5) The Executive Branch Code of Ethics, KRS Chapter 11A;

(6) Protections afforded in KRS 61.102;

(7) Other fiduciary requirements or obligations for state employees; and

(8) Transparency and accountability requirements pursuant to the Workforce Innovation and Opportunity Act.

➔SECTION 4. A NEW SECTION OF KRS CHAPTER 151B IS CREATED TO READ AS FOLLOWS:

(1) Each local board shall annually procure an audit of its activities that is conducted in accordance with generally accepted auditing standards and includes but is not limited to:

(a) Financial activity, processes, and procedures of the local board;

(b) The local board's compliance with state and federal statutes, regulations, and objectives; and

(c) Oversight and internal controls of the local board.

A local board shall only use an auditor that has been approved and certified by the Department of Workforce Investment and shall submit copies of each audit to the department upon completion.

(2) At least once every four (4) years, the Auditor of Public Accounts shall perform an in-depth audit using generally accepted auditing standards and examine the local board's activities, including but not limited to those described in subsection (1) of this section.

(3) The Department of Workforce Investment and, when applicable, the Auditor of Public Accounts shall send copies of each audit to the Legislative Research Commission; the co-chairs of the Interim Joint Committees on Labor and Industry, Local Government, Economic Development, and Education; and the Attorney General.

(4) The secretary of the Education and Workforce Development Cabinet may promulgate administrative regulations in accordance with KRS Chapter 13A to set forth the requirements and certification process for an independent auditor and the standards to be used by the auditors.