

1 AN ACT relating to the creation of the Kentucky Financial Empowerment
2 Commission.

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

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 41 IS CREATED TO
5 READ AS FOLLOWS:

6 *(1) As used in Sections 1 to 4 of this Act:*

7 *(a) "Commission" means the Kentucky Financial Empowerment Commission;*

8 *and*

9 *(b) "Board" means the board of directors of the commission.*

10 *(2) The commission is created and established as an independent de jure municipal*
11 *corporation and political subdivision of the Commonwealth of Kentucky to*
12 *perform essential governmental and public functions for the purposes set forth in*
13 *Sections 1 to 4 of this Act.*

14 *(3) The commission shall be governed by a board consisting of eleven (11) members*
15 *as follows:*

16 *(a) The State Treasurer, or the Treasurer's designee;*

17 *(b) The commissioner of the Kentucky Department of Education or his or her*
18 *designee;*

19 *(c) The commissioner of the Department of Financial Institutions or his or her*
20 *designee;*

21 *(d) A representative from the Federal Reserve Bank of St. Louis – Louisville*
22 *Branch;*

23 *(e) A representative from the Kentucky Credit Union League;*

24 *(f) A representative from the Kentucky Bankers Association; and*

25 *(g) Five (5) members appointed by the State Treasurer.*

26 *(4) (a) Members of the board not representing state agencies shall be appointed for*
27 *a term of three (3) years.*

1 (b) Members of the board not representing state agencies shall serve no more
 2 than two (2) consecutive three (3) year terms.

3 (c) Members of the board shall serve until their successors are appointed or
 4 until they are removed for cause.

5 (5) For initial appointments of the five (5) members appointed by the State Treasurer
 6 to the board, two (2) members shall be appointed for a term of four (4) years
 7 each, and three (3) members shall be appointed for terms of three (3) years each.

8 (6) If a vacancy of one (1) of the five (5) members appointed to the board by the State
 9 Treasurer occurs, the State Treasurer shall appoint a replacement who shall hold
 10 office during the remainder of the term vacated.

11 (7) (a) The State Treasurer may remove any of the five (5) members appointed by
 12 the State Treasurer in case of incompetency, neglect of duties, gross
 13 immorality, or malfeasance in office, and may upon removal declare the
 14 position vacant and appoint a person to fill the vacancy as provided in other
 15 cases of vacancy.

16 (b) 1. If a board member is removed under paragraph (a) of this subsection,
 17 he or she may appeal that action.

18 2. Upon appeal, an administrative hearing shall be conducted in
 19 accordance with KRS Chapter 13B.

20 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 41 IS CREATED TO
 21 READ AS FOLLOWS:

22 (1) (a) The State Treasurer shall serve as chair of the board of the commission.

23 (b) At the first board meeting following initial appointment of all board
 24 members, the board shall elect a vice-chair from its membership, and a vice-
 25 chair shall be elected annually thereafter.

26 (2) The vice-chair shall chair any meetings when directed to do so in writing by the
 27 State Treasurer.

- 1 (3) (a) A majority of the commission board members shall constitute a quorum for
2 the purposes of conducting its business, exercising its powers, and for all
3 other purposes.
- 4 (b) In determining whether a quorum exists, vacancies on the board shall be
5 considered.
- 6 (4) (a) The board shall meet at least once a quarter.
- 7 (b) The board may meet at other times:
- 8 1. Upon call of the chair; or
9 2. At the written request of a majority of board members;
10 with a minimum of a seven (7) day notice.
- 11 (5) Board members shall receive no compensation for their services, but may be
12 entitled to payment of reasonable and necessary expenses actually incurred in
13 attending meetings, or discharging their official duties, subject to availability of
14 funding.
- 15 (6) Any reimbursement of extraordinary travel expenses of board members,
16 including but not limited to attending conventions and conferences, shall be
17 reasonable and necessary and shall be approved by vote of a majority of the board
18 during a meeting.
- 19 (7) If any board member has a direct or indirect interest in any organization,
20 department, or agency with which the commission seeks to enter into a contract:
- 21 (a) The interest shall be disclosed and set forth in the minutes of the board; and
22 (b) The board member having the interest shall not participate in any action
23 involving the organization in which he or she has the interest.
- 24 (8) (a) The Kentucky State Treasury:
- 25 1. Shall provide technical, clerical, and administrative assistance and
26 support to the commission; and
27 2. May provide state personnel, property, and resources to assist the

1 commission in its functions as set forth in Sections 1 to 4 of this Act.

2 (b) As funding is available, the commission may enter into a contract with the
3 Kentucky State Treasury as may be proper and appropriate for the provision
4 of these services and resources.

5 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 41 IS CREATED TO
6 READ AS FOLLOWS:

7 (1) All powers and duties conferred upon the commission in this chapter shall be
8 exercised by the board, including but not limited to the following:

9 (a) To adopt bylaws and operate according to its bylaws;

10 (b) To enter into agreements, contracts, or other documents with any:

11 1. Federal, state, or local agency; or

12 2. Person, corporation, association, partnership, other organization, or
13 entity;

14 necessary to accomplish the purposes set forth in Section 1 to 4 of this Act;

15 (c) 1. To develop and implement a plan toward increasing financial
16 empowerment for all Kentuckians, specifically the following target
17 groups:

18 a. State government personnel;

19 b. Kentuckians with disabilities;

20 c. Kentuckians below the poverty threshold as defined by federal
21 guidelines;

22 d. K-12 students in Kentucky;

23 e. Military veterans and personnel who claim residence in
24 Kentucky; and

25 f. Kentuckians who are retired or at retirement age.

26 2. Any curriculum shall be developed by local schools under direction
27 provided by the Kentucky Board of Education related to financial

1 literacy guidelines as promulgated in administrative regulations under
2 KRS 158.1411;

3 (d) To monitor, review, and evaluate, not less often than annually, the
4 implementation and effectiveness of the commission's objectives;

5 (e) To accept for inclusion in the fund appropriations, grants, revenue sharing,
6 devises, gifts, bequests, donations, federal grants, and any other aid from
7 any source whatsoever and to agree to, and to comply with, conditions
8 incident thereto;

9 (f) To incorporate a nonprofit organization pursuant to KRS Chapter 273
10 which qualifies as a tax-exempt organization under Section 501(c)(3) of the
11 Internal Revenue Code, for the purposes of receiving tax-deductible gifts,
12 donations, and bequests; and

13 (g) 1. To employ a full-time executive director, who shall hold office at the
14 pleasure of the board, and any employees necessary to fulfill the duties
15 of the commission.

16 2. The executive director may be terminated by a vote of seven (7)
17 members of the board.

18 3. The executive director shall:

19 a. Act under the direction of the board;

20 b. Hire necessary staff to assist in performing the duties of the
21 commission;

22 c. Carry out the policy and program directives of the commission;

23 d. Be responsible for the day-to-day operations of the commission;

24 e. Establish appropriate organizational structures and personnel
25 policies;

26 f. Prepare annual reports on the commission's activities;

27 g. Prepare budgets; and

1 h. Perform all other duties as directed by the commission or
 2 assigned by law.

3 4. The executive director and any employees of the commission shall not
 4 participate as members of the Kentucky Retirement Systems.

5 (2) Nothing in this section shall be construed to require the Kentucky Department of
 6 Education or any particular school district to utilize any resource or provider that
 7 enters into a contractual relationship with the commission.

8 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 41 IS CREATED TO
 9 READ AS FOLLOWS:

10 (1) (a) The commission shall annually procure a financial statement audit of all
 11 funds and accounts within its control.

12 (b) The audit shall be conducted in accordance with generally accepted
 13 government auditing standards.

14 (2) (a) The commission shall not enter into any contract with a certified public
 15 accountant for an audit unless the Auditor of Public Accounts has:

16 1. Declined in writing to perform the audit; or

17 2. Failed to respond within fifteen (15) days of receipt of a written
 18 request for an audit.

19 (b) If the Auditor of Public Accounts performs the annual audit required in
 20 subsection (1) of this section, the Auditor of Public Accounts shall maintain
 21 a record of all expenses incurred, including time worked on the audit, and
 22 these expenses shall be charged to the commission.

23 (c) If the Auditor of Public Accounts does not perform the annual audit, any
 24 contract with a certified public accountant shall specify the following:

25 1. The certified public accountant shall forward a copy of the audit
 26 report and management letters to the Auditor of Public Accounts and
 27 to the Legislative Research Commission; and

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2. *The Auditor of Public Accounts shall have the right to review the certified public accountant's work papers.*