

1 AN ACT relating to fiscal matters providing funding for disaster recovery and
2 relief, making an appropriation therefor, and declaring an emergency.

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

4 ➔Section 1. There is hereby appropriated General Fund moneys in the amount of
5 \$155,000,000 in fiscal year 2021-2022 to the West Kentucky State Aid Funding for
6 Emergencies (SAFE) Fund.

7 ➔Section 2. There is hereby appropriated General Fund moneys in the amount of
8 \$45,000,000 in fiscal year 2021-2022 to the West Kentucky State Aid Funding for
9 Emergencies (SAFE) Fund to be allocated as follows:

10 (a) \$30,000,000 to the Kentucky Department of Education for school districts
11 impacted by the December 2021 storms and tornadoes, including:

12 1. Providing the necessary wrap-around services for school children and their
13 families in recovering from the impact of the storms and tornadoes, including after-school
14 services and activities held at the school facilities or elsewhere in the community, mental
15 health counseling services, and outside-of-school tutoring and other services to advance
16 the scholastic progress of students;

17 2. Assisting school districts in addressing the additional transportation costs to
18 provide transportation to students that are displaced from their district or county; and

19 3. Transferring a portion to the School Facilities Construction Commission to
20 offer funding for the construction and repairs of school building facilities that have been
21 destroyed or severely damaged by the storms and tornadoes. If a school district receives
22 insurance funds for the facility, the school district shall reimburse the fund an amount
23 equal to the amount received from insurance proceeds; and

24 (b) \$15,000,000 to the Department of Military Affairs, Division of Emergency
25 Management, to be used for procuring temporary FEMA-eligible housing units.

26 ➔Section 3. Notwithstanding KRS 48.630 or any other statute to the contrary,
27 except as provided for in Section 2 of this Act, the funds appropriated or deposited into

1 the West Kentucky State Aid Funding for Emergencies (SAFE) Fund shall not be
2 expended, allocated, or appropriated without the express authority of the General
3 Assembly.

4 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 39A IS CREATED TO
5 READ AS FOLLOWS:

6 (1) The West Kentucky State Aid Funding for Emergencies (SAFE) fund is
7 established and shall be:

8 (a) Administered by the Department of Military Affairs, Division of Emergency
9 Management, in accordance with this section;

10 (b) A separate fund to provide financial assistance for those impacted by the
11 December 2021 storms and tornadoes that occurred in the west Kentucky
12 region; and

13 (c) Used to provide financial support to the west Kentucky region to recover
14 from the devastation caused by the storms and tornadoes.

15 (2) The Department of Military Affairs or the Division of Emergency Management
16 shall not publicly advertise or solicit contributions from the general public that
17 could potentially impact fundraising efforts of not-for-profit disaster relief
18 agencies.

19 (3) The fund may receive state appropriations, gifts, grants, federal funds, and any
20 other funds both public and private.

21 (4) Moneys in the fund as of June 30, 2022, and June 30, 2023, shall not lapse and
22 shall carry forward until June 30, 2024.

23 (5) Any interest earnings of the fund shall become a part of the fund and shall not
24 lapse.

25 (6) (a) Eligibility to receive financial support from the fund shall be limited to a:

26 1. City, county, urban-county government, consolidated local
27 government, unified local government, or charter county government;

- 1 2. Nonprofit or public utility service provider;
2 3. State agency; or
3 4. School district;
4 that has disaster-related needs as a result of the devastation experienced
5 from the December 2021 storms and tornadoes.
- 6 (b) An eligible recipient may receive moneys for expenses to provide disaster
7 and recovery relief if the recipient:
- 8 1. Is located in the areas named in a Presidential Declaration of
9 Emergency relating to the storms and tornadoes that occurred in
10 December 2021; and
- 11 2. Has disaster-related needs in response to the storms and tornadoes
12 that occurred in December 2021.
- 13 (c) Eligible expenses shall be those used to support disaster and recovery relief,
14 including but not limited to:
- 15 1. Replacement or renovation of public buildings damaged by the storms
16 and tornadoes;
- 17 2. Reimbursement for services, personnel, and equipment provided
18 during the response and recovery to communities impacted by the
19 storms and tornadoes;
- 20 3. Funding to cities, counties, and publicly owned utilities for the costs of
21 replacement or repair of publicly owned buildings and their contents
22 due to the damage from the storms and tornadoes;
- 23 4. Assistance to cities and counties for expenses related to planning
24 efforts for rebuilding and recovering from the damage;
- 25 5. Assistance to utilities serving Graves, Caldwell, Muhlenberg, and
26 Hopkins Counties for resilient response and future risk reduction
27 through the burying of utility wires that will enhance power reliability,

- 1 reduce power loss, and lessen risk to human life; and
- 2 6. Assistance to support disaster recovery and relief needs of local school
- 3 districts, including but not limited to:
- 4 a. Financial support for school districts that will experience a
- 5 default in bond payments; and
- 6 b. Financial support to assist school districts with building needs.
- 7 (7) Each recipient of moneys from the fund, including any agency of Kentucky state
- 8 government, shall:
- 9 (a) Timely apply for federal emergency disaster grant assistance, other
- 10 financial disaster assistance, and insurance proceeds; and
- 11 (b) Adhere to the terms of the fund regarding reimbursement to the
- 12 Commonwealth if funds from other sources are subsequently received after
- 13 the receipt of financial assistance from the state.
- 14 (8) (a) Moneys in the fund may be used for the advancement of moneys to cities
- 15 and counties experiencing strained fiscal liquidity while awaiting
- 16 reimbursement from federal emergency management assistance or
- 17 insurance claims.
- 18 (b) Reimbursement of the advancement under paragraph (a) of this subsection
- 19 shall:
- 20 1. Be determined by the Department for Local Government's state-local
- 21 finance officer; and
- 22 2. Include a quarterly accounting of the advancement released and the
- 23 outstanding balance through June 30, 2024.
- 24 (9) (a) If a recipient of moneys from the fund subsequently receives moneys from
- 25 any other source, the recipient shall reimburse the Commonwealth for the
- 26 amount of the moneys received from the fund.
- 27 (b) All moneys reimbursed to the Commonwealth under paragraph (a) of this

1 subsection shall be deposited in the general fund within thirty (30) days.

2 (10) The Division of Emergency Management shall promulgate administrative
3 regulations to carry out this section.

4 (11) The following reports shall be submitted to the Interim Joint Committee on
5 Appropriations and Revenue by the tenth day of each month, beginning February
6 10, 2022, and ending July 10, 2024:

7 (a) A report from the Office of State Budget Director that includes:

8 1. The name of each recipient of moneys from the fund;

9 2. The dollar amount of moneys received; and

10 3. A description of how the moneys were used; and

11 (b) A report from the Department of Education that includes:

12 1. The name of each school district receiving moneys from the fund;

13 2. The dollar amount of moneys received; and

14 3. A description of how the moneys were used.

15 ➔Section 5. Whereas support and relief efforts are imperative for the
16 Commonwealth to recover from the considerable damage caused by deadly storms and
17 tornadoes, an emergency is declared to exist, and this Act takes effect upon its passage
18 and approval by the Governor or upon its otherwise becoming a law.