

1 AN ACT relating to executive branch governance.

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

3 ➔Section 1. KRS 11.160 is amended to read as follows:

4 ~~[(1)]~~When a statute specifically requires Senate confirmation of an appointment by the
5 Governor or by other appointing authority, the appointment shall be handled in the
6 following manner:

7 ~~[(1)]~~~~[(a)]~~ All names of persons nominated when the General Assembly is not in session
8 shall be submitted for confirmation no later than the next regular session of the
9 General Assembly. The Governor who makes the appointment, or other appointing
10 authority, shall deliver the name of the nominee to the clerk of the Senate upon
11 appointment or no later than the fifteenth legislative day of the next regular session
12 of the General Assembly. The Governor may submit a nominee for confirmation at
13 any special session that occurs between the date of initial appointment and the next
14 regular session of the General Assembly. If the Governor desires to submit the name
15 of a nominee for confirmation at a special session of the General Assembly, he shall
16 place confirmation of the nominee on the call for special session;~~[-]~~

17 ~~[(2)]~~~~[(b)]~~ All names of persons nominated to positions during a regular session of the
18 General Assembly shall be submitted for confirmation at that regular session. The
19 Governor who makes the appointment, or other appointing authority, shall submit
20 the name of the nominee, together with such accompanying information as may
21 expedite the consideration of the appointment to the clerk of the Senate not more
22 than three (3) legislative days after making the appointment, unless the appointment
23 is made during the last fifteen (15) legislative days, in which case the nominee's
24 name and information shall be submitted not more than one (1) legislative day
25 later;~~[-]~~

26 ~~[(3)]~~~~[(c)]~~ For each nominee, the Governor who makes the appointment, or other
27 appointing authority, shall deliver to the clerk of the Senate a letter of appointment.

1 The letter of appointment shall be accompanied by a resume which contains at least
2 the following information:

3 ~~(a)~~^[1]. Complete employment history of the nominee;

4 ~~(b)~~^[2]. Complete educational background of the nominee; and

5 ~~(c)~~^[3]. Current and past employment by or financial relationships with the
6 Commonwealth of Kentucky or any of its political subdivisions held by the
7 nominee and any member of the nominee's immediate family;~~[-]~~

8 ~~(4)~~^[4]~~(d)~~ When a statute requires an interim legislative committee to hold a public
9 hearing on a particular appointment, the Governor who makes the appointment, or
10 other appointing authority, shall deliver the letter of appointment and resume for
11 each nominee to the Legislative Research Commission within seven (7) days after
12 making the appointment;~~[-]~~

13 ~~(5)~~^[5]~~(e)~~ The Legislative Research Commission may utilize the services of its staff or
14 other appropriate persons or organizations to investigate the background of
15 nominees and to verify the information provided. The Department of Kentucky
16 State Police shall conduct and provide a criminal record history on a nominee if
17 requested by the Legislative Research Commission;~~[-]~~

18 ~~(6)~~ ~~(a)~~^[6]~~(f)~~ ~~{During periods when the General Assembly is not in session, the~~
19 ~~Governor's or other appointing authority's power of appointment shall not be~~
20 ~~diminished, and }Nominees ***shall not***~~{may}~~ assume the responsibilities of the~~
21 ~~position ***until confirmed by the Senate. However, if the appointment is to fill***~~
22 ~~***a vacancy for a quorum necessary to conduct business, the appointee shall***~~
23 ~~***have all power to serve until the next regular session, or special session if***~~
24 ~~***the matter is included in the call of the General Assembly, at which time***~~
25 ~~***they shall be subject to confirmation by the Senate; and***~~

26 ~~(b)~~ ~~***A person appointed by the Governor or other appointing authority shall***~~
27 ~~***serve until his or her appointment expires or his or her successor is***~~

1 *confirmed by the Senate*~~[pending confirmation. During that period, they shall~~
 2 ~~be considered for all purposes to have been appointed and to be lawful~~
 3 ~~occupants of the post to which they have been nominated, except that they~~
 4 ~~shall be subject to the confirmation process when the General Assembly is~~
 5 ~~next in regular session or special session called for the purpose of confirming~~
 6 ~~the nominees].~~

7 (Z)~~(g)~~ If the Governor who makes the appointment, or other appointing authority,
 8 fails to submit the name of the nominee or if the Senate declines to consider a
 9 nominee, the position shall become vacant as of sine die adjournment of the
 10 applicable special or regular session of the General Assembly at which the
 11 appointment was to be confirmed. If the Senate declines to confirm the nominee,
 12 the position shall become vacant upon the date the Senate declined to confirm;
 13 and~~;~~

14 (8)~~(h)~~ Any person not confirmed by the Senate shall not be reappointed by the
 15 Governor, or other appointing authority, to the same position for which
 16 confirmation is required for a period of two (2) years from the date the Senate
 17 declined to confirm the nomination or the date of sine die adjournment if the Senate
 18 declined to consider the nomination.

19 ~~{(2) When a statute specifically requires Senate and House of Representatives~~
 20 ~~confirmation of an appointment by the Governor or by other appointing~~
 21 ~~authority, the appointment shall be handled in the following manner:~~

22 ~~(a) All names of persons nominated when the General Assembly is not in session~~
 23 ~~shall be submitted for confirmation no later than the next regular session of~~
 24 ~~the General Assembly. The Governor who makes the appointment, or other~~
 25 ~~appointing authority, shall deliver the name of the nominee to the clerk of the~~
 26 ~~House of Representatives no later than the fifteenth legislative day of the next~~
 27 ~~regular session of the General Assembly. The Governor may submit a~~

1 nominee for confirmation at any special session that occurs between the date
2 of initial appointment and the next regular session of the General Assembly. If
3 the Governor desires to submit the name of a nominee for confirmation at a
4 special session of the General Assembly, he shall place confirmation of the
5 nominee on the call for special session.

6 ~~(b) All names of persons nominated to positions during a regular session of the~~
7 ~~General Assembly shall be submitted for confirmation at that regular session.~~
8 ~~The Governor who makes the appointment, or other appointing authority,~~
9 ~~shall submit the name of the nominee to the clerk of the House of~~
10 ~~Representatives not more than three (3) legislative days after making the~~
11 ~~appointment, unless the appointment is made during the last fifteen (15)~~
12 ~~legislative days, in which case the nominee's name and information shall be~~
13 ~~submitted not more than one (1) legislative day later.~~

14 ~~(c) For each nominee, the Governor who makes the appointment, or other~~
15 ~~appointing authority, shall deliver to the clerk of the House of Representatives~~
16 ~~a letter of appointment. The letter of appointment shall be accompanied by a~~
17 ~~resume which contains at least the following information:~~

18 ~~1. Complete employment history of the nominee;~~

19 ~~2. Complete educational background of the nominee; and~~

20 ~~3. Current and past employment by or financial relationships with the~~
21 ~~Commonwealth of Kentucky or any of its political subdivisions held by the~~
22 ~~nominee and any member of the nominee's immediate family.~~

23 ~~(d) When a statute requires an interim legislative committee to hold a public~~
24 ~~hearing on a particular appointment, the Governor who makes the~~
25 ~~appointment, or other appointing authority, shall deliver the letter of~~
26 ~~appointment and resume for each nominee to the Legislative Research~~
27 ~~Commission within seven (7) days after making the appointment.~~

- 1 ~~(e) The Legislative Research Commission may utilize the services of its staff or~~
2 ~~other appropriate persons or organizations to investigate the background of~~
3 ~~nominees and to verify the information provided. The Department of~~
4 ~~Kentucky State Police shall conduct and provide a criminal record history on a~~
5 ~~nominee if requested by the Legislative Research Commission.~~
- 6 ~~(f) The confirmation shall originate in the House of Representatives. If the House~~
7 ~~of Representatives does not confirm an appointment, the Senate shall not~~
8 ~~consider the appointment.~~
- 9 ~~(g) When both the Senate and the House of Representatives have confirmed an~~
10 ~~appointment, the Senate shall notify the House of Representatives of the final~~
11 ~~approval. The clerk of the House shall then notify the Governor, or other~~
12 ~~appointing authority, and the appointee in writing of the General Assembly's~~
13 ~~action.~~
- 14 ~~(h) During periods when the General Assembly is not in session, the Governor's~~
15 ~~or other appointing authority's power of appointment shall not be diminished,~~
16 ~~and nominees may assume the responsibilities of the position pending~~
17 ~~confirmation. During that period, they shall be considered for all purposes to~~
18 ~~have been appointed and to be lawful occupants of the post to which they have~~
19 ~~been nominated, except that they shall be subject to the confirmation process~~
20 ~~when the General Assembly is next in regular session or special session called~~
21 ~~for the purpose of confirming the nominees.~~
- 22 ~~(i) If the Governor who makes the appointment, or other appointing authority,~~
23 ~~fails to submit the name of the nominee or if the House of Representatives or~~
24 ~~the Senate declines to consider a nominee, the position shall become vacant as~~
25 ~~of sine die adjournment of the regular session of the General Assembly at~~
26 ~~which the appointment was to be confirmed. If the House of Representatives~~
27 ~~or the Senate declines to confirm the nominee, the position shall become~~

1 ~~vacant upon the date that a chamber of the General Assembly first declined to~~
2 ~~confirm.~~

3 ~~(j) Any person not confirmed by the House of Representatives or the Senate shall~~
4 ~~not be reappointed by the Governor, or other appointing authority, to the same~~
5 ~~position for which confirmation is required for a period of two (2) years from~~
6 ~~the date that a chamber of the General Assembly first declined to confirm the~~
7 ~~nomination, or the date of sine die adjournment if the House of~~
8 ~~Representatives or the Senate declined to consider the nomination.]~~

9 ➔Section 2. KRS 7B.030 is amended to read as follows:

10 (1) The board of the Kentucky Long-Term Policy Research Center shall consist of
11 twenty-one (21) members, including ten (10) members selected from state
12 government and eleven (11) at-large members selected from the private and civic
13 sectors, universities, and local governments.

14 (a) State government members shall be appointed as follows:

15 1. Two (2) members of the House of Representatives shall be appointed by
16 the Speaker of the House of Representatives and one (1) member of the
17 minority party in the House of Representatives shall be appointed by the
18 Minority Floor Leader in the House of Representatives. Two (2)
19 members of the Senate shall be appointed by the President of the Senate
20 and one (1) member of the minority party in the Senate shall be
21 appointed by the Minority Floor Leader in the Senate; and

22 2. Four (4) members from the executive branch shall be appointed by the
23 Governor.

24 (b) At-large members shall be appointed as follows:

25 1. Five (5) members shall be appointed by the Legislative Research
26 Commission; and

27 2. Six (6) members shall be appointed by the Governor and confirmed by

1 ~~[the House of Representatives and]~~ the Senate;

2 3. Persons appointed may serve prior to confirmation, but shall continue to
3 serve only if confirmed at the next regular session, or special session if
4 the matter is included in the call therefor of the General Assembly;

5 4. The provisions of KRS 11.160 shall apply to Senate~~[-and House of~~
6 ~~Representatives]~~ confirmation of at-large members appointed by the
7 Governor.

8 (2) Board members shall serve four (4) year terms, except initial appointments shall be
9 for terms as follows:

10 (a) The Legislative Research Commission shall initially appoint two (2)
11 legislators for terms of two (2) years, two (2) legislators for terms of three (3)
12 years and two (2) legislators for terms of four (4) years; and shall initially
13 appoint one (1) at-large member for a two (2) year term, two (2) at-large
14 members for three (3) year terms, and two (2) at-large members for four (4)
15 year terms.

16 (b) The Governor shall initially appoint two (2) members from the executive
17 branch for terms of two (2) years, one (1) for a three (3) year term, and one (1)
18 for a four (4) year term, and shall initially appoint two (2) at-large members
19 for terms of two (2) years, two (2) for three (3) year terms, and two (2) for
20 four (4) year terms.

21 (3) Members of the board shall meet the same age and state residency requirements as
22 provided in Section 32 of the Kentucky Constitution for members of the House of
23 Representatives, shall represent the cultural diversity of Kentucky, and shall have
24 demonstrated an interest in the well-being and development of the Commonwealth.

25 (4) The chair shall be elected annually by the board and shall alternate between the
26 members selected from state government and the at-large members. If the chair is a
27 member selected from state government, the vice chair shall be an at-large member,

1 and if the chair is an at-large member, the vice chair shall be a member selected
2 from state government.

3 (5) Board members who miss three (3) consecutive meetings may be removed from the
4 board by a majority vote of the board at any regularly scheduled meeting in which a
5 quorum is present. The position shall then be declared vacant and shall be filled in
6 the same manner as it was originally appointed.

7 (6) If vacancies are not filled by the original appointing authority within thirty (30) days
8 of the occurrence of the vacancy, the board may fill the vacancy.

9 (7) A majority of the entire membership of the board shall constitute a quorum, and all
10 actions of the board shall be by vote of a majority of its entire membership.

11 ➔Section 3. KRS 27A.050 is amended to read as follows:

12 The Administrative Office of the Courts is created to serve as the staff for the Chief
13 Justice in executing the policies and programs of the Court of Justice. The director of the
14 Administrative Office of the Courts, employees thereof, and administrative assistants of
15 the Chief Justice shall serve at the pleasure of the Chief Justice. Provided, however, the
16 director shall be appointed or reappointed at least every four (4) years with the advice and
17 consent of the Senate; but if the Senate is not in session **the appointee shall not assume**
18 **the responsibilities of the position until confirmed by**~~[when a term expires or a vacancy~~
19 ~~occurs, the Chief Justice shall make the appointment to take effect at once, subject to the~~
20 ~~approval of]~~ the Senate when convened. The salaries of the director, employees thereof,
21 and administrative assistants of the Chief Justice shall be fixed by order of the Chief
22 Justice and paid monthly or at such other periods as may be consonant with the policy
23 applicable to payment of salaries of state employees out of the State Treasury. While
24 holding their positions the director, employees of the office and administrative assistants
25 shall not practice law in any court of this Commonwealth.

26 ➔Section 4. KRS 49.020 is amended to read as follows:

27 (1) (a) As used in this section and KRS 49.220, "revenue and taxation agency" means

1 and includes any agency of state, county, and local government, including
2 special taxing districts, that issues final rulings, orders, or determinations
3 affecting revenue and taxation.

4 (b) The Board of Tax Appeals created by KRS 49.010 shall have the power and
5 authority to hear and determine appeals from final rulings, orders, and
6 determinations of any revenue and taxation agency.

7 (2) (a) The Board of Tax Appeals shall consist of three (3) members appointed by the
8 Governor, subject to Senate confirmation in accordance with KRS 11.160 for
9 each appointment or reappointment. One (1) member shall be appointed
10 initially for a two (2) year term. One (1) member shall be appointed initially
11 for a three (3) year term. One (1) member shall be appointed initially for a
12 four (4) year term. Thereafter, all appointments to the board shall be for a four
13 (4) year term *or until his or her successor is confirmed by the Senate.* There
14 shall be no limit to the amount of reappointments a member shall receive.

15 (b) Vacancies for unexpired terms shall be filled in the same manner as regular
16 appointments, but the appointees shall hold office only to the end of the
17 unexpired term of the member replaced *or until his or her successor is*
18 *confirmed by the Senate.*

19 (c) The Governor shall appoint a chairperson for the board, subject to Senate
20 confirmation in accordance with KRS 11.160 for each appointment or
21 reappointment. The chairperson shall be appointed for a four (4) year term *or*
22 *until his or her successor is confirmed by the Senate,* and shall be an
23 attorney with the qualifications required of candidates for Circuit Judge. The
24 chairperson shall be the presiding officer over appeals heard by the board.

25 (d) The Governor shall establish the compensation, not to include benefits, of the
26 members of the board pursuant to KRS 64.640.

27 (e) Two (2) of the members shall be attorneys with the qualifications required of

1 candidates for Circuit Judge. One (1) of the members shall have a background
2 in taxation. No member shall engage in any occupation or business
3 inconsistent with his or her duties as such a member.

4 (3) The Crime Victims Compensation Board created by KRS 49.010 shall have the
5 power and authority to hear and determine all matters relating to a claim by a crime
6 victim or a person authorized by law to act on behalf of a crime victim for
7 compensation.

8 (4) (a) The Crime Victims Compensation Board shall consist of three (3) members
9 appointed by the Governor, not all of whom shall be engaged in the same
10 occupation or profession. Appointed board members shall be subject to Senate
11 confirmation in accordance with KRS 11.160 for each appointment or
12 reappointment. Members shall be appointed for a four (4) year term or until
13 his or her successor is confirmed by the Senate. There shall be no limit to the
14 amount of reappointments a member may receive. One (1) member shall be
15 appointed initially for a two (2) year term. One (1) member shall be appointed
16 initially for a three (3) year term. One (1) member shall be appointed initially
17 for a four (4) year term. Thereafter, all appointments to the board shall be for a
18 four (4) year term. Two (2) of the appointees shall be a victim as defined in
19 KRS 421.500(1), the parent, spouse, sibling, or child of a victim as defined in
20 KRS 421.500(1), whether or not the victim is deceased, or a victim advocate
21 as defined in KRS 421.570(1); and the other appointee shall be an attorney
22 licensed to practice law in this state with two (2) years of experience.

23 (b) Vacancies for unexpired terms shall be filled in the same manner as regular
24 appointments, but the appointees shall hold office only to the end of the
25 unexpired term of the member replaced or until his or her successor is
26 confirmed by the Senate.

27 (c) The Governor shall appoint a chairperson for the board, subject to Senate

1 confirmation in accordance with KRS 11.160 for each appointment or
2 reappointment. The chairperson shall be appointed for a four (4) year term **or**
3 **until his or her successor is confirmed by the Senate.**

4 (d) The Governor shall establish the compensation, not to include benefits, of the
5 members of the board pursuant to the provisions of KRS 64.640.

6 (5) The Board of Claims created by KRS 49.010 shall have the following powers and
7 authority to investigate, hear proof, and compensate persons for damages sustained
8 to either person or property as a proximate result of negligence on the part of the
9 Commonwealth, any of its cabinets, departments, bureaus, or agencies, or any of its
10 officers, agents, or employees while acting within the scope of their employment by
11 the Commonwealth or any of its cabinets, departments, bureaus, or agencies;
12 except, however, regardless of any provision of law to the contrary, the
13 Commonwealth, its cabinets, departments, bureaus, and agencies, and its officers,
14 agents, and employees, while acting within the scope of their employment by the
15 Commonwealth or any of its cabinets, departments, bureaus, or agencies, shall not
16 be liable for collateral or dependent claims which are dependent on loss to another
17 and not the claimant or damages for mental distress or pain or suffering, and
18 compensation shall not be allowed, awarded, or paid for such claims for damages.

19 (6) (a) The Board of Claims shall consist of three (3) members appointed by the
20 Governor, subject to Senate confirmation in accordance with KRS 11.160 for
21 each appointment or reappointment. One (1) member shall be appointed
22 initially for a two (2) year term. One (1) member shall be appointed initially
23 for a three (3) year term. One (1) member shall be appointed initially for a
24 four (4) year term. Thereafter, all appointments to the board shall be for a four
25 (4) year term **or until his or her successor is confirmed by the Senate.** There
26 shall be no limit to the amount of reappointments a member shall receive.

27 (b) Vacancies for unexpired terms shall be filled in the same manner as regular

- 1 appointments, but the appointees shall hold office only to the end of the
2 unexpired term of the member replaced *or until his or her successor is*
3 *confirmed by the Senate.*
- 4 (c) The Governor shall appoint a chairperson for the board, subject to Senate
5 confirmation in accordance with KRS 11.160 for each appointment or
6 reappointment. The chairperson shall be appointed for a four (4) year term *or*
7 *until his or her successor is confirmed by the Senate,* and shall be an
8 attorney with the qualifications required of a candidate for Circuit Judge. The
9 chairperson shall be the presiding officer over appeals heard by the board.
- 10 (d) The Governor shall establish the compensation, not to include benefits, of the
11 members of the board pursuant to the provision of KRS 64.640.
- 12 (e) Two (2) of the members shall be attorneys with the qualifications required of
13 candidates for Circuit Judge and have a background and working knowledge
14 in Kentucky tort law. One (1) member shall have a background in business.
15 No member shall engage in any occupation or business inconsistent with his
16 or her duties as such a member.
- 17 (7) The Board of Tax Appeals, the Board of Claims, and the Crime Victims
18 Compensation Board shall each be separately authorized to:
- 19 (a) Promulgate, amend, and repeal suitable administrative regulations to carry out
20 the provisions and purposes of the board's statutory authority;
- 21 (b) Issue subpoenas and discovery orders, and to petition a court of competent
22 jurisdiction for any order necessary to carry out the board's powers and duties;
- 23 (c) Take or cause to be taken affidavits or depositions within or without the state;
- 24 (d) Administer or cause to be administered oaths;
- 25 (e) Except for the power to issue final decisions on the merits of a claim or
26 appeal, to delegate any of its power or authority to the Office of Claims and
27 Appeals; and

- 1 (f) Publicize widely the functions and purposes of the board.
- 2 (8) If any appointed board member has a conflict of interest, as contemplated by KRS
3 11A.030, involving any matter pending before the board, the secretary of the cabinet
4 shall appoint a member of one (1) of the other boards administered by the Office of
5 Claims and Appeals as a substitute member. Following appointment, the substitute
6 board member shall serve in place of the member who has a conflict for all actions
7 and votes relevant to that matter.
- 8 (9) Members of the Board of Tax Appeals, Board of Claims, and Crime Victims
9 Compensation Board shall receive new member orientation and annual training to
10 discuss new legislation, pertinent court decisions, and board policies and
11 procedures.
- 12 (10) The boards shall meet as often as necessary to perform their statutory
13 responsibilities as outlined in this chapter. A majority of the members of the
14 commission shall constitute a quorum for the transaction of business.
- 15 (11) Immediately following June 29, 2021, the Governor shall review the current board,
16 determine any members that are no longer qualified, and appoint new members to
17 the board if necessary.
- 18 ➔Section 5. KRS 61.645 is amended to read as follows:
- 19 (1) The Kentucky Employees Retirement System and State Police Retirement System
20 shall be administered by the board of trustees of the Kentucky Retirement Systems
21 composed of nine (9) members, who shall be selected as follows:
- 22 (a) One (1) trustee, who shall be a member or retired from the State Police
23 Retirement System, elected by the members and retired members of the State
24 Police Retirement System;
- 25 (b) Two (2) trustees, who shall be members or retired from the Kentucky
26 Employees Retirement System, elected by the members and retired members
27 of the Kentucky Employees Retirement System;

- 1 (c) Six (6) trustees, appointed by the Governor of the Commonwealth, subject to
2 Senate confirmation in accordance with KRS 11.160 for each appointment or
3 reappointment. Of the six (6) trustees appointed by the Governor, three (3)
4 trustees shall have investment experience and three (3) trustees shall have
5 retirement experience;
- 6 (d) For purposes of paragraph (c) of this subsection, a trustee with "investment
7 experience" means an individual who does not have a conflict of interest, as
8 provided by KRS 61.655, and who has at least ten (10) years of experience in
9 one (1) of the following areas of expertise:
- 10 1. A portfolio manager acting in a fiduciary capacity;
 - 11 2. A professional securities analyst or investment consultant;
 - 12 3. A current or retired employee or principal of a trust institution,
13 investment or finance organization, or endowment fund acting in an
14 investment-related capacity;
 - 15 4. A chartered financial analyst in good standing as determined by the CFA
16 Institute; or
 - 17 5. A university professor, teaching investment-related studies; and
- 18 (e) For purposes of paragraph (c) of this subsection, a trustee with "retirement
19 experience" means an individual who does not have a conflict of interest, as
20 provided by KRS 61.655, and who has at least ten (10) years of experience in
21 one (1) of the following areas of expertise:
- 22 1. Experience in retirement or pension plan management;
 - 23 2. A certified public accountant with relevant experience in retirement or
24 pension plan accounting;
 - 25 3. An actuary with relevant experience in retirement or pension plan
26 consulting;
 - 27 4. An attorney licensed to practice law in the Commonwealth of Kentucky

1 with relevant experience in retirement or pension plans; or

2 5. A current or former university professor whose primary area of emphasis
3 is economics or finance.

4 (2) The board is hereby granted the powers and privileges of a corporation, including
5 but not limited to the following powers:

6 (a) To sue and be sued in its corporate name;

7 (b) To make bylaws not inconsistent with the law;

8 (c) To conduct the business and promote the purposes for which it was formed;

9 (d) Except as provided in KRS 61.650(6), to contract for investment counseling,
10 auditing, medical, and other professional or technical services as required to
11 carry out the obligations of the board subject to KRS Chapters 45, 45A, 56,
12 and 57. Actuarial consulting services shall be provided by a firm hired by the
13 Kentucky Public Pensions Authority;

14 (e) To purchase fiduciary liability insurance;

15 (f) Except as provided in KRS 61.650(6), to acquire, hold, sell, dispose of,
16 pledge, lease, or mortgage, the goods or property necessary to exercise the
17 board's powers and perform the board's duties subject to KRS Chapters 45,
18 45A, and 56; and

19 (g) The board shall reimburse any trustee, officer, or employee for any legal
20 expense resulting from a civil action arising out of the performance of his or
21 her official duties. The hourly rate of reimbursement for any contract for legal
22 services under this paragraph shall not exceed the maximum hourly rate
23 provided in the Legal Services Duties and Maximum Rate Schedule
24 promulgated by the Government Contract Review Committee established
25 pursuant to KRS 45A.705, unless a higher rate is specifically approved by the
26 secretary of the Finance and Administration Cabinet or his or her designee.

27 (3) (a) Notwithstanding the provisions of subsection (1) of this section, each trustee

1 shall serve a term of four (4) years or until his or her successor is confirmed
2 by the Senate~~[duly qualified]~~ except as otherwise provided in this section. An
3 elected trustee or a trustee appointed by the Governor under subsection (1)(c)
4 of this section, shall not serve more than three (3) consecutive four (4) year
5 terms. An elected trustee or a trustee appointed by the Governor under
6 subsection (1)(c) of this section, who has served three (3) consecutive terms
7 may be elected or appointed again after an absence of four (4) years from the
8 board.

9 (b) The term limits established by paragraph (a) of this subsection shall apply to
10 trustees serving on or after July 1, 2012, and all terms of office served prior to
11 July 1, 2012, shall be used to determine if the trustee has exceeded the term
12 limits provided by paragraph (a) of this subsection.

13 (4) (a) The trustees selected by the membership of each of the various retirement
14 systems shall be elected by ballot. For each trustee to be elected, the board
15 may nominate, not less than six (6) months before a term of office of a trustee
16 is due to expire, three (3) constitutionally eligible individuals.

17 (b) Individuals may be nominated by the retirement system members which are to
18 elect the trustee by presenting to the executive director, not less than four (4)
19 months before a term of office of a trustee is due to expire, a petition, bearing
20 the name, last four (4) digits of the Social Security number, and signature of
21 no less than one-tenth (1/10) of the number voting in the last election by the
22 retirement system members.

23 (c) Within four (4) months of the nominations made in accordance with
24 paragraphs (a) and (b) of this subsection, the executive director shall cause to
25 be prepared an official ballot. The ballot shall include the name, address, and
26 position title of each individual nominated by the board and by petition.
27 Provisions shall also be made for write-in votes.

- 1 (d) Except as provided by paragraph (j) of this subsection, the ballots shall be
2 distributed to the eligible voters by mail to their last known residence address.
- 3 (e) The ballots shall be addressed to the Kentucky Retirement Systems in care of
4 a predetermined box number at a United States Post Office or submitted
5 electronically as provided by paragraph (j) of this subsection. Access to this
6 post office box shall be limited to the board's contracted firm. The individual
7 receiving a plurality of votes shall be declared elected.
- 8 (f) The eligible voter shall cast his or her ballot by selecting the candidate of his
9 or her choice. He or she shall sign and mail the ballot or submit the electronic
10 ballot at least thirty (30) days prior to the date the term to be filled is due to
11 expire. The latest mailing date, or date of submission in the case of electronic
12 ballots, shall be provided on the ballot.
- 13 (g) The board's contracted firm shall report in writing the outcome to the chair of
14 the board of trustees. Cost of an election shall be payable from the funds of
15 the system for which the trustee is elected.
- 16 (h) For purposes of this subsection, an eligible voter shall be a person who was a
17 member of the retirement system on December 31 of the year preceding the
18 election year.
- 19 (i) Each individual who submits a request to be nominated by the board under
20 paragraph (a) of this subsection and each individual who is nominated by the
21 membership under paragraph (b) of this subsection shall:
- 22 1. Complete an application developed by the retirement systems which
23 shall include but not be limited to a disclosure of any prior felonies and
24 any conflicts of interest that would hinder the individual's ability to
25 serve on the board;
 - 26 2. Submit a resume detailing the individual's education and employment
27 history and a cover letter detailing the member's qualifications for

1 serving as trustee to the board; and

2 3. Authorize the systems to have a criminal background check performed.
3 The criminal background check shall be performed by the Department of
4 Kentucky State Police.

5 (j) In lieu of the ballots mailed to members and retired members as provided by
6 this subsection, the systems may by promulgation of administrative regulation
7 pursuant to KRS Chapter 13A conduct trustee elections using electronic
8 ballots, except that the systems shall mail a paper ballot upon request of any
9 eligible voter.

10 (5) (a) Any vacancy which may occur in an appointed position during a term of office
11 shall be filled in the same manner which provides for the selection of the
12 particular trustee, and any vacancy which may occur in an elected position
13 during a term of office shall be filled by appointment by a majority vote of the
14 remaining elected trustees with a person selected from the system in which the
15 vacancy occurs; however, any vacancy shall be filled only for the duration of
16 the unexpired term, until his or her successor is confirmed by the Senate, or
17 appointment by the remaining elected trustees, whichever is appropriate. In
18 the event of a vacancy of an elected trustee during a term of office, Kentucky
19 Retirement Systems shall notify members of the system in which the vacancy
20 occurs of the vacancy and the opportunity to be considered for the vacant
21 position. Any vacancy during a term of office shall be filled within ninety (90)
22 days of the position becoming vacant.

23 (b) Any appointments or reappointments to an appointed position on the board
24 shall be made no later than thirty (30) days prior to an appointed member's
25 term of office ending.

26 (6) (a) Membership on the board of trustees shall not be incompatible with any other
27 office unless a constitutional incompatibility exists. No trustee shall serve in

- 1 more than one (1) position as trustee on the board; and if a trustee holds more
2 than one (1) position as trustee on the board, he or she shall resign a position.
- 3 (b) A trustee shall be removed from office upon conviction of a felony or for a
4 finding of a violation of any provision of KRS 11A.020 or 11A.040 by a court
5 of competent jurisdiction.
- 6 (c) A current or former employee of Kentucky Retirement Systems, County
7 Employees Retirement System, or the Kentucky Public Pensions Authority
8 shall not be eligible to serve as a member of the board.
- 9 (7) Trustees who do not otherwise receive a salary from the State Treasury shall receive
10 a per diem of eighty dollars (\$80) for each day they are in session or on official
11 duty, and they shall be reimbursed for their actual and necessary expenses in
12 accordance with state administrative regulations and standards.
- 13 (8) (a) The board shall meet at least once in each quarter of the year and may meet in
14 special session upon the call of the chair or the chief executive officer.
- 15 (b) The board shall elect a chair and a vice chair. The chair shall not serve more
16 than four (4) consecutive years as chair or vice-chair of the board. The vice-
17 chair shall not serve more than four (4) consecutive years as chair or vice-
18 chair of the board. A trustee who has served four (4) consecutive years as
19 chair or vice-chair of the board may be elected chair or vice-chair of the board
20 after an absence of two (2) years from the positions.
- 21 (c) A majority of the trustees shall constitute a quorum and all actions taken by
22 the board shall be by affirmative vote of a majority of the trustees present.
- 23 (9) (a) The board of trustees shall appoint or contract for the services of a chief
24 executive officer and general counsel and fix the compensation and other
25 terms of employment for these positions without limitation of the provisions
26 of KRS Chapters 18A and 45A and KRS 64.640. The chief executive officer
27 shall serve as the legislative and executive adviser to the board. The general

1 counsel shall serve as legal adviser to the board. The chief executive officer
2 and general counsel shall work with the executive director of the Kentucky
3 Public Pensions Authority to carry out the provisions of KRS 16.505 to
4 16.652 and 61.510 to 61.705. The executive director of the Kentucky Public
5 Pensions Authority shall be the chief administrative officer of the board.

6 (b) Prior to April 1, 2021, the board of trustees shall authorize the executive
7 director to appoint the employees deemed necessary to transact the business of
8 the system. Effective April 1, 2021, the responsibility of appointing
9 employees and managing personnel needs shall be transferred to the Kentucky
10 Public Pensions Authority established by KRS 61.505.

11 (c) The board shall require the chief executive officer and may require the general
12 counsel to execute bonds for the faithful performance of his or her duties
13 notwithstanding the limitations of KRS Chapter 62.

14 (d) The board shall have a system of accounting established by the Kentucky
15 Public Pensions Authority.

16 (e) The board shall do all things, take all actions, and promulgate all
17 administrative regulations, not inconsistent with the provisions of KRS 16.505
18 to 16.652 and 61.510 to 61.705, necessary or proper in order to carry out the
19 provisions of KRS 16.505 to 16.652 and 61.510 to 61.705. Notwithstanding
20 any other evidence of legislative intent, it is hereby declared to be the
21 controlling legislative intent that the provisions of KRS 16.505 to 16.652 and
22 61.510 to 61.705 conform with federal statute or regulation and meet the
23 qualification requirements under 26 U.S.C. sec. 401(a), applicable federal
24 regulations, and other published guidance. Provisions of KRS 16.505 to
25 16.652 and 61.510 to 61.705 which conflict with federal statute or regulation
26 or qualification under 26 U.S.C. sec. 401(a), applicable federal regulations,
27 and other published guidance shall not be available. The board shall have the

1 authority to promulgate administrative regulations to conform with federal
2 statute and regulation and to meet the qualification requirements under 26
3 U.S.C. sec. 401(a), including an administrative regulation to comply with 26
4 U.S.C. sec. 401(a)(9).

5 (f) Notwithstanding any other provision of statute to the contrary, including but
6 not limited to any provision of KRS Chapter 12, the Governor shall have no
7 authority to change any provision of KRS 16.505 to 16.652 and 61.510 to
8 61.705 by executive order or action, including but not limited to reorganizing,
9 replacing, amending, or abolishing the membership of the Kentucky
10 Retirement Systems board of trustees.

11 (10) Notwithstanding any statute to the contrary, employees shall not be considered
12 legislative agents under KRS 6.611.

13 (11) The Attorney General, or an assistant designated by him or her, may attend each
14 meeting of the board and may receive the agenda, board minutes, and other
15 information distributed to trustees of the board upon request. The Attorney General
16 may act as legal adviser and attorney for the board, and the board may contract for
17 legal services, notwithstanding the limitations of KRS Chapter 12 or 13B.

18 (12) (a) The system shall publish an annual financial report showing all receipts,
19 disbursements, assets, and liabilities. The annual report shall include a copy of
20 an audit conducted in accordance with generally accepted auditing standards.
21 Except as provided by paragraph (b) of this subsection, the board may select
22 an independent certified public accountant or the Auditor of Public Accounts
23 to perform the audit. If the audit is performed by an independent certified
24 public accountant, the Auditor of Public Accounts shall not be required to
25 perform an audit pursuant to KRS 43.050(2)(a), but may perform an audit at
26 his or her discretion. All proceedings and records of the board shall be open
27 for inspection by the public. The system shall make copies of the audit

1 required by this subsection available for examination by any member, retiree,
2 or beneficiary in the offices of the Kentucky Public Pensions Authority and in
3 other places as necessary to make the audit available to all members, retirees,
4 and beneficiaries. A copy of the annual audit shall be sent to the Legislative
5 Research Commission no later than ten (10) days after receipt by the board.

6 (b) At least once every five (5) years, the Auditor of Public Accounts shall
7 perform the audit described by this subsection, and the system shall reimburse
8 the Auditor of Public Accounts for all costs of the audit. The Auditor of
9 Public Accounts shall determine which fiscal year during the five (5) year
10 period the audit prescribed by this paragraph will be completed.

11 (13) All expenses incurred by or on behalf of the system and the board in the
12 administration of the system during a fiscal year shall be paid from the retirement
13 allowance account, including any administrative expenses for the Kentucky Public
14 Pensions Authority that are assigned to the Kentucky Retirement Systems by KRS
15 61.505. The board shall submit any administrative expenses that are specific to the
16 Kentucky Retirement Systems that are not otherwise covered by KRS
17 61.505(11)(a).

18 (14) Any person adversely affected by a decision of the board, except as provided under
19 subsection (16) of this section or KRS 61.665, involving KRS 16.505 to 16.652 and
20 61.510 to 61.705, may appeal the decision of the board to the Franklin Circuit Court
21 within sixty (60) days of the board action.

22 (15) (a) A trustee shall discharge his or her duties as a trustee, including his or her
23 duties as a member of a committee:

- 24 1. In good faith;
- 25 2. On an informed basis; and
- 26 3. In a manner he or she honestly believes to be in the best interest of the
27 Kentucky Retirement Systems.

- 1 (b) A trustee discharges his or her duties on an informed basis if, when he or she
2 makes an inquiry into the business and affairs of the Kentucky Retirement
3 Systems or into a particular action to be taken or decision to be made, he or
4 she exercises the care an ordinary prudent person in a like position would
5 exercise under similar circumstances.
- 6 (c) In discharging his or her duties, a trustee may rely on information, opinions,
7 reports, or statements, including financial statements and other financial data,
8 if prepared or presented by:
- 9 1. One (1) or more officers or employees of the Kentucky Retirement
10 Systems whom the trustee honestly believes to be reliable and competent
11 in the matters presented;
 - 12 2. Legal counsel, public accountants, actuaries, or other persons as to
13 matters the trustee honestly believes are within the person's professional
14 or expert competence; or
 - 15 3. A committee of the board of trustees of which he or she is not a member
16 if the trustee honestly believes the committee merits confidence.
- 17 (d) A trustee shall not be considered as acting in good faith if he or she has
18 knowledge concerning the matter in question that makes reliance otherwise
19 permitted by paragraph (c) of this subsection unwarranted.
- 20 (e) Any action taken as a trustee, or any failure to take any action as a trustee,
21 shall not be the basis for monetary damages or injunctive relief unless:
- 22 1. The trustee has breached or failed to perform the duties of the trustee's
23 office in compliance with this section; and
 - 24 2. In the case of an action for monetary damages, the breach or failure to
25 perform constitutes willful misconduct or wanton or reckless disregard
26 for human rights, safety, or property.
- 27 (f) A person bringing an action for monetary damages under this section shall

1 have the burden of proving by clear and convincing evidence the provisions of
2 paragraph (e)1. and 2. of this subsection, and the burden of proving that the
3 breach or failure to perform was the legal cause of damages suffered by the
4 Kentucky Retirement Systems.

5 (g) Nothing in this section shall eliminate or limit the liability of any trustee for
6 any act or omission occurring prior to July 15, 1988.

7 (h) In discharging his or her administrative duties under this section, a trustee
8 shall strive to administer the retirement system in an efficient and cost-
9 effective manner for the taxpayers of the Commonwealth of Kentucky and
10 shall take all actions available under the law to contain costs for the trusts,
11 including costs for participating employers, members, and retirees.

12 (16) When an order by the system substantially impairs the benefits or rights of a
13 member, retired member, or recipient, except action which relates to entitlement to
14 disability benefits, or when an employer disagrees with an order of the system as
15 provided by KRS 61.598, the affected member, retired member, recipient, or
16 employer may request a hearing to be held in accordance with KRS Chapter 13B.
17 The board may establish an appeals committee whose members shall be appointed
18 by the chair and who shall have authority to act upon the recommendations and
19 reports of the hearing officer on behalf of the board. The member, retired member,
20 recipient, or employer aggrieved by a final order of the board following the hearing
21 may appeal the decision to the Franklin Circuit Court, in accordance with KRS
22 Chapter 13B. The board may establish a joint administrative appeals committee
23 with the County Employees Retirement System and may also establish a joint
24 disability appeals committee with the County Employees Retirement System.

25 (17) The board shall give the Kentucky Education Support Personnel Association
26 twenty-four (24) hours notice of the board meetings, to the extent possible.

27 (18) The board shall establish a formal trustee education program for all trustees of the

1 board. The program shall include but not be limited to the following:

2 (a) A required orientation program for all new trustees elected or appointed to the

3 board. The orientation program shall include training on:

4 1. Benefits and benefits administration;

5 2. Investment concepts, policies, and current composition and
6 administration of retirement systems investments;

7 3. Laws, bylaws, and administrative regulations pertaining to the
8 retirement systems and to fiduciaries; and

9 4. Actuarial and financial concepts pertaining to the retirement systems.

10 If a trustee fails to complete the orientation program within one (1) year from
11 the beginning of his or her first term on the board, the retirement systems shall
12 withhold payment of the per diem and travel expenses due to the board
13 member under this section and KRS 16.640 until the trustee has completed the
14 orientation program;

15 (b) Annual required training for board members on the administration, benefits,
16 financing, and investing of the retirement systems. If a trustee fails to
17 complete the annual required training during the calendar or fiscal year, the
18 retirement systems shall withhold payment of the per diem and travel
19 expenses due to the board member under this section and KRS 16.640 until
20 the board member has met the annual training requirements; and

21 (c) The retirement systems shall incorporate by reference in an administrative
22 regulation, pursuant to KRS 13A.2251, the trustee education program.

23 (19) In order to improve public transparency regarding the administration of the systems,
24 the board of trustees shall adopt a best practices model by posting the following
25 information to the Kentucky Public Pensions Authority's Web site and shall make
26 available to the public:

27 (a) Meeting notices and agendas for all meetings of the board. Notices and

1 agendas shall be posted to the Kentucky Public Pensions Authority's Web site
2 at least seventy-two (72) hours in advance of the board or committee
3 meetings, except in the case of special or emergency meetings as provided by
4 KRS 61.823;

- 5 (b) The Comprehensive Annual Financial Report with the information as follows:
- 6 1. A general overview and update on the retirement systems by the
7 executive director;
 - 8 2. A listing of the board of trustees;
 - 9 3. A listing of key staff;
 - 10 4. An organizational chart;
 - 11 5. Financial information, including a statement of plan net assets, a
12 statement of changes in plan net assets, an actuarial value of assets, a
13 schedule of investments, a statement of funded status and funding
14 progress, and other supporting data;
 - 15 6. Investment information, including a general overview, a list of the
16 retirement system's professional consultants, a total net of fees return on
17 retirement systems investments over a historical period, an investment
18 summary, contracted investment management expenses, transaction
19 commissions, and a schedule of investments;
 - 20 7. The annual actuarial valuation report on the pension benefit and the
21 medical insurance benefit; and
 - 22 8. A general statistical section, including information on contributions,
23 benefit payouts, and retirement systems' demographic data;
- 24 (c) All external audits;
- 25 (d) All board minutes or other materials that require adoption or ratification by
26 the board of trustees. The items listed in this paragraph shall be posted within
27 seventy-two (72) hours of adoption or ratification of the board;

- 1 (e) All bylaws, policies, or procedures adopted or ratified by the board of trustees;
- 2 (f) The retirement systems' summary plan description;
- 3 (g) A document containing an unofficial copy of the statutes governing the
4 systems administered by Kentucky Retirement Systems;
- 5 (h) A listing of the members of the board of trustees and membership on each
6 committee established by the board, including any investment committees;
- 7 (i) All investment holdings in aggregate, fees, and commissions for each fund
8 administered by the board, which shall be updated on a quarterly basis for
9 fiscal years beginning on or after July 1, 2017. The systems shall request from
10 all managers, partnerships, and any other available sources all information
11 regarding fees and commissions and shall, based on the requested information
12 received:
- 13 1. Disclose the dollar value of fees and commissions paid to each
14 individual manager or partnership;
 - 15 2. Disclose the dollar value of any profit sharing, carried interest, or any
16 other partnership incentive arrangements, partnership agreements, or any
17 other partnership expenses received by or paid to each manager or
18 partnership; and
 - 19 3. As applicable, report each fee or commission by manager or partnership
20 consistent with standards established by the Institutional Limited
21 Partners Association (ILPA).
- 22 In addition to the requirements of this paragraph, the systems shall also
23 disclose the name and address of all individual underlying managers or
24 partners in any fund of funds in which system assets are invested;
- 25 (j) An update of net of fees investment returns, asset allocations, and the
26 performance of the funds against benchmarks adopted by the board for each
27 fund, for each asset class administered by the board, and for each manager.

1 The update shall be posted on a quarterly basis for fiscal years beginning on or
2 after July 1, 2017;

3 (k) A searchable database of the systems' expenditures and a listing of each
4 individual employed by the systems along with the employee's salary or
5 wages. In lieu of posting the information required by this paragraph to the
6 Kentucky Public Pensions Authority's Web site, the systems may provide the
7 information through a Web site established by the executive branch to inform
8 the public about executive branch agency expenditures and public employee
9 salaries and wages;

10 (l) All contracts or offering documents for services, goods, or property purchased
11 or utilized by the systems; and

12 (m) Information regarding the systems' financial and actuarial condition that is
13 easily understood by the members, retired members, and the public.

14 (20) Notwithstanding the requirements of subsection (19) of this section, the retirement
15 systems shall not be required to furnish information that is protected under KRS
16 61.661, exempt under KRS 61.878, or that, if disclosed, would compromise the
17 retirement systems' ability to competitively invest in real estate or other asset
18 classes, except that no provision of this section or KRS 61.878 shall exclude
19 disclosure and review of all contracts, including investment contracts, by the board,
20 the Auditor of Public Accounts, and the Government Contract Review Committee
21 established pursuant to KRS 45A.705 or the disclosure of investment fees and
22 commissions as provided by this section. If any public record contains material
23 which is not excepted under this section, the systems shall separate the excepted
24 material by removal, segregation, or redaction, and make the nonexcepted material
25 available for examination.

26 (21) Notwithstanding any other provision of KRS 16.505 to 16.652 and 61.510 to 61.705
27 to the contrary, no funds of the systems administered by Kentucky Retirement

1 Systems, including fees and commissions paid to an investment manager, private
2 fund, or company issuing securities, who manages systems assets, shall be used to
3 pay fees and commissions to placement agents. For purposes of this subsection,
4 "placement agent" means a third-party individual, who is not an employee, or firm,
5 wholly or partially owned by the entity being hired, who solicits investments on
6 behalf of an investment manager, private fund, or company issuing securities.

7 ➔Section 6. KRS 121.110 is amended to read as follows:

8 (1) There is hereby created as an independent agency of state government a Kentucky
9 Registry of Election Finance. The registry shall be composed of seven (7) members
10 appointed as provided herein. The registry shall remain independent of any other
11 agency or department of state government. Members shall be at least twenty-five
12 (25) years of age, registered voters in Kentucky, not announced candidates for
13 public office, not officers of a political party's state central executive committee,
14 shall not have been convicted of an election offense, and shall be persons of high
15 ethical standards who have an active interest in promoting fair elections. Appointees
16 shall be subject to Senate confirmation at the next regular session of the General
17 Assembly following appointment, or at the next special session if included in the
18 Governor's call. ~~Appointees shall have full power to serve until any vote of~~
19 ~~nonconfirmation.~~

20 (2) Members of the registry shall be selected as follows:

21 (a) One (1) member shall be appointed by the Governor from a list of three (3)
22 nominees submitted by the state central committee of the political party
23 polling the largest vote at the last gubernatorial election.

24 (b) One (1) member shall be appointed by the Governor from a list of three (3)
25 nominees submitted by the state central committee of the political party
26 polling the second largest vote at the last gubernatorial election. The members
27 appointed pursuant to subsections (a) and (b) of this section shall take office

1 on August 15, 1990, for a term of one (1) year and their successors shall serve
2 a term of four (4) years beginning August 15, 1991, or until their successors
3 are appointed and qualified.

4 (c) Two (2) other members shall be appointed by the Governor. Before making
5 these appointments, the Governor shall solicit nominations from at least two
6 (2) organizations which have demonstrated a nonpartisan interest in fair
7 elections and informed voting. The Governor's solicitations and the replies
8 shall be public records. The Governor shall give due consideration to such
9 nominations. The two (2) members appointed pursuant to this subsection shall
10 be one (1) from each of the two (2) political parties which polled the greatest
11 number of votes at the last gubernatorial election. Members appointed
12 pursuant to this subsection shall take office on August 15, 1988, for a term of
13 four (4) years or until their successors are appointed and qualified and their
14 successors shall serve a term of four (4) years.

15 (d) One (1) member shall be appointed by the Auditor of Public Accounts after
16 soliciting nominations as provided by subsection (c) of this section. The
17 appointee shall be a member of one (1) of the two (2) political parties which
18 polled the greatest number of votes at the last gubernatorial election. The
19 member appointed pursuant to this subsection shall take office on August 15,
20 1997, for a term of four (4) years or until his successor is appointed and
21 qualified and his successors shall serve a term of four (4) years.

22 (e) One (1) member shall be appointed by the Attorney General after soliciting
23 nominations as provided by subsection (c) of this section. The appointee shall
24 not be a member of the same political party as the person appointed by the
25 Auditor of Public Accounts pursuant to subsection (d) of this section. The
26 member appointed pursuant to this subsection shall take office on August 15,
27 1990, for a term of four (4) years or until his successor is appointed and

1 qualified and his successors shall serve a term of four (4) years.

2 (f) One (1) member shall be appointed by the Secretary of State after soliciting
3 nominations as provided by subsection (c) of this section. The Secretary of
4 State's appointment shall be without regard to political affiliation. The
5 member appointed pursuant to this subsection shall take office on August 15,
6 1990, for a term of three (3) years or until his successor is appointed and
7 qualified and his successors shall serve a term of four (4) years.

8 (3) The members of the registry shall select a chairman from among the appointed
9 membership, effective August 15, 1990. The chairman shall serve in that capacity
10 for one (1) year and shall be eligible for reelection. The chairman shall preside at all
11 meetings and shall have all the powers and privileges of the other members.

12 (4) In the event of a vacancy in the office of any member, the vacancy shall be filled in
13 the same manner as the vacating member's office was filled pursuant to subsection
14 (2) of this section.

15 (5) The registry shall fix the place and time of its regular meetings by order duly
16 recorded in its minutes. No action shall be taken without a quorum present. Special
17 meetings shall be called by the chairman on his own initiative or on the written
18 request of three (3) members. Members shall receive seven (7) days' written notice
19 of a special meeting and the notice shall specify the purpose, time and place of the
20 meeting, and no other matters may be considered, without a specific waiver by all
21 the members.

22 (6) The members of the registry shall receive sixty-five dollars (\$65) per diem, and
23 shall be reimbursed for all reasonable and necessary expenses.

24 ➔Section 7. KRS 150.022 is amended to read as follows:

25 (1) The Department of Fish and Wildlife Resources Commission shall consist of nine
26 (9) members, one (1) from each wildlife district, as set out by the commissioner
27 with the approval of the commission, and not more than five (5) of the same

1 political party.

2 (2) The Governor shall appoint the members of the commission subject to confirmation
3 by the Senate. Each of the members shall be appointed for a term of four (4) years
4 or until his or her successor is confirmed by the Senate, and may be reappointed
5 only once. No person who has been convicted of a felony offense, in Kentucky or
6 under the law of any other state, or any other law of the United States shall be
7 eligible to serve on the commission.

8 (3) Vacancies through the expiration of terms of the members of the commission shall
9 be filled by appointment by the Governor from a list of five (5) names from each
10 wildlife district, recommended and submitted by the sportsmen of each respective
11 district. When the term of a member expires, the commissioner shall call a meeting
12 of the sportsmen in that district not later than thirty (30) days prior to the expiration
13 of the member's term. Notice of the meeting shall be given by publication pursuant
14 to KRS Chapter 424. At the meeting, the sportsmen in attendance shall select and
15 submit to the Governor a list of five (5) residents and citizens of the district who are
16 well informed on the subject of wildlife conservation and restoration. Each
17 sportsman may vote for one (1) candidate only, and the list submitted to the
18 Governor shall be made up of the names of the five (5) candidates receiving the five
19 (5) highest vote totals. The Governor shall appoint a successor to the member
20 whose term is about to expire within sixty (60) days following the submission to
21 him of the list referred to in this subsection, and in no event later than August 13.

22 (4) Upon appointment to the commission of the Department of Fish and Wildlife
23 Resources, each commissioner shall execute a bond of one thousand dollars
24 (\$1,000) in favor of the Department of Fish and Wildlife Resources, the premium
25 on this bond to be paid out of department funds.

26 (5) In the event of vacancies other than by expiration, the Governor shall fill the
27 vacancy for the unexpired part of the term from the names remaining on the list

1 previously submitted for the district from which the vacancy arose.

2 (6) Each member of the commission shall take the constitutional oath of office.

3 (7) The Governor shall remove any member of the commission for cause under
4 subsection (2) of this section and may remove any member of the commission for
5 inefficiency, neglect of duty, or misconduct in office; but shall first deliver to the
6 member a copy of all charges in writing and afford to him an opportunity of being
7 publicly heard in person or by counsel in defense of the charges, upon not less than
8 ten (10) days' notice. If a member shall be removed, the Governor shall file in the
9 office of the Secretary of State a complete statement of all charges made against the
10 member and his findings thereon, together with a complete record of the
11 proceedings.

12 (8) Each member of the commission shall be entitled to reimbursement for actual and
13 necessary traveling and other expenses incurred by him in the discharge of his
14 official duties and to be paid from the game and fish fund.

15 (9) A majority of the commission shall constitute a quorum for the transaction of any
16 business, for the performance of any duty or for the exercise of any power vested in
17 the commission.

18 (10) The department shall have its principal office in Franklin County, and is authorized
19 to purchase all supplies, equipment, and printed forms and to issue any notices and
20 publications as the commissioner may deem necessary to carry out the provisions of
21 this chapter.

22 (11) The word "sportsman" as used in this section shall mean a resident hunter or
23 fisherman who has been licensed in Kentucky for each of the past two (2)
24 consecutive years.

25 ➔Section 8. KRS 154A.030 is amended to read as follows:

26 (1) The affairs of the corporation shall be administered by a board of directors
27 composed of eight (8) members. One (1) member of the board shall be the State

1 Treasurer, who shall serve on the board in an ex officio capacity. The other seven
2 (7) members shall be appointed by the Governor, subject to the advice and consent
3 of the Senate. Members appointed when the Senate is not in session shall serve only
4 until the next regular session, or special session if such matter is included in the call
5 therefor of the General Assembly, at which time they shall be subject to
6 confirmation by the Senate. If the Senate is not in session, the appointments shall be
7 subject to review by the Interim Joint Committee on State Government which shall
8 hold a public hearing and shall transmit its recommendations to the Senate. Should
9 the Senate refuse to confirm a member then he shall forfeit his office as of the date
10 on which the Senate refuses to confirm him. Any person not confirmed by the
11 Senate shall not be reappointed as a member for a period of two (2) years. Members
12 appointed by the Governor, and confirmed by the Senate, shall be residents of the
13 Commonwealth of Kentucky and serve a term of four (4) years, except that of the
14 initial members appointed, two (2) shall be appointed for one (1) year with the term
15 ending on the twenty-eighth (28th) day of November, 1989; two (2) shall be
16 appointed for two (2) years with the term ending on the twenty-eighth (28th) day of
17 November, 1990; two (2) shall be appointed for three (3) years with the term ending
18 on the twenty-eighth (28th) day of November, 1991; and one (1) shall be appointed
19 for four (4) years with the term ending on the twenty-eighth (28th) day of
20 November, 1992. Members, confirmed by the Senate, may serve ~~thirty (30) days~~
21 beyond the end of their respective terms if their successors have not been appointed
22 and qualified. If the Governor fails to appoint a successor within thirty (30) days of
23 expiration of a member's term, the board shall make the appointment ***however, the***
24 ***appointee shall not assume the responsibilities of the position until confirmed by***
25 ***the Senate.*** No appointed member shall serve more than two (2) consecutive four-
26 year terms. No more than four (4) of the members appointed by the Governor shall
27 be from the same political party. Appointed members may be removed by the

1 Governor for neglect of duty, misfeasance, or nonfeasance in office. The board shall
2 annually elect a chairman from among its appointed members.

3 (2) (a) No member of the board of directors, by himself or through others, shall
4 knowingly:

5 1. Use or attempt to use his influence in any manner which involves a
6 substantial conflict between his personal or private interest and his
7 duties to the corporation;

8 2. Use or attempt to use any means to influence the corporation in
9 derogation of the corporation;

10 3. Use his official position or office to obtain financial gain for himself, or
11 any spouse, parent, brother, sister, or child of the director; or

12 4. Use or attempt to use his official position to secure or create privileges,
13 exemptions, advantages, or treatment for himself or others in derogation
14 of the interests of the corporation or of the Commonwealth.

15 (b) No director shall appear before the board or the corporation in any manner
16 other than as a director.

17 (c) A director shall abstain from action on an official decision in which he has or
18 may have a personal or private interest, and shall disclose the existence of that
19 personal or private interest in writing to each other member of the board on
20 the same day on which the director becomes aware that the interest exists or
21 that an official decision may be under consideration by the board. This
22 disclosure shall cause the decision on these matters to be made in a meeting of
23 the members of the board who do not have the conflict from which meeting
24 the director shall be absent and from all votes on which matters the director
25 shall abstain.

26 (d) In determining whether to abstain from action on an official decision because
27 of a possible conflict of interest, a director shall consider the following

1 guidelines:

- 2 1. Whether a substantial threat to his independence of judgment has been
3 created by his personal or private interest;
- 4 2. The effect of his participation on public confidence in the integrity of the
5 corporation and the lottery;
- 6 3. Whether his participation is likely to have any significant effect on the
7 disposition of the matter;
- 8 4. The need for his particular contribution, such as special knowledge of
9 the subject matter, to the effective functioning of the corporation; and
- 10 5. Whether the official decision will affect him in a manner differently
11 from the public, or will affect him as a member of a business,
12 profession, occupation, or group to no greater extent generally than other
13 members of his business, profession, occupation, or group.

14 Any director may request a vote of the disinterested members of the board on
15 whether any director shall abstain from action on an official decision.

16 (e) No director, in order to further his own economic interests, or those of any
17 person, shall knowingly disclose or use confidential information acquired in
18 the course of his official duties.

19 (f) No director shall knowingly receive, directly or indirectly, any interest or
20 profit arising from the use or loan of lottery funds or funds to be raised
21 through the lottery.

22 (g) No director shall knowingly accept compensation, other than that provided in
23 this section for directors, for performance of his official duties.

24 (h) No present or former director shall, within one (1) year following termination
25 of his membership on the board, accept employment, compensation, or other
26 economic benefit from any person or business that contracts or does business
27 with the corporation in matters in which he was directly involved during his

1 tenure. This provision shall not prohibit an individual from continuing in the
2 same business, firm, occupation, or profession in which he was involved prior
3 to becoming a director, provided that, for a period of one (1) year following
4 termination of his position as a director, he personally refrains from working
5 on any matter in which he was directly involved as a director.

6 (i) No director, and no spouse, child, brother, sister, or parent of that director
7 shall have a financial interest of more than five percent (5%) of the total value
8 of any vendor, other supplier of goods or services to the corporation, retailer,
9 or related entity. The corporation shall provide each member of the board with
10 a list of all current vendors, which shall be updated on at least a quarterly
11 basis.

12 (3) Appointed members of the board of directors shall be entitled to five thousand
13 dollars (\$5,000) per year as remuneration for serving on the board, except for the
14 chairman, who shall receive seven thousand five hundred dollars (\$7,500), and all
15 members shall be reimbursed for necessary travel and other reasonable expenses
16 incurred in the performance of their official duties.

17 (4) The board, upon call of the chairman or the president, shall meet at least monthly
18 for the first eighteen (18) months and bimonthly thereafter and at such other times
19 as the chairman or the president may determine. Four (4) members of the board
20 shall constitute a quorum. The board shall also meet upon call of three (3) or more
21 of the voting members of the board. The board shall keep accurate and complete
22 records of all its meetings.

23 (5) The State Treasurer shall not be compensated for his service on the board.

24 (6) The president of the corporation shall be appointed by the Governor subject to
25 confirmation by the board of directors. Should the board of directors refuse to
26 confirm the appointment of the president, then the Governor shall submit another
27 name. The person whose appointment was refused shall not be renamed for

1 confirmation for a period of two (2) years. The board of directors shall meet within
2 thirty (30) days of the date the Governor submits the name of a nominee for
3 president of the corporation and shall, within that time frame, either approve or
4 reject the nomination. The president of the corporation shall manage the daily
5 affairs of the corporation and shall have such powers and duties as specified by
6 KRS 154A.070 and by the board of directors. The president shall not be a member
7 of the board. The president of the corporation may be removed by the board of
8 directors.

- 9 (7) All meetings of the board shall be open unless they may be closed under KRS
10 61.810 or relate to trade secrets, legally-protectable intellectual property,
11 confidential proprietary information, the security of the corporation in the operation
12 of the lottery, or the security of the lottery's retailers.

13 ➔Section 9. KRS 156.029 is amended to read as follows:

- 14 (1) There is hereby established a Kentucky Board of Education, which shall consist of
15 eleven (11) voting members appointed by the Governor and confirmed by the
16 Senate of the General Assembly, with the president of the Council on Postsecondary
17 Education and the secretary of the Education and Workforce Development Cabinet
18 serving as ex officio nonvoting members, and an active public elementary or
19 secondary school teacher and a public high school student appointed by the board as
20 described in subsection (3) of this section serving as nonvoting members. Seven (7)
21 voting members shall represent each of the Supreme Court districts as established
22 by KRS 21A.010, and four (4) voting members shall represent the state at large.
23 Each of the voting members shall serve for a four (4) year term, except the initial
24 appointments shall be as follows: the seven (7) members representing Supreme
25 Court districts shall serve a term which shall expire on April 14, 1994; and the four
26 (4) at-large members shall serve a term which shall expire on April 14, 1992.
27 Subsequent appointments shall be submitted to the Senate for confirmation in

1 accordance with KRS 11.160.

2 (2) Appointments of the voting members shall be made without reference to
3 occupation. No voting member at the time of his or her appointment or during the
4 term of his or her service shall be engaged as a professional educator. Beginning
5 with voting members appointed on or after June 29, 2021, appointments to the
6 group of members representing Supreme Court districts and to the group of at-large
7 members, respectively, shall reflect equal representation of the two (2) sexes,
8 inasmuch as possible; reflect no less than proportional representation of the two (2)
9 leading political parties of the Commonwealth based on the state's voter registration
10 and the political affiliation of each appointee as of December 31 of the year
11 preceding the date of his or her appointment; and reflect the minority racial
12 composition of the Commonwealth based on the total minority racial population
13 using the most recent census or estimate data from the United States Census
14 Bureau. If the determination of proportional minority representation does not result
15 in a whole number of minority members, it shall be rounded up to the next whole
16 number. A particular political affiliation shall not be a prerequisite to appointment
17 to the board generally; however, if any person is appointed to the board that does
18 not represent either of the two (2) leading political parties of the Commonwealth,
19 the proportional representation by political affiliation requirement shall be
20 determined and satisfied based on the total number of members on the board less
21 any members not affiliated with either of the two (2) leading political parties.
22 Pursuant to KRS 63.080, a member shall not be removed except for cause or,
23 beginning with voting members appointed on or after June 29, 2021, in accordance
24 with KRS 63.080(3). Notwithstanding KRS 12.028, the board shall not be subject to
25 reorganization by the Governor.

26 (3) The nonvoting teacher and student members shall be selected by the board from the
27 state's six (6) congressional districts on a rotating basis from different districts. The

1 public high school student shall be classified as a junior at the time of appointment.
2 The teacher and student members shall serve for a one (1) year term, except the
3 initial appointments shall serve a term which shall expire on April 14, 2022. The
4 board shall promulgate an administrative regulation establishing the process for
5 selecting the nonvoting teacher and student members.

6 (4) A vacancy in the voting membership of the board shall be filled by the Governor for
7 the unexpired term with the consent of the Senate.~~[In the event that the General
8 Assembly is not in session at the time of the appointment, the consent of the Senate
9 shall be obtained during the time the General Assembly next convenes.]~~

10 (5) At the first regular meeting of the board in each fiscal year, a chairperson shall be
11 elected from its voting membership.

12 (6) The members shall be reimbursed for actual and necessary expenses incurred in the
13 performance of their duties.

14 (7) The commissioner of education shall serve as the executive secretary to the board.

15 (8) The primary function of the board shall be to develop and adopt policies and
16 administrative regulations, with the advice of the Local Superintendents Advisory
17 Council, by which the Department of Education shall be governed in planning,
18 coordinating, administering, supervising, operating, and evaluating the educational
19 programs, services, and activities within the Department of Education which are
20 within the jurisdiction of the board.

21 ➔Section 10. KRS 161.028 is amended to read as follows:

22 (1) The Education Professional Standards Board is recognized to be a public body
23 corporate and politic and an agency and instrumentality of the Commonwealth, in
24 the performance of essential governmental functions. The Education Professional
25 Standards Board has the authority and responsibility to:

26 (a) Establish standards and requirements for obtaining and maintaining a teaching
27 certificate;

- 1 (b) Set standards for, approve, and evaluate college, university, and school district
2 programs for the preparation of teachers and other professional school
3 personnel. College or university programs may be approved by the board for a
4 college or university with regional institutional level accreditation or national
5 institutional level accreditation that is recognized by the United States
6 Department of Education and is eligible to receive federal funding under 20
7 U.S.C. secs. 1061 to 1063. Program standards shall reflect national standards
8 and shall address, at a minimum, the following:
- 9 1. The alignment of programs with the state's core content for assessment
10 as defined in KRS 158.6457;
 - 11 2. Research-based classroom practices, including effective classroom
12 management techniques;
 - 13 3. Emphasis on subject matter competency of teacher education students;
 - 14 4. Methodologies to meet diverse educational needs of all students;
 - 15 5. The consistency and quality of classroom and field experiences,
16 including early practicums and student teaching experiences;
 - 17 6. The amount of college-wide or university-wide involvement and support
18 during the preparation as well as the induction of new teachers;
 - 19 7. The diversity of faculty;
 - 20 8. The effectiveness of partnerships with local school districts; and
 - 21 9. The performance of graduates on various measures as determined by the
22 board;
- 23 (c) Conduct an annual review of diversity in teacher preparation programs;
- 24 (d) Provide assistance to universities and colleges in addressing diversity, which
25 may include researching successful strategies and disseminating the
26 information, encouraging the development of nontraditional avenues of
27 recruitment and providing incentives, waiving administrative regulations

- 1 when needed, and other assistance as deemed necessary;
- 2 (e) Discontinue approval of programs that do not meet standards or whose
3 graduates do not perform according to criteria set by the board;
- 4 (f) Issue, renew, revoke, suspend, or refuse to issue or renew; impose
5 probationary or supervisory conditions upon; issue a written reprimand or
6 admonishment; or any combination of actions regarding any certificate;
- 7 (g) Develop specific guidelines to follow upon receipt of an allegation of sexual
8 misconduct by an employee certified by the Education Professional Standards
9 Board. The guidelines shall include investigation, inquiry, and hearing
10 procedures which ensure the process does not revictimize the alleged victim
11 or cause harm if an employee is falsely accused;
- 12 (h) Receive, along with investigators hired by the Education Professional
13 Standards Board, training on the dynamics of sexual misconduct of
14 professionals, including the nature of this abuse of authority, characteristics of
15 the offender, the impact on the victim, the possibility and the impact of false
16 accusations, investigative procedures in sex offense cases, and effective
17 intervention with victims and offenders;
- 18 (i) Recommend to the Kentucky Board of Education the essential data elements
19 relating to teacher preparation and certification, teacher supply and demand,
20 teacher attrition, teacher diversity, and employment trends to be included in a
21 state comprehensive data and information system and periodically report data
22 to the Interim Joint Committee on Education;
- 23 (j) Submit reports to the Governor and the Legislative Research Commission and
24 inform the public on the status of teaching in Kentucky;
- 25 (k) Devise a credentialing system that provides alternative routes to gaining
26 certification and greater flexibility in staffing local schools while maintaining
27 standards for teacher competence;

- 1 (l) Develop a professional code of ethics;
- 2 (m) Charge reasonable fees for the issuance, reissuance, and renewal of certificates
3 that are established by administrative regulation. The proceeds shall be used to
4 meet a portion of the costs of the issuance, reissuance, and renewal of
5 certificates, and the costs associated with disciplinary action against a
6 certificate holder under KRS 161.120;
- 7 (n) Waive a requirement that may be established in an administrative regulation
8 promulgated by the board. A request for a waiver shall be submitted to the
9 board, in writing, by an applicant for certification, a postsecondary institution,
10 or a superintendent of a local school district, with appropriate justification for
11 the waiver. The board may approve the request if the person or institution
12 seeking the waiver has demonstrated extraordinary circumstances justifying
13 the waiver. Any waiver granted under this subsection shall be subject to
14 revocation if the person or institution falsifies information or subsequently
15 fails to meet the intent of the waiver;
- 16 (o) Promote the development of one (1) or more innovative, nontraditional or
17 alternative administrator or teacher preparation programs through public or
18 private colleges or universities, private contractors, the Department of
19 Education, or the Kentucky Commonwealth Virtual University and waive
20 administrative regulations if needed in order to implement the program;
- 21 (p) Grant approval, if appropriate, of a university's request for an alternative
22 program that enrolls an administrator candidate in a postbaccalaureate
23 administrator preparation program concurrently with employment as an
24 assistant principal, principal, assistant superintendent, or superintendent in a
25 local school district. An administrator candidate in the alternative program
26 shall be granted a temporary provisional certificate and shall be a candidate in
27 the Kentucky Principal Internship Program, notwithstanding provisions of

- 1 KRS 161.030, or the Superintendent's Assessment process, notwithstanding
2 provisions of KRS 156.111, as appropriate. The temporary certificate shall be
3 valid for a maximum of two (2) years, and shall be contingent upon the
4 candidate's continued enrollment in the preparation program and compliance
5 with all requirements established by the board. A professional certificate shall
6 be issued upon the candidate's successful completion of the program,
7 internship requirements, and assessments as required by the board;
- 8 (q) Employ consultants as needed;
- 9 (r) Enter into contracts. Disbursements to professional educators who receive less
10 than one thousand dollars (\$1,000) in compensation per fiscal year from the
11 board for serving on an assessment validation panel or as a test scorer or
12 proctor shall not be subject to KRS 45A.690 to 45A.725;
- 13 (s) Sponsor studies, conduct research, conduct conferences, and publish
14 information as appropriate; and
- 15 (t) Issue orders as necessary in any administrative action before the board.
- 16 (2) (a) The board shall be composed of seventeen (17) members. The secretary of the
17 Education and Workforce Development Cabinet and the president of the
18 Council on Postsecondary Education, or their designees, shall serve as ex
19 officio voting members. The Governor shall make the following fifteen (15)
20 appointments:
- 21 1. Nine (9) members who shall be teachers representative of elementary,
22 middle or junior high, secondary, special education, and secondary
23 vocational classrooms;
- 24 2. Two (2) members who shall be school administrators, one (1) of whom
25 shall be a school principal;
- 26 3. One (1) member representative of local boards of education; and
- 27 4. Three (3) members representative of postsecondary institutions, two (2)

1 of whom shall be deans of colleges of education at public universities
2 and one (1) of whom shall be the chief academic officer of an
3 independent not-for-profit college or university.

4 (b) The members appointed by the Governor shall be confirmed by the Senate
5 under KRS 11.160. If the General Assembly is not in session at the time of the
6 appointment, persons appointed shall **not assume the responsibilities of the**
7 **position until confirmed by**~~serve prior to confirmation, but the Governor~~
8 ~~shall seek the consent of~~ the Senate at the next regular session or at an
9 intervening extraordinary session if the matter is included in the call of the
10 General Assembly.

11 (c) Each appointed member shall serve a three (3) year term. A vacancy on the
12 board shall be filled in the same manner as the original appointment within
13 sixty (60) days after it occurs. A member shall continue to serve until his or
14 her successor is named **and confirmed by the Senate**. Any member who,
15 through change of employment status or residence, or for other reasons, no
16 longer meets the criteria for the position to which he or she was appointed
17 shall no longer be eligible to serve in that position.

18 (d) Members of the board shall serve without compensation but shall be permitted
19 to attend board meetings and perform other board business without loss of
20 income or other benefits.

21 (e) A state agency or any political subdivision of the state, including a school
22 district, required to hire a substitute for a member of the board who is absent
23 from the member's place of employment while performing board business
24 shall be reimbursed by the board for the actual amount of any costs incurred.

25 (f) A chairman shall be elected by and from the membership. A member shall be
26 eligible to serve no more than three (3) one (1) year terms in succession as
27 chairman. Regular meetings shall be held at least semiannually on call of the

1 chairman.

2 (g) The commissioner of education shall serve as executive secretary to the board
3 and may designate staff to facilitate his or her duties.

4 (h) To carry out the functions relating to its duties and responsibilities, the board
5 is empowered to receive donations and grants of funds; to appoint consultants
6 as needed; and to sponsor studies, conduct conferences, and publish
7 information.

8 ➔Section 11. KRS 161.250 is amended to read as follows:

9 (1) (a) The general administration and management of the retirement system, and the
10 responsibility for its proper operation and for making effective provisions of
11 KRS 161.155 and 161.220 to 161.714 are vested in a board of trustees to be
12 known as the "Board of Trustees of the Teachers' Retirement System of the
13 State of Kentucky."

14 (b) The board of trustees shall consist of the following:

- 15 1. The chief state school officer;
- 16 2. The State Treasurer;
- 17 3. Two (2) trustees, appointed by the Governor of the Commonwealth,
18 subject to Senate confirmation in accordance with KRS 11.160 for each
19 appointment or reappointment. These two (2) trustees shall have
20 investment experience. For purposes of this subparagraph, a trustee with
21 "investment experience" means an individual who does not have a
22 conflict of interest, as provided by KRS 161.460, and who has at least
23 ten (10) years of experience in one (1) of the following areas of
24 expertise:
 - 25 a. A portfolio manager acting in a fiduciary capacity;
 - 26 b. A professional securities analyst or investment consultant;
 - 27 c. A current or retired employee or principal of a trust institution,

- 1 investment or finance organization, or endowment fund acting in
2 an investment-related capacity;
- 3 d. A chartered financial analyst in good standing as determined by the
4 CFA Institute; or
- 5 e. A university professor, teaching investment-related studies; and
- 6 4. Seven (7) other trustees elected as provided in KRS 161.260. Four (4) of
7 the elective trustees shall be members of the retirement system, to be
8 known as teacher trustees, two (2) shall be persons who are not members
9 of the teaching profession, to be known as the lay trustees, and one (1)
10 shall be an annuitant of the retirement system to be known as the retired
11 teacher trustee. One (1) teacher trustee shall be elected annually for a
12 four-year term. The retired teacher trustee shall be elected every four (4)
13 years. The chief state school officer and the State Treasurer are
14 considered ex officio members of the board of trustees and may
15 designate in writing a person to represent them at board meetings.
- 16 (c) 1. Elective trustees shall not serve more than three (3) consecutive four (4)
17 year terms. An elective trustee who has served three (3) consecutive
18 terms may be elected again after an absence of four (4) years from the
19 board of trustees.
- 20 2. The term limits established by subparagraph 1. of this paragraph shall
21 apply to elective trustees serving on or after July 1, 2012, and all terms
22 of office served prior to July 1, 2012, shall be used to determine if the
23 elective trustee has exceeded the term limits provided by subparagraph
24 1. of this paragraph.
- 25 (d) 1. Each appointed trustee shall serve a term of four (4) years **or until his or**
26 **her successor is confirmed by the Senate.** An appointed trustee shall
27 not serve more than three (3) consecutive four (4) year terms. An

1 appointed trustee who has served three (3) consecutive terms may be
2 appointed again after an absence of four (4) years from the board of
3 trustees.

4 2. Any vacancy that occurs in an appointed position shall be filled in the
5 same manner that provides for the selection of the trustee; however, any
6 vacancy shall be filled only for the duration of the unexpired term *or*
7 *until his or her successor is confirmed by the Senate.*

8 (2) A member, retired member, or designated beneficiary may appeal the retirement
9 system's decisions that materially affect the amount of service retirement allowance,
10 amount of service credit, eligibility for service retirement, or eligibility for
11 survivorship benefits to which that member, retired member, or designated
12 beneficiary claims to be entitled. All appeals must be in writing and filed with the
13 retirement system within thirty (30) days of the claimant's first notice of the
14 retirement system's decision. For purposes of this section, notice shall be complete
15 and effective upon the date of mailing of the retirement system's decision to the
16 claimant at the claimant's last known address. Failure by the claimant to file a
17 written appeal with the retirement system within the thirty (30) day period shall
18 result in the decision of the retirement system becoming permanent with the effect
19 of a final and unappealable order. Appeals may include a request for an
20 administrative hearing which shall be conducted in accordance with the provisions
21 of KRS Chapter 13B. The board of trustees may establish an appeals committee
22 whose members shall be appointed by the chairperson and who shall have the
23 authority to act upon the report and recommendation of the hearing officer by
24 issuing a final order on behalf of the full board of trustees. A member, retired
25 member, or designated beneficiary who has filed a timely, written appeal of a
26 decision of the retirement system may, following the administrative hearing and
27 issuance of the final order by the board of trustees, appeal the final order of the

1 board of trustees to the Franklin Circuit Court in accordance with the provisions of
2 KRS Chapter 13B.

3 (3) The board of trustees shall establish a formal trustee education program for all
4 trustees of the board. The program shall include but not be limited to the following:

5 (a) A required orientation program for all new trustees to the board. The
6 orientation program shall include training on:

- 7 1. Benefits and benefits administration;
- 8 2. Investment concepts, policies, and current composition and
9 administration of retirement system investments;
- 10 3. Laws, bylaws, and administrative regulations pertaining to the
11 retirement system and to fiduciaries; and
- 12 4. Actuarial and financial concepts pertaining to the retirement system.

13 If a trustee fails to complete the orientation program within one (1) year from
14 the beginning of his or her first term on the board, the retirement system shall
15 withhold payment of the per diem and travel expenses due to the board
16 member under KRS 161.290 until the trustee has completed the orientation
17 program;

18 (b) Annual required training for trustees on the administration, benefits,
19 financing, and investing of the retirement system. If a trustee fails to complete
20 the annual required training during the calendar or fiscal year, the retirement
21 system shall withhold payment of the per diem and travel expenses due to the
22 board member under KRS 161.290 until the board member has met the annual
23 training requirements; and

24 (c) The retirement system shall incorporate by reference in an administrative
25 regulation, pursuant to KRS 13A.2251, the trustee education program.

26 (4) In order to improve public transparency regarding the administration of the system,
27 the board of trustees shall adopt a best practices model by posting the following

1 information to the retirement system's Web site and shall make available to the
2 public:

3 (a) Meeting notices and agendas for all meetings of the board. Notices and
4 agendas shall be posted to the retirement system's Web site at least seventy-
5 two (72) hours in advance of the board or committee meetings, except in the
6 case of special or emergency meetings as provided by KRS 61.823;

7 (b) The Comprehensive Annual Financial Report with the information as follows:

- 8 1. A general overview and update on the retirement system by the
9 executive secretary;
- 10 2. A listing of the board of trustees;
- 11 3. A listing of key staff;
- 12 4. An organizational chart;
- 13 5. Financial information, including a statement of plan net assets, a
14 statement of changes in plan net assets, an actuarial value of assets, a
15 schedule of investments, a statement of funded status and funding
16 progress, and other supporting data;
- 17 6. Investment information, including a general overview, a list of the
18 retirement system's professional consultants, a total net return on
19 retirement system investments over a historical period, an investment
20 summary, contracted investment management expenses, transaction
21 commissions, and a schedule of investments;
- 22 7. The annual actuarial valuation report on the pension benefit and the
23 medical insurance benefit; and
- 24 8. A general statistical section, including information on contributions,
25 benefit payouts, and retirement system demographic data;

26 (c) All external audits;

27 (d) All board minutes or other materials that require adoption or ratification by

1 the board of trustees. The items listed in this paragraph shall be posted within
2 seventy-two (72) hours of adoption or ratification of the board;

3 (e) All bylaws, policies, or procedures adopted or ratified by the board of trustees;

4 (f) The retirement system's summary plan description;

5 (g) The retirement system's law book;

6 (h) A listing of the members of the board of trustees and membership on each
7 committee established by the board, including any investment committees;

8 (i) All investment holdings in aggregate, fees, and commissions for each fund
9 administered by the board, which shall be updated on a quarterly basis for
10 fiscal years beginning on or after July 1, 2017. The system shall request from
11 all managers, partnerships, and any other available sources all information
12 regarding fees and commissions and shall, based on the requested information
13 received:

14 1. Disclose the dollar value of fees or commissions paid to each individual
15 manager or partnership;

16 2. Disclose the dollar value of any profit sharing, carried interest, or any
17 other partnership incentive arrangements, partnership agreements, or any
18 other partnership expenses received by or paid to each manager or
19 partnership; and

20 3. As applicable, report each fee or commission by manager or partnership
21 consistent with standards established by the Institutional Limited
22 Partners Association (ILPA).

23 In addition to the requirements of this paragraph, the system shall also
24 disclose the name and address of all individual underlying managers or
25 partners in any fund of funds in which system assets are invested;

26 (j) An update of net of fees investment returns, asset allocations, and the
27 performance of the funds against benchmarks adopted by the board for each

1 fund, for each asset class administered by the board, and for each manager.
2 The update shall be posted on a quarterly basis for fiscal years beginning on or
3 after July 1, 2017;

4 (k) All contracts or offering documents for services, goods, or property purchased
5 or utilized by the system; and

6 (l) A searchable database of the system's expenditures and a listing of each
7 individual employed by the system along with the employee's salary or wages.

8 In lieu of posting the information required by this paragraph to the system's
9 Web site, the system may provide the information through a Web site
10 established by the executive branch to inform the public about executive
11 branch agency expenditures and public employee salaries and wages.

12 (5) Notwithstanding the requirements of subsection (4) of this section, the retirement
13 system shall not be required to furnish information that is protected under KRS
14 161.585, exempt under KRS 61.878, or that, if disclosed, would compromise the
15 retirement system's ability to competitively invest in real estate or other asset
16 classes, except that no provision of this section or KRS 61.878 shall exclude
17 disclosure and review of all contracts, including investment contracts, by the board,
18 the Auditor of Public Accounts, and the Government Contract Review Committee
19 established pursuant to KRS 45A.705 or the disclosure of investment fees and
20 commissions as provided by this section. If any public record contains material
21 which is not excepted under this section, the system shall separate the excepted
22 material by removal, segregation, or redaction, and make the nonexcepted material
23 available for examination.

24 (6) For any benefit improvements the General Assembly has authorized the board of
25 trustees to establish under KRS 161.220 to 161.716 and that require formal
26 adoption by the board, the board shall establish the benefits by promulgation of
27 administrative regulations in accordance with KRS Chapter 13A.

1 ➔Section 12. KRS 164.005 is amended to read as follows:

2 (1) There is established the Governor's Postsecondary Education Nominating
3 Committee which shall consist of seven (7) members representing each of the
4 Supreme Court districts who shall be appointed by the Governor with the consent
5 of ~~the House of Representatives and~~ the Senate. If the General Assembly is not in
6 session at the time of appointment, **persons appointed shall not assume the**
7 **responsibilities of the position until confirmed by** the Senate~~consent of the~~
8 ~~General Assembly shall be obtained~~ during the time the General Assembly next
9 convenes.

10 (2) (a) In order to be eligible to serve on the Governor's Postsecondary Education
11 Nominating Committee, a member at the time of appointment shall have no
12 conflict of interest pursuant to KRS 45A.340. In addition, no member shall
13 have a relative employed by a public postsecondary institution, the Council on
14 Postsecondary Education, the Kentucky Higher Education Assistance
15 Authority, the Kentucky Higher Education Student Loan Corporation, or the
16 Kentucky Authority for Educational Television during his or her tenure on the
17 committee. No more than two (2) persons holding an undergraduate degree
18 from the same institution of higher education shall be members of the
19 committee.

20 (b) The Governor shall make the appointments so as to reflect, inasmuch as
21 possible, equal representation of the two (2) sexes and no less than
22 proportional representation of the two (2) leading political parties of the
23 Commonwealth based on the state's voter registration and to assure that
24 appointments reflect the minority racial composition of the Commonwealth.
25 In filling vacancies to the committee, the Governor shall act so as to provide,
26 inasmuch as possible, equal representation of the two (2) sexes by appointing
27 a member of the sex that is the lesser represented at the time of the

1 appointment. If the remaining membership already has an equal number of
2 males and females, the Governor may appoint a member of either sex.

3 (c) In selecting the members of the committee, the Governor shall solicit
4 recommendations from each of the following:

- 5 1. Advisory Conference of Presidents;
- 6 2. Council on Postsecondary Education Student Advisory Committee;
- 7 3. Associations representing faculty from universities, technical
8 institutions, and community colleges;
- 9 4. Associations representing university, technical institutions, and
10 community college alumni;
- 11 5. Postsecondary education advocacy groups;
- 12 6. The Kentucky Board of Education;
- 13 7. Associations representing business and civic interests; and
- 14 8. Associations representing independent, nonprofit colleges and
15 universities.

16 (3) (a) Members of the committee representing Supreme Court districts shall serve
17 six (6) year terms and until a successor is appointed, except the initial
18 appointments shall be as follows:

- 19 1. Two (2) members shall serve a two (2) year term;
- 20 2. Two (2) members shall serve a four (4) year term; and
- 21 3. Three (3) members shall serve a six (6) year term.

22 (b) The terms of the original appointees shall expire on April 14 in the year
23 designated for the term, and the terms of each member appointed thereafter
24 shall begin on April 15. Appointments shall be submitted to the Senate~~and to~~
25 ~~the House of Representatives~~ for confirmation by February 1 in each year that
26 a regular session of the General Assembly convenes.~~Each appointment shall~~
27 ~~be consented to by both chambers in order for the person to be confirmed.~~ At

1 the first regular meeting of the committee each fiscal year, a chairperson shall
2 be selected by the membership.

3 (4) The members of the committee may be reimbursed for actual and necessary
4 expenditures incurred in the performance of their duties. The expenses of the
5 committee shall be paid out of the appropriation for the Governor's office.

6 (5) (a) The committee shall be responsible for submitting three (3) nominations from
7 which the Governor shall select each gubernatorial appointment to a
8 university or Kentucky Community and Technical College System governing
9 board made pursuant to KRS 164.131, 164.321, and 164.821 and to the
10 Council on Postsecondary Education pursuant to KRS 164.011. The
11 committee shall not make recommendations for alumni, faculty, and staff
12 appointments made pursuant to KRS 164.131 and 164.821 and the student
13 appointments made pursuant to KRS 164.131, 164.321, and 164.821. If more
14 than one (1) equivalent gubernatorial appointment is being made to a
15 governing board or the Council on Postsecondary Education at the same time,
16 the committee shall submit a number of nominees equal to three (3) times the
17 number of vacancies. The committee shall provide to the Governor, inasmuch
18 as possible, an equal number of male and female nominees. If the Governor
19 needs nominees of a particular sex in order to make an appointment, the
20 committee shall only provide nominees of that sex. The Governor shall select
21 the appointees from among the nominees.

22 (b) The committee shall be responsible for submitting three (3) nominations from
23 which the Governor shall select each gubernatorial appointment to the
24 Kentucky Authority for Educational Television made pursuant to KRS
25 168.040, the Kentucky Higher Education Assistance Authority pursuant to
26 KRS 164.746, and the Kentucky Higher Education Student Loan Corporation
27 pursuant to KRS 164A.050. If more than one (1) appointment is being made at

1 the same time, the committee shall submit a number of nominees equal to
 2 three (3) times the number of vacancies. The Governor shall select the
 3 appointees from among the nominees.

4 (c) Nominations shall be made thirty (30) days prior to the expiration of a term or
 5 as soon as practicable following an unforeseen vacancy. The Governor shall
 6 make the appointment within sixty (60) days following receipt of the
 7 nominations. If the Governor does not make the appointment within sixty (60)
 8 days, the committee shall select one (1) of the nominees to serve.

9 (6) In making its nominations, the committee shall consider the needs of the respective
 10 institutions, locate potential appointees, review candidates' qualifications and
 11 references, conduct interviews, and carry out other search and screening activities as
 12 necessary.

13 (7) The Governor's office staff shall provide support services for the committee.

14 ➔Section 13. KRS 164.011 is amended to read as follows:

15 (1) There is hereby created and established a Council on Postsecondary Education in
 16 Kentucky as an agency, instrumentality, and political subdivision of the
 17 Commonwealth and a public body corporate and politic having all powers, duties,
 18 and responsibilities as are provided to it by law, appointed for a term set by law
 19 pursuant to Section 23 of the Constitution of Kentucky. The council shall be
 20 composed of the commissioner of education, a faculty member, a student member,
 21 and thirteen (13) citizen members appointed by the Governor. The citizen members
 22 shall be confirmed by the Senate under KRS 11.160, and the commissioner of
 23 education shall serve as a nonvoting ex officio member. Citizen council members
 24 shall be selected from a list of nominees provided to the Governor under the
 25 nominating process set forth in KRS 164.005. If the General Assembly is not in
 26 session at the time of the appointment, persons appointed shall ***not assume the***
 27 ***responsibilities of the position until confirmed by*** ~~serve prior to confirmation, but~~

1 ~~the Governor shall seek the consent of~~ the Senate at the next regular session or at
2 an intervening extraordinary session if the matter is included in the call of the
3 General Assembly.

4 (2) By no later than thirty (30) days after May 30, 1997, the Governor's Postsecondary
5 Education Nominating Committee shall submit nominations to the Governor as set
6 forth in KRS 164.005. On making appointments to the council, the Governor shall
7 ensure broad geographical and political representation; ensure equal representation
8 of the two (2) sexes, inasmuch as possible; ensure no less than proportional
9 representation of the two (2) leading political parties of the Commonwealth based
10 on the state's voter registration and the political affiliation of each appointee as of
11 December 31 of the year preceding the date of his or her appointment; and ensure
12 that appointments reflect the minority racial composition of the Commonwealth
13 based on the total minority racial population using the most recent census or
14 estimate data from the United States Census Bureau. If the determination of
15 proportional minority representation does not result in a whole number of minority
16 members, it shall be rounded up to the next whole number. A particular political
17 affiliation shall not be a prerequisite to appointment to the council generally;
18 however, if any person is appointed to the council that does not represent either of
19 the two (2) leading political parties of the Commonwealth, the proportional
20 representation by political affiliation requirement shall be determined and satisfied
21 based on the total number of members on the council less any members not
22 affiliated with either of the two (2) leading political parties. In filling vacancies to
23 the council, the Governor shall act so as to provide, inasmuch as possible, equal
24 representation of the two (2) sexes by appointing a member of the sex that is the
25 lesser represented at the time of the appointment. If the remaining membership
26 already has an equal number of males and females, the Governor may appoint a
27 member of either sex. No more than two (2) members of the council shall hold an

1 undergraduate degree from any one (1) Kentucky university, and no more than three
2 (3) voting members of the council shall reside in any one (1) judicial district of the
3 Kentucky Supreme Court as of the date of the appointment. However, change in
4 residency after the date of appointment shall not affect the ability to serve.

5 (3) One (1) member shall be a full-time faculty member employed at a state institution
6 of postsecondary education. The faculty member shall be appointed to a four (4)
7 year term by the Governor from a list of three (3) nominees selected and submitted
8 by majority vote of the ten (10) faculty members who serve as faculty
9 representatives of the boards of trustees and boards of regents of the nine (9)
10 postsecondary education institutions.

11 (4) One (1) member shall be enrolled as a full-time student at a state institution of
12 postsecondary education and shall be selected annually in the following manner: not
13 later than June 1 of each year the eight (8) student body presidents of the four (4)
14 year state public institutions of higher education, the two (2) student members to the
15 Kentucky Community and Technical College System, and one (1) student body
16 president representing the members of the Association of Independent Kentucky
17 Colleges and Universities shall elect by majority vote three (3) nominees to submit
18 to the Governor. From this list of nominees, the Governor shall appoint a student
19 member.

20 (5) In filling any vacancies, the Governor shall ensure the continuing representation
21 upon the council of the broad constituencies as set forth in subsection (2) of this
22 section. Vacancies on the council shall be filled for the unexpired term in
23 accordance with the procedures established for the original appointments.

24 (6) Each citizen member shall serve a term of six (6) years unless removed by the
25 Governor for cause, except the initial appointments shall be as follows:

26 (a) Two (2) appointments shall expire December 31, 1997;

27 (b) Three (3) appointments shall expire December 31, 1998;

- 1 (c) Two (2) appointments shall expire December 31, 1999;
- 2 (d) Two (2) appointments shall expire December 31, 2000;
- 3 (e) Two (2) appointments shall expire December 31, 2001; and
- 4 (f) Two (2) appointments shall expire December 31, 2002.
- 5 (7) Any person, other than the chief state school officer, holding either an elective or
- 6 appointive state office or who is a member of the governing board of any state
- 7 university in Kentucky, shall be ineligible for membership or appointment on the
- 8 council during his term.
- 9 (8) The members of the council shall elect the chair and the vice chair of the council
- 10 from among the council's membership, and the chair and vice chair shall serve at
- 11 the pleasure of the council. The vice chair shall serve as chair in the absence of the
- 12 chair.
- 13 (9) The council shall meet at least quarterly and at other times upon the call of the chair
- 14 or a majority of the council.
- 15 (10) A quorum shall be a majority of the appointive membership of the council.
- 16 (11) A quorum shall be required to organize and conduct the business of the council,
- 17 except that an affirmative vote of eight (8) or more appointive members of the
- 18 entire council shall be required to dismiss from employment the president of the
- 19 council, and to adopt or amend the state strategic postsecondary education agenda.
- 20 (12) New appointees to the council shall not serve more than two (2) consecutive terms.
- 21 (13) New appointees to the council shall complete an orientation and education program
- 22 set forth in KRS 164.020(25) to be eligible for appointment to a second term.
- 23 ➔Section 14. KRS 164.321 is amended to read as follows:
- 24 (1) Eastern Kentucky University, Morehead State University, Murray State University,
- 25 Western Kentucky University, Kentucky State University, Northern Kentucky
- 26 University, and the Kentucky Community and Technical College System shall each
- 27 be governed by a board of regents appointed for a term set by law pursuant to

1 Section 23 of the Constitution of Kentucky.

2 (a) Each board of the comprehensive universities shall consist of eight (8)
3 members appointed by the Governor, one (1) member of the teaching faculty,
4 one (1) member of the university nonteaching personnel, and one (1) member
5 of the student body of the respective university or college. The members
6 appointed by the Governor shall be subject to confirmation by the Senate. The
7 members of the board shall select a chairperson annually.

8 (b) The board of the Kentucky Community and Technical College System shall
9 consist of eight (8) members appointed by the Governor, two (2) members of
10 the teaching faculty, two (2) members of the nonteaching personnel, and two
11 (2) members of the student body. The members appointed by the Governor
12 shall be subject to confirmation by the Senate.

13 1. No more than three (3) appointed members of the board shall reside in
14 any one (1) judicial district of the Kentucky Supreme Court as of the
15 date of the appointment.

16 2. A change in residency of a gubernatorial appointee after the date of
17 appointment shall not affect the appointee's ability to serve or eligibility
18 for reappointment, except an appointee who assumes residency outside
19 the fifty (50) United States shall become immediately ineligible to serve.
20 The Council on Postsecondary Education shall notify the appointee of
21 his or her ineligibility to serve.

22 3. In making initial appointments, the Governor shall act so as to provide
23 equal representation of the two (2) sexes. In filling vacancies, the
24 Governor shall act so as to provide, inasmuch as possible, equal
25 representation of the two (2) sexes by appointing a member of the sex
26 that is the lesser represented at the time of the appointment. If the
27 remaining membership already has an equal number of males and

1 females, the Governor may appoint a member of either sex.

- 2 (2) The terms of appointed members shall be for six (6) years and until their successors
3 are appointed and qualified, unless a member is removed by the Governor pursuant
4 to KRS 63.080(2), (3), or (4), except the initial appointments to the board of regents
5 for the Kentucky Community and Technical College System shall be as follows:
- 6 (a) One (1) member shall serve a one (1) year term;
 - 7 (b) One (1) member shall serve a two (2) year term;
 - 8 (c) Two (2) members shall serve three (3) year terms;
 - 9 (d) One (1) member shall serve a four (4) year term;
 - 10 (e) One (1) member shall serve a five (5) year term; and
 - 11 (f) Two (2) members shall serve six (6) year terms.

12 New appointees of a board of regents shall not serve for more than two (2)
13 consecutive terms.

- 14 (3) The gubernatorial appointments may include one (1) graduate of the respective
15 institution who resides outside the Commonwealth. Not more than two (2)
16 appointed members of any board shall be residents of one (1) county. The
17 appointments shall reflect the proportional representation of the two (2) leading
18 political parties of the Commonwealth based on the state's voter registration and the
19 political affiliation of each appointee as of December 31 of the year preceding the
20 date of his or her appointment. A particular political affiliation shall not be a
21 prerequisite to appointment to any board generally; however, if any person is
22 appointed to a board that does not represent either of the two (2) leading political
23 parties of the Commonwealth, the proportional representation by political affiliation
24 requirement shall be determined and satisfied based on the total number of members
25 on the board less any members not affiliated with either of the two (2) leading
26 political parties. Membership on the board shall reflect no less than proportional
27 representation of the minority racial composition of the Commonwealth based on

1 the total minority racial population using the most recent census or estimate data
2 from the United States Census Bureau. If the determination of proportional minority
3 representation does not result in a whole number of minority members, it shall be
4 rounded up to the next whole number. Membership on the board shall not be
5 incompatible with any state office. A change in residency after the date of
6 appointment shall not affect a member's ability to serve nor shall it prevent a
7 member's eligibility for reappointment, except a member who assumes residency
8 outside the fifty (50) United States shall become immediately ineligible to serve.
9 The Council on Postsecondary Education shall notify the appointee of his or her
10 ineligibility to serve.

11 (4) Appointments to fill vacancies shall be made in the same manner and within the
12 same time after the occurrence of the vacancy as regular appointments. The person
13 appointed shall hold the position for the unexpired term only or until his or her
14 successor is confirmed by the Senate.

15 (5) Each member of the board shall serve for the term for which the member is
16 appointed and until a successor is appointed and qualified, unless a member is
17 removed by the Governor pursuant to KRS 63.080(2), (3), or (4).

18 (6) (a) The faculty member of a comprehensive university shall be a teaching or
19 research member of the faculty of his or her respective university of the rank
20 of assistant professor or above. The faculty member shall be elected by secret
21 ballot by all faculty members of his or her university of the rank of instructor,
22 assistant professor, or above. The faculty member shall serve for a term of
23 three (3) years and until his successor is elected and qualified. The faculty
24 member shall be eligible for reelection, but he or she shall not be eligible to
25 continue to serve as a member of the board if he or she ceases being a member
26 of the teaching staff of the university. Elections to fill vacancies shall be for
27 the unexpired term in the same manner as provided for the original election.

1 (b) The faculty members of the Kentucky Community and Technical College
2 System shall be represented by one (1) faculty member elected from the
3 community colleges and one (1) faculty member elected from the technical
4 institutions to serve three (3) year terms and until their successors are named.
5 The faculty representative of each branch shall be elected by means of a
6 process established by the board. The faculty members may be reelected but
7 shall not serve more than two (2) consecutive terms. A faculty member shall
8 be ineligible to continue to serve as a member of the board if he or she ceases
9 to be a member of the faculty at one (1) of the institutions within the system.
10 Elections to fill vacancies shall be for the unexpired term in the same manner
11 as provided for the original election. These two (2) members shall collectively
12 have one (1) vote which may be cast one-half (1/2) vote by each member.

13 (7) (a) The nonteaching personnel member in a comprehensive university shall be
14 any full-time staff member excluding the president, vice presidents, academic
15 deans, and academic department chairpersons. He or she shall represent all
16 nonteaching university employees including, but not limited to, building
17 facilities and clerical personnel. The member shall be elected by secret ballot
18 by the nonteaching employees. The nonteaching personnel member shall serve
19 a term of three (3) years and until a successor is elected and qualified. The
20 nonteaching personnel member shall be eligible for reelection, but he or she
21 shall not be eligible to continue to serve as a member of the board if he or she
22 ceases being an employee of the university. Elections to fill vacancies shall be
23 for the unexpired term in the same manner as provided for the original
24 election.

25 (b) The nonteaching personnel members in the Kentucky Community and
26 Technical College System shall be any full-time staff member excluding a
27 president, chancellor, vice president, academic dean, academic department

1 chair, or other administrator. They shall represent all nonteaching employees
2 in their respective branch institutions including, but not limited to, support
3 and clerical personnel. One (1) member shall be a representative from the
4 community colleges and one (1) member shall be a representative from the
5 technical institutions. They shall serve three (3) year terms and until their
6 successors are named. These two (2) members shall collectively have one (1)
7 vote which may be cast one-half (1/2) vote by each member. The nonteaching
8 personnel members of each branch shall be elected by means of a process
9 established by the board. A nonteaching personnel member may be reelected
10 but shall not serve more than two (2) consecutive terms. A nonteaching
11 employee shall be ineligible to continue to serve as a member of the board if
12 that employee ceases to be a nonteaching employee at one (1) of the
13 institutions within the system. Elections to fill vacancies shall be for the
14 unexpired term in the same manner as provided for the original election.

15 (8) (a) The student member on a comprehensive university board shall serve a one
16 (1) year term beginning on July 1 after being elected and sworn in as student
17 body president and ending on the following June 30. If the student member
18 does not maintain the position as student body president or the status as a full-
19 time student at any time during that academic year, a special election shall be
20 held to select a full-time student member. The elected student member shall
21 serve for the remainder of the unexpired term.

22 (b) Two (2) full-time student members shall be elected to the board of regents for
23 the Kentucky Community and Technical College System. One (1) shall
24 represent students of the community colleges and one (1) shall represent the
25 technical institutions. The student members shall be elected by means of a
26 process established by the board. The student members shall serve one (1)
27 year terms beginning on July 1 after being elected and sworn in as a student

1 member of the board and ending on the following June 30. If the student
2 member does not maintain the status as a full-time student, a special election
3 shall be held to fill the vacancy for the remainder of the unexpired term. The
4 two (2) members shall collectively have one (1) vote which may be cast one-
5 half (1/2) vote by each member.

6 (9) All appointed and elected persons shall be required to attend and complete an
7 orientation and education program prescribed by the council under KRS
8 164.020(25), as a condition of their service and eligibility for appointment or
9 election to a second term.

10 (10) Board members may be removed by the Governor under the following
11 circumstances:

12 (a) For cause, pursuant to KRS 63.080(2); or

13 (b) Pursuant to KRS 63.080(3) or (4).

14 (11) The inability of the board or boards of the comprehensive universities or Kentucky
15 Community and Technical College System to hold quarterly meetings, to elect a
16 chairperson annually, to establish a quorum, to adopt an annual budget, to set tuition
17 rates, to conduct an annual evaluation of the president of the university or system, to
18 carry out its primary function to periodically evaluate the university's or system's
19 progress in implementing its mission, goals, and objectives to conform to the
20 strategic agenda, or to otherwise perform its duties under KRS 164.350 shall be
21 cause for the Governor to remove all appointed members of the board or boards and
22 replace the entire appointed membership pursuant to KRS 63.080(4).

23 ➔Section 15. KRS 247.090 is amended to read as follows:

24 (1) The State Fair Board shall be composed of sixteen (16) voting members and five (5)
25 ex officio, nonvoting members, as follows:

26 (a) The Governor or his or her designee;

27 (b) The Commissioner of Agriculture or his or her designee;

- 1 (c) The President of the Senate or his or her designee, who shall serve as an ex
2 officio, nonvoting member for the duration of his or her service as President
3 of the Senate;
- 4 (d) The Speaker of the House of Representatives or his or her designee, who shall
5 serve as an ex officio, nonvoting member for the duration of his or her service
6 as Speaker of the House of Representatives;
- 7 (e) The secretary of the Finance and Administration Cabinet or his or her
8 designee, who shall serve as an ex officio, nonvoting member for the duration
9 of his or her service as secretary of the cabinet. The secretary shall provide
10 additional financial expertise to the Kentucky State Fair Board, with no
11 resulting personnel impact, fiscal impact, nor expense to Kentucky state
12 government;
- 13 (f) The dean of the University of Kentucky College of Agriculture, Food and
14 Environment or his or her designee;
- 15 (g) Four (4) members appointed by the Governor from the state at large with due
16 consideration to geographical distribution throughout the state;
- 17 (h) Three (3) members appointed by the Commissioner of Agriculture from the
18 state at large who are involved with, or experienced in, agriculture or
19 agriculture-related businesses;
- 20 (i) One (1) member appointed by the Commissioner of Agriculture from a list of
21 six (6) nominees that are representative of all segments of animal agriculture
22 provided by trade organizations and commodity groups that may include but
23 not be limited to the Kentucky Cattlemen's Association, Kentucky Dairy
24 Development Council, Kentucky Livestock Improvement Association,
25 Kentucky Pork Producers Association, Kentucky Poultry Federation, and
26 Kentucky Sheep and Goat Development Office;
- 27 (j) One (1) member appointed by the Commissioner of Agriculture from a list of

- 1 six (6) nominees that are representative of all segments of crop or plant
2 production provided by trade organizations or commodity groups that may
3 include but not be limited to Kentucky Corn Growers Association, Kentucky
4 Grape and Wine Council, Kentucky Horticulture Council, Kentucky Small
5 Grain Growers Association, and Kentucky Soybean Association;
- 6 (k) One (1) member appointed by the Commissioner of Agriculture from a list of
7 six (6) nominees submitted by the governing body of the American
8 Saddlebred Horse Association;
- 9 (l) One (1) member appointed by the Commissioner of Agriculture from a list of
10 six (6) nominees provided by the Kentucky Farm Bureau Federation;
- 11 (m) One (1) member appointed by the Commissioner of Agriculture from a list of
12 six (6) nominees provided by the Kentucky Association of Fairs and Horse
13 Shows;
- 14 (n) One (1) member appointed by the Governor from a list of six (6) nominees
15 provided by the Louisville Convention and Visitors Bureau representing the
16 hospitality and tourism industry;
- 17 (o) The state president of the Kentucky FFA Association, who shall serve as an ex
18 officio, nonvoting member for the duration of his or her term as student leader
19 of the association; and
- 20 (p) The state president of the Kentucky 4-H Organization, who shall serve as an
21 ex officio, nonvoting member for the duration of his or her term as student
22 leader of the organization.
- 23 (2) The terms of the members of the board appointed by the Commissioner of
24 Agriculture or the Governor, respectively, shall be staggered terms and shall be
25 subject to confirmation as provided in KRS 11.160~~[(2)]~~. Members of the board shall
26 be appointed to a term of four (4) years and shall serve until their successors are
27 duly appointed and qualified. Members of the board shall be appointed to no more

1 than three (3) terms that began on or after March 29, 2021. Terms that began prior
2 to March 29, 2021, shall not count toward the term limits established by this
3 subsection. As the terms of each group of members expire, the Commissioner of
4 Agriculture or the Governor, as the case may be, shall appoint successors for terms
5 of four (4) years and until their successors are appointed and qualify. The initial
6 appointments of the members designated in subsection (1)(g) and (h) of this section
7 shall be for staggered terms, as follows:

8 (a) Pursuant to subsection (1)(g) of this section, the Governor shall appoint one
9 (1) at-large member in 2022, one (1) at-large member in 2023, and two (2) at-
10 large members in 2024 to replace or reappoint current members whose terms
11 expire in each of these years;

12 (b) Pursuant to subsection 1(h) of this section, the Commissioner of Agriculture
13 shall appoint one (1) at-large member in 2021, one (1) at-large member in
14 2022, and one (1) at-large member in 2023 to replace or reappoint current
15 members whose terms expire in each of these years;

16 (c) On March 29, 2021, and pursuant to subsection (1)(h) of this section, the
17 Commissioner of Agriculture shall appoint one (1) at-large member to serve a
18 one (1) year term in order to establish the number of voting members as
19 required by this section; and

20 (d) Those members whose terms expire in 2021 shall be appointed by the
21 Commissioner of Agriculture.

22 It is the intention of the General Assembly that the political affiliation of the
23 appointed members shall be as evenly divided as possible between the two (2)
24 political parties polling the largest number of votes in the state at general elections.

25 (3) In case of a vacancy among the appointed members of the board, the unexpired term
26 shall be filled pursuant to the requirements and procedures for original
27 appointments.

1 (4) The State Fair Board shall not be subject to reorganization under KRS Chapter 12.

2 ➔Section 16. KRS 278.050 is amended to read as follows:

3 (1) The Public Service Commission shall consist of three (3) members appointed by the
4 Governor with the advice and consent of the Senate. If the Senate is not in session
5 when a term expires or a vacancy occurs, the Governor shall make the appointment
6 ~~[to take effect at once,]~~ subject to the approval of the Senate when convened.~~[~~
7 ~~Appointments to the Public Service Commission made more than ninety (90) days~~
8 ~~prior to a regular session of the General Assembly shall be subject to confirmation~~
9 ~~by the Joint Interim Committee on Energy.]~~ Each of the three (3) members of the
10 commission shall be appointed on or before the first day of July, 1982, for staggered
11 terms as follows: one (1) shall serve until the first day of July, 1983, one (1) until
12 the first day of July, 1984, and one (1) until the first day of July, 1985, and
13 thereafter for a term of four (4) years and until a successor is appointed and
14 qualified. Each member of the commission shall be a full-time employee as defined
15 in KRS 18A.005(17).

16 (2) The Governor shall appoint one (1) of the commissioners on the commission to act
17 as chairman thereof and the chairman shall be the chief executive officer of the
18 commission. The Governor shall designate one (1) of the commissioners on the
19 commission to serve as vice chairman thereof and act for the chairman in the latter's
20 absence.

21 (3) Vacancies for unexpired terms shall be filled in the same manner as original
22 appointments, but the appointee shall hold office only to the end of the unexpired
23 term.

24 ➔Section 17. KRS 247.944 is amended to read as follows:

25 (1) There is hereby created and established the Kentucky Agricultural Finance
26 Corporation which shall be attached to the Department of Agriculture.

27 (2) The corporation is created and established as a de jure municipal corporation and

1 political subdivision of the Commonwealth to perform essential governmental and
2 public functions and purposes in improving and otherwise promoting the health and
3 general welfare of the people through the promotion of agriculture through the
4 Commonwealth.

5 (3) The corporation shall be governed by a board of directors consisting of twelve (12)
6 members, ten (10) of whom shall be appointed by the Commissioner. The other two
7 (2) members shall be the Commissioner, who shall serve as chairperson, and the
8 secretary of the Finance and Administration Cabinet. The Commissioner may
9 designate a representative to serve as chairperson in the Commissioner's absence.

10 (4) The Commissioner shall appoint ten (10) private members of the board to take
11 office and to exercise all powers of the board immediately. The ten (10) directors of
12 the corporation shall be appointed using staggered terms and shall be subject to
13 confirmation as provided in KRS 11.160~~[(2)]~~. Of the ten (10) private members of
14 the board appointed by the Commissioner, two (2) may be officers from a
15 commercial lending institution, one (1) may be an officer from a farm credit
16 association, one (1) may be an agricultural economist, one (1) shall be a tobacco
17 farmer, one (1) shall be a cash grain farmer, one (1) shall be a livestock farmer, one
18 (1) shall be a dairy or poultry farmer, one (1) shall be a horticultural farmer, and one
19 (1) shall be from the equine industry. To promote efficient use of agricultural
20 resources and coordination among agricultural leaders, the Commissioner shall
21 appoint a member from the Agricultural Development Board, who meets the
22 qualifications for one (1) of the positions set out in this subsection, to one (1) of the
23 ten (10) board positions governing the Kentucky Agricultural Finance Corporation.

24 (5) Upon the expiration of the initial terms of the private members of the board, the
25 Commissioner shall appoint successors representing the same constituencies as the
26 members succeeded for a term of four (4) years in each case. In the case of a
27 vacancy, the Commissioner may appoint a successor to hold office during the

1 remainder of the term.

2 (6) Staff services for the board shall be provided by the Department of Agriculture. The
3 executive director of the Agricultural Development Board shall serve as executive
4 director for the Kentucky Agricultural Finance Corporation board.

5 (7) The executive director shall administer, manage, and direct the affairs and business
6 of the corporation, subject to the policies, control, and direction of the board. The
7 executive director shall keep a record of the proceedings of the corporation and
8 shall be custodian of all books, documents, and papers filed with the corporation,
9 the minute book or journal of the corporation, and its official seal. The executive
10 director shall have authority to cause copies to be made of all minutes and other
11 records and documents of the corporation and to give certificates under the official
12 seal of the corporation to the effect that the copies are true copies, and all persons
13 dealing with the corporation may rely on such certifications.

14 (8) A majority of the board shall constitute a quorum for the purpose of conducting its
15 business and exercising its powers and for all other purposes, notwithstanding the
16 existence of any vacancies; provided, however, that a majority of the board may
17 elect from among its members an executive committee to act in its stead in the day
18 to day conduct of the business of the corporation. Notwithstanding the foregoing,
19 the full board shall hold at least one (1) meeting each calendar quarter in accordance
20 with a schedule to be established by the board.

21 (9) Action may be taken by the corporation upon a vote of a majority of the directors
22 present at a meeting at which a quorum exists called upon three (3) days written
23 notice or upon the concurrence of at least seven (7) directors or by the board's
24 executive committee.

25 (10) All members of the board shall be entitled to their reasonable and necessary
26 expenses actually incurred in discharging their duties.

27 (11) The Kentucky Agricultural Finance Corporation shall not be subject to

1 reorganization under KRS Chapter 12.

2 ➔Section 18. KRS 248.707 is amended to read as follows:

3 (1) The Agricultural Development Board is created as a political subdivision of the
4 Commonwealth to perform essential governmental and public functions by
5 administering funds to provide economic assistance to the agriculture community of
6 the Commonwealth. The board shall be a public agency within the meaning of KRS
7 61.805, 61.870, and other applicable statutes.

8 (2) The board shall consist of sixteen (16) members as follows:

9 (a) Five (5) voting members or their designees, as follows:

- 10 1. The Commissioner of Agriculture, who shall serve as chairperson. The
11 Commissioner of Agriculture may designate a representative to serve as
12 chairperson in the Commissioner's absence;
- 13 2. The Governor of the Commonwealth of Kentucky;
- 14 3. The secretary of the Cabinet for Economic Development;
- 15 4. The director of the University of Kentucky Cooperative Extension
16 Service; and
- 17 5. The president of Kentucky State University; and

18 (b) Eleven (11) voting members appointed by the Commissioner, who shall be
19 geographically distributed throughout the state and subject to confirmation as
20 provided in KRS 11.160~~[(2)]~~. The members shall be as follows:

- 21 1. Seven (7) active farmers, at least four (4) of whom shall be from
22 counties that are substantially tobacco-impacted, as determined by a
23 formula that includes tobacco income as a percentage of total personal
24 income in the county, and at least two (2) of whom shall have
25 experience in agricultural diversification;
- 26 2. One (1) representative of the Kentucky Farm Bureau;
- 27 3. One (1) representative of the Kentucky Chamber of Commerce, who

- 1 shall be an agribusiness person;
- 2 4. One (1) attorney with farm experience and familiarity with agricultural
- 3 policy; and
- 4 5. One (1) agricultural lender.
- 5 (3) The members appointed under subsection (2)(b)2. and 3. of this section shall be
- 6 chosen from a list of three (3) nominees submitted to the Commissioner by each of
- 7 the respective organizations.
- 8 (4) Consideration shall be given to racial and gender equity in the appointment of board
- 9 members.
- 10 (5) The majority of the voting members shall be active farmers.
- 11 (6) Members of the board shall be reimbursed for expenses incurred in the performance
- 12 of their duties.
- 13 (7) Except as provided in paragraphs (a) to (d) of this subsection, The terms of the
- 14 members appointed by the Commissioner shall be for four (4) years and until their
- 15 successors are appointed and confirmed. A vacancy on the board shall be filled for
- 16 the remainder of the unexpired term in the same manner as the original
- 17 appointment. Members may be reappointed. The initial appointments shall be for
- 18 staggered terms, as follows:
- 19 (a) Two (2) members shall be appointed for one (1) year;
- 20 (b) Three (3) members shall be appointed for two (2) years;
- 21 (c) Three (3) members shall be appointed for three (3) years; and
- 22 (d) Three (3) members shall be appointed for four (4) years.
- 23 (8) The board shall meet monthly, or at the call of the chair or a majority of the voting
- 24 members.
- 25 (9) A quorum of the board shall consist of nine (9) voting members. A majority of the
- 26 voting members present may act upon matters before the board.
- 27 (10) The board shall be attached to the Department of Agriculture.

1 (11) Staff services for the board shall be provided by the Department of Agriculture.

2 (12) The Agricultural Development Board shall not be subject to reorganization under
3 KRS Chapter 12.

4 ➔Section 19. KRS 304.2-020 is amended to read as follows:

5 (1) The commissioner is the head of the Department of Insurance.

6 (2) The commissioner shall be appointed by the Governor with the consent of the
7 Senate, for a term not to exceed four (4) years on the basis of his or her merit and
8 fitness to perform the duties of the office as provided in KRS 12.040. If the Senate
9 is not in session when a term expires or a vacancy occurs, the Governor shall make
10 the appointment~~[to take effect at once]~~, subject to the approval of the Senate when
11 convened. Nothing contained in this subsection shall prohibit the commissioner of
12 the Department of Insurance from being reappointed.

13 (3) The following divisions are established within the Department of Insurance and
14 shall be headed by directors appointed by the secretary of the Public Protection
15 Cabinet with the approval of the Governor in accordance with KRS 12.050:

16 (a) Division of Health and Life Insurance and Managed Care;

17 (b) Division of Property and Casualty Insurance;

18 (c) Division of Administrative Services;

19 (d) Division of Financial Standards and Examination;

20 (e) Division of Licensing;

21 (f) Division of Insurance Fraud Investigation; and

22 (g) Division of Consumer Protection.

23 ➔Section 20. KRS 342.213 is amended to read as follows:

24 (1) The Governor shall make all appointments to the board, and appoint the
25 administrative law judges of the Department of Workers' Claims, subject to the
26 consent of the Senate in accordance with KRS 11.160, and in accordance with this
27 section and KRS 342.215 and 342.230 by choosing from names presented to him or

- 1 her by the Workers' Compensation Nominating Committee.
- 2 (2) The Workers' Compensation Nominating Committee shall consist of five (5)
- 3 members appointed by the Governor as follows:
- 4 (a) 1. One (1) member of the political party having the largest number of
- 5 registered voters and one (1) member of the political party having the
- 6 second largest number of registered voters shall serve a term of two (2)
- 7 years;
- 8 2. One (1) member of the political party having the largest number of
- 9 registered voters shall serve a term of three (3) years; and
- 10 3. Thereafter, upon the expiration of a term, the vacancy created shall be
- 11 filled by an appointee from the same political party for a term of four (4)
- 12 years;
- 13 (b) 1. Two (2) members who shall be attorneys with experience in the practice
- 14 of workers' compensation, one (1) who customarily represents claimants
- 15 and one (1) who customarily represents employers, each of whom shall
- 16 serve a term of four (4) years; and
- 17 2. Thereafter, upon expiration of a term, the vacancy shall be filled by an
- 18 appointee who meets the same required qualifications or criteria and
- 19 who shall serve a term of four (4) years;
- 20 (c) Appointments to fill the unexpired term of a member due to the resignation of
- 21 a member, removal of a member pursuant to KRS 63.080, or any other reason
- 22 shall be for the remainder of the term, and the new appointee shall meet the
- 23 same required qualifications or criteria as stated in this section; and
- 24 (d) At the first meeting of each calendar year, the members shall select a chairman
- 25 of the nominating committee who shall serve as chairman for the duration of
- 26 that calendar year.
- 27 (3) Notwithstanding the provisions of subsection (2) of this section, at least two (2)

1 members of the Workers' Compensation Nominating Committee shall be
2 individuals who directly derive no earned income from the workers' compensation
3 program. In order to satisfy the requirement of this subsection, the Governor shall
4 remove any existing member of the Workers' Compensation Nominating
5 Committee who directly derives earned income from the workers' compensation
6 program and replace that member with an individual who does not derive earned
7 income from the workers' compensation program.

8 (4) The commissioner shall monitor the workload of the administrative law judges and,
9 whenever a vacancy occurs, determine whether filling the position is necessary to
10 expeditious resolution of claims brought under this chapter. One hundred twenty
11 (120) days prior to the expiration of the terms of the administrative law judges, and
12 when a vacancy occurs under other circumstances, the commissioner shall certify to
13 the Workers' Compensation Nominating Committee that filling the position is
14 necessary and the Workers' Compensation Nominating Committee shall act to fill
15 only such positions as have been certified as necessary by the commissioner.

16 (5) (a) The Workers' Compensation Nominating Committee shall consult with the
17 commissioner, chief administrative law judge, and a member of the Workers'
18 Compensation Board as to the performance in office of the administrative law
19 judges. The Workers' Compensation Nominating Committee may recommend
20 retention of any sitting administrative law judge, or present to the Governor
21 the names of three (3) qualified individuals nominated for the position. The
22 Workers' Compensation Nominating Committee shall report its
23 recommendation for retention to the Governor no later than thirty (30) days
24 after receipt from the commissioner of certification of the necessity to fill the
25 position and shall render to the Governor its list of nominees to fill vacancies
26 within sixty (60) days of receipt of the commissioner's certification. The name
27 of an individual who has been rejected by the Governor when recommended

1 for retention shall not be presented thereafter as a nominee for the same
2 position. No sitting administrative law judge shall be nominated to fill more
3 than one (1) vacancy except for separate vacancies as an administrative law
4 judge.

5 (b) Within thirty (30) days of receipt of the recommendation, the Governor may
6 reject recommendations of retention, in which event the Workers'
7 Compensation Nominating Committee shall, within thirty (30) days,
8 reconvene and present a list of the names of three (3) nominees for each
9 position for which a recommendation for retention has been rejected by the
10 Governor.

11 (6) The commissioner shall be subject to Senate confirmation in accordance with KRS
12 11.160.

13 (7) (a) The Governor shall appoint the members of the Workers' Compensation
14 Board. The nominating committee shall present to the Governor a list of three
15 (3) candidates for appointment to the board no later than thirty (30) days prior
16 to the expiration of a board member's term. For the purpose of filling
17 vacancies on the board which occur for reasons other than an expiration of
18 term, the nominating committee shall present a list of three (3) names to the
19 Governor no later than sixty (60) days after a vacancy occurs.

20 (b) If the Governor fails to appoint a member of the board within thirty (30) days
21 following receipt of a list of names from the nominating committee, the
22 previous appointee may remain in the position until or until his or her
23 successor is confirmed by the Senate~~[the ninetieth day following the date the~~
24 ~~nominating committee provided the Governor with its list of names, at which~~
25 ~~time he or she shall vacate the position].~~

26 (8) (a) The nominating committee shall meet as often as necessary to perform its
27 statutory responsibilities, including but not limited to the mandates

1 enumerated in this section, and a majority of the members shall constitute a
2 quorum for the transaction of business; and

3 (b) The members shall be reimbursed from funds collected pursuant to KRS
4 342.122 for necessary expenses in the manner and amounts prescribed for
5 state employees by KRS 45.101 and the administrative regulations
6 promulgated under the authority of that statute. Members of the nominating
7 committee shall not be paid for their attendance at any meeting.

8 ➔Section 21. KRS 342.809 is amended to read as follows:

9 (1) The board shall elect a chair and other officers it deems necessary from its
10 members. The Governor shall make the initial appointments to the board as follows:
11 three (3) members shall be appointed to terms that expire December 31, 1995, and
12 four (4) members shall be appointed to terms that expire December 31, 1997.
13 Subsequent members shall serve terms of four (4) years and shall serve until their
14 successors are appointed and qualified.

15 (2) Senate confirmation of the Governor's appointees is required in accordance with the
16 provisions of KRS 11.160. If a member is not confirmed by the Senate, the
17 Governor, within thirty (30) days of the rejection, shall make another appointment.
18 That member shall serve the remainder of the term in question or until his or her
19 successor is confirmed by the Senate~~[and shall also be subject to confirmation~~
20 ~~should the term extend until the next regular session, or a special session which~~
21 ~~includes this subject on the call, whichever occurs earlier].~~

22 (3) Six (6) members shall constitute a quorum. The board shall meet at least quarterly
23 and at such other times as the chair may determine. The board shall also meet upon
24 the call of four (4) or more of the members of the board.

25 (4) On July 15, 1998, each member, except the secretaries of the cabinets, shall be
26 compensated eight thousand five hundred dollars (\$8,500) annually, and beginning
27 on July 15, 1999, twelve thousand dollars (\$12,000) annually. In addition, the

1 members of the board, except the secretaries of the cabinets, shall be reimbursed for
2 necessary travel and lodging expenses in accordance with administrative regulations
3 promulgated by the Cabinet for Finance and Administration for state employees.

4 (5) A board member, except the secretaries of the cabinets, may be removed for cause
5 by the board. Cause shall include, but not be limited to, incompetence or
6 misconduct defined in policies or bylaws adopted by the board.

7 ➔Section 22. KRS 349.055 is amended to read as follows:

8 (1) The Coalbed Methane Well Review Board is hereby established. The review board
9 shall be composed of five (5) members and shall have the powers and duties
10 specified under this chapter.

11 (2) The review board shall consist of the commissioner of the Department for Natural
12 Resources or his or her designee within the department, the director of the Division
13 of Mine Reclamation and Enforcement and the director of the Division of Oil and
14 Gas within the Department for Natural Resources, a representative of the oil and gas
15 industry, and a representative of the coal industry. The representatives from the oil
16 and gas industry and the coal industry shall be appointed by the Governor for terms
17 of four (4) years or until his or her successor is confirmed~~[subject to confirmation]~~
18 by the Senate.

19 (3) The review board shall be, for administrative purposes only, attached to the Energy
20 and Environment Cabinet, Department for Natural Resources.

21 ➔Section 23. KRS 351.1041 is amended to read as follows:

22 (1) The Mine Safety Review Commission is created as an independent governmental
23 entity attached to the Energy and Environment Cabinet, Office of the Secretary, for
24 administrative purposes. The commission shall:

25 (a) Conduct hearings and issue orders regarding a licensee, coal operation, or
26 other person involved in the mining of coal in accordance with KRS 351.194;

27 (b) Jointly with the department establish a process for the department's referral of

- 1 allegations of mine safety violations, allegations of unsafe working conditions,
2 violation of a miner's drug- and alcohol-free condition of certification, or
3 supervisory personnel's failure to immediately report a fatal accident or an
4 accident involving serious physical injury to the commission for adjudication;
- 5 (c) Make any recommendations to the department that it believes appropriate
6 upon its review, consideration, and analysis of:
- 7 1. All reports of coal mining fatalities and serious physical injuries
8 provided by the commissioner under KRS 351.070(14);
 - 9 2. Any case in which a miner or a mine owner or operator, in the
10 professional opinion of the department has a history of significant and
11 substantial safety violations even though there has been no serious
12 physical injury or death resulting from the violations;
 - 13 3. Any case in which a miner or a mine owner or operator has been
14 convicted of a criminal charge for a violation of a federal mine safety
15 standard or standards; and
 - 16 4. Any case in which the Federal Mine Safety and Health Administration
17 has made a recommendation relating to certification of an individual
18 certified under this chapter.
- 19 (2) The Mine Safety Review Commission shall consist of three (3) members appointed
20 by the Governor subject to the consent of the Senate ~~and the House of~~
21 ~~Representatives~~ in accordance with KRS 11.160. Of the members of the Mine
22 Safety Review Commission first appointed under this section, one (1) shall be
23 appointed for a term of one (1) year; one (1) shall be appointed for a term of two (2)
24 years; and one (1) shall be appointed for a term of three (3) years. After the initial
25 appointments, members of the commission shall be appointed for terms of four (4)
26 years. A member may be reappointed at the expiration of his or her previous term.
27 Members shall continue to serve until a successor is appointed and qualified.

- 1 (3) The members of the Mine Safety Review Commission shall have the qualifications
2 required of Judges of the Court of Appeals, except for residence in a district, and
3 shall be subject to the same standards of conduct made applicable to a part-time
4 judge by the Rules of the Kentucky Supreme Court. The members shall receive the
5 per diem equivalent of the salary of a Judge of the Court of Appeals for each day
6 spent in conducting the business of the commission.
- 7 (4) The Governor shall designate a member of the Mine Safety Review Commission to
8 serve as chair and shall fill any vacancy in the office of chair.
- 9 (5) The Governor may remove any member for good cause, including violation of the
10 Code of Judicial Conduct and repeated failure to perform satisfactorily the specific
11 duties assigned in this chapter or KRS Chapter 352. The Governor may remove the
12 member only after furnishing him or her with a written copy of the charges against
13 that member and holding a public hearing if requested by the member.
- 14 (6) The commission shall meet on the call of the chair or a majority of the members of
15 the commission.
- 16 (7) The Energy and Environment Cabinet shall provide administrative services to the
17 Mine Safety Review Commission. If the commission deems it necessary to employ
18 hearing officers to assist it, the Energy and Environment Cabinet shall employ
19 hearing officers to assist the commission in accordance with KRS Chapter 13B and
20 this chapter, notwithstanding the provisions of KRS 13B.030(2)(b).
- 21 (8) The commission may conduct hearings, compel the attendance of witnesses,
22 administer oaths, and conduct oversight activities as may be required to ensure the
23 full implementation of its duties.
- 24 (9) The department shall provide the Mine Safety Review Commission with all
25 information requested by the commission for the fulfillment of its responsibilities
26 under this chapter and KRS Chapter 352.
- 27 (10) The secretary of the Energy and Environment Cabinet shall effectuate the hiring of

1 any staff deemed necessary and affordable for the efficient operations of the Mine
2 Safety Review Commission. This may include an executive director, general
3 counsel, or other administrative support positions, to be appointed in accordance
4 with KRS 12.010 and 12.050.