

# Unofficial Document

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM  
2026 REGULAR SESSION

Amend printed copy of **SB 343**

On page 1, delete lines 10 to 15 in their entirety and insert the following in lieu thereof:

**"(2) The department shall be divided for administrative purposes into the:**

- (a) Office of the Commissioner;**
- (b) Office of General Counsel;**
- (c) Office of Administrative Law Judges;**
- (d) Division of Claims Processing;**
- (e) Division of Security and Compliance;**
- (f) Division of Workers' Compensation Funds; and**
- (g) Division of Specialist and Medical Services.";** and

On page 3, line 2, delete "Govenor" and insert "Governor"; and

On page 15, line 17, after "Commission" insert "under subsection (1)(a) of this section";

and

On 15, lines 19 to 20, delete "Workers' Compensation Nominating Committee"; and

Starting on page 15, line 25, beginning with "In no case" and continuing to the end of page 16, line 16, delete those lines in their entirety and insert the following in lieu thereof:

**"2. For the purpose of establishing the assessment rate after the liabilities of the special fund have been funded or prefunded, the Workers' Compensation Funding Commission, the Department of Workers' Claims, the Occupational Safety and Health Review**

Amendment No. SFA 1

Rep. Sen. Phillip Wheeler

Committee Amendment

Signed: \_\_\_\_\_

Floor Amendment

LRD Drafter: \_\_\_\_\_

Adopted: \_\_\_\_\_

Date: \_\_\_\_\_

Rejected: \_\_\_\_\_

Doc. ID: XXXX

Not for Filing

# Unofficial Document

Commission, the Department of Workplace Standards, excluding the Division of Wages and Hours contained within the Department of Workplace Standards, and the Education and Labor Cabinet, shall each submit a budget to the commissioner for approval. The commissioner shall submit a combined budget request for use of the special fund assessment, subject to the approval of the Workers' Compensation Funding Commission, to the chairs of the House Standing Committee on Appropriations and Revenue and the Senate Standing Committee on Appropriations and Revenue. The combined budgets of the Occupational Safety and Health Review Commission, Department of Workplace Standards, and the proportional support for the general administration and approved indirect cost allocation to the Education and Labor Cabinet, shall not exceed fifty percent (50%) of the total combined budget submitted by the commissioner."; and

On page 37, lines 23 and 24, bracket and strike through "Workers' Claims Legal Division. c."; and

Starting on page 40, line 27, continuing to page 41, line 5, delete in their entirety and insert in lieu the following:

- "(a) Office of the Commissioner.
- (b) Office of General Counsel.
- (c) Office of Administrative Law Judges.
- (d) Division of Claims Processing.
- (e) Division of Security and Compliance.
- (f) Division of Workers' Compensation Funds.
- (g) Division of Specialist and Medical Services."; and

On page 41, delete lines 20 to 25 in their entirety and insert in lieu thereof the following:

- "(a) Office of the Commissioner.
- (b) Office of General Counsel.

# Unofficial Document

**(c) Office of Administrative Law Judges.**

**(d) Division of Claims Processing.**

**(e) Division of Security and Compliance.**

**(f) Division of Workers' Compensation Funds.**

**(g) Division of Specialist and Medical Services.**"; and

On page 49, line 11, after "Division" insert "**and**" and bracket and strike through ","; and

On page 49, lines 12 to 13, bracket and strike through ", and Workers' Claims Legal Division"; and

On page 55, between lines 4 and 5, insert:

"➔Section 17. KRS 342.1223 is amended to read as follows:

- (1) The Kentucky Workers' Compensation Funding Commission is created as an agency of the Commonwealth for the public purpose of controlling, investing, and managing the funds collected pursuant to KRS 342.122.
- (2) The commission shall:
  - (a) Hold, administer, invest, and reinvest the funds collected pursuant to KRS 342.122 and its other funds separate and apart from all "state funds" or "public funds," as defined in KRS Chapter 446;
  - (b) Act as a fiduciary, as defined in KRS Chapter 386, in exercising its power over the funds collected pursuant to KRS 342.122, and may invest association funds through one (1) or more banks, trust companies, or other financial institutions with offices in Kentucky in good standing with the Department of Financial Institutions, in investments described in KRS Chapter 386, except that the funding commission may, at its discretion, invest in equity securities;
  - (c) Report to the General Assembly at each even-numbered-year regular session the actuarial soundness and adequacy of the funding mechanism for the special fund and

- other programs supported by the mechanism, including detailed information on the investment of funds and yields thereon;
- (d) Recommend to the General Assembly, not later than October 31 of the year prior to each even-numbered-year regular legislative session, changes deemed necessary in the level of the assessments imposed in this chapter;
  - (e) In conjunction with the commissioner~~[Education and Labor Cabinet]~~, submit to the General Assembly, not later than October 31 of the year prior to each even-numbered-year regular legislative session, a proposed budget for the biennium beginning July 1 following the even-numbered-year regular session of the General Assembly;
  - (f) In conjunction with the commissioner~~[Education and Labor Cabinet]~~, provide to the Interim Joint Committee on Appropriations and Revenue an annual budget and detailed quarterly financial reports;
  - (g) Conduct periodic audits, independently or in cooperation with the Department of Workers' Claims~~[Education and Labor Cabinet]~~ or the Department of Revenue, of all entities subject to the assessments imposed in this chapter; and
  - (h) Report monthly to the Committees on Appropriations and Revenue and on Economic Development and Workforce Investment its monthly expenditures of restricted agency funds and the nature of the expenditures.
- (3) The commission shall have all of the powers necessary or convenient to carry out and effectuate the purposes for which it was established, including, but not limited to, the power:
- (a) To sue and be sued, complain, or defend, in its name;
  - (b) To elect, appoint, or hire officers, agents, and employees, and define their duties and fix their compensation within the limits of its budget approved by the General

- Assembly. Notwithstanding any provision of KRS Chapter 18A to the contrary, officers and employees of the funding commission may be exempted from the classified service;
- (c) To contract for investment counseling, legal, actuarial, auditing, and other professional services in accordance with the provisions relating to personal service contracts contained in KRS Chapter 45A;
  - (d) To appoint, hire, and contract with banks, trust companies, and other entities to serve as depositories and custodians of its investment receipts and other funds;
  - (e) To take any and all other actions consistent with the purposes of the commission and the provisions of this chapter; and
  - (f) To make and promulgate administrative regulations.
- (4) The Kentucky Workers' Compensation Funding Commission may utilize the investment expertise and advice of the Office of Financial Management within the Finance and Administration Cabinet. The Kentucky Workers' Compensation Funding Commission may procure one (1) or more consulting firms and enter into a personal service contract with such consulting firms to provide investment advisory, investment counseling, or investment management services. The Office of Financial Management shall participate in the selection of any firms for investment services provided, however, the Kentucky Workers' Compensation Funding Commission shall have the right to make the final decision on the selection of any firms. Notwithstanding any provisions of this section to the contrary, all contracts for investment advisory, investment counseling, or investment management services or for the management of assets shall be subject to KRS Chapter 45A. The fees charged by financial institutions for managing the investments of the funds of the funding commission shall be paid from the investment earnings of the funds.
- (5) The commission shall be attached to the Education and Labor Cabinet for administrative

purposes only.

➔Section 18. The Workers' Claims Legal Division within the Office of Legal Services of the Education and Labor Cabinet shall be transferred to the Department of Workers' Claims as the Office of General Counsel."; and

Renumber subsequent sections accordingly.