

1 AN ACT relating to workforce development, making an appropriation therefor, and
2 declaring an emergency.

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

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 336 IS CREATED TO
5 READ AS FOLLOWS:

6 *As used in Sections 1 to 3 of this Act:*

7 *(1) "Apprentice" means a person employed by a public water or wastewater system*
8 *who is enrolled in a registered apprenticeship program for water systems*
9 *operations specialists or wastewater systems operations specialists, who has*
10 *entered into a voluntary written agreement with the registered apprenticeship*
11 *program sponsor, and that agreement has been submitted to the United States*
12 *Department of Labor's Office of Apprenticeship and the Kentucky Apprenticeship*
13 *Council;*

14 *(2) "Cabinet" means the Education and Labor Cabinet;*

15 *(3) "Employer" means any person or organization employing an apprentice whether*
16 *or not the employer is a party to an apprenticeship agreement or on-the-job*
17 *training agreement with the apprentice;*

18 *(4) "Kentucky FLOW Program" means the Kentucky Future Leaders of Water*
19 *Program established in Section 2 of this Act;*

20 *(5) "Public water or wastewater system" means:*

21 *(a) A water district or joint water commission formed under KRS Chapter 74;*

22 *(b) A water association formed as a nonprofit corporation under KRS Chapter*
23 *273;*

24 *(c) A sewer district, sanitation district, or joint sewer agency formed under KRS*
25 *Chapter 65, 67, 76, or 220;*

26 *(d) A regional wastewater commission formed under KRS Chapter 65;*

27 *(e) A municipal water utility or water works, sewer utility, sewage system or*

1 works, or combined electric and water plant formed under KRS Chapter 96;

2 or

3 (f) A nonprofit corporation created under KRS 58.180 to act as an
 4 instrumentality of one (1) or more governmental agencies in the acquisition
 5 and financing of public projects, including water or sewer systems;

6 (6) "Registered apprenticeship program" means a program registered with the
 7 United States Department of Labor's Office of Apprenticeship and the Kentucky
 8 Apprenticeship Council established in KRS 343.020, and which meets the
 9 standards set forth in 29 C.F.R. pts. 29 and 30, as evidenced by a certificate of
 10 registration or other official documentation;

11 (7) "Related technical instruction" means an organized and systematic form of
 12 instruction designed to provide the apprentice or trainee with knowledge of the
 13 theoretical and technical subjects related to the apprentice's occupation in
 14 accordance with the approved registered apprenticeship program standards; and

15 (8) "Sponsor" means any person, committee, or organization under whose name or
 16 title the registered apprenticeship program is registered, regardless of whether
 17 such an entity is an employer.

18 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 336 IS CREATED TO
 19 READ AS FOLLOWS:

20 (1) The Kentucky FLOW Program is hereby established to provide an orderly process
 21 for eligible public water or wastewater systems to apply for and receive funds to:

22 (a) Support up to fifty (50) employees of public water or wastewater systems
 23 each program year in obtaining a voluntary utility manager accreditation
 24 from the Division of Enforcement within the Energy and Environment
 25 Cabinet;

26 (b) Support up to fifty (50) new or continuing apprenticeship placements each
 27 program year for apprentices in a registered apprenticeship program;

- 1 (c) Strengthen public water or wastewater system leadership capacity; and
2 (d) Improve public health, protection, and environmental compliance, while
3 safeguarding the Commonwealth's investments in capital water and
4 wastewater infrastructure projects.
- 5 (2) The cabinet shall administer a reimbursement program for public water or
6 wastewater systems that sponsor employees who enroll in and successfully
7 complete the Kentucky Division of Enforcement's voluntary utility manager
8 accreditation. Reimbursements shall be applied for and disbursed as follows:
- 9 (a) An eligible public water or wastewater system may receive reimbursement of
10 documented training, tuition, registration, materials, exam costs, and
11 reasonable travel expenses incurred on behalf of an employee completing
12 the accreditation, up to a maximum of two thousand five hundred dollars
13 (\$2,500) per employee;
- 14 (b) A public water or wastewater system shall apply for reimbursement on
15 behalf of an employee and must demonstrate that the employee successfully
16 completed the accreditation requirements;
- 17 (c) The cabinet shall publish application procedures and may disburse
18 reimbursement upon proof of employee completion and submission of
19 supporting documentation; and
- 20 (d) The cabinet may reserve up to fifty (50) reimbursement awards per year.
- 21 (3) (a) The cabinet shall administer a reimbursement program for public water or
22 wastewater systems that sponsor employees who enroll in a registered
23 apprenticeship program for water systems operations specialists or
24 wastewater systems operations specialists.
- 25 (b) Subject to available funds, the cabinet may award to eligible public water or
26 wastewater systems sponsoring or employing apprentices:
- 27 1. Wage reimbursement up to fifty percent (50%) of the apprentice's

- 1 hourly wage, capped at eight dollars (\$8) per hour and two thousand
2 (2,000) hours per year, for a maximum of sixteen thousand dollars
3 (\$16,000) per apprentice per program year, disbursed quarterly upon
4 receipt of payroll records;
- 5 2. Reimbursement for related technical instruction tuition, fees,
6 textbooks, and training provider costs, up to two thousand five
7 hundred dollars (\$2,500) per apprentice per program year, disbursed
8 upon documented expense;
- 9 3. Reimbursement for licensure and testing, including exam fees, license
10 fees, and preparatory courses for the Division of Water's Kentucky
11 operator credentials, up to one thousand dollars (\$1,000) per
12 apprentice, per program year, disbursed upon documented expense;
- 13 4. Mentor stipends up to one thousand dollars (\$1,000) per apprentice
14 per program year, to be paid to a qualified certified operator or
15 supervisor of a public water or wastewater system who provides on-
16 the-job training and competency sign-offs, disbursed quarterly upon
17 receipt of payroll records;
- 18 5. Reimbursement for essential safety gear, basic tools, and required
19 travel to related technical instruction, up to one thousand five hundred
20 dollars (\$1,500) per apprentice per program year, disbursed upon
21 documented expense; and
- 22 6. Program administration, outreach, technical assistance to
23 apprenticeship program sponsors, program evaluation, and data
24 reporting, in an amount up to ten percent (10%) of annual
25 appropriations, disbursed upon documented expense.
- 26 (c) To receive funding under this subsection, a public water or wastewater
27 system shall:

- 1 1. Be registered with the Secretary of State, if applicable, and be in good
- 2 standing;
- 3 2. Have a valid employer acceptance agreement on file with a registered
- 4 apprenticeship program sponsor;
- 5 3. Employ or sponsor apprentices in a registered apprenticeship program
- 6 approved by the Kentucky Energy and Environment Cabinet;
- 7 4. Pay apprentices no less than the wage schedule set forth in the
- 8 registered apprenticeship program standards; and
- 9 5. Comply with the regulations set forth in 29 C.F.R. pt. 30, as amended,
- 10 and in KRS Chapter 344.
- 11 (d) Awards shall be made pursuant to a reimbursement agreement between the
- 12 cabinet and the public water or wastewater system that includes at a
- 13 minimum, the name of the apprentice supported by the award, the expected
- 14 reimbursement for each relevant criteria in paragraph (b) of this
- 15 subsection, reporting requirements, and terms for forfeiture and repayment
- 16 of award funds for noncompliance with the reimbursement agreement.
- 17 (e) In scoring funding applications, the cabinet shall consider:
- 18 1. Workforce need and public benefit;
- 19 2. Public water or wastewater system size and financial capacity;
- 20 3. Geographic balance between applicants;
- 21 4. Quality of the registered apprenticeship program design, with
- 22 particular emphasis on a proven record of successful implementation,
- 23 performance outcomes, and measurable results;
- 24 5. Retention and progression plans of the public water or wastewater
- 25 system; and
- 26 6. Partnerships with the Kentucky Community and Technical College
- 27 System, the Department of Education's Office of Career and

1 Technical Education, industry associations, and workforce boards.

2 (f) Priority for funding may be given to public water or wastewater systems
3 servicing disadvantaged communities, those currently experiencing a
4 workforce shortage or that have submitted an alternative staffing plan to the
5 Division of Water, or those that have received a notice of violation or
6 entered into an agreed order arising from noncompliance with the Safe
7 Drinking Water Act, 42 U.S.C. sec. 300f et. seq., or the Clean Water Act, 33
8 USC sec. 1251 et seq.

9 (4) On or before September 1, 2026, and each September 1 thereafter, the cabinet
10 shall publish an annual notice of funding and a standard application for the
11 Kentucky FLOW program on the cabinet's website.

12 (5) On or before September 1, 2027, and each September 1 thereafter, the cabinet
13 shall publish an annual report of the Kentucky FLOW program covering the
14 preceding fiscal year, including:

15 (a) The number of apprentices and sponsors;

16 (b) The regional distribution of grant awards;

17 (c) Completion and retention rates for the apprenticeship programs;

18 (d) Award funds obligated and expended by category; and

19 (e) Completion outcomes relative to selection criteria.

20 (6) The cabinet may audit recipients and shall recover improper payments as
21 established in a reimbursement agreement or by administrative regulations.

22 (7) The cabinet may promulgate administrative regulations in accordance with KRS
23 Chapter 13A to give effect to the Kentucky FLOW program and Sections 1 to 3 of
24 this Act.

25 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 336 IS CREATED TO
26 READ AS FOLLOWS:

27 (1) There is hereby established in the State Treasury a restricted fund to be known as

1 *the Kentucky FLOW Program fund. The fund shall consist of moneys received*
2 *from state appropriations, federal funds, gifts, grants, civil penalties collected by*
3 *the cabinet, and any federal funds.*

4 *(2) The fund shall be administered by the cabinet consistent with this chapter and*
5 *KRS Chapter 343 and the administrative regulations promulgated thereunder.*

6 *(3) Amounts deposited in the fund shall be used for administering the Kentucky*
7 *FLOW Program established in Section 2 of this Act and for no other purpose.*

8 *(4) Notwithstanding KRS 45.229, fund amounts not expended at the close of the*
9 *fiscal year shall not lapse but be carried forward into the next fiscal year.*

10 *(5) Any interest earnings of the fund shall become a part of the fund and shall not*
11 *lapse.*

12 ➔Section 4. There is hereby appropriated General Fund moneys in the amount of
13 \$1,347,500 in each fiscal year of the 2026-2028 fiscal biennium, and thereafter subject to
14 biennial appropriation, to the Kentucky FLOW Program Fund established in Section 3 of
15 this Act to provide funding for the purposes of the Kentucky FLOW Program.

16 ➔Section 5. Whereas providing timely funding for the Kentucky FLOW Program
17 and public water and wastewater system apprenticeships is critically important, an
18 emergency is declared to exist, and this Act takes effect July 1, 2026.