

1 KAR 4:005. Legislative oversight procedures applicable to federal block grants administered by state agencies.

RELATES TO: KRS 45.350-45.359, 273.446, 273.453

STATUTORY AUTHORITY: KRS 7.320

NECESSITY, FUNCTION, AND CONFORMITY: Pursuant to KRS 45.351 and 273.453, state administering agencies, as defined by KRS 45.350(5) and 273.410(6), are required to submit any federal block grant application to the Legislative Research Commission for review and comments at least ninety (90) days prior to the submission of such application to the federal administering agency, as defined by KRS 45.350(4) and 273.410(4), for funding. KRS 273.453(1) provides that before any community services block grant application is submitted by a state administering agency to a federal administering agency for funding, the application must be reviewed by the Legislative Research Commission. KRS 45.357 and 273.453(2) provide for the submission of actual use and distribution reports and block grant status reports to the commission by state administering agencies. This administrative regulation establishes the procedures applicable to the review and comment by the commission of federal block grant applications submitted to the commission by the state administering agencies, and procedures applicable to the review of reports on the actual use and distribution of block grant funds administered by state agencies, and on block grant program status reports filed with the commission by state administering agencies.

Section 1. Procedures implementing KRS 45.350 through 45.359 and 273.446 through 273.448(g) and 273.453, respecting the Legislative Research Commission's block grants application oversight functions and responsibilities are as follows:

- (1) State administering agencies submitting block grant applications to the commission shall forward one (1) complete copy each of such applications to: Coordinator for Block Grants Oversight, Legislative Research Commission, The State Capitol Building, Frankfort, Kentucky 40601.
- (2) When the Kentucky General Assembly is not in session, the commission automatically shall refer block grant applications as follows: Community Services, Preventive Health and Health Services, Maternal and Child Health Services, Alcohol and Drug Abuse and Mental Health Services, Social Services (Title XX), and Primary Care Block Grants shall be referred to the Interim Joint Committee on Health and Welfare; Elementary and Secondary Education Block Grants shall be referred to the Interim Joint Committee on Education; Low-Income Home Energy Assistance Block Grants shall be referred to the Interim Joint Committee on Energy; Community Development Block Grants shall be referred to the Interim Joint Committee on Cities; and Justice Assistance Block Grants shall be referred to the Interim Joint Committee on Judiciary-Criminal. Block grants not falling within these classifications shall be referred by the commission to the interim joint committee with appropriate jurisdiction. Any committee designated herein shall be construed as a "designated review body" pursuant to KRS 45.350 and 273.410.
- (3) When the Kentucky General Assembly is in session the commission automatically shall refer block grant applications to the standing committees designated by the committee on committees of each house. Any committee designated herein shall be construed as a "designated review body" pursuant to KRS 45.350 and 273.410.
- (4) Within ten (10) days of receipt of any block grant application, the coordinator for block grants oversight for the commission, or his designee, shall provide for statewide notice of a public hearing on said application in accordance with 1 KAR 4:010, and shall notify the designated review body to which the application has been referred of the publication of said notice.

(5) Whenever applications and supporting materials submitted to the commission are incomplete or insufficient, the commission or the coordinator for block grants oversight, or his designee, may request the state administering agency to make available to the designated review body additional background data and supporting information relating to the block grant pursuant to KRS 45.351(2), 273.448(h) and 273.453(1). All requests for additional materials shall be in writing under the signature of the coordinator for block grants oversight, or his designee, unless the commission otherwise directs and provides. Every block grant application submitted by the state administering agency shall be complete in form and content as required by appropriate federal laws and regulations, and KRS 45.351(3).

(6) Within the first thirty (30) days from the date of receipt of any block grant application, a public hearing shall be held by the designated review body to which the application has been assigned, and all deliberations shall be electronically recorded. The designated review body to which a block grant application has been referred shall conduct the public hearing on the application, except when the commission has authorized the establishment of a subcommittee of said committee to conduct the public hearing. All public hearings shall be restricted to the receipt of comments from the public and the state agency submitting the application, and shall be held in Frankfort, Kentucky.

(7) Upon the request of the chairman of the designated review body to which the application has been referred, the commission may authorize the establishment of a subcommittee of the designated review body for the purposes of conducting the public hearing and advising the designated review body on the block grant application. Upon the request of the designated review body chairman, the subcommittee may include three (3) members of the Interim Joint Committee on Appropriations and Revenue.

(8) A copy of the application as submitted to the commission shall be available for public review, prior to the public hearing, in the commission's library. This copy shall not be removed by unauthorized persons. One (1) copy of the application under consideration also shall be available for public inspection at the public hearing on the application. Copies of the application for retention by the public must be obtained from the state administering agency and not from the commission.

(9) Public inquiries about specific proposals contained in the application, including but not limited to the intent of the application and programs proposed to be funded by the application, must be directed to the appropriate state administering agency, and shall not be directed to the commission or its staff. Responses to such public inquiries are solely within the purview and responsibility of the state administering agency submitting the application. Copies of any public inquiry on any block grant application and responses thereto shall be submitted by the state administering agency to the Coordinator for Block Grants Oversight prior to the commission's public hearing on such application.

(10) Transcriptions of hearings shall not be made unless the commission so directs. When a transcription is requested and approved by the commission, the requesting party shall reimburse the commission for its total costs for making such transcription.

(11) Within sixty (60) days from the date the application is received by the commission, the designated review body shall complete its review of the application in accordance with the criteria specified in KRS 45.353(2) and shall make an affirmative finding of fact to the commission on the proposed use and distribution of funds to be provided in the application.

Section 2. Procedures implementing a review by the Legislative Research Commission of reports on the actual use and distribution of federal block grant funds administered by a state administering agency shall be as follows:

(1) Pursuant to KRS 45.357 and 273.453(2), any state administering agency receiving federal block grant funds shall submit within thirty (30) days at the close of every federal

fiscal year or at the close of the block grant's annual funding cycle, a report on the actual use and distribution of all block grant funds made available to the state administering agency during the preceding year.

(2) On or before the close of every federal year (September 30th), or at the close of a block grant's annual funding cycle, the Coordinator for Block Grants Oversight shall notify in writing the state administering agency receiving block grant funds, to submit to the commission five (5) copies each, of the actual use and distribution of funds report on every block grant administered by the state administering agency for the preceding year. Five (5) copies of each actual use and distribution report shall be submitted by the state administering agency to: Coordinator for Block Grants Oversight, Legislative Research Commission, The State Capitol Building, Frankfort, Kentucky 40601.

(3) Copies of any actual use and distribution report will be processed by the commission's Coordinator for Block Grants Oversight, with one (1) copy being forwarded to the designated review body.

(4) Within sixty (60) days upon referral and receipt of an actual use and distribution report, the designated review body receiving the report shall forward to the commission any written comments or recommendations the designated review body has made regarding said reports.

(5) Upon completion of its review of a committee's report, the commission may notify the state administering agency of the commission's comments and recommendations.

Section 3. Procedures implementing the Legislative Research Commission review process regarding block grant program status reports as provided in KRS 45.357 and 273.453(2) are as follows:

(1) Block grant program status reports will be processed by the commission's Coordinator for Block Grant Oversight. One (1) copy of each report shall be referred to the designated review body.

(2) Within sixty (60) days upon referral and receipt of a status report, the designated review body receiving the status report shall complete its review and forward to the commission any written comments or recommendations the committee has made regarding the status report.

(3) Upon completion of a review of the designated review body's report, the commission may notify the state administering agency of the commission's comments and recommendations.

Section 4. Procedures implementing block grant audits and investigations as prescribed in KRS 45.357(4) and (5) are as follows:

(1) Whenever the Coordinator for Block Grants Oversight determines that an audit or investigation of any matter pertaining to the application for or expenditure of federal block grant funds should be conducted then he shall submit in writing a proposal for such action to the commission's director. No such audit or investigation shall be conducted without the prior approval of the commission.

(2) It shall be the responsibility of the state administering agency or any other agencies of state government retaining records, reports or documents pertaining to any block grant program under audit or investigation to cooperate with and to comply with request for any report, record or document essential to the conduct of such audit or investigation. It shall be the responsibility of the Coordinator for Block Grant Oversight to specify in writing to the state administering agency or other agencies concerned such reports, records or documents which are requested. The commission shall be informed of all such requests.

(3) Whenever a state administering agency or other agencies of state government fail to provide reports, records or documents essential to the conduct of any block grant audit or investigation, the Coordinator for Block Grants Oversight may request the commission or

designated review body to subpoena such reports, records or documents. Any such request by the Coordinator for Block Grants Oversight shall be made in writing to the commission and shall specify the materials to be subpoenaed and the necessity for such action.

(9 Ky.R. 280; eff. 9-8-1982; 12 Ky.R. 22; eff. 8-13-1985; 16 Ky.R. 788; eff. 1-12-1990; Crt eff. 2-19-2020.)