

CHAPTER 40
(SB 103)

AN ACT relating to the Office of Vocational Rehabilitation.

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

➔ Section 1. KRS 151B.195 is amended to read as follows:

- (1) The executive director of the Office of Vocational Rehabilitation:
 - (a) Shall ***promulgate***~~[prescribe]~~ administrative regulations ***in accordance with KRS Chapter 13A*** governing the services, personnel, and administration of ***vocational rehabilitation services for Kentucky;***
 - (b) ***Shall establish a preference for in-state services, so long as the preference does not effectively deny an individual a necessary service that may be available outside of Kentucky;***~~[the State Vocational Rehabilitation Agency;]~~
 - (c) May enter into reciprocal agreements with other states to provide for the vocational rehabilitation of residents of the states concerned;
 - (d) May establish and supervise the operation of small businesses established pursuant to KRS 151B.180 to 151B.210 to be conducted by eligible individuals with severe disabilities; and
 - (e) May establish state funded special programs for vocational rehabilitation in the state vocational rehabilitation agency.
- (2) Except as provided in KRS 151B.190, the executive director ***shall promulgate***~~[may prescribe]~~ administrative regulations to establish ***procedures and standards for service fee memoranda and fees for services provided to individuals or entities, public or private, including but not limited to community rehabilitation program service providers. Any revised procedure or standard for service fee memoranda shall be established prior to the new fiscal year.***
- (3) The executive director is authorized to provide liability insurance or an indemnity bond against the negligence of drivers of motor vehicles owned or operated by the office for the transportation of applicants or clients of the office. If the transportation is let out under contract, the contract shall require the contractor to carry an indemnity bond or liability insurance against negligence to such amounts as the executive director designates. In either case, the indemnity bond or insurance policy shall be issued by a surety or insurance company authorized to transact business in this state, and shall bind the company to pay any final judgment not to exceed the limits of the policy rendered against the insured for loss or damage to property of any applicant or client or other person, or death or injury of any applicant or client or other person.
- (4) The provisions of any other statute notwithstanding, the executive director is authorized to use receipt of funds from the Social Security reimbursement program for a direct service delivery staff incentive program. Incentives may be awarded if case service costs are reimbursed for job placement of Social Security or Supplemental Security Income recipients at the Substantial Gainful Activity (SGA) level for nine (9) months pursuant to 42 U.S.C. sec. 422 and under those conditions and criteria as are established by the federal reimbursement program.
- (5) ***The executive director shall submit an annual report of its activities for the preceding fiscal year to the Governor and the Legislative Research Commission for referral to the Interim Joint Committee on Families and Children and the Interim Joint Committee on Economic Development and Workforce Investment. Each report shall include a complete operating and financial statement of the Office of Vocational Rehabilitation.***

Signed by Governor March 19, 2025.