

1 AN ACT relating to public charter schools.

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

3 ➔Section 1. KRS 18A.225 (Effective until January 1, 2025) is amended to read as
4 follows:

5 (1) (a) The term "employee" for purposes of this section means:

- 6 1. Any person, including an elected public official, who is regularly
7 employed by any department, office, board, agency, or branch of state
8 government; or by a public postsecondary educational institution; or by
9 any city, urban-county, charter county, county, or consolidated local
10 government, whose legislative body has opted to participate in the state-
11 sponsored health insurance program pursuant to KRS 79.080; and who
12 is either a contributing member to any one (1) of the retirement systems
13 administered by the state, including but not limited to the Kentucky
14 Retirement Systems, County Employees Retirement System, Kentucky
15 Teachers' Retirement System, the Legislators' Retirement Plan, or the
16 Judicial Retirement Plan; or is receiving a contractual contribution from
17 the state toward a retirement plan; or, in the case of a public
18 postsecondary education institution, is an individual participating in an
19 optional retirement plan authorized by KRS 161.567; or is eligible to
20 participate in a retirement plan established by an employer who ceases
21 participating in the Kentucky Employees Retirement System pursuant to
22 KRS 61.522 whose employees participated in the health insurance plans
23 administered by the Personnel Cabinet prior to the employer's effective
24 cessation date in the Kentucky Employees Retirement System;
- 25 2. Any certified or classified employee of a local board of education ~~or a~~
26 ~~public charter school as defined in KRS 160.1590~~];
- 27 3. Any elected member of a local board of education;

- 1 4. Any person who is a present or future recipient of a retirement
2 allowance from the Kentucky Retirement Systems, County Employees
3 Retirement System, Kentucky Teachers' Retirement System, the
4 Legislators' Retirement Plan, the Judicial Retirement Plan, or the
5 Kentucky Community and Technical College System's optional
6 retirement plan authorized by KRS 161.567, except that a person who is
7 receiving a retirement allowance and who is age sixty-five (65) or older
8 shall not be included, with the exception of persons covered under KRS
9 61.702(2)(b)3. and 78.5536(2)(b)3., unless he or she is actively
10 employed pursuant to subparagraph 1. of this paragraph; and
- 11 5. Any eligible dependents and beneficiaries of participating employees
12 and retirees who are entitled to participate in the state-sponsored health
13 insurance program;
- 14 (b) The term "health benefit plan" for the purposes of this section means a health
15 benefit plan as defined in KRS 304.17A-005;
- 16 (c) The term "insurer" for the purposes of this section means an insurer as defined
17 in KRS 304.17A-005; and
- 18 (d) The term "managed care plan" for the purposes of this section means a
19 managed care plan as defined in KRS 304.17A-500.
- 20 (2) (a) The secretary of the Finance and Administration Cabinet, upon the
21 recommendation of the secretary of the Personnel Cabinet, shall procure, in
22 compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090,
23 from one (1) or more insurers authorized to do business in this state, a group
24 health benefit plan that may include but not be limited to health maintenance
25 organization (HMO), preferred provider organization (PPO), point of service
26 (POS), and exclusive provider organization (EPO) benefit plans
27 encompassing all or any class or classes of employees. With the exception of

1 employers governed by the provisions of KRS Chapters 16, 18A, and 151B,
2 all employers of any class of employees or former employees shall enter into
3 a contract with the Personnel Cabinet prior to including that group in the state
4 health insurance group. The contracts shall include but not be limited to
5 designating the entity responsible for filing any federal forms, adoption of
6 policies required for proper plan administration, acceptance of the contractual
7 provisions with health insurance carriers or third-party administrators, and
8 adoption of the payment and reimbursement methods necessary for efficient
9 administration of the health insurance program. Health insurance coverage
10 provided to state employees under this section shall, at a minimum, contain
11 the same benefits as provided under Kentucky Kare Standard as of January 1,
12 1994, and shall include a mail-order drug option as provided in subsection
13 (13) of this section. All employees and other persons for whom the health care
14 coverage is provided or made available shall annually be given an option to
15 elect health care coverage through a self-funded plan offered by the
16 Commonwealth or, if a self-funded plan is not available, from a list of
17 coverage options determined by the competitive bid process under the
18 provisions of KRS 45A.080, 45A.085, and 45A.090 and made available
19 during annual open enrollment.

20 (b) The policy or policies shall be approved by the commissioner of insurance
21 and may contain the provisions the commissioner of insurance approves,
22 whether or not otherwise permitted by the insurance laws.

23 (c) Any carrier bidding to offer health care coverage to employees shall agree to
24 provide coverage to all members of the state group, including active
25 employees and retirees and their eligible covered dependents and
26 beneficiaries, within the county or counties specified in its bid. Except as
27 provided in subsection (20) of this section, any carrier bidding to offer health

1 care coverage to employees shall also agree to rate all employees as a single
2 entity, except for those retirees whose former employers insure their active
3 employees outside the state-sponsored health insurance program and as
4 otherwise provided in KRS 61.702(2)(b)3.b. and 78.5536(2)(b)3.b.

5 (d) Any carrier bidding to offer health care coverage to employees shall agree to
6 provide enrollment, claims, and utilization data to the Commonwealth in a
7 format specified by the Personnel Cabinet with the understanding that the data
8 shall be owned by the Commonwealth; to provide data in an electronic form
9 and within a time frame specified by the Personnel Cabinet; and to be subject
10 to penalties for noncompliance with data reporting requirements as specified
11 by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions
12 to protect the confidentiality of each individual employee; however,
13 confidentiality assertions shall not relieve a carrier from the requirement of
14 providing stipulated data to the Commonwealth.

15 (e) The Personnel Cabinet shall develop the necessary techniques and capabilities
16 for timely analysis of data received from carriers and, to the extent possible,
17 provide in the request-for-proposal specifics relating to data requirements,
18 electronic reporting, and penalties for noncompliance. The Commonwealth
19 shall own the enrollment, claims, and utilization data provided by each carrier
20 and shall develop methods to protect the confidentiality of the individual. The
21 Personnel Cabinet shall include in the October annual report submitted
22 pursuant to the provisions of KRS 18A.226 to the Governor, the General
23 Assembly, and the Chief Justice of the Supreme Court, an analysis of the
24 financial stability of the program, which shall include but not be limited to
25 loss ratios, methods of risk adjustment, measurements of carrier quality of
26 service, prescription coverage and cost management, and statutorily required
27 mandates. If state self-insurance was available as a carrier option, the report

1 also shall provide a detailed financial analysis of the self-insurance fund
2 including but not limited to loss ratios, reserves, and reinsurance agreements.

3 (f) If any agency participating in the state-sponsored employee health insurance
4 program for its active employees terminates participation and there is a state
5 appropriation for the employer's contribution for active employees' health
6 insurance coverage, then neither the agency nor the employees shall receive
7 the state-funded contribution after termination from the state-sponsored
8 employee health insurance program.

9 (g) Any funds in flexible spending accounts that remain after all reimbursements
10 have been processed shall be transferred to the credit of the state-sponsored
11 health insurance plan's appropriation account.

12 (h) Each entity participating in the state-sponsored health insurance program shall
13 provide an amount at least equal to the state contribution rate for the employer
14 portion of the health insurance premium. For any participating entity that used
15 the state payroll system, the employer contribution amount shall be equal to
16 but not greater than the state contribution rate.

17 (3) The premiums may be paid by the policyholder:

18 (a) Wholly from funds contributed by the employee, by payroll deduction or
19 otherwise;

20 (b) Wholly from funds contributed by any department, board, agency, public
21 postsecondary education institution, or branch of state, city, urban-county,
22 charter county, county, or consolidated local government; or

23 (c) Partly from each, except that any premium due for health care coverage or
24 dental coverage, if any, in excess of the premium amount contributed by any
25 department, board, agency, postsecondary education institution, or branch of
26 state, city, urban-county, charter county, county, or consolidated local
27 government for any other health care coverage shall be paid by the employee.

- 1 (4) If an employee moves his or her place of residence or employment out of the
2 service area of an insurer offering a managed health care plan, under which he or
3 she has elected coverage, into either the service area of another managed health care
4 plan or into an area of the Commonwealth not within a managed health care plan
5 service area, the employee shall be given an option, at the time of the move or
6 transfer, to change his or her coverage to another health benefit plan.
- 7 (5) No payment of premium by any department, board, agency, public postsecondary
8 educational institution, or branch of state, city, urban-county, charter county,
9 county, or consolidated local government shall constitute compensation to an
10 insured employee for the purposes of any statute fixing or limiting the
11 compensation of such an employee. Any premium or other expense incurred by any
12 department, board, agency, public postsecondary educational institution, or branch
13 of state, city, urban-county, charter county, county, or consolidated local
14 government shall be considered a proper cost of administration.
- 15 (6) The policy or policies may contain the provisions with respect to the class or classes
16 of employees covered, amounts of insurance or coverage for designated classes or
17 groups of employees, policy options, terms of eligibility, and continuation of
18 insurance or coverage after retirement.
- 19 (7) Group rates under this section shall be made available to the disabled child of an
20 employee regardless of the child's age if the entire premium for the disabled child's
21 coverage is paid by the state employee. A child shall be considered disabled if he or
22 she has been determined to be eligible for federal Social Security disability benefits.
- 23 (8) The health care contract or contracts for employees shall be entered into for a
24 period of not less than one (1) year.
- 25 (9) The secretary shall appoint thirty-two (32) persons to an Advisory Committee of
26 State Health Insurance Subscribers to advise the secretary or the secretary's
27 designee regarding the state-sponsored health insurance program for employees.

1 The secretary shall appoint, from a list of names submitted by appointing
2 authorities, members representing school districts from each of the seven (7)
3 Supreme Court districts, members representing state government from each of the
4 seven (7) Supreme Court districts, two (2) members representing retirees under age
5 sixty-five (65), one (1) member representing local health departments, two (2)
6 members representing the Kentucky Teachers' Retirement System, and three (3)
7 members at large. The secretary shall also appoint two (2) members from a list of
8 five (5) names submitted by the Kentucky Education Association, two (2) members
9 from a list of five (5) names submitted by the largest state employee organization of
10 nonschool state employees, two (2) members from a list of five (5) names submitted
11 by the Kentucky Association of Counties, two (2) members from a list of five (5)
12 names submitted by the Kentucky League of Cities, and two (2) members from a
13 list of names consisting of five (5) names submitted by each state employee
14 organization that has two thousand (2,000) or more members on state payroll
15 deduction. The advisory committee shall be appointed in January of each year and
16 shall meet quarterly.

17 (10) Notwithstanding any other provision of law to the contrary, the policy or policies
18 provided to employees pursuant to this section shall not provide coverage for
19 obtaining or performing an abortion, nor shall any state funds be used for the
20 purpose of obtaining or performing an abortion on behalf of employees or their
21 dependents.

22 (11) Interruption of an established treatment regime with maintenance drugs shall be
23 grounds for an insured to appeal a formulary change through the established appeal
24 procedures approved by the Department of Insurance, if the physician supervising
25 the treatment certifies that the change is not in the best interests of the patient.

26 (12) Any employee who is eligible for and elects to participate in the state health
27 insurance program as a retiree, or the spouse or beneficiary of a retiree, under any

1 one (1) of the state-sponsored retirement systems shall not be eligible to receive the
2 state health insurance contribution toward health care coverage as a result of any
3 other employment for which there is a public employer contribution. This does not
4 preclude a retiree and an active employee spouse from using both contributions to
5 the extent needed for purchase of one (1) state sponsored health insurance policy
6 for that plan year.

7 (13) (a) The policies of health insurance coverage procured under subsection (2) of
8 this section shall include a mail-order drug option for maintenance drugs for
9 state employees. Maintenance drugs may be dispensed by mail order in
10 accordance with Kentucky law.

11 (b) A health insurer shall not discriminate against any retail pharmacy located
12 within the geographic coverage area of the health benefit plan and that meets
13 the terms and conditions for participation established by the insurer, including
14 price, dispensing fee, and copay requirements of a mail-order option. The
15 retail pharmacy shall not be required to dispense by mail.

16 (c) The mail-order option shall not permit the dispensing of a controlled
17 substance classified in Schedule II.

18 (14) The policy or policies provided to state employees or their dependents pursuant to
19 this section shall provide coverage for obtaining a hearing aid and acquiring hearing
20 aid-related services for insured individuals under eighteen (18) years of age, subject
21 to a cap of one thousand four hundred dollars (\$1,400) every thirty-six (36) months
22 pursuant to KRS 304.17A-132.

23 (15) Any policy provided to state employees or their dependents pursuant to this section
24 shall provide coverage for the diagnosis and treatment of autism spectrum disorders
25 consistent with KRS 304.17A-142.

26 (16) Any policy provided to state employees or their dependents pursuant to this section
27 shall provide coverage for obtaining amino acid-based elemental formula pursuant

1 to KRS 304.17A-258.

2 (17) If a state employee's residence and place of employment are in the same county,
3 and if the hospital located within that county does not offer surgical services,
4 intensive care services, obstetrical services, level II neonatal services, diagnostic
5 cardiac catheterization services, and magnetic resonance imaging services, the
6 employee may select a plan available in a contiguous county that does provide
7 those services, and the state contribution for the plan shall be the amount available
8 in the county where the plan selected is located.

9 (18) If a state employee's residence and place of employment are each located in
10 counties in which the hospitals do not offer surgical services, intensive care
11 services, obstetrical services, level II neonatal services, diagnostic cardiac
12 catheterization services, and magnetic resonance imaging services, the employee
13 may select a plan available in a county contiguous to the county of residence that
14 does provide those services, and the state contribution for the plan shall be the
15 amount available in the county where the plan selected is located.

16 (19) The Personnel Cabinet is encouraged to study whether it is fair and reasonable and
17 in the best interests of the state group to allow any carrier bidding to offer health
18 care coverage under this section to submit bids that may vary county by county or
19 by larger geographic areas.

20 (20) Notwithstanding any other provision of this section, the bid for proposals for health
21 insurance coverage for calendar year 2004 shall include a bid scenario that reflects
22 the statewide rating structure provided in calendar year 2003 and a bid scenario that
23 allows for a regional rating structure that allows carriers to submit bids that may
24 vary by region for a given product offering as described in this subsection:

25 (a) The regional rating bid scenario shall not include a request for bid on a
26 statewide option;

27 (b) The Personnel Cabinet shall divide the state into geographical regions which

- 1 shall be the same as the partnership regions designated by the Department for
2 Medicaid Services for purposes of the Kentucky Health Care Partnership
3 Program established pursuant to 907 KAR 1:705;
- 4 (c) The request for proposal shall require a carrier's bid to include every county
5 within the region or regions for which the bid is submitted and include but not
6 be restricted to a preferred provider organization (PPO) option;
- 7 (d) If the Personnel Cabinet accepts a carrier's bid, the cabinet shall award the
8 carrier all of the counties included in its bid within the region. If the Personnel
9 Cabinet deems the bids submitted in accordance with this subsection to be in
10 the best interests of state employees in a region, the cabinet may award the
11 contract for that region to no more than two (2) carriers; and
- 12 (e) Nothing in this subsection shall prohibit the Personnel Cabinet from including
13 other requirements or criteria in the request for proposal.
- 14 (21) Any fully insured health benefit plan or self-insured plan issued or renewed on or
15 after July 12, 2006, to public employees pursuant to this section which provides
16 coverage for services rendered by a physician or osteopath duly licensed under KRS
17 Chapter 311 that are within the scope of practice of an optometrist duly licensed
18 under the provisions of KRS Chapter 320 shall provide the same payment of
19 coverage to optometrists as allowed for those services rendered by physicians or
20 osteopaths.
- 21 (22) Any fully insured health benefit plan or self-insured plan issued or renewed to
22 public employees pursuant to this section shall comply with:
- 23 (a) KRS 304.12-237;
- 24 (b) KRS 304.17A-270 and 304.17A-525;
- 25 (c) KRS 304.17A-600 to 304.17A-633;
- 26 (d) KRS 205.593;
- 27 (e) KRS 304.17A-700 to 304.17A-730;

- 1 (f) KRS 304.14-135;
- 2 (g) KRS 304.17A-580 and 304.17A-641;
- 3 (h) KRS 304.99-123;
- 4 (i) KRS 304.17A-138;
- 5 (j) KRS 304.17A-148;
- 6 (k) KRS 304.17A-163 and 304.17A-1631;
- 7 (l) KRS 304.17A-265; and
- 8 (m) Administrative regulations promulgated pursuant to statutes listed in this
- 9 subsection.

10 ➔Section 2. KRS 18A.225 (Effective January 1, 2025) is amended to read as

11 follows:

- 12 (1) (a) The term "employee" for purposes of this section means:
- 13 1. Any person, including an elected public official, who is regularly
- 14 employed by any department, office, board, agency, or branch of state
- 15 government; or by a public postsecondary educational institution; or by
- 16 any city, urban-county, charter county, county, or consolidated local
- 17 government, whose legislative body has opted to participate in the state-
- 18 sponsored health insurance program pursuant to KRS 79.080; and who
- 19 is either a contributing member to any one (1) of the retirement systems
- 20 administered by the state, including but not limited to the Kentucky
- 21 Retirement Systems, County Employees Retirement System, Kentucky
- 22 Teachers' Retirement System, the Legislators' Retirement Plan, or the
- 23 Judicial Retirement Plan; or is receiving a contractual contribution from
- 24 the state toward a retirement plan; or, in the case of a public
- 25 postsecondary education institution, is an individual participating in an
- 26 optional retirement plan authorized by KRS 161.567; or is eligible to
- 27 participate in a retirement plan established by an employer who ceases

- 1 participating in the Kentucky Employees Retirement System pursuant to
 2 KRS 61.522 whose employees participated in the health insurance plans
 3 administered by the Personnel Cabinet prior to the employer's effective
 4 cessation date in the Kentucky Employees Retirement System;
- 5 2. Any certified or classified employee of a local board of education ~~or a~~
 6 ~~public charter school as defined in KRS 160.1590~~];
- 7 3. Any elected member of a local board of education;
- 8 4. Any person who is a present or future recipient of a retirement
 9 allowance from the Kentucky Retirement Systems, County Employees
 10 Retirement System, Kentucky Teachers' Retirement System, the
 11 Legislators' Retirement Plan, the Judicial Retirement Plan, or the
 12 Kentucky Community and Technical College System's optional
 13 retirement plan authorized by KRS 161.567, except that a person who is
 14 receiving a retirement allowance and who is age sixty-five (65) or older
 15 shall not be included, with the exception of persons covered under KRS
 16 61.702(2)(b)3. and 78.5536(2)(b)3., unless he or she is actively
 17 employed pursuant to subparagraph 1. of this paragraph; and
- 18 5. Any eligible dependents and beneficiaries of participating employees
 19 and retirees who are entitled to participate in the state-sponsored health
 20 insurance program;
- 21 (b) The term "health benefit plan" for the purposes of this section means a health
 22 benefit plan as defined in KRS 304.17A-005;
- 23 (c) The term "insurer" for the purposes of this section means an insurer as defined
 24 in KRS 304.17A-005; and
- 25 (d) The term "managed care plan" for the purposes of this section means a
 26 managed care plan as defined in KRS 304.17A-500.
- 27 (2) (a) The secretary of the Finance and Administration Cabinet, upon the

1 recommendation of the secretary of the Personnel Cabinet, shall procure, in
2 compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090,
3 from one (1) or more insurers authorized to do business in this state, a group
4 health benefit plan that may include but not be limited to health maintenance
5 organization (HMO), preferred provider organization (PPO), point of service
6 (POS), and exclusive provider organization (EPO) benefit plans
7 encompassing all or any class or classes of employees. With the exception of
8 employers governed by the provisions of KRS Chapters 16, 18A, and 151B,
9 all employers of any class of employees or former employees shall enter into
10 a contract with the Personnel Cabinet prior to including that group in the state
11 health insurance group. The contracts shall include but not be limited to
12 designating the entity responsible for filing any federal forms, adoption of
13 policies required for proper plan administration, acceptance of the contractual
14 provisions with health insurance carriers or third-party administrators, and
15 adoption of the payment and reimbursement methods necessary for efficient
16 administration of the health insurance program. Health insurance coverage
17 provided to state employees under this section shall, at a minimum, contain
18 the same benefits as provided under Kentucky Kare Standard as of January 1,
19 1994, and shall include a mail-order drug option as provided in subsection
20 (13) of this section. All employees and other persons for whom the health care
21 coverage is provided or made available shall annually be given an option to
22 elect health care coverage through a self-funded plan offered by the
23 Commonwealth or, if a self-funded plan is not available, from a list of
24 coverage options determined by the competitive bid process under the
25 provisions of KRS 45A.080, 45A.085, and 45A.090 and made available
26 during annual open enrollment.

27 (b) The policy or policies shall be approved by the commissioner of insurance

1 and may contain the provisions the commissioner of insurance approves,
2 whether or not otherwise permitted by the insurance laws.

3 (c) Any carrier bidding to offer health care coverage to employees shall agree to
4 provide coverage to all members of the state group, including active
5 employees and retirees and their eligible covered dependents and
6 beneficiaries, within the county or counties specified in its bid. Except as
7 provided in subsection (20) of this section, any carrier bidding to offer health
8 care coverage to employees shall also agree to rate all employees as a single
9 entity, except for those retirees whose former employers insure their active
10 employees outside the state-sponsored health insurance program and as
11 otherwise provided in KRS 61.702(2)(b)3.b. and 78.5536(2)(b)3.b.

12 (d) Any carrier bidding to offer health care coverage to employees shall agree to
13 provide enrollment, claims, and utilization data to the Commonwealth in a
14 format specified by the Personnel Cabinet with the understanding that the data
15 shall be owned by the Commonwealth; to provide data in an electronic form
16 and within a time frame specified by the Personnel Cabinet; and to be subject
17 to penalties for noncompliance with data reporting requirements as specified
18 by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions
19 to protect the confidentiality of each individual employee; however,
20 confidentiality assertions shall not relieve a carrier from the requirement of
21 providing stipulated data to the Commonwealth.

22 (e) The Personnel Cabinet shall develop the necessary techniques and capabilities
23 for timely analysis of data received from carriers and, to the extent possible,
24 provide in the request-for-proposal specifics relating to data requirements,
25 electronic reporting, and penalties for noncompliance. The Commonwealth
26 shall own the enrollment, claims, and utilization data provided by each carrier
27 and shall develop methods to protect the confidentiality of the individual. The

1 Personnel Cabinet shall include in the October annual report submitted
2 pursuant to the provisions of KRS 18A.226 to the Governor, the General
3 Assembly, and the Chief Justice of the Supreme Court, an analysis of the
4 financial stability of the program, which shall include but not be limited to
5 loss ratios, methods of risk adjustment, measurements of carrier quality of
6 service, prescription coverage and cost management, and statutorily required
7 mandates. If state self-insurance was available as a carrier option, the report
8 also shall provide a detailed financial analysis of the self-insurance fund
9 including but not limited to loss ratios, reserves, and reinsurance agreements.

10 (f) If any agency participating in the state-sponsored employee health insurance
11 program for its active employees terminates participation and there is a state
12 appropriation for the employer's contribution for active employees' health
13 insurance coverage, then neither the agency nor the employees shall receive
14 the state-funded contribution after termination from the state-sponsored
15 employee health insurance program.

16 (g) Any funds in flexible spending accounts that remain after all reimbursements
17 have been processed shall be transferred to the credit of the state-sponsored
18 health insurance plan's appropriation account.

19 (h) Each entity participating in the state-sponsored health insurance program shall
20 provide an amount at least equal to the state contribution rate for the employer
21 portion of the health insurance premium. For any participating entity that used
22 the state payroll system, the employer contribution amount shall be equal to
23 but not greater than the state contribution rate.

24 (3) The premiums may be paid by the policyholder:

25 (a) Wholly from funds contributed by the employee, by payroll deduction or
26 otherwise;

27 (b) Wholly from funds contributed by any department, board, agency, public

1 postsecondary education institution, or branch of state, city, urban-county,
2 charter county, county, or consolidated local government; or

3 (c) Partly from each, except that any premium due for health care coverage or
4 dental coverage, if any, in excess of the premium amount contributed by any
5 department, board, agency, postsecondary education institution, or branch of
6 state, city, urban-county, charter county, county, or consolidated local
7 government for any other health care coverage shall be paid by the employee.

8 (4) If an employee moves his or her place of residence or employment out of the
9 service area of an insurer offering a managed health care plan, under which he or
10 she has elected coverage, into either the service area of another managed health care
11 plan or into an area of the Commonwealth not within a managed health care plan
12 service area, the employee shall be given an option, at the time of the move or
13 transfer, to change his or her coverage to another health benefit plan.

14 (5) No payment of premium by any department, board, agency, public postsecondary
15 educational institution, or branch of state, city, urban-county, charter county,
16 county, or consolidated local government shall constitute compensation to an
17 insured employee for the purposes of any statute fixing or limiting the
18 compensation of such an employee. Any premium or other expense incurred by any
19 department, board, agency, public postsecondary educational institution, or branch
20 of state, city, urban-county, charter county, county, or consolidated local
21 government shall be considered a proper cost of administration.

22 (6) The policy or policies may contain the provisions with respect to the class or classes
23 of employees covered, amounts of insurance or coverage for designated classes or
24 groups of employees, policy options, terms of eligibility, and continuation of
25 insurance or coverage after retirement.

26 (7) Group rates under this section shall be made available to the disabled child of an
27 employee regardless of the child's age if the entire premium for the disabled child's

- 1 coverage is paid by the state employee. A child shall be considered disabled if he or
2 she has been determined to be eligible for federal Social Security disability benefits.
- 3 (8) The health care contract or contracts for employees shall be entered into for a
4 period of not less than one (1) year.
- 5 (9) The secretary shall appoint thirty-two (32) persons to an Advisory Committee of
6 State Health Insurance Subscribers to advise the secretary or the secretary's
7 designee regarding the state-sponsored health insurance program for employees.
8 The secretary shall appoint, from a list of names submitted by appointing
9 authorities, members representing school districts from each of the seven (7)
10 Supreme Court districts, members representing state government from each of the
11 seven (7) Supreme Court districts, two (2) members representing retirees under age
12 sixty-five (65), one (1) member representing local health departments, two (2)
13 members representing the Kentucky Teachers' Retirement System, and three (3)
14 members at large. The secretary shall also appoint two (2) members from a list of
15 five (5) names submitted by the Kentucky Education Association, two (2) members
16 from a list of five (5) names submitted by the largest state employee organization of
17 nonschool state employees, two (2) members from a list of five (5) names submitted
18 by the Kentucky Association of Counties, two (2) members from a list of five (5)
19 names submitted by the Kentucky League of Cities, and two (2) members from a
20 list of names consisting of five (5) names submitted by each state employee
21 organization that has two thousand (2,000) or more members on state payroll
22 deduction. The advisory committee shall be appointed in January of each year and
23 shall meet quarterly.
- 24 (10) Notwithstanding any other provision of law to the contrary, the policy or policies
25 provided to employees pursuant to this section shall not provide coverage for
26 obtaining or performing an abortion, nor shall any state funds be used for the
27 purpose of obtaining or performing an abortion on behalf of employees or their

1 dependents.

2 (11) Interruption of an established treatment regime with maintenance drugs shall be
3 grounds for an insured to appeal a formulary change through the established appeal
4 procedures approved by the Department of Insurance, if the physician supervising
5 the treatment certifies that the change is not in the best interests of the patient.

6 (12) Any employee who is eligible for and elects to participate in the state health
7 insurance program as a retiree, or the spouse or beneficiary of a retiree, under any
8 one (1) of the state-sponsored retirement systems shall not be eligible to receive the
9 state health insurance contribution toward health care coverage as a result of any
10 other employment for which there is a public employer contribution. This does not
11 preclude a retiree and an active employee spouse from using both contributions to
12 the extent needed for purchase of one (1) state sponsored health insurance policy
13 for that plan year.

14 (13) (a) The policies of health insurance coverage procured under subsection (2) of
15 this section shall include a mail-order drug option for maintenance drugs for
16 state employees. Maintenance drugs may be dispensed by mail order in
17 accordance with Kentucky law.

18 (b) A health insurer shall not discriminate against any retail pharmacy located
19 within the geographic coverage area of the health benefit plan and that meets
20 the terms and conditions for participation established by the insurer, including
21 price, dispensing fee, and copay requirements of a mail-order option. The
22 retail pharmacy shall not be required to dispense by mail.

23 (c) The mail-order option shall not permit the dispensing of a controlled
24 substance classified in Schedule II.

25 (14) The policy or policies provided to state employees or their dependents pursuant to
26 this section shall provide coverage for obtaining a hearing aid and acquiring hearing
27 aid-related services for insured individuals under eighteen (18) years of age, subject

- 1 to a cap of one thousand four hundred dollars (\$1,400) every thirty-six (36) months
2 pursuant to KRS 304.17A-132.
- 3 (15) Any policy provided to state employees or their dependents pursuant to this section
4 shall provide coverage for the diagnosis and treatment of autism spectrum disorders
5 consistent with KRS 304.17A-142.
- 6 (16) Any policy provided to state employees or their dependents pursuant to this section
7 shall provide coverage for obtaining amino acid-based elemental formula pursuant
8 to KRS 304.17A-258.
- 9 (17) If a state employee's residence and place of employment are in the same county,
10 and if the hospital located within that county does not offer surgical services,
11 intensive care services, obstetrical services, level II neonatal services, diagnostic
12 cardiac catheterization services, and magnetic resonance imaging services, the
13 employee may select a plan available in a contiguous county that does provide
14 those services, and the state contribution for the plan shall be the amount available
15 in the county where the plan selected is located.
- 16 (18) If a state employee's residence and place of employment are each located in
17 counties in which the hospitals do not offer surgical services, intensive care
18 services, obstetrical services, level II neonatal services, diagnostic cardiac
19 catheterization services, and magnetic resonance imaging services, the employee
20 may select a plan available in a county contiguous to the county of residence that
21 does provide those services, and the state contribution for the plan shall be the
22 amount available in the county where the plan selected is located.
- 23 (19) The Personnel Cabinet is encouraged to study whether it is fair and reasonable and
24 in the best interests of the state group to allow any carrier bidding to offer health
25 care coverage under this section to submit bids that may vary county by county or
26 by larger geographic areas.
- 27 (20) Notwithstanding any other provision of this section, the bid for proposals for health

1 insurance coverage for calendar year 2004 shall include a bid scenario that reflects
2 the statewide rating structure provided in calendar year 2003 and a bid scenario that
3 allows for a regional rating structure that allows carriers to submit bids that may
4 vary by region for a given product offering as described in this subsection:

5 (a) The regional rating bid scenario shall not include a request for bid on a
6 statewide option;

7 (b) The Personnel Cabinet shall divide the state into geographical regions which
8 shall be the same as the partnership regions designated by the Department for
9 Medicaid Services for purposes of the Kentucky Health Care Partnership
10 Program established pursuant to 907 KAR 1:705;

11 (c) The request for proposal shall require a carrier's bid to include every county
12 within the region or regions for which the bid is submitted and include but not
13 be restricted to a preferred provider organization (PPO) option;

14 (d) If the Personnel Cabinet accepts a carrier's bid, the cabinet shall award the
15 carrier all of the counties included in its bid within the region. If the Personnel
16 Cabinet deems the bids submitted in accordance with this subsection to be in
17 the best interests of state employees in a region, the cabinet may award the
18 contract for that region to no more than two (2) carriers; and

19 (e) Nothing in this subsection shall prohibit the Personnel Cabinet from including
20 other requirements or criteria in the request for proposal.

21 (21) Any fully insured health benefit plan or self-insured plan issued or renewed on or
22 after July 12, 2006, to public employees pursuant to this section which provides
23 coverage for services rendered by a physician or osteopath duly licensed under KRS
24 Chapter 311 that are within the scope of practice of an optometrist duly licensed
25 under the provisions of KRS Chapter 320 shall provide the same payment of
26 coverage to optometrists as allowed for those services rendered by physicians or
27 osteopaths.

- 1 (22) Any fully insured health benefit plan or self-insured plan issued or renewed to
2 public employees pursuant to this section shall comply with:
- 3 (a) KRS 304.12-237;
 - 4 (b) KRS 304.17A-270 and 304.17A-525;
 - 5 (c) KRS 304.17A-600 to 304.17A-633;
 - 6 (d) KRS 205.593;
 - 7 (e) KRS 304.17A-700 to 304.17A-730;
 - 8 (f) KRS 304.14-135;
 - 9 (g) KRS 304.17A-580 and 304.17A-641;
 - 10 (h) KRS 304.99-123;
 - 11 (i) KRS 304.17A-138;
 - 12 (j) KRS 304.17A-148;
 - 13 (k) KRS 304.17A-163 and 304.17A-1631;
 - 14 (l) KRS 304.17A-265;
 - 15 (m) KRS 304.17A-261;
 - 16 (n) KRS 304.17A-262; and
 - 17 (o) Administrative regulations promulgated pursuant to statutes listed in this
18 subsection.

19 ➔Section 3. KRS 78.510 is amended to read as follows:

20 As used in KRS 78.510 to 78.852, unless the context otherwise requires:

- 21 (1) "System" means the County Employees Retirement System;
- 22 (2) "Board" means the board of trustees of the system as provided in KRS 78.782;
- 23 (3) "County" means any county, or nonprofit organization created and governed by a
24 county, counties, or elected county officers, sheriff and his or her employees,
25 county clerk and his or her employees, circuit clerk and his or her deputies, former
26 circuit clerks or former circuit clerk deputies, or political subdivision or
27 instrumentality, including school boards, cities, charter county governments, urban-

1 county governments, consolidated local governments, or unified local governments
2 participating in the system by order appropriate to its governmental structure, as
3 provided in KRS 78.530, and if the board is willing to accept the agency,
4 organization, or corporation, the board being hereby granted the authority to
5 determine the eligibility of the agency to participate;

6 (4) "School board" means~~[-~~
7 ~~(a)—~~] any board of education participating in the system by order appropriate to
8 its governmental structure, as provided in KRS 78.530, and if the board is
9 willing to accept the agency or corporation, the board being hereby granted
10 the authority to determine the eligibility of the agency to participate;~~[- or~~
11 ~~(b) A public charter school as defined in KRS 160.1590 if the public charter~~
12 ~~school satisfies the criteria set by the Internal Revenue Service to participate~~
13 ~~in a governmental retirement plan;]~~

14 (5) "Examiner" means the medical examiners as provided in KRS 61.665;

15 (6) "Employee" means every regular full-time appointed or elective officer or
16 employee of a participating county and the coroner of a participating county,
17 whether or not he or she qualifies as a regular full-time officer. The term shall not
18 include persons engaged as independent contractors, seasonal, emergency,
19 temporary, and part-time workers. In case of any doubt, the board shall determine if
20 a person is an employee within the meaning of KRS 78.510 to 78.852;

21 (7) "Employer" means a county, as defined in subsection (3) of this section, the elected
22 officials of a county, or any authority of the county having the power to appoint or
23 elect an employee to office or employment in the county;

24 (8) "Member" means any employee who is included in the membership of the system
25 or any former employee whose membership has not ceased under KRS 78.535;

26 (9) "Service" means the total of current service and prior service as defined in this
27 section;

- 1 (10) "Current service" means the number of years and months of employment as an
2 employee, on and after July 1, 1958, for which creditable compensation is paid and
3 employee contributions deducted, except as otherwise provided;
- 4 (11) "Prior service" means the number of years and completed months, expressed as a
5 fraction of a year, of employment as an employee, prior to July 1, 1958, for which
6 creditable compensation was paid. An employee shall be credited with one (1)
7 month of prior service only in those months he received compensation for at least
8 one hundred (100) hours of work. Twelve (12) months of current service in the
9 system shall be required to validate prior service;
- 10 (12) "Accumulated contributions" means the sum of all amounts deducted from the
11 compensation of a member and credited to his individual account in the members'
12 account, including employee contributions picked up after August 1, 1982, pursuant
13 to KRS 78.610(4), together with interest credited, on the amounts, and any other
14 amounts the member shall have contributed thereto, including interest credited
15 thereon. "Accumulated contributions" shall not include employee contributions that
16 are deposited into accounts established pursuant to 26 U.S.C. sec. 401(h) within the
17 fund established in KRS 78.520, as prescribed by KRS 78.5536(3)(b);
- 18 (13) "Creditable compensation":
- 19 (a) Except as limited by paragraph (c) of this subsection, means all salary, wages,
20 and fees, including payments for compensatory time, paid to the employee as
21 a result of services performed for the employer or for time during which the
22 member is on paid leave, which are includable on the member's federal form
23 W-2 wage and tax statement under the heading "wages, tips, other
24 compensation", including employee contributions picked up after August 1,
25 1982, pursuant to KRS 78.610(4). The creditable compensation of fee officers
26 who receive salary, fees, maintenance, or other perquisites as a result of their
27 official duties is the gross amount received decreased by the cost of salary

1 paid deputies and clerks and the cost of office supplies and other official
2 expenses;

3 (b) Includes:

- 4 1. Lump-sum bonuses, severance pay, or employer-provided payments for
5 purchase of service credit, which shall be averaged over the employee's
6 service with the system in which it is recorded if it is equal to or greater
7 than one thousand dollars (\$1,000);
- 8 2. Cases where compensation includes maintenance and other perquisites,
9 but the board shall fix the value of that part of the compensation not paid
10 in money;
- 11 3. Lump-sum payments for creditable compensation paid as a result of an
12 order of a court of competent jurisdiction, the Personnel Board, or the
13 Commission on Human Rights, or for any creditable compensation paid
14 in anticipation of settlement of an action before a court of competent
15 jurisdiction, the Personnel Board, or the Commission on Human Rights,
16 including notices of violations of state or federal wage and hour statutes
17 or violations of state or federal discrimination statutes, which shall be
18 credited to the fiscal year during which the wages were earned or should
19 have been paid by the employer. This subparagraph shall also include
20 lump-sum payments for reinstated wages pursuant to KRS 61.569,
21 which shall be credited to the period during which the wages were
22 earned or should have been paid by the employer;
- 23 4. Amounts which are not includable in the member's gross income by
24 virtue of the member having taken a voluntary salary reduction provided
25 for under applicable provisions of the Internal Revenue Code; and
- 26 5. Elective amounts for qualified transportation fringes paid or made
27 available on or after January 1, 2001, for calendar years on or after

1 January 1, 2001, that are not includable in the gross income of the
2 employee by reason of 26 U.S.C. sec. 132(f)(4); and

3 (c) Excludes:

- 4 1. Living allowances, expense reimbursements, lump-sum payments for
5 accrued vacation leave, sick leave except as provided in KRS 78.616(5),
6 and other items determined by the board;
- 7 2. For employees who begin participating on or after September 1, 2008,
8 lump-sum payments for compensatory time;
- 9 3. Training incentive payments for city officers paid as set out in KRS
10 64.5277 to 64.5279;
- 11 4. For employees who begin participating on or after August 1, 2016,
12 nominal fees paid for services as a volunteer; and
- 13 5. Any salary or wages paid to an employee for services as a Kentucky
14 State Police school resource officer as defined by KRS 158.441;

15 (14) "Final compensation" means:

- 16 (a) For a member who begins participating before September 1, 2008, who is
17 employed in a nonhazardous position, the creditable compensation of the
18 member during the five (5) fiscal years he or she was paid at the highest
19 average monthly rate divided by the number of months of service credit
20 during that five (5) year period multiplied by twelve (12). The five (5) years
21 may be fractional and need not be consecutive. If the number of months of
22 service credit during the five (5) year period is less than forty-eight (48), one
23 (1) or more additional fiscal years shall be used;
- 24 (b) For a member who is employed in a nonhazardous position, whose effective
25 retirement date is between August 1, 2001, and January 1, 2009, and whose
26 total service credit is at least twenty-seven (27) years and whose age and years
27 of service total at least seventy-five (75), final compensation means the

1 creditable compensation of the member during the three (3) fiscal years the
2 member was paid at the highest average monthly rate divided by the number
3 of months of service credit during that three (3) year period multiplied by
4 twelve (12). The three (3) years may be fractional and need not be
5 consecutive. If the number of months of service credit during the three (3)
6 year period is less than twenty-four (24), one (1) or more additional fiscal
7 years shall be used;

8 (c) For a member who begins participating before September 1, 2008, who is
9 employed in a hazardous position, as provided in KRS 61.592, the creditable
10 compensation of the member during the three (3) fiscal years he or she was
11 paid at the highest average monthly rate divided by the number of months of
12 service credit during that three (3) year period multiplied by twelve (12). The
13 three (3) years may be fractional and need not be consecutive. If the number
14 of months of service credit during the three (3) year period is less than twenty-
15 four (24), one (1) or more additional fiscal years, which may contain less than
16 twelve (12) months of service credit, shall be used;

17 (d) For a member who begins participating on or after September 1, 2008, but
18 prior to January 1, 2014, who is employed in a nonhazardous position, the
19 creditable compensation of the member during the five (5) complete fiscal
20 years immediately preceding retirement divided by five (5). Each fiscal year
21 used to determine final compensation must contain twelve (12) months of
22 service credit. If the member does not have five (5) complete fiscal years that
23 each contain twelve (12) months of service credit, then one (1) or more
24 additional fiscal years, which may contain less than twelve (12) months of
25 service credit, shall be added until the number of months in the final
26 compensation calculation is at least sixty (60) months; or

27 (e) For a member who begins participating on or after September 1, 2008, but

1 prior to January 1, 2014, who is employed in a hazardous position as provided
2 in KRS 61.592, the creditable compensation of the member during the three
3 (3) complete fiscal years he or she was paid at the highest average monthly
4 rate divided by three (3). Each fiscal year used to determine final
5 compensation must contain twelve (12) months of service credit. If the
6 member does not have three (3) complete fiscal years that each contain twelve
7 (12) months of service credit, then one (1) or more additional fiscal years,
8 which may contain less than twelve (12) months of service credit, shall be
9 added until the number of months in the final compensation calculation is at
10 least thirty-six (36) months;

11 (15) "Final rate of pay" means the actual rate upon which earnings of an employee were
12 calculated during the twelve (12) month period immediately preceding the
13 member's effective retirement date, and shall include employee contributions
14 picked up after August 1, 1982, pursuant to KRS 78.610(4). The rate shall be
15 certified to the system by the employer and the following equivalents shall be used
16 to convert the rate to an annual rate: two thousand eighty (2,080) hours for eight (8)
17 hour workdays, one thousand nine hundred fifty (1,950) hours for seven and one-
18 half (7.5) hour workdays, two hundred sixty (260) days, fifty-two (52) weeks,
19 twelve (12) months, one (1) year;

20 (16) "Retirement allowance" means the retirement payments to which a member is
21 entitled;

22 (17) "Actuarial equivalent" means a benefit of equal value when computed upon the
23 basis of the actuarial tables adopted by the board. In cases of disability retirement,
24 the options authorized by KRS 61.635 shall be computed by adding ten (10) years
25 to the age of the member, unless the member has chosen the Social Security
26 adjustment option as provided for in KRS 61.635(8), in which case the member's
27 actual age shall be used. For members who begin participating in the system prior

1 to January 1, 2014, no disability retirement option shall be less than the same option
2 computed under early retirement;

3 (18) "Normal retirement date", unless otherwise provided in KRS 78.510 to 78.852,
4 means:

5 (a) For a member with service in a nonhazardous position, the sixty-fifth birthday
6 of a member;

7 (b) For a member with service in a hazardous position who begins participating
8 before September 1, 2008, the first day of the month following a member's
9 fifty-fifth birthday; or

10 (c) For a member with service in a hazardous position who begins participating
11 on or after September 1, 2008, the first day of the month following a
12 member's sixtieth birthday;

13 (19) "Fiscal year" of the system means the twelve (12) months from July 1 through the
14 following June 30, which shall also be the plan year. The "fiscal year" shall be the
15 limitation year used to determine contribution and benefits limits as set out in 26
16 U.S.C. sec. 415;

17 (20) "Agency reporting official" means the person designated by the participating
18 employer who shall be responsible for forwarding all employer and employee
19 contributions and a record of the contributions to the system and for performing
20 other administrative duties pursuant to the provisions of KRS 78.510 to 78.852;

21 (21) "Regular full-time positions," as used in subsection (6) of this section, shall mean
22 all positions that average one hundred (100) or more hours per month, determined
23 by using the number of hours actually worked in a calendar or fiscal year, or eighty
24 (80) or more hours per month in the case of noncertified employees of school
25 boards, determined by using the number of hours actually worked in a calendar or
26 school year, unless otherwise specified, except:

27 (a) Seasonal positions, which although temporary in duration, are positions which

1 coincide in duration with a particular season or seasons of the year and that
2 may recur regularly from year to year, in which case the period of time shall
3 not exceed nine (9) months, except for employees of school boards, in which
4 case the period of time shall not exceed six (6) months;

5 (b) Emergency positions which are positions utilized by the employer during:
6 1. An emergency as determined by the employer for a period not
7 exceeding thirty (30) working days and are nonrenewable; or
8 2. A state of emergency declared by the President of the United States or
9 the Governor of the Commonwealth of Kentucky that are created or
10 filled specifically for addressing the employer's needs during and as a
11 result of the declared emergency;

12 (c) Temporary positions that are positions of employment with a participating
13 agency for a period of time not to exceed twelve (12) months and not
14 renewable;

15 (d) Probationary positions which are positions of employment with a participating
16 employer that do not exceed twelve (12) months and that are used uniformly
17 by the participating agency on new employees who would otherwise be
18 eligible for participation in the system. Probationary positions shall not be
19 renewable by the participating employer for the same employee, unless the
20 employee has not been employed with the participating employer for a period
21 of at least twelve (12) months; or

22 (e) Part-time positions that are positions that may be permanent in duration, but
23 that require less than a calendar or fiscal year average of one hundred (100)
24 hours of work per month, determined by using the number of months actually
25 worked within a calendar or fiscal year, in the performance of duty, except in
26 case of noncertified employees of school boards, the school term average shall
27 be eighty (80) hours of work per month, determined by using the number of

1 months actually worked in a calendar or school year, in the performance of
2 duty;

3 (22) "Alternate participation plan" means a method of participation in the system as
4 provided for by KRS 78.530(3);

5 (23) "Retired member" means any former member receiving a retirement allowance or
6 any former member who has on file at the retirement office the necessary
7 documents for retirement benefits and is no longer contributing to the system;

8 (24) "Current rate of pay" means the member's actual hourly, daily, weekly, biweekly,
9 monthly, or yearly rate of pay converted to an annual rate as defined in final rate of
10 pay. The rate shall be certified by the employer;

11 (25) "Beneficiary" means the person, persons, estate, trust, or trustee designated by the
12 member in accordance with KRS 61.542 or 61.705 to receive any available benefits
13 in the event of the member's death. As used in KRS 78.5536, beneficiary shall not
14 mean an estate, trust, or trustee;

15 (26) "Recipient" means the retired member, the person or persons designated as
16 beneficiary by the member and drawing a retirement allowance as a result of the
17 member's death, or a dependent child drawing a retirement allowance. An alternate
18 payee of a qualified domestic relations order shall not be considered a recipient,
19 except for purposes of KRS 61.623;

20 (27) "Person" means a natural person;

21 (28) "School term or year" means the twelve (12) months from July 1 through the
22 following June 30;

23 (29) "Retirement office" means the Kentucky Public Pensions Authority office building
24 in Frankfort, unless otherwise designated by the Kentucky Public Pensions
25 Authority;

26 (30) "Vested" for purposes of determining eligibility for purchasing service credit under
27 KRS 61.552 means the employee has at least forty-eight (48) months of service if

- 1 age sixty-five (65) or older or at least sixty (60) months of service if under the age
2 of sixty-five (65). For purposes of this subsection, "service" means service in the
3 systems administered by the Kentucky Retirement Systems and County Employees
4 Retirement System;
- 5 (31) "Participating" means an employee is currently earning service credit in the system
6 as provided in KRS 78.615;
- 7 (32) "Month" means a calendar month;
- 8 (33) "Membership date" means the date upon which the member began participating in
9 the system as provided in KRS 78.615;
- 10 (34) "Participant" means a member, as defined by subsection (8) of this section, or a
11 retired member, as defined by subsection (23) of this section;
- 12 (35) "Qualified domestic relations order" means any judgment, decree, or order,
13 including approval of a property settlement agreement, that:
- 14 (a) Is issued by a court or administrative agency; and
- 15 (b) Relates to the provision of child support, alimony payments, or marital
16 property rights to an alternate payee;
- 17 (36) "Alternate payee" means a spouse, former spouse, child, or other dependent of a
18 participant, who is designated to be paid retirement benefits in a qualified domestic
19 relations order;
- 20 (37) "Accumulated employer credit" means the employer pay credit deposited to the
21 member's account and interest credited on such amounts as provided by KRS
22 78.5512 and 78.5516;
- 23 (38) "Accumulated account balance" means:
- 24 (a) For members who began participating in the system prior to January 1, 2014,
25 the member's accumulated contributions; or
- 26 (b) For members who began participating in the system on or after January 1,
27 2014, in the hybrid cash balance plan as provided by KRS 78.5512 and

1 78.5516, the combined sum of the member's accumulated contributions and
2 the member's accumulated employer credit;

3 (39) "Volunteer" means an individual who:

4 (a) Freely and without pressure or coercion performs hours of service for an
5 employer participating in one (1) of the systems administered by Kentucky
6 Retirement Systems or the County Employees Retirement System without
7 receipt of compensation for services rendered, except for reimbursement of
8 actual expenses, payment of a nominal fee to offset the costs of performing
9 the voluntary services, or both; and

10 (b) If a retired member, does not become an employee, leased employee, or
11 independent contractor of the employer for which he or she is performing
12 volunteer services for a period of at least twelve (12) months following the
13 retired member's most recent retirement date;

14 (40) "Nominal fee" means compensation earned for services as a volunteer that does not
15 exceed five hundred dollars (\$500) per month with each participating employer.
16 Compensation earned for services as a volunteer from more than one (1)
17 participating employer during a month shall not be aggregated to determine whether
18 the compensation exceeds the five hundred dollars (\$500) per month maximum
19 provided by this subsection;

20 (41) "Nonhazardous position" means a position that does not meet the requirements of
21 KRS 78.5520 or has not been approved by the board as a hazardous position;

22 (42) "Hazardous position" means a position that meets the requirements of KRS 78.5520
23 and has been approved by the board as hazardous;

24 (43) "Level-percentage-of-payroll amortization method" means a method of determining
25 the annual amortization payment on the unfunded actuarial accrued liability as
26 expressed as a percentage of payroll over a set period of years. Under this method,
27 the percentage of payroll shall be projected to remain constant for all years

1 remaining in the set period and the unfunded actuarially accrued liability shall be
2 projected to be fully amortized at the conclusion of the set period;

3 (44) "Increment" means twelve (12) months of service credit which are purchased. The
4 twelve (12) months need not be consecutive. The final increment may be less than
5 twelve (12) months;

6 (45) "Last day of paid employment" means the last date employer and employee
7 contributions are required to be reported in accordance with KRS 16.543, 61.543, or
8 78.615 to the retirement office in order for the employee to receive current service
9 credit for the month. Last day of paid employment does not mean a date the
10 employee receives payment for accrued leave, whether by lump sum or otherwise,
11 if that date occurs twenty-four (24) or more months after previous contributions;

12 (46) "Objective medical evidence" means reports of examinations or treatments; medical
13 signs which are anatomical, physiological, or psychological abnormalities that can
14 be observed; psychiatric signs which are medically demonstrable phenomena
15 indicating specific abnormalities of behavior, affect, thought, memory, orientation,
16 or contact with reality; or laboratory findings which are anatomical, physiological,
17 or psychological phenomena that can be shown by medically acceptable laboratory
18 diagnostic techniques, including but not limited to chemical tests,
19 electrocardiograms, electroencephalograms, X-rays, and psychological tests;

20 (47) "Hazardous disability" as used in KRS 78.510 to 78.852 means a disability which
21 results in an employee's total incapacity to continue as an employee in a hazardous
22 position, but the employee is not necessarily deemed to be totally and permanently
23 disabled to engage in other occupations for remuneration or profit;

24 (48) "Act in line of duty" means, for employees in hazardous positions under KRS
25 78.5520:

26 (a) A single act occurring which was required in the performance of the principal
27 duties of the hazardous position as defined by the job description; or

- 1 (b) A single act of violence committed against the employee that is found to be
2 related to his or her job duties, whether or not it occurs at his or her job site;
- 3 (49) "Dependent child" means a child in the womb and a natural or legally adopted child
4 of the member who has neither attained age eighteen (18) nor married or who is an
5 unmarried full-time student who has not attained age twenty-two (22). Solely in the
6 case of a member who dies as a direct result of an act in line of duty as defined in
7 this section, dies as a result of a duty-related injury as defined in KRS 61.621,
8 becomes totally and permanently disabled as a direct result of an act in the line of
9 duty as defined in this section, or becomes disabled as a result of a duty-related
10 injury as defined in KRS 61.621 and is eligible for the benefits provided by KRS
11 61.621(5)(a), "dependent child" also means a naturally or legally adopted disabled
12 child of the member, regardless of the child's age, if the child has been determined
13 to be eligible for federal Social Security disability benefits or is being claimed as a
14 qualifying child for tax purposes due to the child's total and permanent disability;
- 15 (50) "Normal retirement age" means the age at which the member meets the
16 requirements for his or her normal retirement date as provided by subsection (18) of
17 this section;
- 18 (51) "Disability retirement date" means the first day of the month following the last day
19 of paid employment;
- 20 (52) "Monthly average pay" means:
- 21 (a) In the case of a member who dies as a direct result of an act in line of duty as
22 defined in KRS 16.505 or who dies as a result of a duty-related injury as
23 defined in KRS 61.621, the higher of the member's monthly final rate of pay
24 or the average monthly creditable compensation earned by the deceased
25 member during his or her last twelve (12) months of employment; or
- 26 (b) In the case where a member becomes totally and permanently disabled as a
27 direct result of an act in line of duty as defined in KRS 16.505 or becomes

1 disabled as a result of a duty-related injury as defined in KRS 61.621 and is
2 eligible for the benefits provided by KRS 61.621(5)(a), the higher of the
3 member's monthly final rate of pay or the average monthly creditable
4 compensation earned by the disabled member during his or her last twelve
5 (12) months of employment prior to the date the act in line of duty or duty-
6 related injury occurred;

7 (53) "Authority" means the Kentucky Public Pensions Authority as provided by KRS
8 61.505; and

9 (54) "Executive director" means the executive director of the Kentucky Public Pensions
10 Authority.

11 ➔Section 4. KRS 156.095 is amended to read as follows:

12 (1) The Kentucky Department of Education shall establish, direct, and maintain a
13 statewide program of professional development to improve instruction in the public
14 schools.

15 (2) Each local school district superintendent shall appoint a certified school employee
16 to fulfill the role and responsibilities of a professional development coordinator
17 who shall disseminate professional development information to schools and
18 personnel. Upon request by a school council or any employees of the district, the
19 coordinator shall provide technical assistance to the council or the personnel that
20 may include assisting with needs assessments, analyzing school data, planning and
21 evaluation assistance, organizing districtwide programs requested by school
22 councils or groups of teachers, or other coordination activities.

23 (a) The manner of appointment, qualifications, and other duties of the
24 professional development coordinator shall be established by Kentucky Board
25 of Education through promulgation of administrative regulations.

26 (b) The local district professional development coordinator shall participate in the
27 Kentucky Department of Education annual training program for local school

1 district professional development coordinators. The training program may
2 include, but not be limited to, the demonstration of various approaches to
3 needs assessment and planning; strategies for implementing long-term,
4 school-based professional development; strategies for strengthening teachers'
5 roles in the planning, development, and evaluation of professional
6 development; and demonstrations of model professional development
7 programs. The training shall include information about teacher learning
8 opportunities relating to the core content standards. The Kentucky Department
9 of Education shall regularly collect and distribute this information.

10 (3) The Kentucky Department of Education shall provide or facilitate optional,
11 professional development programs for certified personnel throughout the
12 Commonwealth that are based on the statewide needs of teachers, administrators,
13 and other education personnel. Programs may include classified staff and parents
14 when appropriate. Programs offered or facilitated by the department shall be at
15 locations and times convenient to local school personnel and shall be made
16 accessible through the use of technology when appropriate. They shall include
17 programs that: address the goals for Kentucky schools as stated in KRS 158.6451,
18 including reducing the achievement gaps as determined by an equity analysis of the
19 disaggregated student performance data from the state assessment program
20 developed under KRS 158.6453; engage educators in effective learning processes
21 and foster collegiality and collaboration; and provide support for staff to
22 incorporate newly acquired skills into their work through practicing the skills,
23 gathering information about the results, and reflecting on their efforts. Professional
24 development programs shall be made available to teachers based on their needs
25 which shall include but not be limited to the following areas:

26 (a) Strategies to reduce the achievement gaps among various groups of students
27 and to provide continuous progress;

- 1 (b) Curriculum content and methods of instruction for each content area,
2 including differentiated instruction;
- 3 (c) School-based decision making;
- 4 (d) Assessment literacy;
- 5 (e) Integration of performance-based student assessment into daily classroom
6 instruction;
- 7 (f) Nongraded primary programs;
- 8 (g) Research-based instructional practices;
- 9 (h) Instructional uses of technology;
- 10 (i) Curriculum design to serve the needs of students with diverse learning styles
11 and skills and of students of diverse cultures;
- 12 (j) Instruction in reading, including phonics, phonemic awareness,
13 comprehension, fluency, and vocabulary;
- 14 (k) Educational leadership; and
- 15 (l) Strategies to incorporate character education throughout the curriculum.
- 16 (4) The department shall assist school personnel in assessing the impact of professional
17 development on their instructional practices and student learning.
- 18 (5) The department shall assist districts and school councils with the development of
19 long-term school and district improvement plans that include multiple strategies for
20 professional development based on the assessment of needs at the school level.
- 21 (a) Professional development strategies may include but are not limited to
22 participation in subject matter academies, teacher networks, training institutes,
23 workshops, seminars, and study groups; collegial planning; action research;
24 mentoring programs; appropriate university courses; and other forms of
25 professional development.
- 26 (b) In planning the use of the four (4) days for professional development under
27 KRS 158.070, school councils and districts shall give priority to programs that

1 increase teachers' understanding of curriculum content and methods of
2 instruction appropriate for each content area based on individual school plans.
3 The district may use up to one (1) day to provide district-wide training and
4 training that is mandated by state or federal law. Only those employees
5 identified in the mandate or affected by the mandate shall be required to
6 attend the training.

7 (c) State funds allocated for professional development shall be used to support
8 professional development initiatives that are consistent with local school
9 improvement and professional development plans and teachers' individual
10 growth plans. The funds may be used throughout the year for all staff,
11 including classified and certified staff and parents on school councils or
12 committees. A portion of the funds allocated to each school council under
13 KRS 160.345 may be used to prepare or enhance the teachers' knowledge and
14 teaching practices related to the content and subject matter that are required
15 for their specific classroom assignments.

16 (6) (a) By August 1, 2010, the Kentucky Cabinet for Health and Family Services
17 shall post on its web page suicide prevention awareness information, to
18 include recognizing the warning signs of a suicide crisis. The web page shall
19 include information related to suicide prevention training opportunities
20 offered by the cabinet or an agency recognized by the cabinet as a training
21 provider.

22 (b) By September 15 of each year, every public school shall provide suicide
23 prevention awareness information in person, by live streaming, or via a video
24 recording to all students in grades six (6) through twelve (12). The
25 information may be obtained from the Cabinet for Health and Family Services
26 or from a commercially developed suicide prevention training program.

27 (c) 1. Beginning with the 2018-2019 school year, and every year thereafter, a

1 minimum of one (1) hour of high-quality suicide prevention training,
2 including the recognition of signs and symptoms of possible mental
3 illness, shall be required for all school district employees with job duties
4 requiring direct contact with students in grades six (6) through twelve
5 (12). The training shall be provided either in person, by live streaming,
6 or via a video recording and may be included in the four (4) days of
7 professional development under KRS 158.070.

8 2. When a staff member subject to the training under subparagraph 1. of
9 this paragraph is initially hired during a school year in which the
10 training is not required, the local district shall provide suicide prevention
11 materials to the staff member for review.

12 ~~[(d) The requirements of paragraphs (b) and (c) of this subsection shall apply to~~
13 ~~public charter schools as a health and safety requirement under KRS~~
14 ~~160.1592(1).]~~

15 (7) (a) By November 1, 2019, and November 1 of each year thereafter, a minimum of
16 one (1) hour of training on how to respond to an active shooter situation shall
17 be required for all school district employees with job duties requiring direct
18 contact with students. The training shall be provided either in person, by live
19 streaming, or via a video recording prepared by the Kentucky Department of
20 Criminal Justice Training in collaboration with the Kentucky Law
21 Enforcement Council, the Kentucky Department of Education, and the Center
22 for School Safety and may be included in the four (4) days of professional
23 development under KRS 158.070.

24 (b) When a staff member subject to the training requirements of this subsection is
25 initially hired after the training has been provided for the school year, the
26 local district shall provide materials on how to respond to an active shooter
27 situation.

- 1 ~~[(c) The requirements of this subsection shall also apply to public charter schools~~
2 ~~as a health and safety requirement under KRS 160.1592(1).]~~
- 3 (8) (a) The Kentucky Department of Education shall develop and maintain a list of
4 approved comprehensive evidence-informed trainings on child abuse and
5 neglect prevention, recognition, and reporting that encompass child physical,
6 sexual, and emotional abuse and neglect.
- 7 (b) The trainings shall be web-based or in-person and cover, at a minimum, the
8 following topics:
- 9 1. Recognizing child physical, sexual, and emotional abuse and neglect;
10 2. Reporting suspected child abuse and neglect in Kentucky as required by
11 KRS 620.030 and the appropriate documentation;
12 3. Responding to the child; and
13 4. Understanding the response of child protective services.
- 14 (c) The trainings shall include a questionnaire or other basic assessment tool upon
15 completion to document basic knowledge of training components.
- 16 (d) Each local board of education shall adopt one (1) or more trainings from the
17 list approved by the Department of Education to be implemented by schools.
- 18 (e) All current school administrators, certified personnel, office staff,
19 instructional assistants, and coaches and extracurricular sponsors who are
20 employed by the school district shall complete the implemented training or
21 trainings by January 31, 2017, and then every two (2) years after.
- 22 (f) All school administrators, certified personnel, office staff, instructional
23 assistants, and coaches and extracurricular sponsors who are employed by the
24 school district hired after January 31, 2017, shall complete the implemented
25 training or trainings within ninety (90) days of being hired and then every two
26 (2) years after.
- 27 (g) Every public school shall prominently display the statewide child abuse

1 hotline number administered by the Cabinet for Health and Family Services,
2 and the National Human Trafficking Reporting Hotline number administered
3 by the United States Department for Health and Human Services.

4 (9) The Department of Education shall establish an electronic consumer bulletin board
5 that posts information regarding professional development providers and programs
6 as a service to school district central office personnel, school councils, teachers, and
7 administrators. Participation on the electronic consumer bulletin board shall be
8 voluntary for professional development providers or vendors, but shall include all
9 programs sponsored by the department. Participants shall provide the following
10 information: program title; name of provider or vendor; qualifications of the
11 presenters or instructors; objectives of the program; program length; services
12 provided, including follow-up support; costs for participation and costs of
13 materials; names of previous users of the program, addresses, and telephone
14 numbers; and arrangements required. Posting information on the bulletin board by
15 the department shall not be viewed as an endorsement of the quality of any specific
16 provider or program.

17 (10) The Department of Education shall provide training to address the characteristics
18 and instructional needs of students at risk of school failure and most likely to drop
19 out of school. The training shall be developed to meet the specific needs of all
20 certified and classified personnel depending on their relationship with these
21 students. The training for instructional personnel shall be designed to provide and
22 enhance skills of personnel to:

- 23 (a) Identify at-risk students early in elementary schools as well as at-risk and
24 potential dropouts in the middle and high schools;
- 25 (b) Plan specific instructional strategies to teach at-risk students;
- 26 (c) Improve the academic achievement of students at risk of school failure by
27 providing individualized and extra instructional support to increase

- 1 expectations for targeted students;
- 2 (d) Involve parents as partners in ways to help their children and to improve their
3 children's academic progress; and
- 4 (e) Significantly reduce the dropout rate of all students.
- 5 (11) The department shall establish teacher academies to the extent funding is available
6 in cooperation with postsecondary education institutions for elementary, middle
7 school, and high school faculty in core disciplines, utilizing facilities and faculty
8 from universities and colleges, local school districts, and other appropriate agencies
9 throughout the state. Priority for participation shall be given to those teachers who
10 are teaching core discipline courses for which they do not have a major or minor or
11 the equivalent. Participation of teachers shall be voluntary.
- 12 (12) The department shall annually provide to the oversight council established in KRS
13 15A.063, the information received from local schools pursuant to KRS 158.449.
- 14 ➔Section 5. KRS 158.038 is amended to read as follows:
- 15 (1) Beginning August 1, 2020, any student identification badge issued to a student in
16 grades six (6) through twelve (12) by a public school shall contain the contact
17 information for:
- 18 (a) A national domestic violence hotline;
- 19 (b) A national sexual assault hotline; and
- 20 (c) A national suicide prevention hotline.
- 21 ~~(2) The requirements of subsection (1) of this section shall apply to public charter~~
22 ~~schools as a health and safety requirement under KRS 160.1592(1).~~
- 23 ~~(3)~~ By July 20, 2020, the Cabinet for Health and Family Services shall publish
24 recommendations for at least one (1) national hotline accessible twenty-four (24)
25 hours a day, seven (7) days a week, and three hundred sixty-five (365) days a year
26 that specializes in each of the hotline categories required by subsection (1) of this
27 section.

1 ➔Section 6. KRS 158.189 is amended to read as follows:

2 (1) As used in this section:

3 (a) "Biological sex" means the physical condition of being male or female, which
4 is determined by a person's chromosomes, and is identified at birth by a
5 person's anatomy; and

6 (b) "School" means a school under the control of a local board of education ~~or a~~
7 ~~charter school board of directors~~.

8 (2) The General Assembly finds that:

9 (a) School personnel have a duty to protect the dignity, health, welfare, and
10 privacy rights of students in their care;

11 (b) Children and young adults have natural and normal concerns about privacy
12 while in various states of undress, and most wish for members of the opposite
13 biological sex not to be present in those circumstances;

14 (c) Allowing students to use restrooms, locker rooms, or shower rooms that are
15 reserved for students of a different biological sex:

16 1. Will create a significant potential for disruption of school activities and
17 unsafe conditions; and

18 2. Will create potential embarrassment, shame, and psychological injury to
19 students;

20 (d) Parents have a reasonable expectation that schools will not allow minor
21 children to be viewed in various states of undress by members of the opposite
22 biological sex, nor allow minor children to view members of the opposite sex
23 in various states of undress; and

24 (e) Schools have a duty to respect and protect the privacy rights of students,
25 including the right not to be compelled to undress or be unclothed in the
26 presence of members of the opposite biological sex.

27 (3) Each local board of education ~~or charter school board of directors~~ shall, after

1 allowing public comment on the issue at an open meeting, adopt policies necessary
2 to protect the privacy rights outlined in subsection (2) of this section and enforce
3 this subsection. Those policies shall, at a minimum, not allow students to use
4 restrooms, locker rooms, or shower rooms that are reserved for students of a
5 different biological sex.

6 (4) (a) A student who asserts to school officials that his or her gender is different
7 from his or her biological sex and whose parent or legal guardian provides
8 written consent to school officials shall be provided with the best available
9 accommodation, but that accommodation shall not include the use of school
10 restrooms, locker rooms, or shower rooms designated for use by students of
11 the opposite biological sex while students of the opposite biological sex are
12 present or could be present.

13 (b) Acceptable accommodations may include but are not limited to access to
14 single-stall restrooms or controlled use of faculty bathrooms, locker rooms, or
15 shower rooms.

16 ➔Section 7. KRS 158.196 is amended to read as follows:

17 (1) A public school ~~or public charter school~~ shall provide instruction and instructional
18 materials that are aligned with the social studies academic standards adopted in
19 accordance with KRS 158.6453 and consistent with the following concepts:

20 (a) All individuals are created equal;

21 (b) Americans are entitled to equal protection under the law;

22 (c) An individual deserves to be treated on the basis of the individual's character;

23 (d) An individual, by virtue of the individual's race or sex, does not bear
24 responsibility for actions committed by other members of the same race or
25 sex;

26 (e) The understanding that the institution of slavery and post-Civil War laws
27 enforcing racial segregation and discrimination were contrary to the

- 1 fundamental American promise of life, liberty, and the pursuit of happiness,
2 as expressed in the Declaration of Independence, but that defining racial
3 disparities solely on the legacy of this institution is destructive to the
4 unification of our nation;
- 5 (f) The future of America's success is dependent upon cooperation among all its
6 citizens;
- 7 (g) Personal agency and the understanding that, regardless of one's circumstances,
8 an American has the ability to succeed when he or she is given sufficient
9 opportunity and is committed to seizing that opportunity through hard work,
10 pursuit of education, and good citizenship; and
- 11 (h) The significant value of the American principles of equality, freedom,
12 inalienable rights, respect for individual rights, liberty, and the consent of the
13 governed.
- 14 (2) Nothing in subsection (1) of this section shall be construed to restrict a public
15 school ~~or public charter school~~ from providing instruction or using instructional
16 materials that include:
- 17 (a) The history of an ethnic group, as described in textbooks and instructional
18 materials adopted by a school district;
- 19 (b) The discussion of controversial aspects of history; or
- 20 (c) The instruction and instructional materials on the historical oppression of a
21 particular group of people.
- 22 (3) (a) Notwithstanding the every six (6) year schedule set forth in KRS
23 158.6453(2)(a), no later than July 1, 2023, the Kentucky Department of
24 Education shall incorporate fundamental American documents and speeches
25 into the grade-level appropriate middle and high school social studies
26 academic standards and align corresponding assessments, including but not
27 limited to:

- 1 1. The Mayflower Compact;
- 2 2. The Declaration of Independence;
- 3 3. The Constitution of the United States;
- 4 4. The Federalist No. 1 (Alexander Hamilton);
- 5 5. The Federalist Nos. 10 and 51 (James Madison);
- 6 6. The June 8, 1789, speech on amendments to the Constitution of the
7 United States by James Madison;
- 8 7. The first ten (10) amendments to the Constitution of the United States,
9 also known as the Bill of Rights;
- 10 8. The 1796 Farewell Address by George Washington;
- 11 9. The United States Supreme Court opinion in *Marbury v. Madison*, 5
12 U.S. 137 (1803);
- 13 10. The Monroe Doctrine by James Monroe;
- 14 11. What to the Slave is the Fourth of July? speech by Frederick Douglass;
- 15 12. The United States Supreme Court opinion in *Dred Scott v. Sandford*, 60
16 U.S. 393 (1857);
- 17 13. Final Emancipation Proclamation by Abraham Lincoln;
- 18 14. The Gettysburg Address by Abraham Lincoln;
- 19 15. Declaration of Rights of the Women of the United States by Susan B.
20 Anthony, Matilda Joslyn Gage, and Elizabeth Cady Stanton;
- 21 16. The September 18, 1895, Atlanta Exposition Address by Booker T.
22 Washington;
- 23 17. Of Booker T. Washington and Others by W.E.B. Du Bois;
- 24 18. The United States Supreme Court opinion in *Plessy v. Ferguson*, 163
25 U.S. 537 (1896);
- 26 19. The August 31, 1910, New Nationalism speech by Theodore Roosevelt;
- 27 20. The January 11, 1944, State of the Union Address by Franklin D.

- 1 Roosevelt;
- 2 21. The United States Supreme Court opinions in *Brown v. Board of*
- 3 Education of Topeka, 347 U.S. 483 (1954) and *Brown v. Board of*
- 4 Education of Topeka, 349 U.S. 294 (1955);
- 5 22. Letter from Birmingham Jail by Martin Luther King, Jr.;
- 6 23. The August 28, 1963, I Have a Dream speech by Martin Luther King,
- 7 Jr.; and
- 8 24. A Time for Choosing by Ronald Reagan.

9 (b) This revision shall not delay or otherwise impact the existing schedule as set
 10 forth in KRS 158.6453(2).

11 ➔Section 8. KRS 158.305 (Effective July 1, 2024) is amended to read as follows:

12 (1) As used in this section:

13 (a) "Aphasia" means a condition characterized by either partial or total loss of the
 14 ability to communicate verbally or through written words. A person with
 15 aphasia may have difficulty speaking, reading, writing, recognizing the names
 16 of objects, or understanding what other people have said. The condition may
 17 be temporary or permanent and does not include speech problems caused by
 18 loss of muscle control;

19 (b) "Dyscalculia" means the inability to understand the meaning of numbers, the
 20 basic operations of addition and subtraction, the complex operations of
 21 multiplication and division, or to apply math principles to solve practical or
 22 abstract problems;

23 (c) "Dysgraphia" means difficulty in automatically remembering and mastering
 24 the sequence of muscle motor movements needed to accurately write letters or
 25 numbers;

26 (d) "Dyslexia" has the same meaning as in KRS 158.307;

27 (e) "Enrichment program" means accelerated intervention within the school day

1 or outside of the school day or school calendar led by individuals most
2 qualified to provide the intervention that includes evidence-based reading
3 instructional programming related to reading instruction in the areas of
4 phonemic awareness, phonics, fluency, vocabulary, and comprehension, and
5 other instructional strategies aligned to reading and writing standards required
6 by KRS 158.6453 and outlined in administrative regulation promulgated by
7 the Kentucky Board of Education;

8 (f) "Evidence-based" has the same meaning as in 20 U.S.C. sec. 7801(21);

9 (g) "Phonemic awareness" has the same meaning as in KRS 158.307;

10 (h) "Reading diagnostic assessment" has the same meaning as in KRS 158.792;

11 (i) "Reading improvement plan" means an accelerated intervention plan for a
12 student in kindergarten through grade four (4) that is developed to increase a
13 student's rate of progress toward proficient performance in reading that is
14 identified as necessary based on the student's results on an approved reading
15 diagnostic assessment. This plan should be developed in collaboration and
16 accordance with any existing program services plan, individualized education
17 program, or Section 504 Plan unless the program services plan, individualized
18 education program, or Section 504 Plan already addresses improving reading;

19 (j) "Reading improvement team" means a team that develops and oversees the
20 progress of a reading improvement plan and includes:

- 21 1. The parent or guardian of the student that is the subject of the reading
22 improvement plan;
- 23 2. No less than one (1) regular education teacher of the student to provide
24 information about the general curriculum for same-aged peers;
- 25 3. A representative of the local education agency who is knowledgeable
26 about the reading curriculum and the availability of the evidence-based
27 literacy resources of the local education agency; and

1 4. Any specialized certified school employees for students receiving
2 language instruction educational programming or special education
3 services; and

4 (k) "Universal screener" means a process of providing a brief assessment to all
5 students within a grade level to assess the students' performance on the
6 essential components of reading.

7 (2) Notwithstanding any other statute or administrative regulation to the contrary, the
8 Kentucky Board of Education shall promulgate administrative regulations to further
9 define a multitiered system of supports for district-wide use of a system for students
10 in kindergarten through grade three (3), that includes a tiered continuum of
11 interventions with varying levels of intensity and duration and which connects
12 general, compensatory, and special education programs to provide interventions
13 implemented with fidelity to evidence-based research and matched to individual
14 student strengths and needs. At a minimum, evidence of implementation shall be
15 submitted by the district to the department by October 1 of each year and shall
16 include but not be limited to the activities required under KRS 158.649.

17 (3) The Department of Education shall provide technical assistance and training, if
18 requested by a local district, to assist in the implementation of the district-wide,
19 multitiered system of supports as a means to identify and assist any student
20 experiencing difficulty in reading, writing, mathematics, or behavior and to
21 determine appropriate instructional modifications needed by advanced learners to
22 make continuous progress.

23 (4) The technical assistance and training shall be designed to improve:

24 (a) The use of specific screening processes and programs to identify student
25 strengths and needs;

26 (b) The use of screening data for designing instructional interventions;

27 (c) The use of multisensory instructional strategies and other interventions

1 validated for effectiveness by evidence-based research;

2 (d) Progress monitoring of student performance; and

3 (e) Accelerated, intensive, direct instruction that addresses students' individual
4 differences, including advanced learners, and enables students that are
5 experiencing difficulty to catch up with typically performing peers.

6 (5) (a) By January 1, 2023, each superintendent~~[or public charter school board of~~
7 ~~directors]~~ shall select:

8 1. At least one (1) universal screener for reading that is determined by the
9 department to be reliable and valid to be administered to all students in
10 kindergarten through grade three (3); and

11 2. At least one (1) reading diagnostic assessment for reading that is
12 determined by the department to be reliable and valid to be administered
13 as part of a multitiered system of supports for students in kindergarten
14 through grade three (3).

15 (b) Notwithstanding KRS 158.6453(19) and 160.345, each superintendent~~[or~~
16 ~~public charter school board]~~ shall adopt a common comprehensive reading
17 program that is determined by the department to be reliable, valid, and aligned
18 to reading and writing standards required by KRS 158.6453 and outlined in
19 administrative regulation promulgated by the Kentucky Board of Education
20 for kindergarten through grade three (3) for all schools or a subset of schools,
21 with consultation of all affected elementary school councils.

22 (c) All teachers of students in kindergarten through grade three (3)~~[, including~~
23 ~~public charter school teachers,]~~ shall be trained on any reading diagnostic
24 assessment and universal screener selected by the superintendent~~[or public~~
25 ~~charter school board]~~ prior to administration of the assessment. The training
26 shall address:

27 1. How to properly administer the reading diagnostic assessment;

- 1 2. How to interpret the results of the reading diagnostic assessment to
- 2 identify students needing interventions;
- 3 3. How to use the assessment results to design instruction and
- 4 interventions;
- 5 4. The use of the assessment to monitor the progress of student
- 6 performance; and
- 7 5. The use of accelerated, intensive, and direct instruction that addresses
- 8 students' individual differences and enables students to achieve
- 9 proficiency in reading, including but not limited to daily, one-on-one
- 10 instruction.
- 11 (6) Beginning with the 2023-2024 school year, a universal screener determined by the
- 12 Department of Education to be reliable and valid shall be:
- 13 (a) Given in the first forty-five (45) days of the school year for all kindergarten
- 14 students at a public school~~[-or public charter school]~~; and
- 15 (b) Given in the first thirty (30) days of the school year for grades one (1) through
- 16 three (3) at a public school~~[-or public charter school]~~.
- 17 (7) A reading improvement plan shall be developed and implemented by a reading
- 18 improvement team for any student in kindergarten through grade three (3) identified
- 19 as needing accelerated interventions to progress toward proficient performance in
- 20 reading. The reading improvement plan shall require:
- 21 (a) Intensive intervention that includes effective instructional strategies and
- 22 appropriate instructional materials necessary to help the student make
- 23 accelerated progress toward proficient performance in reading and become
- 24 ready for the next grade, including but not limited to daily, one-on-one
- 25 instruction with students the most in need provided by certified teachers
- 26 specifically trained to provide one-on-one instruction;
- 27 (b) A school to provide a written quarterly progress report containing the

1 information required by paragraph (a) of this subsection to a parent or
2 guardian of any student subject to a reading improvement plan. The written
3 quarterly progress report for the reading improvement plan may be included
4 in the school's existing quarterly progress report; and

5 (c) Individual placement decisions for children who are eligible for special
6 education and related services to be determined by the appropriate admissions
7 and release committee in accordance with administrative regulations
8 promulgated by the Kentucky Board of Education.

9 (8) Beginning in the 2023-2024 school year, if a student's rate of progress toward
10 proficient performance in reading needs accelerated interventions as demonstrated
11 by the results of an approved reading diagnostic assessment, the local school district
12 shall provide:

13 (a) Enrichment programs through grade three (3) using evidence-based reading
14 instruction and other strategies;

15 (b) Intensive instructional services, progress monitoring measures, and supports
16 to students through grade three (3); and

17 (c) Parents and legal guardians of students identified for accelerated interventions
18 in reading in kindergarten through grade three (3) with a "Read at Home"
19 plan, including information on how to participate in regular parent-guided
20 home reading.

21 (9) Beginning in the 2024-2025 school year, if a student does not score in the proficient
22 performance level or higher in reading, as defined in KRS 158.791(2), on the state
23 annually required grade three (3) assessment, the local school district shall provide:

24 (a) 1. Enrichment programs in grade four (4) using evidence-based reading
25 instruction and other strategies; or

26 2. Intensive instructional services, progress monitoring measures, and
27 supports to students in grade four (4); and

1 (b) Written notification of the interventions and supports described in paragraph
2 (a) of this subsection to the parent or legal guardian of the student, including a
3 description of proposed interventions and supports to be provided.

4 (10) By September 1, 2023, if funds are appropriated, the department shall establish
5 required teacher academies or coaching models for teachers of students in
6 prekindergarten through grade three (3). The teacher academies or coaching models
7 shall be related to evidence-based practices in instruction, instructional materials,
8 and assessment in reading.

9 (11) The department shall develop and maintain a web-based resource providing
10 teachers access to:

11 (a) Information on the use of specific screening processes and programs to
12 identify student strengths and needs, including those for advanced learners;

13 (b) Current, evidence-based research and age-appropriate instructional tools that
14 may be used for substantial, steady improvement in:

15 1. Reading when a student is experiencing difficulty with phonemic
16 awareness, phonics, vocabulary, fluency, general reading
17 comprehension, or reading in specific content areas, or is exhibiting
18 characteristics of dyslexia, aphasia, or other reading difficulties;

19 2. Writing when a student is experiencing difficulty with consistently
20 producing letters or numbers with accuracy or is exhibiting
21 characteristics of dysgraphia;

22 3. Mathematics when a student is experiencing difficulty with basic math
23 facts, calculations, or application through problem solving, or is
24 exhibiting characteristics of dyscalculia or other mathematical
25 difficulties; or

26 4. Behavior when a student is exhibiting behaviors that interfere with his
27 or her learning or the learning of other students; and

1 (c) Current, evidence-based research and age-appropriate instructional tools that
2 may be used for continuous progress of advanced learners.

3 (12) The department shall encourage districts to utilize both state and federal funds as
4 appropriate to implement a district-wide multitiered system of supports.

5 (13) The department is encouraged to coordinate technical assistance and training on
6 current best practice interventions with state postsecondary education institutions.

7 (14) The department shall collaborate with the statewide reading research center
8 established under KRS 164.0207, the Kentucky Center for Mathematics, the
9 Kentucky Center for Instructional Discipline, the Education Professional Standards
10 Board, the Council on Postsecondary Education, postsecondary teacher education
11 programs, and other agencies and organizations as deemed appropriate to ensure
12 that teachers are prepared to utilize evidence-based interventions in reading,
13 writing, mathematics, and behavior.

14 (15) In compliance with 20 U.S.C. sec. 1414(a)(1)(E), screening of a student to
15 determine appropriate instructional strategies for curriculum implementation shall
16 not be considered to be an evaluation for eligibility for special education and related
17 services and nothing in this section shall limit a school district from completing an
18 initial evaluation of a student suspected of having a disability.

19 ➔Section 9. KRS 158.4416 is amended to read as follows:

20 (1) For purposes of this section:

21 (a) "School counselor" means an individual who holds a valid school counselor
22 certificate issued in accordance with the administrative regulations of the
23 Education Professional Standards Board;

24 (b) "School-based mental health services provider" means a licensed or certified
25 school counselor, school psychologist, school social worker, or other qualified
26 mental health professional as defined in KRS 202A.011; and

27 (c) "Trauma-informed approach" means incorporating principles of trauma

1 awareness and trauma-informed practices, as recommended by the federal
2 Substance Abuse and Mental Health Services Administration, in a school in
3 order to foster a safe, stable, and understanding learning environment for all
4 students and staff and ensuring that all students are known well by at least one
5 (1) adult in the school setting.

6 (2) The General Assembly recognizes that all schools must provide a place for students
7 to feel safe and supported to learn throughout the school day, and that any trauma a
8 student may have experienced can have a significant impact on the ability of a
9 student to learn. The General Assembly directs all public schools to adopt a trauma-
10 informed approach to education in order to better recognize, understand, and
11 address the learning needs of students impacted by trauma and to foster a learning
12 environment where all students, including those who have been traumatized, can be
13 safe, successful, and known well by at least one (1) adult in the school setting.

14 (3) (a) Beginning July 1, 2021, or as funds and qualified personnel become available:
15 1. Each school district ~~and each public charter school~~ shall employ at
16 least one (1) school counselor in each school with the goal of the school
17 counselor spending sixty percent (60%) or more of his or her time
18 providing counseling and related services directly to students; and
19 2. It shall be the goal that each school district ~~and each public charter~~
20 ~~school~~ shall provide at least one (1) school counselor or school-based
21 mental health services provider who is employed by the school district
22 for every two hundred fifty (250) students, including but not limited to
23 the school counselor required in subparagraph 1. of this paragraph.

24 (b) A school counselor or school-based mental health services provider at each
25 school shall facilitate the creation of a trauma-informed team to identify and
26 assist students whose learning, behavior, and relationships have been
27 impacted by trauma. The trauma-informed team may consist of school

1 administrators, school counselors, school-based mental health services
2 providers, family resource and youth services coordinators, school nurses, and
3 any other school or district personnel.

4 (c) Each school counselor or school-based mental health services provider
5 providing services pursuant to this section, and the trauma-informed team
6 members described in paragraph (b) of this subsection, shall provide training,
7 guidance, and assistance to other administrators, teachers, and staff on:

- 8 1. Recognizing symptoms of trauma in students;
- 9 2. Utilizing interventions and strategies to support the learning needs of
10 those students; and
- 11 3. Implementing a plan for a trauma-informed approach as described in
12 subsection (5) of this section.

13 (d) 1. School districts may employ or contract for the services of school-based
14 mental health services providers to assist with the development and
15 implementation of a trauma-informed approach and the development of
16 a trauma-informed team pursuant to this subsection and to enhance or
17 expand student mental health support services as funds and qualified
18 personnel become available.

19 2. School-based mental health services providers may provide services
20 through a collaboration between two (2) or more school districts or
21 between school districts and educational cooperatives or any other
22 public or private entities, including but not limited to local or regional
23 mental health day treatment programs.

24 (e) No later than November 1, 2022, and each subsequent year, the local school
25 district superintendent shall report to the department the number of school-
26 based mental health service providers, the position held, placement in the
27 district, certification or licensure held, the source of funding for each position,

1 a summary of the job duties and work undertaken by each school-based
2 mental health service provider, and the approximate percent of time devoted
3 to each duty over the course of the year.

4 (f) The department shall annually compile and maintain a list of school-based
5 mental health service providers by district which shall include the information
6 required in paragraph (e) of this subsection.

7 (g) No later than June 1, 2023, and each subsequent year, the department shall
8 provide the Interim Joint Committee on Education with the information
9 reported by local school district superintendents and compiled in accordance
10 with paragraph (f) of this subsection.

11 (4) On or before July 1, 2020, the Department of Education shall make available a
12 toolkit that includes guidance, strategies, behavioral interventions, practices, and
13 techniques to assist school districts ~~and public charter schools~~ in developing a
14 trauma-informed approach in schools.

15 (5) On or before July 1, 2021, each local board of education ~~and board of a public~~
16 ~~charter school~~ shall develop a plan for implementing a trauma-informed approach
17 in its schools. The plan shall include but not be limited to strategies for:

18 (a) Enhancing trauma awareness throughout the school community;

19 (b) Conducting an assessment of the school climate, including but not limited to
20 inclusiveness and respect for diversity;

21 (c) Developing trauma-informed discipline policies;

22 (d) Collaborating with the Department of Kentucky State Police, the local sheriff,
23 and the local chief of police to create procedures for notification of trauma-
24 exposed students; and

25 (e) Providing services and programs designed to reduce the negative impact of
26 trauma, support critical learning, and foster a positive and safe school
27 environment for every student.

1 ➔Section 10. KRS 160.152 is amended to read as follows:

- 2 (1) For purposes of this section, "Kentucky Educator Placement Service System" or
3 "system" means the online statewide job posting system operated by the Kentucky
4 Department of Education for vacancies at local school districts ~~and public charter~~
5 ~~schools~~.
- 6 (2) The Kentucky Department of Education shall ensure that the Kentucky Educator
7 Placement Service System:
- 8 (a) Is accessible through the department's website;
- 9 (b) Includes a mechanism for local school districts ~~and public charter schools~~ to
10 electronically submit job openings for posting on the system as provided in
11 subsection (4) of this section;
- 12 (c) Allows the public to review job postings;
- 13 (d) Allows potential applicants to electronically submit applications and relevant
14 application materials; and
- 15 (e) Permits school districts ~~and public charter schools~~ to access, review, and
16 download applications and application materials.
- 17 (3) Each job posting for a vacancy at a school district ~~or public charter school~~ shall
18 include the school district's ~~or public charter school's~~ policy against discrimination
19 in employment.
- 20 (4) School districts ~~and public charter schools~~ shall electronically submit all job
21 postings to the system. All postings must include an opening and closing date for
22 each position posted.
- 23 (5) The Kentucky Department of Education shall operate and maintain the system to
24 ensure that job postings are current, including tracking each unique position posted,
25 monitoring for repeated position postings, and removing outdated postings, and to
26 collect accurate data about employment in public schools.
- 27 (6) Nothing in this section shall:

- 1 (a) Prohibit a school district~~[or public charter school]~~ from advertising job
2 openings and recruiting employees independently from the system;
- 3 (b) Prohibit a school district~~[or public charter school]~~ from using another method
4 of advertising job openings or another applicant tracking system in addition to
5 the system;
- 6 (c) Require all job applications for posted vacancies to be submitted digitally or
7 only be submitted through the system; or
- 8 (d) Provide the Kentucky Department of Education with any regulatory authority
9 in the hiring process or hiring decisions of any school district~~[or public
10 charter school]~~.
- 11 (7) The Kentucky Department of Education shall prepare a report detailing data from
12 the system and its implication for the status of employment in public schools,
13 including but not limited to the number and type of unique and duplicated job
14 postings, how often postings are viewed by the public, and positions that are
15 remaining vacant by type, certification requirement, and location. The report shall
16 be submitted to the Interim Joint Committee on Education by October 1, 2023, and
17 annually thereafter.
- 18 ➔Section 11. KRS 161.164 is amended to read as follows:
- 19 (1) No employee of the local school district shall take part in the management or
20 activities of any political campaign for school board.
- 21 (2) No candidate for school board shall solicit or accept any political assessment,
22 subscription, contribution, or service of any employee of the school district.
- 23 (3) No person shall use or promise to use, directly or indirectly, any official authority
24 or influence, whether possessed or anticipated, to secure or attempt to secure for
25 any person an appointment or advantage in appointment to a position as teacher or
26 employee of any district board of education, or an increase in pay or other
27 advantage in employment in any such position, for the purpose of influencing the

1 vote or political action of any person.

2 (4) No teacher or employee of any district board of education shall be appointed or
3 promoted to, or demoted or dismissed from, any position or in any way favored or
4 discriminated against with respect to employment because of his political or
5 religious opinions or affiliations or ethnic origin or race or color or sex or age or
6 disabling condition.

7 (5) Any instruction or instructional materials on current, controversial topics related to
8 public policy or social affairs provided to public school~~[or public charter school]~~
9 students, regardless of whether the individual that provides the instruction is
10 employed by the local school district~~[or public charter school]~~, shall be:

11 (a) Within the range of knowledge, understanding, age, and maturity of the
12 students receiving the instruction; and

13 (b) Relevant, objective, nondiscriminatory, and respectful to the differing
14 perspectives of students.

15 (6) An employee of a public school district~~[or public charter school]~~ shall not violate a
16 student's First Amendment rights by requiring or incentivizing a student to advocate
17 in a civic space on behalf of a perspective with which the student or the parent or
18 guardian of a minor student does not agree.

19 (7) An employee of a local school district~~[or public charter school]~~ shall not be
20 required to engage in training, orientation, or therapy that coerces the employee to
21 stereotype any group.

22 (8) The local superintendent shall inform all school employees of the provisions of this
23 section.

24 ➔Section 12. KRS 161.220 is amended to read as follows:

25 As used in KRS 161.220 to 161.716 and 161.990:

26 (1) "Retirement system" means the arrangement provided for in KRS 161.220 to
27 161.716 and 161.990 for payment of allowances to members;

- 1 (2) "Retirement allowance" means the amount annually payable during the course of
2 his or her natural life to a member who has been retired by reason of service;
- 3 (3) "Disability allowance" means the amount annually payable to a member retired by
4 reason of disability;
- 5 (4) "Member" means the commissioner of education, deputy commissioners, associate
6 commissioners, and all division directors in the State Department of Education,
7 employees participating in the system pursuant to KRS 196.167(3)(b)1., and any
8 full-time teacher or professional occupying a position requiring certification or
9 graduation from a four (4) year college or university, as a condition of employment,
10 and who is employed by public boards, institutions, or agencies as follows:
- 11 (a) Local boards of education~~[and public charter schools if the public charter~~
12 ~~school satisfies the criteria set by the Internal Revenue Service to participate~~
13 ~~in a governmental retirement plan]~~;
- 14 (b) Eastern Kentucky University, Kentucky State University, Morehead State
15 University, Murray State University, Western Kentucky University, and any
16 community colleges established under the control of these universities;
- 17 (c) State-operated secondary area vocational education or area technology
18 centers, Kentucky School for the Blind, and Kentucky School for the Deaf;
- 19 (d) Other public education agencies as created by the General Assembly and
20 those members of the administrative staff of the Teachers' Retirement System
21 of the State of Kentucky whom the board of trustees may designate by
22 administrative regulation;
- 23 (e) Regional cooperative organizations formed by local boards of education or
24 other public educational institutions listed in this subsection, for the purpose
25 of providing educational services to the participating organizations;
- 26 (f) All full-time members of the staffs of the Kentucky Association of School
27 Administrators, Kentucky Education Association, Kentucky Vocational

1 Association, Kentucky High School Athletic Association, Kentucky
2 Academic Association, and the Kentucky School Boards Association who
3 were members of the Kentucky Teachers' Retirement System or were
4 qualified for a position covered by the system at the time of employment by
5 the association in the event that the board of directors of the respective
6 association petitions to be included. The board of trustees of the Kentucky
7 Teachers' Retirement System may designate by resolution whether part-time
8 employees of the petitioning association are to be included. The state shall
9 make no contributions on account of these employees, either full-time or part-
10 time. The association shall make the employer's contributions, including any
11 contribution that is specified under KRS 161.550. The provisions of this
12 paragraph shall be applicable to persons in the employ of the associations on
13 or subsequent to July 1, 1972;

14 (g) Employees of the Council on Postsecondary Education who were employees
15 of the Department for Adult Education and Literacy and who were members
16 of the Kentucky Teachers' Retirement System at the time the department was
17 transferred to the council pursuant to Executive Order 2003-600;

18 (h) The Office of Career and Technical Education;

19 (i) The Office of Vocational Rehabilitation;

20 (j) The Kentucky Educational Collaborative for State Agency Children;

21 (k) The Governor's Scholars Program;

22 (l) Any person who is retired for service from the retirement system and is
23 reemployed by an employer identified in this subsection in a position that the
24 board of trustees deems to be a member, except that any person who becomes
25 a member on or after January 1, 2022, and subsequently draws a monthly
26 lifetime retirement allowance, shall upon reemployment after retirement not
27 earn a second retirement account;

- 1 (m) Employees of the former Cabinet for Workforce Development who are
2 transferred to the Kentucky Community and Technical College System and
3 who occupy positions covered by the Kentucky Teachers' Retirement System
4 shall remain in the Teachers' Retirement System. New employees occupying
5 these positions, as well as newly created positions qualifying for Teachers'
6 Retirement System coverage that would have previously been included in the
7 former Cabinet for Workforce Development, shall be members of the
8 Teachers' Retirement System;
- 9 (n) Effective January 1, 1998, employees of state community colleges who are
10 transferred to the Kentucky Community and Technical College System shall
11 continue to participate in federal old age, survivors, disability, and hospital
12 insurance, and a retirement plan other than the Kentucky Teachers' Retirement
13 System offered by Kentucky Community and Technical College System. New
14 employees occupying positions in the Kentucky Community and Technical
15 College System as referenced in KRS 164.5807(5) that would not have
16 previously been included in the former Cabinet for Workforce Development,
17 shall participate in federal old age, survivors, disability, and hospital
18 insurance and have a choice at the time of employment of participating in a
19 retirement plan provided by the Kentucky Community and Technical College
20 System, including participation in the Kentucky Teachers' Retirement System,
21 on the same basis as faculty of the state universities as provided in KRS
22 161.540 and 161.620;
- 23 (o) Employees of the Office of General Counsel, the Office of Budget and
24 Administrative Services, and the Office of Quality and Human Resources
25 within the Office of the Secretary of the former Cabinet for Workforce
26 Development and the commissioners of the former Department for Adult
27 Education and Literacy and the former Department for Technical Education

1 who were contributing to the Kentucky Teachers' Retirement System as of
2 July 15, 2000;

3 (p) Employees of the Kentucky Department of Education only who are graduates
4 of a four (4) year college or university, notwithstanding a substitution clause
5 within a job classification, and who are serving in a professional job
6 classification as defined by the department;

7 (q) The Governor's School for Entrepreneurs Program;

8 (r) Employees of the Office of Adult Education within the Department of
9 Workforce Development in the Education and Labor Cabinet who were
10 employees of the Council on Postsecondary Education, Kentucky Adult
11 Education Program and who were members of the Kentucky Teachers'
12 Retirement System at the time the Program was transferred to the cabinet
13 pursuant to Executive Orders 2019-0026 and 2019-0027; and

14 (s) Employees of the Education Professional Standards Board who were
15 members of the Kentucky Teachers' Retirement System at the time the
16 employees were transferred to the Kentucky Department of Education
17 pursuant to Executive Order 2020-590;

18 (5) "Present teacher" means any teacher who was a teacher on or before July 1, 1940,
19 and became a member of the retirement system created by 1938 (1st Extra. Sess.)
20 Ky. Acts ch. 1, on the date of the inauguration of the system or within one (1) year
21 after that date, and any teacher who was a member of a local teacher retirement
22 system in the public elementary or secondary schools of the state on or before July
23 1, 1940, and continued to be a member of the system until he or she, with the
24 membership of the local retirement system, became a member of the state Teachers'
25 Retirement System or who becomes a member under the provisions of KRS
26 161.470(4);

27 (6) "New teacher" means any member not a present teacher;

- 1 (7) "Prior service" means the number of years during which the member was a teacher
2 in Kentucky prior to July 1, 1941, except that not more than thirty (30) years' prior
3 service shall be allowed or credited to any teacher;
- 4 (8) "Subsequent service" means the number of years during which the teacher is a
5 member of the Teachers' Retirement System after July 1, 1941;
- 6 (9) "Final average salary" means the average of the five (5) highest annual salaries
7 which the member has received for service in a covered position and on which the
8 member has made contributions, or on which the public board, institution, or
9 agency has picked-up member contributions pursuant to KRS 161.540(2), or the
10 average of the five (5) years of highest salaries as defined in KRS 61.680(2)(a),
11 which shall include picked-up member contributions. Additionally, the board of
12 trustees may approve a final average salary based upon the average of the three (3)
13 highest salaries for individuals who become members prior to January 1, 2022, who
14 are at least fifty-five (55) years of age and have a minimum of twenty-seven (27)
15 years of Kentucky service credit. However, if any of the five (5) or three (3) highest
16 annual salaries used to calculate the final average salary was paid within the three
17 (3) years immediately prior to the date of the member's retirement for individuals
18 who become members prior to January 1, 2022, or within the five (5) years
19 immediately prior to the date of the member's retirement for individuals who
20 become members on or after January 1, 2022, the amount of salary to be included
21 for each of those three (3) years or five (5) years, as applicable, for the purpose of
22 calculating the final average salary shall be limited to the lesser of:
- 23 (a) The member's actual salary; or
- 24 (b) The member's annual salary that was used for retirement purposes during each
25 of the prior three (3) years or five (5) years, as applicable, plus a percentage
26 increase equal to the percentage increase received by all other members
27 employed by the public board, institution, or agency, or for members of

1 school districts, the highest percentage increase received by members on any
2 one (1) rank and step of the salary schedule of the school district. The increase
3 shall be computed on the salary that was used for retirement purposes. The
4 board of trustees may promulgate an administrative regulation in accordance
5 with KRS Chapter 13A to establish a methodology for measuring the
6 limitation so that the combined increases in salary for each of the last three (3)
7 full years of salary prior to retirement shall not exceed the total permissible
8 percentage increase received by other members of the employer for the same
9 three (3) year period.

10 For individuals who became members of the retirement system prior to July 1,
11 2021, this limitation shall not apply if the member receives an increase in salary in a
12 percentage exceeding that received by the other members, and this increase was
13 accompanied by a corresponding change in position or in length of employment.
14 The board of trustees may promulgate an administrative regulation in accordance
15 with KRS Chapter 13A to provide definitions for a corresponding change in
16 position or in length of employment. This limitation shall also not apply to the
17 payment to a member for accrued annual leave if the individual becomes a member
18 before July 1, 2008, or accrued sick leave which is authorized by statute and which
19 shall, for individuals subject to KRS 161.155(10) who became nonuniversity
20 members of the system prior to January 1, 2022, be included as part of a retiring
21 member's annual compensation for the member's last year of active service;

22 (10) "Annual compensation" means the total salary received by a member as
23 compensation for all services performed in employment covered by the retirement
24 system during a fiscal year. Annual compensation shall not include payment for any
25 benefit or salary adjustments made by the public board, institution, or agency to the
26 member or on behalf of the member which is not available as a benefit or salary
27 adjustment to other members employed by that public board, institution, or agency.

1 Annual compensation shall not include the salary supplement received by a member
2 under KRS 157.197(2)(c), 158.6455, or 158.782 on or after July 1, 1996. Under no
3 circumstances shall annual compensation include compensation that is earned by a
4 member while on assignment to an organization or agency that is not a public
5 board, institution, or agency listed in subsection (4) of this section. In the event that
6 federal law requires that a member continue membership in the retirement system
7 even though the member is on assignment to an organization or agency that is not a
8 public board, institution, or agency listed in subsection (4) of this section, the
9 member's annual compensation for retirement purposes shall be deemed to be the
10 annual compensation, as limited by subsection (9) of this section, last earned by the
11 member while still employed solely by and providing services directly to a public
12 board, institution, or agency listed in subsection (4) of this section. The board of
13 trustees shall determine if any benefit or salary adjustment qualifies as annual
14 compensation. For an individual who becomes a member on or after July 1, 2008,
15 annual compensation shall not include lump-sum payments upon termination of
16 employment for accumulated annual or compensatory leave;

17 (11) "Age of member" means the age attained on the first day of the month immediately
18 following the birthdate of the member. This definition is limited to retirement
19 eligibility and does not apply to tenure of members;

20 (12) "Employ," and derivatives thereof, means relationships under which an individual
21 provides services to an employer as an employee, as an independent contractor, as
22 an employee of a third party, or under any other arrangement as long as the services
23 provided to the employer are provided in a position that would otherwise be
24 covered by the Kentucky Teachers' Retirement System and as long as the services
25 are being provided to a public board, institution, or agency listed in subsection (4)
26 of this section;

27 (13) "Regular interest" means:

- 1 (a) For an individual who becomes a member prior to July 1, 2008, interest at
2 three percent (3%) per annum;:
- 3 (b) For an individual who becomes a member on or after July 1, 2008, but prior to
4 January 1, 2022, interest at two and one-half percent (2.5%) per annum for
5 purposes of crediting interest to the teacher savings account or any other
6 contributions made by the employee that are refundable to the employee upon
7 termination of employment; and
- 8 (c) For an individual who becomes a member on or after January 1, 2022, the
9 rolling five (5) year yield on a thirty (30) year United States Treasury bond as
10 of the end of May prior to the most recently completed fiscal year, except
11 that:
- 12 1. Once the member has at least sixty (60) months of service in the system
13 it shall mean interest at two and one-half percent (2.5%) per annum for
14 purposes of crediting interest to employee contributions in the
15 foundational benefit component or any other contributions made by the
16 employee to the foundational benefit component that are refundable to
17 the employee upon termination of employment; and
- 18 2. The board shall have the authority to adjust the regular interest rate for
19 individuals who become members on or after January 1, 2022, in
20 accordance with KRS 161.633 and 161.634;
- 21 (14) "Accumulated contributions" means the contributions of a member to the teachers'
22 savings fund, including picked-up member contributions as described in KRS
23 161.540(2), plus accrued regular interest;
- 24 (15) "Annuitant" means a person who receives a retirement allowance or a disability
25 allowance;
- 26 (16) "Local retirement system" means any teacher retirement or annuity system created
27 in any public school district in Kentucky in accordance with the laws of Kentucky;

- 1 (17) "Fiscal year" means the twelve (12) month period from July 1 to June 30. The
2 retirement plan year is concurrent with this fiscal year. A contract for a member
3 employed by a local board of education may not exceed two hundred sixty-one
4 (261) days in the fiscal year;
- 5 (18) "Public schools" means the schools and other institutions mentioned in subsection
6 (4) of this section;
- 7 (19) "Dependent" as used in KRS 161.520 and 161.525 means a person who was
8 receiving, at the time of death of the member, at least one-half (1/2) of the support
9 from the member for maintenance, including board, lodging, medical care, and
10 related costs;
- 11 (20) "Active contributing member" means a member currently making contributions to
12 the Teachers' Retirement System, who made contributions in the next preceding
13 fiscal year, for whom picked-up member contributions are currently being made, or
14 for whom these contributions were made in the next preceding fiscal year;
- 15 (21) "Full-time" means employment in a position that requires services on a continuing
16 basis equal to at least seven-tenths (7/10) of normal full-time service on a fiscal
17 year basis;
- 18 (22) "Full actuarial cost," when used to determine the payment that a member must pay
19 for service credit means the actuarial value of all costs associated with the
20 enhancement of a member's benefits or eligibility for benefit enhancements,
21 including health insurance supplement payments made by the retirement system.
22 The actuary for the retirement system shall determine the full actuarial value costs
23 and actuarial cost factor tables as provided in KRS 161.400;
- 24 (23) "Last annual compensation" means the annual compensation, as defined by
25 subsection (10) of this section and as limited by subsection (9) of this section,
26 earned by the member during the most recent period of contributing service, either
27 consecutive or nonconsecutive, that is sufficient to provide the member with one (1)

- 1 full year of service credit in the Kentucky Teachers' Retirement System, and which
2 compensation is used in calculating the member's initial retirement allowance,
3 excluding bonuses, retirement incentives, payments for accumulated sick leave,
4 annual, personal, and compensatory leave, and any other lump-sum payment. For
5 an individual who becomes a member on or after July 1, 2008, payments for annual
6 or compensatory leave shall not be included in determining the member's last
7 annual compensation;
- 8 (24) "Participant" means a member, as defined by subsection (4) of this section, or an
9 annuitant, as defined by subsection (15) of this section;
- 10 (25) "Qualified domestic relations order" means any judgment, decree, or order,
11 including approval of a property settlement agreement, that:
- 12 (a) Is issued by a court or administrative agency; and
13 (b) Relates to the provision of child support, alimony payments, or marital
14 property rights to an alternate payee;
- 15 (26) "Alternate payee" means a spouse, former spouse, child, or other dependent of a
16 participant, who is designated to be paid retirement benefits in a qualified domestic
17 relations order;
- 18 (27) "University member" means an individual who becomes a member through
19 employment with an employer specified in subsection (4)(b) and (n) of this section;
- 20 (28) "Nonuniversity member" means an individual who becomes a member through
21 employment with an employer specified under subsection (4) of this section, except
22 for those members employed by an employer specified in subsection (4)(b) and (n)
23 of this section;
- 24 (29) "Accumulated employer contribution" means the employer contribution deposited
25 to a member's account through the supplemental benefit component and regular
26 interest credited on such amounts as provided by KRS 161.635 for nonuniversity
27 members and KRS 161.636 for university members;

1 (30) "Accumulated account balance" means:

2 (a) For members who began participating in the system prior to January 1, 2022,
3 the member's accumulated contributions; or

4 (b) For members who began participating in the system on or after January 1,
5 2022, the combined sum of the member's accumulated contributions and the
6 member's accumulated employer contributions;

7 (31) "Foundational benefit component" means the benefits provided by KRS 161.220 to
8 161.716 to individuals who become members on or after January 1, 2022, except
9 for the supplemental benefit component and retiree health benefits set forth in KRS
10 161.675; and

11 (32) "Supplemental benefit component" means:

12 (a) The benefit established pursuant to KRS 161.635 for individuals who become
13 nonuniversity members on or after January 1, 2022; or

14 (b) The benefit established pursuant to KRS 161.636 for individuals who become
15 university members on or after January 1, 2022.

16 ➔Section 13. KRS 218B.045 (Effective January 1, 2025) is amended to read as
17 follows:

18 (1) A registered qualified patient or visiting qualified patient who uses medicinal
19 cannabis shall be afforded all the same rights under state and local law, including
20 those guaranteed under KRS Chapter 344, as the individual would have been
21 afforded if he or she were solely prescribed pharmaceutical medications as they
22 pertain to drug testing required by any state or local law.

23 (2) A cardholder otherwise entitled to custody of, or visitation time or parenting time
24 with, a minor child shall not be denied that right, and there shall be no presumption
25 of abuse, neglect, or dependency for conduct permitted under this chapter unless the
26 person's actions in relation to medicinal cannabis created an unreasonable danger to
27 the safety of the minor child as established by clear and convincing evidence.

- 1 (3) (a) For the purposes of medical care, including organ transplants, a patient's
2 authorized use of medicinal cannabis is the equivalent of the authorized use of
3 any other medication used at the direction of a practitioner.
- 4 (b) A health facility as defined in KRS 216B.015 may develop policies to allow a
5 patient who is a registered qualified patient or visiting qualified patient to use
6 medicinal cannabis on the premises of the health facility.
- 7 (4) (a) A school shall not refuse to enroll, or otherwise penalize, a person solely for
8 his or her status as a cardholder, unless failing to do so would violate federal
9 law or regulations and cause the school to lose a monetary or licensing-related
10 benefit under federal law or regulations.
- 11 (b) A school shall not be penalized or denied any benefit under state law for
12 enrolling a cardholder.
- 13 (c) Each local board of education~~[and each board of directors of a public charter~~
14 ~~school]~~ shall, no later than July 1, 2024, establish policies to permit a pupil
15 who is a registered qualified patient to consume medicinal cannabis on school
16 property as deemed necessary by the pupil's parent or legal guardian. Policies
17 enacted pursuant to this paragraph shall require medicinal cannabis be
18 administered by a school nurse or under the supervision of appropriate school
19 staff.

20 ➔Section 14. The following KRS sections are repealed:

- 21 160.1590 Definitions for KRS 160.1590 to 160.1599.
- 22 160.1591 Legislative findings and declarations -- Public charter school project.
- 23 160.15911 Kentucky Public Charter School Pilot Project -- Authorizers -- Approval of
24 charter application -- Collective may act as substitute authorizer -- Annual report --
25 Performance review -- Contract renewal.
- 26 160.1592 Public charter schools part of state's public education system -- Exemption
27 from laws and regulations -- School requirements -- Enrollment option information

- 1 for parents -- Board of directors -- Buildings and grounds, liability insurance, and
2 other undertakings -- Requirement to be nonsectarian and nondiscriminatory --
3 Authorized grade levels -- Programs and services for students with disabilities --
4 Participation in athletic, academic, and other programs -- Single-sex public charter
5 schools permitted -- Amendments to charter contract -- Acceptance of credits
6 earned and grades received in public charter school -- Leave of absence to teach in
7 public charter school.
- 8 160.1593 Application to establish public charter school -- Submission to authorizer and
9 state board -- Required application information.
- 10 160.1594 Public charter school authorizer -- Duties -- Application reviews and decisions
11 -- Criteria for approval -- Explanation of decision -- Submission to Department of
12 Education -- School board member charter authorization training.
- 13 160.1595 Request for technical assistance -- Appeal of approval or denial to state board
14 -- Judicial review -- Joint oversight.
- 15 160.1596 Board of directors of public charter schools -- Required elements of charter
16 contract with authorizer -- Calculation of daily average attendance -- Proportional
17 transfer of funds -- Services -- Negotiation by collaborative -- Calculations for first
18 year -- Authorizer fee -- Schedule for funds transfer -- Grants -- Share of state and
19 federal funds -- Distribution of closed school's assets -- Administrative regulations -
20 - Annual report by authorizer.
- 21 160.1597 Term of approved charter school contract -- Contract between board of
22 directors and authorizer's governing body -- Corporate powers -- Prohibition against
23 tax levies and use of eminent domain -- Immunity from liability.
- 24 160.1598 Renewal or nonrenewal of charter contract -- School performance report --
25 Reasons for nonrenewal or revocation -- Administrative regulations -- Report of
26 action taken and reason for decision -- School closure protocol.
- 27 160.1599 Conversion of public noncharter school to public charter school --

1 Establishment requirements -- Administrative regulations -- Governance --
2 Enrollment requirements -- Employees -- Collective bargaining -- School
3 facilities.

4 161.141 Participation in retirement systems -- State-sponsored insurance program --
5 Appropriations for retirement and insurance -- Sick leave credit -- Requirements
6 and prohibitions concerning public charter school employees and local school
7 boards -- Employees of education service provider.