

1 AN ACT relating to reports submitted to the Interim Joint Committee on
2 Appropriations and Revenue.

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

4 ➔Section 1. KRS 15A.065 is amended to read as follows:

5 (1) The Department of Juvenile Justice shall be headed by a commissioner and shall
6 develop and administer programs for:

7 (a) Prevention of juvenile crime;

8 (b) Identification of juveniles at risk of becoming status or public offenders and
9 development of early intervention strategies for these children, and, except for
10 adjudicated youth, participation in prevention programs shall be voluntary;

11 (c) Providing educational information to law enforcement, prosecution, victims,
12 defense attorneys, the courts, the educational community, and the public
13 concerning juvenile crime, its prevention, detection, trial, punishment, and
14 rehabilitation;

15 (d) The operation of or contracting for the operation of postadjudication treatment
16 facilities and services for children adjudicated delinquent or found guilty of
17 public offenses or as youthful offenders;

18 (e) The operation or contracting for the operation, and the encouragement of
19 operation by others, including local governments, volunteer organizations,
20 and the private sector, of programs to serve predelinquent and delinquent
21 youth;

22 (f) Utilizing outcome-based planning and evaluation of programs to ascertain
23 which programs are most appropriate and effective in promoting the goals of
24 this section;

25 (g) Conducting research and comparative experiments to find the most effective
26 means of:

27 1. Preventing delinquent behavior;

- 1 2. Identifying predelinquent youth;
- 2 3. Preventing predelinquent youth from becoming delinquent;
- 3 4. Assessing the needs of predelinquent and delinquent youth;
- 4 5. Providing an effective and efficient program designed to treat and
- 5 correct the behavior of delinquent youth and youthful offenders;
- 6 6. Assessing the success of all programs of the department and those
- 7 operated on behalf of the department and making recommendations for
- 8 new programs, improvements in existing programs, or the modification,
- 9 combination, or elimination of programs as indicated by the assessment
- 10 and the research; and
- 11 (h) Seeking funding from public and private sources for demonstration projects,
- 12 normal operation of programs, and alterations of programs.
- 13 (2) The Department of Juvenile Justice may contract, with or without reimbursement,
- 14 with a city, county, or urban-county government, for the provision of probation,
- 15 diversion, and related services by employees of the contracting local government.
- 16 (3) The Department of Juvenile Justice may contract for the provision of services,
- 17 treatment, or facilities which the department finds in the best interest of any child,
- 18 or for which a similar service, treatment, or facility is either not provided by the
- 19 department or not available because the service or facilities of the department are at
- 20 their operating capacity and unable to accept new commitments. The department
- 21 shall, after consultation with the Finance and Administration Cabinet, promulgate
- 22 administrative regulations to govern at least the following aspects of this
- 23 subsection:
- 24 (a) Bidding process; and
- 25 (b) Emergency acquisition process.
- 26 (4) The Department of Juvenile Justice shall develop programs to:
- 27 (a) Ensure that youth in state-operated or contracted residential treatment

- 1 programs have access to an ombudsman to whom they may report program
2 problems or concerns;
- 3 (b) Review all treatment programs, state-operated or contracted, for their quality
4 and effectiveness; and
- 5 (c) Provide mental health services to committed youth according to their needs.
- 6 (5) (a) The Department of Juvenile Justice shall have an advisory board appointed by
7 the Governor, which shall serve as the advisory group under the Juvenile
8 Justice and Delinquency Prevention Act of 1974, Pub. L. No. 93-415, as
9 amended, and which shall provide a formulation of and recommendations for
10 meeting the requirements of this section not less than annually to the
11 Governor, the Justice and Public Safety Cabinet, the Department of Juvenile
12 Justice, the Cabinet for Health and Family Services, and the Interim Joint
13 Committee~~[Committees]~~ on Judiciary~~[and on Appropriations and Revenue]~~
14 of the Legislative Research Commission when the General Assembly is not in
15 session, and the Judiciary Committee~~[and the Appropriations and Revenue]~~
16 ~~Committees]~~ of the House of Representatives and the Senate when the
17 General Assembly is in session. The advisory board shall develop program
18 criteria for early juvenile intervention, diversion, and prevention projects,
19 develop statewide priorities for funding, and make recommendations for
20 allocation of funds to the Commissioner of the Department of Juvenile
21 Justice. The advisory board shall review grant applications from local juvenile
22 delinquency prevention councils and include in its annual report the activities
23 of the councils. The advisory board shall meet not less than quarterly.
- 24 (b) The advisory board shall be chaired by a private citizen member appointed by
25 the Governor and shall serve a term of two (2) years and thereafter be elected
26 by the board. The members of the board shall be appointed to staggered terms
27 and thereafter to four (4) year terms. The membership of the advisory board

1 shall consist of no fewer than fifteen (15) persons and no more than thirty-
2 three (33) persons who have training, experience, or special knowledge
3 concerning the prevention and treatment of juvenile delinquency or the
4 administration of juvenile justice. A majority of the members shall not be full-
5 time employees of any federal, state, or local government, and at least one-
6 fifth (1/5) of the members shall be under the age of twenty-four (24) years at
7 the time of appointment. On July 15, 2002, any pre-existing appointment of a
8 member to the Juvenile Justice Advisory Board and the Juvenile Justice
9 Advisory Committee shall be terminated unless that member has been re-
10 appointed subsequent to January 1, 2002, in which case that member's
11 appointment shall continue without interruption. The membership of the board
12 shall include the following:

- 13 1. Three (3) current or former participants in the juvenile justice system;
- 14 2. An employee of the Department of Juvenile Justice;
- 15 3. An employee of the Cabinet for Health and Family Services;
- 16 4. A person operating alternative detention programs;
- 17 5. An employee of the Department of Education;
- 18 6. An employee of the Department of Public Advocacy;
- 19 7. An employee of the Administrative Office of the Courts;
- 20 8. A representative from a private nonprofit organization with an interest in
21 youth services;
- 22 9. A representative from a local juvenile delinquency prevention council;
- 23 10. A member of the Circuit Judges Association;
- 24 11. A member of the District Judges Association;
- 25 12. A member of the County Attorneys Association;
- 26 13. A member of the County Judge/Executives Association;
- 27 14. A person from the business community not associated with any other

- 1 group listed in this paragraph;
- 2 15. A parent not associated with any other group listed in this paragraph;
- 3 16. A youth advocate not associated with any other group listed in this
- 4 paragraph;
- 5 17. A victim of a crime committed by a person under the age of eighteen
- 6 (18) not associated with any other group listed in this paragraph;
- 7 18. A local school district special education administrator not associated
- 8 with any other group listed in this paragraph;
- 9 19. A peace officer not associated with any other group listed in this
- 10 paragraph; and
- 11 20. A college or university professor specializing in law, criminology,
- 12 corrections, psychology, or similar discipline with an interest in juvenile
- 13 corrections programs.
- 14 (c) Failure of any member to attend three (3) meetings within a calendar year
- 15 shall be deemed a resignation from the board. The board chair shall notify the
- 16 Governor of any vacancy and submit recommendations for appointment.
- 17 (6) The Department of Juvenile Justice shall, in cooperation with the Department of
- 18 Public Advocacy, develop a program of legal services for juveniles committed to
- 19 the department who are placed in state-operated residential treatment facilities and
- 20 juveniles in the physical custody of the department who are detained in a state-
- 21 operated detention facility, who have legal claims related to the conditions of their
- 22 confinement involving violations of federal or state statutory or constitutional
- 23 rights. This system may utilize technology to supplement personal contact. The
- 24 Department of Juvenile Justice shall promulgate an administrative regulation to
- 25 govern at least the following aspects of this subsection:
- 26 (a) Facility access;
- 27 (b) Scheduling; and

1 (c) Access to residents' records.

2 (7) The Department of Juvenile Justice may, if space is available and conditioned upon
3 the department's ability to regain that space as needed, contract with another state or
4 federal agency to provide services to youth of that agency.

5 ➔Section 2. KRS 18A.2255 is amended to read as follows:

6 ~~[(1)]~~The secretary of the Personnel Cabinet shall submit to the Advisory Committee of
7 State Health Insurance Subscribers established in KRS 18A.225, at least thirty (30) days
8 prior to issuing requests for proposals, the health benefit plans that will be submitted to
9 carriers. The secretary of the Personnel Cabinet shall also provide to employee
10 organizations who are represented on the Advisory Committee of State Health Insurance
11 Subscribers information necessary so that the member representing the organization can
12 fulfill his or her responsibilities under this section. The advisory committee shall submit
13 in writing to the secretary the committee's approval of the plans or its recommendations
14 on changes to the plans no later than seven (7) days prior to the issuance of requests for
15 proposals. The advisory committee shall advise the secretary on:

16 (1)~~[(a)]~~ Health insurance benefit options that should be included in the program;

17 (2)~~[(b)]~~ Procedures for soliciting bids or requesting proposals for contracts from
18 carriers for the program;

19 (3)~~[(c)]~~ The implementation, maintenance, and administration of the health insurance
20 benefits under the program; and

21 (4)~~[(d)]~~ The development of a uniform prescription drug formulary that contains fair
22 and reasonable standards and procedures for patient access to medically necessary
23 alternatives to the formulary and patient choice of higher-cost alternatives to the
24 formulary, and that ensures that discounts negotiated with drug manufacturers are
25 passed to the program.

26 ~~[(2)] The secretary of the Personnel Cabinet shall, at the discretion of the co chairs of the~~
27 ~~Interim Joint Committee on Appropriations and Revenue, either submit a written~~

1 ~~report to or testify before the Interim Joint Committee on Appropriations and~~
2 ~~Revenue on the state employee health insurance program for the next plan year~~
3 ~~prior to the issuance of the requests for proposals.]~~

4 ➔Section 3. KRS 39G.030 is amended to read as follows:

5 (1) Each year by November 1, the executive director of the Kentucky Office of
6 Homeland Security shall submit a written report to the Governor, the Auditor of
7 Public Accounts, the Legislative Research Commission, and the Interim Joint
8 Committee on~~Seniors,~~ Veterans, Military Affairs, and Public Protection. The
9 written report shall:

10 (a)~~(1)~~ Assess the Commonwealth's preparedness to respond to acts of war or
11 terrorism, including nuclear, biological, chemical, electromagnetic pulse,
12 agro-, eco-, or cyber-terrorism;

13 (b)~~(2)~~ Identify the priority of needs, areas of improvement, and the overall
14 progress made with regard to the Commonwealth's preparedness; and

15 (c)~~(3)~~ Provide a record of all federal homeland security funding, including
16 grants, gathered under KRS 39G.020 since the last annual written report, as
17 well as any other relevant homeland security funding information gathered by
18 the Kentucky Office of Homeland Security. The record shall identify, at a
19 minimum, the specific federal source, the amount, the specific recipient, the
20 intended use of the funding, the actual use of the funding, and any unspent
21 amount.

22 (2)~~(4)~~ The Auditor of Public Accounts shall conduct an examination of revenues and
23 expenditures provided under the annual written report and under KRS
24 39G.020(2)(c) and, if examination findings warrant, shall conduct audits. No later
25 than January 30, the Auditor shall submit all examination and audit reports to the
26 Senate Veterans, Military Affairs, and Public Protection Committee and the House
27 Veterans~~Seniors~~, Military Affairs, and Public Protection~~Safety~~ Committee.

1 ~~(3)~~~~(5)~~ (a) In addition to the annual report required under subsection (1) of this
2 section, the executive director of the Office of Homeland Security shall
3 provide to the Legislative Research Commission and the Interim Joint
4 Committee on Appropriations and Revenue an annual~~a quarterly~~ report on
5 the receipt and expenditure of homeland security funds since the previous
6 ~~quarterly~~ report.

7 (b) The report shall identify, at a minimum, the following:

- 8 1. Amount and specific source of any homeland security funds received;
- 9 2. Specific expenditures by amount, recipient, and intended or actual use;
- 10 and
- 11 3. Balance of funds remaining in the account.

12 (c) The initial annual~~quarterly~~ report shall be submitted by October 15,
13 2023~~2006~~, and shall contain the required information on receipts and
14 expenditures since the passage of the federal Homeland Security Act of 2002,
15 Pub. L. No. 107-296.

16 ➔Section 4. KRS 45.031 is amended to read as follows:

17 (1) Any department, board, commission, agency, advisory council, interstate compact,
18 corporate body, or instrumentality of the Commonwealth of Kentucky applying for
19 federal funds, aids, loans, or grants shall file a summary notification of the intended
20 application with the Department for Local Government in accordance with the
21 existing A-95 procedures.

22 (2) When as a condition to receiving federal funds, the Commonwealth of Kentucky is
23 required to match the federal funds, a statement shall be filed with the notice of
24 intent or summary of the application stating:

- 25 (a) The amount and source of state funds needed for matching purposes;
- 26 (b) The length of time the matching funds shall be required;
- 27 (c) The growth of the program;

- 1 (d) How the program will be evaluated;
- 2 (e) What action will be necessary should the federal funds be canceled, curtailed,
- 3 or restricted; and
- 4 (f) Any other financial and program management data required by the Finance
- 5 and Administration Cabinet or by law.
- 6 (3) Any application for federal funds, aids, loans, or grants which will require state
- 7 matching or replacement funds at the time of application or at any time in the
- 8 future, must be approved by the secretary of the Finance and Administration
- 9 Cabinet, the Legislative Research Commission, and the Chief Justice for their
- 10 respective branches of government or their designated agents prior to its filing with
- 11 the appropriate federal agency. Any application for federal funds, aids, loans, or
- 12 grants which will require state matching or replacement funds at the time of
- 13 application or at any time in the future, when funds have not been appropriated for
- 14 that express purpose, must be approved by the General Assembly, if in session.
- 15 ~~[When the General Assembly is not in session, the application shall be reported to~~
- 16 ~~and reviewed by the Interim Joint Committee on Appropriations and Revenue, as~~
- 17 ~~provided by KRS 48.500(3).]~~
- 18 (4) When any federal funds, aids, loans, or grants are received by any department,
- 19 board, commission or agency of the Commonwealth of Kentucky, a report of the
- 20 amount of funds received shall be filed with the Finance and Administration
- 21 Cabinet; and this report shall specify the amount of funds which would reimburse
- 22 an agency for indirect costs as provided for under OMB Circular A-87.
- 23 (5) The secretary of the Finance and Administration Cabinet may refuse to issue his or
- 24 her warrant for the disbursement of any state or federal funds from the State
- 25 Treasury as the result of any application which is not approved as provided by this
- 26 section, or in regard to which the statement or reports required by this section were
- 27 not filed.

1 (6) The secretary of the Finance and Administration Cabinet shall be responsible for
2 the orderly administration of this section and for issuing the appropriate guidelines
3 and regulations from each source of fund used.

4 ➔Section 5. KRS 45.241 is amended to read as follows:

5 (1) As used in this section:

6 (a) "Debt" means:

- 7 1. For agencies, a sum certain which has been certified by an agency as
8 due and owing; and
- 9 2. For local governments, a sum certain which has been certified by a local
10 government as due and owing, including but not limited to any
11 delinquent taxes or fees other than delinquent real and personal property
12 taxes;

13 (b) "Liquidated debt" means:

- 14 1. For agencies, a legal debt for a sum certain which has been certified by
15 an agency as final due and owing, all appeals and legal actions having
16 been exhausted;
- 17 2. For local governments, a legal debt for a sum certain which has been
18 certified by a local government as final due and owing, all appeals and
19 legal actions having been exhausted, including but not limited to any
20 delinquent taxes or fees other than delinquent real and personal property
21 taxes; and
- 22 3. For the Court of Justice, a legal debt including any fine, fee, court costs,
23 or restitution due the Commonwealth, which have been imposed by a
24 final sentence of a trial court of the Commonwealth and for which the
25 time permitted for payment pursuant to the provisions of KRS 534.020
26 has expired;

27 (c) "Agency" means an organizational unit or administrative body in the

- 1 executive branch of state government, as defined in KRS 12.010;
- 2 (d) "Department" means the Department of Revenue;
- 3 (e) "Court of Justice" means the Administrative Office of the Courts, all courts,
4 and all clerks of the courts;
- 5 (f) "Forgivable loan agreement" means a loan agreement entered into between an
6 agency and a borrower that establishes specific conditions, which, if satisfied
7 by the borrower, allows the agency to forgive a portion or all of the loan;
- 8 (g) "Improper payment" means a payment made to a vendor, provider, or
9 recipient due to error, fraud, or abuse; and
- 10 (h) "Local government" means any city, county, urban-county government,
11 consolidated local government, charter county, or unified local government of
12 the Commonwealth.
- 13 (2) Each agency and the Court of Justice shall develop, maintain, and update in a
14 timely manner an ongoing inventory of each debt owed to it, including debts due to
15 improper payments, and shall make every reasonable effort to collect each debt.
16 Within sixty (60) days after the identification of a debt, each agency shall begin
17 administrative action to collect the debt.
- 18 (3) The Auditor of Public Accounts shall review each agency's debt identification and
19 collection procedures as part of the annual audit of state agencies.
- 20 (4) An agency shall not forgive any debt owed to it unless that agency has entered into
21 a forgivable loan agreement with a borrower, or unless otherwise provided by
22 statute.
- 23 (5) For those agencies without statutory procedures for collecting debts, the
24 Department of Revenue shall promulgate administrative regulations in accordance
25 with KRS Chapter 13A to prescribe standards and procedures with which those
26 agencies shall comply regarding collection of debts, notices to persons owing debt,
27 information to be monitored concerning the debts, and an appeals process.

- 1 (6) (a) Each agency and the Court of Justice shall identify all liquidated debts,
2 including debts due to improper payments, and shall submit a list of those
3 liquidated debts in the form and manner prescribed by the department to the
4 department for review. The department shall review the information submitted
5 by the agencies and the Court of Justice and shall, within ninety (90) days of
6 receipt of the information, determine whether it would be cost-effective for
7 the department to further pursue collection of the liquidated debts.
- 8 (b) A local government, after making reasonable efforts to collect its debts, may
9 by ordinance, resolution, or otherwise pursuant to law, submit a list of its
10 liquidated debts that have been due and owing for more than ninety (90) days
11 to the department for review to determine whether it would be cost-effective
12 for the department to pursue collection of the liquidated debts. The
13 department shall review the information submitted by a local government and
14 shall, within ninety (90) days of receipt of the information, determine whether
15 it would be cost-effective for the department to further pursue collection of
16 the liquidated debts.
- 17 (c) The department may, after consultation with the agency, Court of Justice, or a
18 local government, return the liquidated debt to the entity submitting the
19 liquidated debt if:
- 20 1. The request for review contains insufficient information; or
21 2. The debt is not feasible to collect.
- 22 Any return of a liquidated debt shall be in writing, and shall state why the debt
23 is being returned.
- 24 (d) The department shall identify in writing to the submitting agency, Court of
25 Justice, or local government, the liquidated debts it has determined that it can
26 pursue in a cost-effective manner, and the agency, Court of Justice, or local
27 government shall officially refer the identified liquidated debts to the

1 department for collection.

2 (e) The agency, Court of Justice, and local government shall retain a complete
3 record of all liquidated debts referred to the department for collection until the
4 debt is collected, forgiven, or returned as uncollectible.

5 (f) Each agency, the Court of Justice, and local government shall make
6 appropriate accounting of any uncollected debt as prescribed by law.

7 (7) (a) If the agency recovers the debt funds prior to referral to the department, the
8 agency shall retain the collected funds in accordance with its statutory
9 authority.

10 (b) 1. Upon referral of a liquidated debt to the department, the liquidated debt
11 shall accrue the following amounts:

12 a. Interest on the total amount of the debt plus legal accruals at the
13 tax interest rate provided in KRS 131.183, from the time of
14 referral until paid; and

15 b. A one (1) time twenty-five percent (25%) collection fee on the
16 total amount of the debt plus legal accruals, as of the time of
17 referral;

18 unless the interest and collection fee are waived by the department.

19 2. The interest and collection fee shall be in addition to any other costs
20 accrued prior to the time of referral.

21 3. The department may deduct and retain from the liquidated debt
22 recovered an amount equal to the lesser of the collection fee or the
23 actual expenses incurred in the collection of the debt.

24 4. In the case of agencies and the Court of Justice, any funds recovered by
25 the department after the deduction of the department's cost of collection
26 expenses may, at the discretion of the secretary of the Finance and
27 Administration Cabinet, be returned to the agency identifying the

1 liquidated debt or to the Court of Justice for allocation as otherwise
2 provided by law. If the recovered funds and interest are not returned to
3 the agency or Court of Justice, the amounts shall be deposited in the
4 general fund, except for Medicaid benefits funds and funds required by
5 law to be remitted to a federal agency, which shall be remitted as
6 required by law.

7 5. In the case of local governments, any funds recovered by the department
8 after the deduction of the department's cost of collection expenses shall
9 be returned to the local government referring the liquidated debt, for
10 allocation as provided by ordinance, resolution, or as otherwise provided
11 by law.

12 (c) Nothing in this section shall prohibit the department from entering into a
13 memorandum of agreement with an agency pursuant to KRS 131.130(11), for
14 collection of debts prior to liquidation. If an agency enters into an agreement
15 with the department, the agency shall retain funds collected according to the
16 provisions of the agreement.

17 (d) This section shall not affect any agreement between the department and an
18 agency entered into under KRS 131.130(11) that is in effect on July 13, 2004,
19 that provides for the collection of liquidated debts by the department on behalf
20 of the agency.

21 (e) This section shall not affect the collection of delinquent taxes by sheriffs or
22 county attorneys under KRS 91A.070 or 134.504.

23 (f) This section shall not affect the collection of performance or reclamation
24 bonds.

25 (8) Upon receipt of a referred liquidated debt and after its determination that the debt is
26 feasible and cost-effective to collect, the department shall pursue collection of the
27 referred debt in accordance with KRS 131.030.

1 (9) By administrative regulation promulgated under KRS Chapter 13A, the department
2 shall prescribe the electronic format and form of, and the information required in, a
3 referral.

4 (10) ~~[(a)]~~ The department shall report annually by October 1 to the Interim Joint
5 Committee on Appropriations and Revenue on the collection of debts,
6 including debts due to improper payments, referred by agencies and the Court
7 of Justice. The report shall include the total amount by agency and fund type
8 of liquidated debt that has been referred to the department; the amount of each
9 referring agency's liquidated debt, by fund type, that has been collected by the
10 department; and the total amount of each referring agency's liquidated debt,
11 by fund type, that the department determined to be cost-ineffective to collect,
12 including the reasons for the determinations.

13 ~~[(b)] Each cabinet shall report annually by October 1 to the Interim Joint~~
14 ~~Committee on Appropriations and Revenue on:~~

15 ~~1. The amount of previous fiscal year unliquidated debt by agency,~~
16 ~~including debts due to improper payments, fund type, category, and age,~~
17 ~~the latter to be categorized as less than one (1) year, less than five (5)~~
18 ~~years, less than ten (10) years, and over ten (10) years; and~~

19 ~~2. The amount, by agency, of liquidated debt, including debts due to~~
20 ~~improper payments, not referred to the department; a summary, by~~
21 ~~criteria listed in subsection (6)(a) of this section, of reasons the~~
22 ~~department provided for not requesting referral of those liquidated~~
23 ~~debts; and a summary of the actions each agency is taking to collect~~
24 ~~those liquidated debts.~~

25 ~~(c) Beginning on October 1, 2005, the Court of Justice shall report annually by~~
26 ~~October 1 of each year to the Interim Joint Committee on Appropriations and~~
27 ~~Revenue the amount of previous fiscal year unliquidated debt by county and~~

1 ~~whether in the Circuit Court or District Court; and fund type and age, the~~
2 ~~latter categorized as less than one (1) year, less than five (5) years, less than~~
3 ~~ten (10) years, and over ten (10) years. The first year for which the Court of~~
4 ~~Justice shall be required to report is the fiscal year beginning on July 1, 2004~~
5 ~~and ending on June 30, 2005. The Court of Justice shall not be required to~~
6 ~~report unliquidated debts in existence prior to July 1, 2004.~~

7 ~~(d) The Finance and Administration Cabinet shall report annually by October 1 to~~
8 ~~the Interim Joint Committee on Appropriations and Revenue on the amount of~~
9 ~~the General Government Cabinet's unliquidated debt by agency, fund type,~~
10 ~~and age, the latter categorized as less than one (1) year, less than five (5)~~
11 ~~years, less than ten (10) years, and over ten (10) years.]~~

12 (11) At the time of submission of a liquidated debt to the department for review, the
13 referring agency, the Court of Justice, or, where feasible, the local government shall
14 provide information about the debt to the State Treasurer for the Treasurer's action
15 under KRS 44.030(1).

16 ➔Section 6. KRS 45.812 is amended to read as follows:

17 (1) Prior to the issuance of the revenue bonds or notes authorized by an appropriation
18 of the General Assembly, or by or on behalf of any Kentucky school district, the
19 agency, corporation, or school district authorized to issue the bonds or notes shall
20 furnish to the Capital Projects and Bond Oversight Committee~~and the Interim~~
21 ~~Joint Committee on Appropriations and Revenue],~~ and make available to the public,
22 a listing of all costs associated, either directly or indirectly, with the issuance of the
23 revenue bonds or notes. The costs shall be itemized as to amount and name of
24 payee, and shall include fees or commissions paid to, or anticipated to be paid to,
25 issuers, underwriters, placement agents and advisors, financial advisors,
26 remarketing agents, credit enhancers, trustees, accountants, and the counsel of all
27 these persons, bond counsel, and special tax counsel, and shall include the

1 economic benefits received or anticipated to be received by any other persons from
2 any source in return for services performed relating to the issuance of the bonds or
3 notes. Changes in amounts or names of payees or recipients, or additions of
4 amounts or names of payees or recipients, to the listing furnished and made
5 available pursuant to this subsection, shall be furnished to the Capital Projects and
6 Bond Oversight Committee~~and the Interim Joint Committee on Appropriations~~
7 ~~and Revenue~~ and made available to the public within three (3) days following the
8 change.

9 (2) The costs required to be furnished under the provisions of subsection (1) of this
10 section shall not include the payment of wages or expenses to full-time, permanent
11 employees of the Commonwealth of Kentucky.

12 ➔Section 7. KRS 45.814 is amended to read as follows:

13 Prior to the issuance of the revenue bonds or notes authorized by a branch budget bill, the
14 agency authorized to issue the bonds or notes shall furnish to the Capital Projects and
15 Bond Oversight Committee~~and the Interim Joint Committee on Appropriations and~~
16 ~~Revenue~~, and make available to the public, a listing of all costs associated, either
17 directly or indirectly, with the issuance of the revenue bonds or notes. The costs shall be
18 itemized as to amount and name of payee, and shall include fees or commissions paid to,
19 or anticipated to be paid to issuers, underwriters, placement agents and advisors, financial
20 advisors, remarketing agents, credit enhancers, trustees, accountants, and the counsel of
21 all these persons, bond counsel, and special tax counsel, and shall include the economic
22 benefits received or anticipated to be received by any other persons from any source in
23 return for services performed relating to the issuance of the bonds or notes. Changes in
24 amounts or names of payees or recipients, or additions of amounts or names of payees or
25 recipients, to the listing furnished and made available pursuant to this section shall be
26 furnished to the Capital Projects and Bond Oversight Committee ~~and the Interim Joint~~
27 ~~Committee on Appropriations and Revenue~~ and made available to the public within

1 three (3) days following the change.

2 ➔Section 8. KRS 45.816 is amended to read as follows:

3 Prior to the issuance of the revenue bonds or notes, the agency authorized to issue the
4 bonds or notes shall furnish to the Capital Projects and Bond Oversight Committee~~and~~
5 ~~the Interim Joint Committee on Appropriations and Revenue~~, and make available to the
6 public, a listing of all costs associated, either directly or indirectly, with the issuance of
7 the revenue bonds or notes. The costs shall be itemized as to amount and name of payee,
8 and shall include fees or commissions paid to, or anticipated to be paid to, issuers,
9 underwriters, placement agents and advisors, financial advisors, remarketing agents,
10 credit enhancers, trustees, accountants, and the counsel of all such persons, bond counsel
11 and special tax counsel, and shall include the economic benefits received or anticipated to
12 be received by any other persons from any source in return for services performed
13 relating to the issuance of the bonds or notes. Changes in amounts or names of payees or
14 recipients, or additions of amounts or names of payees or recipients, to the listing
15 furnished and made available pursuant to this section, shall be furnished to the Capital
16 Projects and Bond Oversight Committee and~~the Interim Joint Committee on~~
17 ~~Appropriations and Revenue and~~ made available to the public within three (3) days
18 following the change.

19 ➔Section 9. KRS 56.863 is amended to read as follows:

20 The commission shall have the power and duty to:

- 21 (1) Maintain the records and perform the functions necessary and proper to accomplish
22 the purposes of KRS 56.860 to 56.869;
- 23 (2) Promulgate administrative regulations relating to KRS 56.860 to 56.869;
- 24 (3) Conduct analysis to determine the impact of fluctuating receipts of revenues on the
25 budget of the Commonwealth, fluctuating interest rates upon the interest-sensitive
26 assets and interest-sensitive liabilities of the Commonwealth, and the resulting
27 change in the net interest margin on the budget of the Commonwealth;

- 1 (4) Develop strategies to mitigate the impact of fluctuating receipts of revenues on the
2 budget of the Commonwealth and of fluctuating interest rates on the
3 Commonwealth's interest-sensitive assets and interest-sensitive liabilities;
- 4 (5) Report its findings to the State Investment Commission at least annually to assist
5 the State Investment Commission in developing and implementing its investment
6 strategy. The State Investment Commission shall provide the commission with a
7 copy of its monthly investment income report to aid the commission in developing
8 and implementing its strategies;
- 9 (6) Issue funding notes, project notes, and tax and revenue anticipation notes or other
10 obligations on behalf of any state agency to fund authorized projects or to satisfy
11 judgments;
- 12 (7) Refund any funding notes, project notes, or tax and revenue anticipation notes
13 issued under KRS 56.860 to 56.869 to achieve economic savings, to better match
14 receipts with expenditures, or as a part of a continuing finance program;
- 15 (8) Designate individual employees or officers of the Office of Financial Management
16 within the Office of the Controller as agents for purposes of approving the principal
17 amount of tax and revenue anticipation notes, the interest rate, the discount,
18 maturity date, and other relevant terms of tax and revenue anticipation notes,
19 project notes, and funding notes or refunding notes issued within constraints
20 established by the commission and to execute agreements, including notes and
21 financial agreements, for the commission;
- 22 (9) Enter into financial agreements for the purpose of hedging its current or projected
23 interest-sensitive assets and interest-sensitive liabilities to stabilize the
24 Commonwealth's net interest margin, as deemed necessary by the commission,
25 subject to administrative regulations promulgated by the commission that limit the
26 net exposure of the Commonwealth as a result of these financial agreements;
- 27 (10) Deposit net interest payments and premiums received by the commission under

- 1 financial agreements into a restricted account, which shall not lapse at the end of
2 the fiscal year but shall continue to accumulate to act as security for these financial
3 agreements. This duty is mandatory in nature. Any accumulated funds in excess of
4 the amount determined by the commission to be necessary to establish this security
5 may be applied to debt service payments, net interest payments, and premiums and
6 expenses related to interest-sensitive liabilities; and
- 7 (11) Report to the Capital Projects and Bond Oversight Committee~~and the Interim Joint~~
8 ~~Committee on Appropriations and Revenue~~ on a semiannual basis, by September
9 30 and March 31 of each year, the following:
- 10 (a) A description of the Commonwealth's investment and debt structure;
- 11 (b) The plan developed to mitigate the impact of fluctuating revenue receipts on
12 the budget of the Commonwealth and fluctuating interest rates on the interest-
13 sensitive assets and interest-sensitive liabilities of the Commonwealth,
14 including an analysis of the impact that a change in the net interest margin
15 would have on the budget of the Commonwealth. The report due by March 31
16 of each year shall reflect the strategy for January through June of the fiscal
17 year, and the report due by September 30 shall reflect the strategy for July
18 through December of the fiscal year;
- 19 (c) The principal amount of notes issued, redeemed, and outstanding; and a
20 description of all financial agreements entered into during the reporting
21 period. The report due by March 31 shall include information about
22 agreements entered into from July through December of the fiscal year. The
23 report due by September 30 shall include information about agreements
24 entered into between January and June of the prior fiscal year; and
- 25 (d) A summary of gains and losses associated with financial agreements and any
26 other cash flow strategies undertaken by the commission to mitigate the effect
27 of fluctuating interest rates during each reporting period. The report due by

1 March 31 shall include information about agreements and strategies entered
2 into or undertaken from July through December of the fiscal year. The report
3 due by September 30 shall include information about agreements and
4 strategies entered into or undertaken from January through June of the prior
5 fiscal year.

6 ➔Section 10. KRS 151.720 is amended to read as follows:

7 The Kentucky River Authority is authorized and empowered to:

- 8 (1) Construct, reconstruct, provide for the major maintenance, or repair the locks and
9 dams on the Kentucky River and all real and personal property pertaining thereto,
10 as well as maintain the channel;
- 11 (2) Acquire by purchase, exercise of the rights of eminent domain, grant, gift, devise,
12 or otherwise, the fee simple title to or any acceptable lesser interest in any real or
13 personal property and by lease or other conveyance, contract for the right to use and
14 occupy any real or personal property selected in the discretion of the authority as
15 constituting necessary, desirable, or acceptable sites to fulfill its statutory authority
16 and power;
- 17 (3) Lease its real or personal property to other state agencies, political subdivisions of
18 the Commonwealth, corporations, partnerships, associations, foundations, or
19 persons as the authority deems necessary to carry out the purposes of this section;
- 20 (4) Sell or otherwise dispose of its real or personal property in accordance with KRS
21 56.463 and 45A.045;
- 22 (5) Collect water use fees from all facilities using water from the Kentucky River basin,
23 except those facilities using water primarily for agricultural purposes. Facilities
24 charged such a fee may pass on all or any part of the fee;
- 25 (6) Issue revenue bonds in accordance with KRS 151.730;
- 26 (7) Employ persons to carry out the authority's responsibilities with revenue from the
27 water use fees, including an executive director who shall serve at the pleasure of the

- 1 authority;
- 2 (8) Contract for services with other state agencies, political subdivisions of the
3 Commonwealth, corporations, partnerships, associations, foundations, or persons to
4 perform its duties;
- 5 (9) Promulgate administrative regulations providing for clean water, which shall not be
6 less stringent than the state and federal regulations for clean water;
- 7 (10) Exercise all other powers necessary to perform its public purpose to implement and
8 enforce the plans developed by the authority pursuant to this section and KRS
9 151.727 and 151.728, and to enforce administrative regulations promulgated by the
10 authority. The long-range water resource plan and drought response plan shall be
11 implemented for the basin upon the direction of the authority;
- 12 (11) Develop comprehensive plans for the management of the Kentucky River within
13 the basin, including a long-range water resource plan and a drought response plan.
14 Each county within the basin shall develop a long-range water resource plan and
15 submit it to the authority. The authority, after consultation with the Energy and
16 Environment Cabinet, shall develop a unified long-range water resource plan for the
17 basin. The unified long-range water resource plan shall be implemented over short-
18 range and long-range time periods. The short-range plan shall be for a period of six
19 (6) years and the long-range plan shall be for a period of twenty (20) years. The
20 authority shall conduct a public hearing on the plan prior to its adoption and amend
21 the plan as appropriate based on the comments received. The Energy and
22 Environment Cabinet shall review the draft unified plan and provide comment
23 during the public comment period concerning the consistency of the plan with the
24 state requirements under KRS Chapters 224 and 151. A drought response plan for
25 the basin shall be developed by the authority and shall be coordinated with the
26 Energy and Environment Cabinet to assure consistency with KRS Chapters 224 and
27 151, and this plan shall be implemented for the basin upon the direction of the

- 1 authority;
- 2 (12) Develop and promote a plan for the protection and use of groundwater within the
- 3 basin. Administrative regulations may be promulgated implementing the plan, and
- 4 these regulations shall not be less stringent than state and federal regulations
- 5 protecting groundwater;
- 6 (13) Promote private investment in the installation of hydroelectric generating units on
- 7 all existing constructed and reconstructed Kentucky River dams under the
- 8 jurisdiction of the authority, by developing a standard lease, establishing reasonable
- 9 financial responsibility requirements, verifying that the proposed installation of the
- 10 hydroelectric unit will not adversely affect the structural integrity of the dam, and
- 11 adopting a schedule of reasonable fees for water used in the generation of
- 12 hydroelectric power;
- 13 (14) Develop recreational areas within the basin. These recreational areas may be
- 14 operated and funded by the state Department of Parks, Office of Kentucky Nature
- 15 Preserves, or other governmental entity as specifically authorized or permitted
- 16 within the biennial executive budget. There is hereby created the Kentucky River
- 17 Park to be located as determined by the authority;
- 18 (15) Utilize funds provided for recreational purposes within the biennial executive
- 19 budget for major or minor maintenance if the authority certifies to the secretary of
- 20 the Finance and Administration Cabinet that a significant need exists for the repairs
- 21 and no other funds are available for the maintenance;
- 22 (16) Coordinate the Kentucky River basin water resources activities among state
- 23 agencies;
- 24 (17) ~~Report quarterly on all of its activities to the legislative Committee on~~
- 25 ~~Appropriations and Revenue;~~
- 26 (18) Receive reports from state agencies on litigation concerning the Kentucky River,
- 27 which agencies are hereby directed to report to the authority;

1 ~~(18)~~~~(19)~~ Credit to the authority any income derived from the interest earned on the
2 investment of the water use fees collected, which shall be available for the
3 authority's expenditure; and

4 ~~(19)~~~~(20)~~ Accomplish the watershed management mission of the authority, which is to
5 fulfill the provisions of this section for the Kentucky River basin, the boundary of
6 which shall be defined by a hydrologic map promulgated in an administrative
7 regulation.

8 ➔Section 11. KRS 151.728 is amended to read as follows:

9 (1) Beginning with the 2000-2002 biennium and each biennium thereafter, the
10 authority shall submit to the General Assembly a six (6) year program of
11 preconstruction and construction activities to maintain or increase water available
12 within the Kentucky River. The program shall include a two (2) year construction
13 component that shall be implemented as authorized by the General Assembly in the
14 authority's biennial budget and a four (4) year preconstruction component that shall
15 advise the General Assembly of the consistency of ongoing and long-term planning
16 with the construction activities funded by the General Assembly.

17 (2) The program shall be developed by considering, at a minimum, the following
18 factors:

- 19 (a) The population to be served by the available water;
20 (b) The social, economic, and environmental impact of program elements;
21 (c) The condition of existing facilities critical to water availability;
22 (d) The cost of maintaining, improving, replacing, or removing facilities; and
23 (e) The dependence of communities within the river basin on specific Kentucky
24 River dam pools or other sources of water.

25 (3) The program shall include a four (4) year planning document setting out
26 preconstruction activities that include planning and design and an environmental
27 analysis of projects to maintain or increase water available within the Kentucky

1 River and geotechnical and stability evaluations of the Kentucky River locks and
2 dams.

3 (4) The authority shall provide to the General Assembly a long-range planning
4 document consisting of twenty (20) years for water supply projects being
5 considered by the authority.

6 (5) The authority shall be responsible for the execution of each six (6) year program as
7 approved and authorized in the budget by the General Assembly ~~and shall report~~
8 ~~any anticipated deviations from the authorized construction funding or~~
9 ~~preconstruction program to the Interim Joint Committee on Appropriations and~~
10 ~~Revenue~~.

11 ➔Section 12. KRS 154.80-140 is amended to read as follows:

12 (1) There is created the riverport marketing assistance trust fund, to be administered by
13 the Cabinet for Economic Development.

14 (2) The riverport marketing assistance trust fund may receive appropriations, federal
15 funds, contributions, gifts, and donations.

16 (3) The purpose of the riverport marketing assistance trust fund shall be to promote and
17 market Kentucky's riverport to industrial, business, and commercial prospects, to
18 attract economic development. To the extent funds are available, the fund shall
19 make grants to riverport authorities for marketing activities, including research,
20 advertising, participation in trade shows, and preparation of promotional materials.
21 Grants shall not be used for activities such as salaries, administrative expenses, or
22 internal newsletters.

23 (4) Notwithstanding KRS 45.229, moneys remaining in the fund at the close of a fiscal
24 year shall not lapse but shall carry forward into the succeeding fiscal year. Interest
25 earned on any moneys in the fund shall accrue to the fund. Amounts from the fund
26 shall be disbursed and expended in accordance with this section.

27 (5) Grants under this section shall not exceed fifteen thousand dollars (\$15,000) per

1 project or thirty thousand dollars (\$30,000) per applicant each year. Projects shall
2 be completed within one (1) year of funding. To receive a grant, an applicant shall
3 provide at least a fifty percent (50%) match, which may be obtained from any
4 public or private source.

5 (6) (a) Grants shall be reviewed and awarded semiannually.

6 (b) The Cabinet for Economic Development shall submit all applications to the
7 Water Transportation Advisory Board established by KRS 174.200 for
8 evaluation and recommendations prior to awarding any grant funding under
9 this section.

10 (c) Higher priority shall be given to applications with a larger share of match
11 money, for those where the match money has already been obtained, and for
12 projects with a detailed riverport marketing plan.

13 (7) The Cabinet for Economic Development shall on a semiannual basis submit a report
14 detailing all grants awarded under this section to the Water Transportation Advisory
15 Board and the Interim Joint Committee on Transportation, ~~and the Interim Joint~~
16 ~~Committee on Appropriations and Revenue~~.

17 ➔Section 13. KRS 171.027 is amended to read as follows:

18 There is established a public library facilities construction fund to assist local libraries
19 with debt service payments for new library facilities and library improvements. The
20 Department for Libraries and Archives is authorized to enter into long-term written
21 memoranda of agreement with local libraries or other governing bodies to assist in debt
22 service payments relating to library construction or renovation projects. The agreements
23 shall specify the rights, duties, and obligations of both the local public library, or other
24 governing body, and the department. The department shall promulgate administrative
25 regulations to establish the application process, criteria for selecting projects for
26 assistance, a minimum level of local participation, and the process to be followed in the
27 construction of facilities. ~~The department shall report assistance awards to the Interim~~

1 ~~Joint Committee on Appropriations and Revenue within thirty (30) days of execution of~~
2 ~~any memorandum of agreement.]~~

3 ➔Section 14. KRS 174.210 is amended to read as follows:

4 (1) There is created a riverport financial assistance trust fund, to be administered by the
5 Transportation Cabinet.

6 (2) The riverport financial assistance trust fund may receive appropriations, federal
7 funds, contributions, gifts, and donations.

8 (3) The purpose of the riverport financial assistance trust fund shall be to improve
9 riverport facilities and infrastructure, to capture the economic and trade potential
10 offered by water transportation. To the extent funds are available, the fund shall
11 make grants to riverport authorities for new construction and major replacement or
12 repair projects, including but not limited to improvement of docks, wharves,
13 equipment, port buildings, storage facilities, roads and railroads to facilitate the
14 flow of commerce through the port, other on-site improvements, and related
15 professional services. Eligible projects shall not include routine operations,
16 maintenance, or repair activities.

17 (4) Notwithstanding KRS 45.229, moneys remaining in the fund at the close of a fiscal
18 year shall not lapse but shall carry forward into the succeeding fiscal year. Interest
19 earned on any moneys in the fund shall accrue to the fund. Amounts from the fund
20 shall be disbursed and expended in accordance with this section.

21 (5) To be eligible for a grant under this section, the applicant shall provide at least a
22 twenty percent (20%) match, which may be obtained from any public or private
23 source.

24 (6) (a) Grant applications shall be reviewed and awarded annually.

25 (b) The Transportation Cabinet shall submit all applications to the Water
26 Transportation Advisory Board established by KRS 174.200 for evaluation
27 and recommendations prior to awarding any grant funding under this section.

1 (c) Priority shall be given to applicants with a riverport master plan, for capital-
2 intensive projects for which permits have been obtained, and for projects for
3 which matching funds have been obtained.

4 (7) The Transportation Cabinet shall submit on an annual basis a report detailing all
5 grants awarded under this section to the Water Transportation Advisory Board
6 and,^[,] the Interim Joint Committee on Transportation~~[, and the Interim Joint~~
7 ~~Committee on Appropriations and Revenue]~~.

8 ➔Section 15. KRS 198A.090 is amended to read as follows:

9 (1) Except as provided in subsection (6) of this section, the corporation may provide for
10 the issuance, at one (1) time or from time to time, of bonds of the corporation if the
11 cumulative outstanding indebtedness of the corporation's bonds does not exceed
12 five billion dollars (\$5,000,000,000), in order to carry out and effectuate its
13 corporate purposes and powers.

14 (2) In anticipation of the issuance of bonds, the corporation may provide for the
15 issuance, at one (1) time or from time to time, of bond anticipation notes. The
16 principal of and the interest on the bonds or notes shall be payable solely from the
17 funds provided for the payment. Notes may be made payable from the proceeds of
18 bonds or renewal notes or, if bond or renewal note proceeds are not available, notes
19 may be paid from any available revenues or assets of the corporation.

20 (3) The bonds or notes of each issue shall be dated and may be made redeemable
21 before maturity at the option of the corporation at a price and under terms and
22 conditions determined by the corporation. Bonds or notes shall bear interest at a rate
23 determined by the corporation. Notes shall mature at a time not exceeding ten (10)
24 years from their date and bonds shall mature at a time not exceeding forty (40)
25 years from their date, as determined by the corporation. The corporation shall
26 determine the form and manner of execution of the bonds or notes, including any
27 interest coupons to be attached thereto, and shall fix the denomination and the place

1 of payment of principal and interest, which may be any bank or trust company
2 within or without the Commonwealth. If an officer whose signature or a facsimile
3 of whose signature appears on any bonds, notes, or coupons attached to them shall
4 cease to be an officer before the delivery thereof, the signature or facsimile shall be
5 valid and sufficient for all purposes as if he or she had remained in office until
6 delivery. The corporation may provide for the authentication of the bonds or notes
7 by a trustee or fiscal agent. The bonds or notes may be issued in coupon or in
8 registered form, or both, as the corporation may determine, and provision may be
9 made for the registration of any coupon bonds or notes as to principal alone and
10 also as to both principal and interest, and for the reconversion into coupon bonds or
11 notes of any bonds or notes registered as to both principal and interest, and for the
12 interchange of registered and coupon bonds or notes. Upon the approval of a
13 resolution of the corporation, authorizing the sale of its bonds or notes, the bonds or
14 notes may be sold in a manner, either at public or private sale, and for a price the
15 corporation shall determine to be for the best interest of the corporation and best
16 effectuate the purposes of this chapter, if the sale is approved by the corporation.

17 (4) The proceeds of any bonds or notes shall be used solely for the purposes for which
18 they are issued and shall be disbursed in the manner and under the restrictions, if
19 any, the corporation may provide in the resolution authorizing the issuance of bonds
20 or notes or in the trust agreement securing the same.

21 (5) Prior to the preparation of definitive bonds, the corporation may, under like
22 restrictions, issue interim receipts or temporary bonds, with or without coupons,
23 exchangeable for definitive bonds when the bonds have been executed and are
24 available for delivery. The corporation may also provide for the replacement of any
25 bonds or notes which become mutilated, destroyed, or lost.

26 (6) (a) Prior to the issuance of any bonds or notes that are not secured by:

27 1. Direct obligations or obligations guaranteed by the United States of

1 America; or

2 2. Obligations of federal agencies to the extent that the obligations are
3 backed by the full faith and credit of the United States of America; or

4 3. Repurchase agreements with any primary dealer in securities fully
5 secured by obligations described in subparagraphs 1. and 2. of this
6 paragraph if the market value of the security is maintained at one
7 hundred three percent (103%) of the principal amount of the repurchase
8 agreement and the security is held by an independent third-party
9 custodian financial institution; or

10 4. Insured or guaranteed construction loans or mortgage loans as defined
11 by KRS 198A.010(10) and (11); or

12 5. Guaranty insurance policies which guarantee payment of the principal
13 and interest on the bonds issued by a nationally recognized entity
14 authorized to issue guarantees and rated in the highest rating category by
15 at least one (1) of the nationally recognized rating services;

16 the corporation shall obtain the approval of the issuance from the General
17 Assembly in accordance with the provisions of KRS 56.870(1), unless the
18 provisions of paragraph (b) of this subsection apply. This requirement shall
19 not apply to refunding bond or note issues which are for the purpose of
20 achieving debt service savings and which do not extend the term of the
21 refunded bonds or notes.

22 (b) The corporation may provide for the issuance, at any one (1) time or from
23 time to time, of bonds which do not satisfy the requirements of paragraph (a)
24 of this subsection without approval of the issuance by the General Assembly
25 if the cumulative outstanding indebtedness of the corporation that does not
26 meet the requirements of paragraph (a) of this subsection does not exceed
27 thirty million dollars (\$30,000,000).

1 ~~{(e) The corporation shall annually report on its housing and bonding programs to~~
2 ~~the Interim Joint Committee on Appropriations and Revenue.}~~

3 (7) The Finance and Administration Cabinet shall provide to the corporation fiscal
4 consultant services regarding revenue bond management as necessary.

5 ➔Section 16. KRS 214.544 is amended to read as follows:

6 (1) A Colon Cancer Screening and Prevention Advisory Committee shall be
7 established. The advisory committee shall include:

8 (a) One (1) member of the House of Representatives who shall be appointed by
9 the Speaker of the House;

10 (b) One (1) member of the Senate who shall be appointed by the President of the
11 Senate;

12 (c) The deputy commissioner of the Department for Public Health;

13 (d) The commissioner of the Department of Insurance, or his or her designee;

14 (e) The commissioner of the Department for Medicaid Services, or his or her
15 designee;

16 (f) Two (2) at-large members who shall be appointed by the Governor;

17 (g) One (1) member who shall be appointed by the Governor from a list of three
18 (3) names provided by the American Cancer Society;

19 (h) The director of the Kentucky Cancer Program at the University of Kentucky;

20 (i) The director of the Kentucky Cancer Program at the University of Louisville;

21 (j) The director of the Kentucky Cancer Registry;

22 (k) The director of the Colon Cancer Prevention Project;

23 (l) The chair of Kentucky African Americans Against Cancer; and

24 (m) The director of the Kentucky Cancer Consortium.

25 Members of the advisory committee shall be appointed for a term of four (4) years.

26 (2) (a) Members appointed under subsection (1)(a) to (g) of this section shall be
27 appointed as follows:

- 1 1. Members shall be appointed for a term of four (4) years, except as
- 2 provided in subparagraph 2. of this paragraph;
- 3 2. The initial appointments shall be for a period of two (2) years;
- 4 thereafter, the appointments shall be for a term of four (4) years; and
- 5 3. Members shall not serve more than two (2) terms of four (4) years.
- 6 (b) Members serving under subsection (1)(h) to (m) of this section shall serve by
- 7 virtue of their positions and shall not be subject to term limits.
- 8 (3) The chair of the advisory committee shall be elected from the membership of the
- 9 advisory committee to serve for a two (2) year term. A member of the advisory
- 10 committee may designate an alternate to attend meetings in his or her place.
- 11 (4) The advisory committee may add members from other organizations as deemed
- 12 appropriate.
- 13 (5) The advisory committee shall provide recommendations for the overall
- 14 implementation and conduct of the Colon Cancer Screening and Prevention
- 15 Program.
- 16 (6) The advisory committee shall establish and provide oversight for a colon cancer
- 17 screening public awareness campaign. The Cabinet for Health and Family Services
- 18 shall contract with the Kentucky Cancer Consortium at the University of Kentucky
- 19 to provide the required support. The amount of the contract shall not be included in
- 20 the base budget of the university as used by the Council on Postsecondary
- 21 Education in determining the funding formula for the university.
- 22 (7) The Colon Cancer Screening and Prevention Advisory Committee shall provide an
- 23 annual report on implementation and outcomes from the Colon Cancer Screening
- 24 and Prevention Program and recommendations to the Legislative Research
- 25 Commission, the Interim Joint Committee on Health, Welfare, and Family Services,
- 26 ~~the Interim Joint Committee on Appropriations and Revenue,~~ the Governor, the
- 27 secretary of the Cabinet for Health and Family Services, and the commissioner of

1 the Department for Public Health.

2 (8) The Kentucky Cancer Program, jointly administered by the University of Kentucky
3 and the University of Louisville, shall establish a colon cancer screening, education,
4 and outreach program in each of the state area development districts. The colon
5 cancer screening, education, and outreach program shall focus on individuals who
6 lack access to colon cancer screening. The Cabinet for Health and Family Services
7 shall contract with the University of Louisville and the University of Kentucky to
8 provide the required support. The amount of the contract shall not be included in
9 the base budgets of the universities as used by the Council on Postsecondary
10 Education in determining the funding formula for the universities.

11 ➔Section 17. KRS 214.556 is amended to read as follows:

12 (1) There is hereby established within the Kentucky cancer program the Kentucky
13 Cancer Registry and the cancer patient data management system for the purpose of
14 providing accurate and up-to-date information about cancer in Kentucky and
15 facilitating the evaluation and improvement of cancer prevention, screening,
16 diagnosis, therapy, rehabilitation, and community care activities for citizens of the
17 Commonwealth. The cancer patient data management system shall be administered
18 by the Lucille Parker Markey Cancer Center.

19 (2) Each licensed health facility which provides diagnostic services, or diagnostic
20 services and treatment, or treatment to cancer patients shall report to the Kentucky
21 Cancer Registry, through the cancer patient data management system and in a
22 format prescribed by the Kentucky Cancer Registry, each case of cancer seen at that
23 health facility. Failure to comply may be cause for assessment of an administrative
24 fine for the health facility, the same as for violation of KRS 216B.250.

25 (3) Each health facility shall grant to the cancer registry access to all records which
26 would identify cases of cancer or would establish characteristics of the cancer,
27 treatment of the cancer, or status of any identified cancer patient. Hospitals actively

- 1 participating and enrolled in the cancer patient data management system of the
2 Kentucky Cancer Program as of July 13, 1990, shall be considered to be in
3 compliance with this section. The Lucille Parker Markey Cancer Center shall
4 provide staff assistance in compiling and reporting required information to hospitals
5 which treat a low volume of patients.
- 6 (4) No liability of any kind or character for damages or other relief shall arise or be
7 enforced against any licensed health facility by reason of having provided the
8 information or material to the Kentucky Cancer Registry pursuant to the
9 requirements of this section.
- 10 (5) The identity of any person whose condition or treatment has been reported to the
11 Kentucky Cancer Registry shall be confidential, except that:
- 12 (a) The Kentucky Cancer Registry may exchange patient-specific data with any
13 other cancer control agency or clinical facility for the purpose of obtaining
14 information necessary to complete a case record, but the agency or clinical
15 facility shall not further disclose such personal data; and
- 16 (b) The Kentucky Cancer Registry may contact individual patients if necessary to
17 obtain follow-up information which is not available from the health facility.
- 18 (6) All information, interviews, reports, statements, memoranda, or other data furnished
19 by reason of this section, expressly including all portions, subsets, extracts, or
20 compilations of the data as well as any findings or conclusions resulting from those
21 studies, shall be privileged and shall not be considered public records under KRS
22 61.870 to 61.884. The Kentucky Cancer Registry may determine that certain
23 extracts, subsets, or compilations of data do not reveal privileged information and
24 may be published or otherwise shared to further the public health goals set forth
25 herein.
- 26 (7) The Kentucky Cancer Registry shall make periodic reports of its data and any
27 related findings and recommendations to the Legislative Research Commission, the

1 Interim Joint Committee~~[Committees on Appropriations and Revenue and]~~ on
2 Health~~[and]~~ Welfare, and Family Services, the Governor, the Cabinet for Health
3 and Family Services, the reporting health facility, and other appropriate
4 governmental and nongovernmental cancer control agencies whose intent it is to
5 reduce the incidence, morbidity, and mortality of cancer. The Kentucky Cancer
6 Registry may conduct analyses and studies as are indicated to advance cancer
7 control in the Commonwealth, either directly or by confidentially sharing data with
8 third parties.

9 ➔Section 18. KRS 216.2929 is amended to read as follows:

- 10 (1) (a) The Cabinet for Health and Family Services shall make available on its
11 website~~[Web site]~~ information on charges for health-care services at least
12 annually in understandable language with sufficient explanation to allow
13 consumers to draw meaningful comparisons between every hospital and
14 ambulatory facility, differentiated by payor if relevant, and for other provider
15 groups as relevant data becomes available.
- 16 (b) Any charge information compiled and reported by the cabinet shall include
17 the median charge and other percentiles to describe the typical charges for all
18 of the patients treated by a provider and the total number of patients
19 represented by all charges, and shall be risk-adjusted.
- 20 (c) The report shall clearly identify the sources of data used in the report and
21 explain limitations of the data and why differences between provider charges
22 may be misleading. Every provider that is specifically identified in any report
23 shall be given thirty (30) days to verify the accuracy of its data prior to public
24 release and shall be afforded the opportunity to submit comments on its data
25 that shall be included on the website~~[Web site]~~ and as part of any printed
26 report of the data.
- 27 (d) The cabinet shall only provide linkages to organizations that publicly report

1 comparative-charge data for Kentucky providers using data for all patients
2 treated regardless of payor source, which may be adjusted for outliers, is risk-
3 adjusted, and meets the requirements of paragraph (c) of this subsection.

4 (2) (a) The cabinet shall make information available on its website~~[Web site]~~ at least
5 annually describing quality and outcome measures in understandable language
6 with sufficient explanations to allow consumers to draw meaningful
7 comparisons between every hospital and ambulatory facility in the
8 Commonwealth and other provider groups as relevant data becomes available.

9 (b) 1. The cabinet shall utilize only national quality indicators that have been
10 endorsed and adopted by the Agency for Healthcare Research and
11 Quality, the National Quality Forum, or the Centers for Medicare and
12 Medicaid Services; or

13 2. The cabinet shall provide linkages only to the following organizations
14 that publicly report quality and outcome measures on Kentucky
15 providers:

- 16 a. The Centers for Medicare and Medicaid Services;
17 b. The Agency for Healthcare Research and Quality;
18 c. The Joint Commission; and
19 d. Other organizations that publicly report relevant outcome data for
20 Kentucky providers.

21 (c) The cabinet shall utilize or refer the general public to only those nationally
22 endorsed quality indicators that are based upon current scientific evidence or
23 relevant national professional consensus and have definitions and calculation
24 methods openly available to the general public at no charge.

25 (3) Any report the cabinet disseminates or refers the public to shall:

26 (a) Not include data for a provider whose caseload of patients is insufficient to
27 make the data a reliable indicator of the provider's performance;

- 1 (b) Meet the requirements of subsection (1)(c) of this section;
- 2 (c) Clearly identify the sources of data used in the report and explain the
- 3 analytical methods used in preparing the data included in the report; and
- 4 (d) Explain any limitations of the data and how the data should be used by
- 5 consumers.

6 (4) The cabinet shall report at least biennially, no later than October 1 of each odd-

7 numbered year, on the special health needs of the minority population in the

8 Commonwealth as compared to the population in the Commonwealth as compared

9 to the population at large. The report shall contain an overview of the health status

10 of minority Kentuckians, shall identify the diseases and conditions experienced at

11 disproportionate mortality and morbidity rates within the minority population, and

12 shall make recommendations to meet the identified health needs of the minority

13 population.

14 (5) The report required under subsection (4) of this section shall be submitted to the

15 Interim Joint Committee~~[Committees]~~ on ~~[Appropriations and Revenue and~~

16 ~~]Health, [and] Welfare,~~ and Family Services and to the Governor.

17 ➔Section 19. KRS 224.10-230 is amended to read as follows:

18 (1) The cabinet shall implement a time and accounting system to reasonably and

19 accurately document its actual costs.

20 (2) ~~[The cabinet shall submit documentation of its costs to the Interim Joint~~

21 ~~Appropriations and Revenue Committee prior to the cabinet's submittal of its~~

22 ~~biennial budget request.~~

23 ~~(3) [The cabinet may promulgate regulations amending the fees set forth in KRS~~

24 ~~224.20-050, 224.46-012 to 224.46-018, and 224.70-120. The fees established in the~~

25 ~~promulgated regulations shall be based on the cabinet's actual costs.~~

26 ➔Section 20. KRS 342.1223 is amended to read as follows:

27 (1) The Kentucky Workers' Compensation Funding Commission is created as an

1 agency of the Commonwealth for the public purpose of controlling, investing, and
2 managing the funds collected pursuant to KRS 342.122.

3 (2) The commission shall:

4 (a) Hold, administer, invest, and reinvest the funds collected pursuant to KRS
5 342.122 and its other funds separate and apart from all "state funds" or "public
6 funds," as defined in KRS Chapter 446;

7 (b) Act as a fiduciary, as defined in KRS Chapter 386, in exercising its power
8 over the funds collected pursuant to KRS 342.122, and may invest association
9 funds through one (1) or more banks, trust companies, or other financial
10 institutions with offices in Kentucky in good standing with the Department of
11 Financial Institutions, in investments described in KRS Chapter 386, except
12 that the funding commission may, at its discretion, invest in equity securities;

13 (c) Report to the General Assembly at each even-numbered-year regular session
14 the actuarial soundness and adequacy of the funding mechanism for the
15 special fund and other programs supported by the mechanism, including
16 detailed information on the investment of funds and yields thereon;

17 (d) Recommend to the General Assembly, not later than October 31 of the year
18 prior to each even-numbered-year regular legislative session, changes deemed
19 necessary in the level of the assessments imposed in this chapter;

20 (e) In conjunction with the Education and Labor Cabinet, submit to the General
21 Assembly, not later than October 31 of the year prior to each even-numbered-
22 year regular legislative session, a proposed budget for the biennium beginning
23 July 1 following the even-numbered-year regular session of the General
24 Assembly;

25 (f) ~~In conjunction with the Education and Labor Cabinet, provide to the Interim~~
26 ~~Joint Committee on Appropriations and Revenue an annual budget and~~
27 ~~detailed quarterly financial reports;~~

1 ~~(g)~~ Conduct periodic audits, independently or in cooperation with the Education
2 and Labor Cabinet or the Department of Revenue, of all entities subject to the
3 assessments imposed in this chapter; and

4 ~~(g)(h)~~ Report monthly to the Committee~~[Committees on Appropriations and~~
5 ~~Revenue and]~~ on Economic Development and Workforce Investment its
6 monthly expenditures of restricted agency funds and the nature of the
7 expenditures.

8 (3) The commission shall have all of the powers necessary or convenient to carry out
9 and effectuate the purposes for which it was established, including, but not limited
10 to, the power:

11 (a) To sue and be sued, complain, or defend, in its name;

12 (b) To elect, appoint, or hire officers, agents, and employees, and define their
13 duties and fix their compensation within the limits of its budget approved by
14 the General Assembly. Notwithstanding any provision of KRS Chapter 18A
15 to the contrary, officers and employees of the funding commission may be
16 exempted from the classified service;

17 (c) To contract for investment counseling, legal, actuarial, auditing, and other
18 professional services in accordance with the provisions relating to personal
19 service contracts contained in KRS Chapter 45A;

20 (d) To appoint, hire, and contract with banks, trust companies, and other entities
21 to serve as depositories and custodians of its investment receipts and other
22 funds;

23 (e) To take any and all other actions consistent with the purposes of the
24 commission and the provisions of this chapter; and

25 (f) To make and promulgate administrative regulations.

26 (4) The Kentucky Workers' Compensation Funding Commission may utilize the
27 investment expertise and advice of the Office of Financial Management within the

1 Finance and Administration Cabinet. The Kentucky Workers' Compensation
2 Funding Commission may procure one (1) or more consulting firms and enter into a
3 personal service contract with such consulting firms to provide investment
4 advisory, investment counseling, or investment management services. The Office of
5 Financial Management shall participate in the selection of any firms for investment
6 services provided, however, the Kentucky Workers' Compensation Funding
7 Commission shall have the right to make the final decision on the selection of any
8 firms. Notwithstanding any provisions of this section to the contrary, all contracts
9 for investment advisory, investment counseling, or investment management
10 services or for the management of assets shall be subject to KRS Chapter 45A. The
11 fees charged by financial institutions for managing the investments of the funds of
12 the funding commission shall be paid from the investment earnings of the funds.

13 (5) The commission shall be attached to the Education and Labor Cabinet for
14 administrative purposes only.

15 ➔Section 21. KRS 342.765 is amended to read as follows:

16 (1) Notwithstanding the provisions of KRS Chapter 342 to the contrary, the office of
17 the Attorney General shall be responsible for the administration of the uninsured
18 employers' fund and shall be charged with the conservation of the assets of the
19 fund. Funds to reimburse the Attorney General's office for expenses incurred in
20 litigation and administration in defense of the uninsured employers' fund shall be
21 transferred upon request of the Attorney General's office and approval by the
22 secretary of the Education and Labor Cabinet.

23 (2) The office of the Attorney General shall report monthly to ~~the Interim Joint~~
24 ~~Committee on Appropriations and Revenue,~~ the Interim Joint Committee on
25 Economic Development and Workforce Investment~~[,]~~ and the commissioner the
26 amount of the agency fund expenditures in each month for the uninsured employers'
27 fund and the nature of these expenditures. In addition, the Office of the Attorney

1 General shall report quarterly to the commissioner on the amount of funds recouped
2 from uninsured employers.

3 ➔Section 22. KRS 353.776 is amended to read as follows:

4 By January 1 each year, the authority shall make an annual report of its activities for the
5 preceding fiscal year to the Office of the State Budget Director~~and to the Interim Joint~~
6 ~~Committee on Appropriations and Revenue~~. Each such report shall set forth a complete
7 operating and financial statement covering its operations during the year. The authority
8 shall provide for an audit of its books and accounts to be made within ninety (90) days
9 after the close of each fiscal year by certified public accountants and the cost thereof may
10 be treated as a part of the cost of construction of the project. Audits under this section
11 shall be public records within the meaning of KRS 61.870 to 61.884.

12 ➔Section 23. The following KRS sections are repealed:

13 342.231 Monthly reports.

14 176.5066 Revenues relating to motorcycle safety education program fund -- Report.