

# Summary of Budget Actions

2023 Regular Session of  
the General Assembly

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# SUMMARY OF BUDGET ACTIONS BY THE 2023 REGULAR SESSION OF THE GENERAL ASSEMBLY

## 2023 Regular Session Changes to Previously Enacted General Fund Balance Sheet

### Tax and Revenue Actions Impacting the General Fund

The Consensus Forecasting Group, on December 14, 2022, revised the General Fund revenue estimates upward by \$1,442,911,600 for fiscal year 2023 and by \$1,314,826,700 for fiscal year 2024.

The 2023 Regular Session of the General Assembly enacted tax and revenue actions that reduced estimated General Fund revenues by:

FY 2023 (\$8,990,000)  
FY 2024 (\$348,100,000)

The 2023 Regular Session of the General Assembly enacted tax and revenue actions that increased estimated Road Fund revenues by:

FY 2023 No Change  
FY 2024 \$4,200,000

The official General Fund and Road Fund revenue estimates in accordance with KRS 48.120 for fiscal years 2023 and 2024 are:

<b>General Fund</b>		<b>Road Fund</b>	
<b>FY 2022-2023</b>	<b>\$15,192,910,000</b>	<b>FY 2022-2023</b>	<b>\$1,721,000,000</b>
<b>FY 2023-2024</b>	<b>\$15,117,700,000</b>	<b>FY 2023-2024</b>	<b>\$1,683,350,500</b>

The details of these actions are show below in the Tax and Revenue Changes section of this summary.

### Appropriation Actions

The 2023 Regular Session of the General Assembly passed nine bills that included appropriation changes to the budget enacted in the 2022 Session. They included three appropriation reductions and 14 appropriation unit increases. The net effect to General Fund appropriations is:

FY 2023 (\$45,289,100)  
FY 2024 (\$10,925,100)

#### Appropriation Reductions

The enacted 2022-24 budget eliminated a duplicate General Fund appropriation to the Kentucky Teachers' Retirement System, \$39.3 million each fiscal year. A reduction of \$17.4 million for state matching funds for the federal Electric Vehicle Charging Station grant was made since the Transportation Cabinet's Request for Proposal sought vendor funds to meet the required match instead.

## **Appropriation Increases and Transfers**

### **Veterans Affairs-Construct Bowling Green Veterans Center**

Due to higher costs than budgeted to construct a new Veterans Center in Bowling Green, an additional \$16,630,000 from the Budget Reserve Trust Fund was added to bring the total project budget up to \$53.1 million.

### **Juvenile Justice**

Two pieces of legislation provided \$45.8 million to address the needs of the Juvenile Justice detention centers, Senate Bill 162 and House Bill 3. For fiscal year 2024, operating funding was provided to hire an additional 146 staff to provide adequate staffing levels at the eight detention centers (\$9.7 million), to sustain the Governor's recent action that increased the salaries of correctional officers within the eight detention centers and raise the salaries of other job classifications within the Department of Juvenile Justice (\$8.0 million funded from \$200 million General Fund appropriation set-aside in the 2022-24 biennial budget for fiscal year 2024 state employee salary increases), to establish a diversion program in fiscal year 2023 to provide treatment for juveniles identified as suffering from severe mental illness (\$1.5 million), to operate a new youth offender management system that is under development (\$200,000), and for the operations of the Louisville detention center (\$2.0 million). In fiscal year 2023, \$500,000 was provided for the Auditor of Public Accounts to contract out a performance review of the detention centers.

Capital project funding was provided for several projects to improve the safety of detention centers and to re-establish an adequate center in Jefferson County. To design and renovate the downtown location of the former Louisville Metro Government's juvenile detention center, \$13.4 million was appropriated with the Administration's communication that more funding will be needed to complete the project. A \$4.0 million project was appropriated for security upgrades at the detention centers. A \$4.5 million project is provided to renovate the low-security detention center in Jefferson County at Lyndon. Funding is also provided to assess the feasibility of physical plant adjustments and associated future funding needed to safely divide the detention centers for low and high-security juvenile detainees, \$1.75 million.

### **Salary Increases for State Employees**

State employees in the Executive and Legislative branches will receive an across-the-board increase of 6% in fiscal year 2024, effective July 1, 2023. Employees of the Judicial Branch will receive a \$2,000 increase followed by a 6% salary increase effective July 1, 2023, for elected and non-elected personnel. The funding comes from a \$200 million General Fund appropriation set-aside in the 2022-24 biennial budget for fiscal year 2024 state employee salary increases. A total of \$89,320,800 of the \$200 million appropriated was allocated from the set-aside through House Bill 444. The Executive Branch salary increase appropriations included \$65,351,800 from the General Fund, \$18,029,800 in Restricted Funds, \$11,381,400 from the Road Fund, and \$14,386,400 in Federal Funds.

Correctional Officers within the Department of Corrections were provided \$30 million for salary increases in fiscal year 2024 to bring entry-level pay up to \$50,000 with fixed-dollar increases to existing staff to assist with the retention and recruitment of staff to safely operate Kentucky's 13 adult correctional institutions. As with the salary increases for Juvenile Justice detention center officers, this funding came from the \$200 million General Fund appropriation set-aside in the 2022-24 biennial budget for fiscal year 2024 state employee salary increases.

### **Parks and State Fair Board Capital Improvements**

Based on the Department of Park's statewide proposal dated December 1, 2022, the General Assembly authorized the use of \$79 million of the \$150 million Bond Funds appropriated in House Bill 1 of the 2022 Regular Session in fiscal year 2023-2024. House Joint Resolution 76 authorized the release of \$40

million for campground upgrades, \$20 million for utility improvements, and \$6 million for broadband upgrades for high-speed internet and wireless capabilities. House Bill 553 also appropriated two projects for emergency repairs of \$7.5 million at Lake Barkley State Resort Park and \$5.5 million at Jenny Wiley State Resort Park.

Senate Joint Resolution 98 authorized the release in fiscal year 2024 of the \$180 million capital appropriation for State Fair Board Property Improvements based on a proposal the Board submitted in November, 2022.

#### **Housing Assistance for Disaster Areas**

House Bill 448 transferred \$10 million from the East Kentucky State Aid Funding for Emergencies and \$10 million from the West Kentucky State Aid Funding for Emergencies to a new Rural Housing Trust Fund within the Kentucky Housing Corporation. The Fund is targeted to the declared disasters from the storms and tornadoes in Western Kentucky in December 2021 and the storms and flooding in Eastern Kentucky in July 2022.

#### **Medicaid Reimbursements of Outpatient Services – Assistance to Rural Hospitals**

House Bill 448 included appropriations to Medicaid Benefits to boost Medicaid payment rates for outpatient procedures performed at hospitals as enacted by House Bill 75: \$63,663,100 in Restricted Funds and \$254,652,500 in Federal Funds in fiscal year 2023 and \$322,499,200 in Restricted Fund and \$1,143,406,400 in Federal Funds in fiscal year 2024. The Department for Medicaid Services will assess outpatient services and provide additional payments to hospitals to reduce payment gaps between Medicaid reimbursements and what would be paid by private health insurance. The measure also allows Medicaid to create a hospital rate increase program for individuals enrolled in its fee-for-service program to pay up to the upper payment limit of the federal Medicare program. The legislation is retroactive to January 1, 2023.

#### **SEEK formula recalculation**

House Bill 553 extends the date for the 2022-23 school year final SEEK calculation to June 1, 2023 to catch up school districts which had attendance growth during the pandemic between the beginning data point of either school year 2018-19 or 2019-20, whichever was selected by the school district, and the second month growth number for 2022-23.

#### **Courthouse Projects - Cost Increases**

House Bill 553 increases the future General Fund Use Allowance payments to counties for ten courthouse projects approved in previous budgets due to higher construction costs. The total amount of increase is \$2.1 million for the following county courthouse projects: Barren, Bath, Butler, Clinton, Crittenden, Graves, Jessamine, Leslie, Madison, and Scott.

#### **Others**

House Bill 9 appropriated \$2 million from the General Fund to the Department of Local Government and established the Government Resources Accelerating Needed Transformation Program. The aim is to provide matching funds to Kentucky areas identified by the Federal government impacted by concentrated, direct coal-related job losses from mine and power plant closures in recent years. Eligible applicants include all local governments, school districts, special districts, state agencies, public institutions of education and others included in KRS 61.805, and nonprofit entities engaged in public benefit improvements to these priority communities.

House Bill 448 shifted the \$3.5 million in funding in both fiscal years for the Kentucky Datastream Initiative from the Department of Education to the Education and Labor Cabinet, General Administration and Program Support appropriation unit.

House Bill 448 transferred \$1.3 million of excess Restricted funds from the Department of Insurance to the Workers' Compensation Funding Commission within the Education and Labor Cabinet for disbursement to the Kentucky Group Self-Insurance Guaranty Fund to make payments to eligible workers' compensation claimants. The provision also increased the amount of assessments that can be made to the Fund's members to pay outstanding claims.

House Bill 448 appropriated \$25 million in Agency Bonds in fiscal year 2024 to Western Kentucky University for the construction of a new building for Gordon Ford College of Business. These funds are in addition to the \$74.4 million of Bond Funds that were authorized in the 2022-24 biennial budget.

House Bill 448 and House Bill 553 appropriated Restricted funds of \$31,200 in fiscal years 2023 and 2024 to Board of Respiratory Care, \$80,000 in fiscal year 2023 to the Board of Social Work, and \$325,000 in fiscal year 2024 to the Board of Hairdressers and Cosmetologists for an information technology project.

Senate Bill 282 appropriated a sum sufficient from Restricted Funds for higher claims payments from the Crime Victims' Compensation Fund permitted by Section 2 and 3 of the bill for fiscal years 2023 and 2024.

House Bill 448 modified the title of a line-item grant in the Department of Local Government to correct a recipient and purpose.

House Bill 448 allocated a portion of the unexpended assistance to non-profit entities, \$2,570,400 from the federal ARPA State Fiscal Recovery Fund, to the Kentucky Nonprofit Network to support outreach, resources, and programming for Kentucky nonprofits. The bill also specified the purpose of another line-item use of the State Fiscal Recovery Fund to the Department of Education, for a chemistry and physical science 3D game-based learning platform for middle and high school students.

## **Tax and Revenue Changes for the 2022-2024 Biennium**

Three bills from the 2023 Regular Session will reduce General Fund revenues. The total estimated impact will reduce the official General Fund revenue estimate by \$9 million in fiscal year 2023 and \$348.1 million in fiscal year 2024. The out-year impact is estimated to be \$679.7 million in fiscal year 2025.

### **Individual Income Tax – Tax Rate Reduction**

House Bill 1 decreased the individual income tax rate from 4.5 percent to 4.0 percent effective January 1, 2024. The fiscal year 2024 half-year estimated reduction to the General Fund is \$312.4 million. Once fully annualized the estimated reduction is \$635 million in fiscal year 2025.

### **Individual Income Tax – SALT Work Around**

A new state-level entity tax was created that allows pass-through entities, LLCs, LLPs, and S-Corps, to elect to be taxed at the business entity level rather than at the individual level. The new tax is completely refundable on individual income tax returns. This will enable these entities to deduct these state taxes on their federal tax return. Nearly thirty states have enacted similar legislation to create a "work-around" to the federal itemized deduction limitation on the deduction of state and local taxes (SALT) of \$5,000 for single filers and \$10,000 for joint filers. The provisions are retroactive to tax year 2022.

**Sales and Use Tax**

House Bill 360 made changes to some services which were newly taxed by legislation in 2021, as well as enacting some new tax policies. Marketing services were eliminated from taxation. Several new exemptions from the sales and use tax were included: building materials and supplies used in sewer or water projects, certain prewritten computer software access services, and the rental of space for meetings, entertainment, and social events. Several services that were added to the sales tax base in 2022 received clarifying language. The taxation of recreational vehicles was changed from being taxed under the sales and use tax to being taxed under the motor vehicle usage tax at the time the vehicle is registered. This change shifts tax receipts from recreational vehicles to the Road Fund from the General Fund.

House Bill 5 created a distillers’ sales tax incentive for the purchasers of tangible personal property used in the construction, replacement, or remodeling of warehouses to store distilled spirits. This particular provision has a delayed fiscal impact of \$3.3 million each year, beginning in fiscal year 2027.

**Property Tax Phase-Out for Kentucky Bourbon Distillers**

House Bill 5 phases out the tangible property tax for Kentucky bourbon distillers. Beginning in tax year 2026 the tax rate on distilled spirits stored or aging in barrels located in a bonded warehouse is reduced by a specified percentage until the tangible property tax on distillers is eliminated in 2042. Certain large distillers are also eligible for a refundable income tax credit equal to 50 percent of the accumulated amount of unused credits. This election is contingent upon the taxpayer waiving all future tax credits and making a capital investment of at least \$20 million in a county with a low and moderate income population and creating ten or more jobs. The reduction to the General Fund begins in fiscal year 2027 at \$5.5 million annually.

**Sports Wagering**

House Bill 551 legalized sports wagering in Kentucky, effective in the fall of 2023. Revenues are directed to the Kentucky permanent pension fund and the sports wagering administration fund. The balance in the permanent pension fund remains in place until appropriated for unfunded liabilities by the General Assembly.

<u>2023 Bill</u>	<u>Tax Type</u>	<u>FY23</u>	<u>FY24</u>
HB 1 -- Income Tax Rate Reduction	Individual Income		(312,400,000)
HB 5-SALT workaround	Individual Income	(2,700,000)	(13,000,000)
HB 360-Rental of event space	Sales Tax	(40,000)	(100,000)
HB 360-Marketing Services	Sales Tax	(600,000)	(1,500,000)
HB 360-Water/Sewer Bldg. Mat., et al	Sales Tax	(5,650,000)	(13,600,000)
HB 360-Recreational Vehicles	Sales and Use Tax		(6,700,000)
HB 360-EV fee shift to Road Fund	Hybrid/EV Reg. Fee		(800,000)
<b>Total General Fund</b>		<b>(8,990,000)</b>	<b>(348,100,000)</b>
HB 360-Recreational Vehicles	Motor Vehicle Usage		3,400,000
HB 360-EV fee shift to Road Fund	Hybrid/EV Reg. Fee		800,000
<b>Total Road Fund</b>		<b>0</b>	<b>4,200,000</b>

**2022-24 BUDGET OF THE COMMONWEALTH  
GENERAL FUND SUMMARY  
AS REVISED BY THE 2023 REGULAR SESSION**

	<b>Revised FY 2023</b>	<b>Revised FY 2024</b>
<b>RESOURCES</b>		
Beginning Balance	1,878,333,421	265,443,400
Official Revenue Estimate	15,192,910,000	15,117,700,000
Fund Transfers	3,455,900	5,273,300
<b>RESOURCES</b>	<b>17,074,699,321</b>	<b>15,388,416,700</b>
<b>Continued Appropriation Reserve</b>		
Budget Reserve Trust Fund	1,482,127,088	4,015,855,509
Executive Branch	577,162,396	78,057,100
Judicial Branch	25,649,439	13,920,800
Legislative Branch	31,980,208	23,677,200
<b>Continued Appropriation Reserve</b>	<b>2,116,919,131</b>	<b>4,131,510,609</b>
<b>TOTAL RESOURCES</b>	<b>19,191,618,452</b>	<b>19,519,927,309</b>
<b>APPROPRIATIONS</b>		
Appropriations-Executive Branch	13,465,898,900	13,553,948,300
Special Appropriations-2022 Session	116,750,000	116,000,000
Appropriations-Legislative Branch	103,040,600	88,016,800
Appropriations-Judicial Branch	416,921,400	421,664,700
2022 Special Session	200,000,000	
Budgeted Lapses	(9,827,400)	(8,895,700)
Contingent Appropriation of Lottery Receipts	3,025,300	3,000,000
Dedicated Revenues-Severance Taxes	8,377,800	(8,274,400)
Special Appropriations-2023 Session	(28,659,100)	(10,925,100)
<b>TOTAL APPROPRIATIONS</b>	<b>14,275,527,500</b>	<b>14,154,534,600</b>
<b>BALANCE</b>	<b>4,916,090,952</b>	<b>5,365,392,709</b>
<b>Continued Appropriation Reserve</b>		
Budget Reserve Trust Fund	2,527,022,609	4,015,855,509
Executive Branch	577,162,396	78,057,100
Judicial Branch	25,649,439	13,920,800
Legislative Branch	31,980,208	23,677,200
<b>Continued Appropriation Reserve</b>	<b>3,161,814,652</b>	<b>4,131,510,609</b>
<b>ENDING BALANCE</b>	<b>1,754,276,300</b>	<b>1,233,882,100</b>



**2022-2024 BUDGET OF THE COMMONWEALTH  
ROAD FUND SUMMARY  
AS REVISED BY THE 2023 REGULAR SESSION**

	<b>Revised FY 2023</b>	<b>Revised FY 2024</b>
<b>RESOURCES</b>		
Beginning Balance	72,349,660	878,500
Official Revenue Estimate	1,721,000,000	1,683,350,500
Fund Transfers	836,100	835,300
<b>TOTAL RESOURCES</b>	<b>1,794,185,760</b>	<b>1,685,064,300</b>
<b>APPROPRIATIONS</b>		
Appropriations - Operating	1,693,235,700	1,667,367,300
Appropriations - Capital	32,529,000	16,050,000
Surplus Appropriations	70,371,160	
Budgeted Lapse	(2,828,600)	(2,553,000)
<b>TOTAL APPROPRIATIONS</b>	<b>1,793,307,260</b>	<b>1,680,864,300</b>
<b>ENDING BALANCE</b>	<b>878,500</b>	<b>4,200,000</b>

# Appropriation Bills

## 2023 Regular Session

House Bill 2 – Bowling Green Veterans Center

House Bill 3 – Juvenile Justice

House Bill 9 – “GRANT” Program

House Bill 444 – Salary Increases for State Employees

House Bill 448 – Special Appropriations

House Bill 553 – SEEK Calculation, Courthouse and Parks Projects

Senate Bill 158 – Juvenile Justice Audit

Senate Bill 162 – Juvenile Justice and Corrections

Senate Bill 282 – Crime Victims’ Compensation

House Bill 2

Bowling Green  
Veterans Center

2023 Regular Session

CHAPTER 2

**CHAPTER 2**

**( HB 2 )**

AN ACT relating to the Bowling Green Veterans Center, making an appropriation therefor, and declaring an emergency.

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

➔Section 1. There is hereby appropriated General Fund moneys in the amount of \$16,630,000 in fiscal year 2022-2023 from the Budget Reserve Trust Fund Account (KRS 48.705) to the Kentucky Department of Veterans' Affairs for construction of the Bowling Green Veterans Center.

➔Section 2. Whereas the veterans of this Commonwealth deserve the best possible care, as near to their homes and families as is practicable, and whereas this bill will advance that highly important public purpose in this time of urgent need, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

**Signed by Governor February 15, 2023.**

# House Bill 3

## Juvenile Justice Capital

### 2023 Regular Session

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**CHAPTER 105**

**( HB 3 )**

AN ACT relating to juvenile justice and making an appropriation therefor.

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

➔Section 1. KRS 610.030 is amended to read as follows:

Except as otherwise provided in KRS Chapters 600 to 645:

- (1) If any person files a complaint alleging that a child, except a child alleged to be neglected, abused, dependent, or mentally ill who is subject to the jurisdiction of the court, may be within the purview of KRS Chapters 600 to 645, the court-designated worker shall make a preliminary determination as to whether the complaint is complete. In any case where the court-designated worker finds that the complaint is incomplete, the court-designated worker shall return the complaint without delay to the person or agency originating the complaint or having knowledge of the facts, or to the appropriate law enforcement agency having investigative jurisdiction of the offense, and request additional information in order to complete the complaint. The complainant shall promptly furnish the additional information requested;
- (2)
  - (a) Upon receipt of a complaint which appears to be complete and which alleges that a child has committed a public offense, the court-designated worker shall refer the complaint to the county attorney for review pursuant to KRS 635.010.
  - (b) If after review the county attorney elects to proceed, the court-designated worker shall conduct a preliminary intake inquiry to recommend whether the interests of the child or the public require that further action be taken or whether, in the interest of justice, the complaint can be resolved informally without the filing of a petition;
- (3) Upon receipt of a complaint that appears to be complete and that alleges that the child has committed a status offense, the court-designated worker shall conduct a preliminary intake inquiry to determine whether the interests of the child or the public require that further action be taken;
- (4) Prior to conducting a preliminary intake inquiry, the court-designated worker shall notify the child and the child's parent, guardian, or other person exercising custodial control or supervision of the child in writing:
  - (a) Of their opportunity to be present at the preliminary intake inquiry;
  - (b) That they may have counsel present during the preliminary intake inquiry as well as the formal conference thereafter;
  - (c)
    1. That all information supplied by the child to a court-designated worker during any process prior to the filing of the petition shall be deemed confidential and shall not be subject to subpoena or to disclosure without the written consent of the child.
    2. Information may be shared between treatment providers, the court-designated worker, and the family accountability, intervention, and response team to enable the court-designated worker to facilitate services and facilitate compliance with the diversion agreement; and
  - (d) That the child has the right to deny the allegation and demand a formal court hearing;
- (5) The preliminary intake inquiry shall include the administration of an evidence-based screening tool and, if appropriate and available, a validated risk and needs assessment, in order to identify whether the child and his or her family are in need of services and the level of intervention needed;
- (6) Upon the completion of the preliminary intake inquiry, the court-designated worker may:
  - (a) If the complaint alleges a status offense, determine that no further action be taken subject to review by the family accountability, intervention, and response team;
  - (b) If the complaint alleges a public offense, refer the complaint to the county attorney;
  - (c) Refer a public offense complaint for informal adjustment; or
  - (d) Based upon the results of the preliminary intake inquiry, other information obtained, and a determination that the interests of the child and the public would be better served, and with the written

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- approval of the county attorney for a public offense complaint, if necessary, conduct a formal conference and enter into a diversion agreement;
- (7) Upon receiving written approval of the county attorney, if necessary, to divert a public offense complaint, and prior to conducting a formal conference, the court-designated worker shall advise in writing the complainant, the victim if any, and the law enforcement agency having investigative jurisdiction of the offense:
- (a) Of the recommendation and the reasons therefor and that the complainant, victim, or law enforcement agency may submit within ten (10) days from receipt of such notice a complaint to the county attorney for special review; or
  - (b) In the case of a misdemeanor diverted pursuant to KRS 635.010(4), of the fact that the child was statutorily entitled to divert the case;
- (8) A formal conference shall include the child and his or her parent, guardian, or other person exercising custodial control or supervision. The formal conference shall be used to:
- (a) Present information obtained at the preliminary intake inquiry; and
  - (b) *1. Develop a diversion agreement that shall require that the child regularly attend school, shall not exceed six (6) months in duration, and may include:*
    - a.~~1-1~~ Referral of the child, and family if appropriate, to a public or private entity or person for the provision of identified services to address the complaint or assessed needs;*
    - b.~~2-2~~ Referral of the child, and family if appropriate, to a community service program within the limitations provided under KRS 635.080(2);*
    - c.~~3-3~~ Restitution, limited to the actual pecuniary loss suffered by the victim, if the child has the means or ability to make restitution;*
    - d.~~4-4~~ Notification that the court-designated worker may apply graduated sanctions for failure to comply with the diversion agreement;*
    - e.~~5-5~~ Any other program or effort which reasonably benefits the community and the child; and*
    - f.~~6-6~~ A plan for monitoring the child's progress and completion of the agreement.~~7-7~~*
  - 2. Prior to developing the diversion agreement, the court designated worker or court designated specialist shall contact the school district that the child attends to obtain background information from school personnel regarding family background, education records, any services previously provided, and any recommended trauma informed strategies.*
  - 3. Upon developing a diversion agreement, the court designated specialist shall make all details of the agreement accessible to all members of the family, accountability, intervention, and response team through an electronic platform provided by the Administrative Office of the Courts.*
- (9) (a) If a child successfully completes a diversion agreement, the underlying complaint shall be dismissed and further action related to that complaint shall be prohibited.
- (b) If a child fails to appear for a preliminary intake inquiry, declines to enter into a diversion agreement, or fails to complete a diversion agreement, then:
- 1. For a public offense complaint, the matter shall be referred to the county attorney for formal court action and, if a petition is filed, the child may request that the court dismiss the complaint based upon his or her substantial compliance with the terms of diversion; and
  - 2. For a status offense complaint, the court-designated worker shall refer the matter to the family accountability, intervention, and response team for review and further action.
- (c) *If the child enters into a diversion agreement or is referred to the family accountability, intervention, and response team for truancy and there is no action implemented by the family accountability, intervention, and response team within ninety (90) days, the family accountability, intervention, and response team shall report to the court the reasons for inaction and shall provide a plan for action on the child's case. The court shall review on the record any diversion agreement and any report, without the attendance or appearance of the child, at regular intervals at the court's discretion to*

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*verify family accountability, intervention, and response team member attendance, team accountability, and performance.*

**(d) *If a child fails to appear for a preliminary intake inquiry or fails to complete a diversion agreement due to lack of parental cooperation, the court-designated worker shall make a determination that the child failed to complete the diversion due to lack of parent cooperation;***

(10) If a complaint is referred to the court, the complaint and findings of the court-designated worker's preliminary intake inquiry shall be submitted to the court for the court to determine whether process should issue;

**(11) *If the court receives a report with a determination that the diversion is failed due to lack of parental cooperation, the court may order parental cooperation and refer the case back to the court-designated worker. The child shall not be detained upon this finding;*** and

~~(12)~~~~(11)~~ At any stage in the proceedings described in this section, the court or the county attorney may review any decision of the court-designated worker. The court upon its own motion or upon written request of the county attorney may refer any complaint for a formal hearing.

➔Section 2. KRS 605.035 is amended to read as follows:

(1) There is hereby created in each judicial district a family accountability, intervention, and response team that shall develop enhanced case management plans and opportunities for services for children referred to the team. The family accountability, intervention, and response team shall consist of not more than fifteen (15) persons.

(2) The membership of the team shall include the following representatives as appointed by their agencies or organizations:

(a) A court-designated worker in that judicial circuit or district;

(b) One (1) or more members, one (1) of whom shall be a representative of the community mental health center, of the regional interagency council specified in KRS 200.509(1)(a) to (d) and (g), or corresponding members of the local interagency council if one exists;

(c) A representative from the cabinet knowledgeable about services available through the cabinet and authorized to facilitate access to services;

(d) A representative from the office of a county attorney within the judicial district;

(e) A representative from the Department of Public Advocacy;

(f) A representative from a local public school within the judicial district;

(g) A representative of law enforcement; and

(h) Other persons interested in juvenile justice issues, as identified by the family accountability, intervention, and response team, who are necessary for a complete representation of resources within each judicial circuit or district.

(3) A court-designated worker from within the judicial circuit or district shall lead the team and be responsible for convening and staffing the team.

(4) The team shall adopt a case management approach and process for reviewing:

(a) Referrals from the court-designated worker involving cases in which a child has failed to appear for a preliminary intake inquiry, declined to enter into a diversion agreement, or failed to complete the terms of the agreement; and

(b) Status offense cases if the court-designated worker, after reviewing the complaint, has determined that no further action is necessary.

(5) After reviewing the actions taken by the court-designated worker, including referrals made for the child and his or her family, efforts to address barriers to successful completion, and whether other appropriate services are available to address the needs of the child and his or her family, the team may:

(a) Refer the case back to the court-designated worker to take further action as recommended by the team;

**(b) *Refer the case to the cabinet, which shall conduct an investigation of suspected dependency, neglect, or abuse;*** or



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~~(c)(4)~~ Advise the court-designated worker to refer the case to the county attorney if the team has no further recommendations to offer.

➔Section 3. KRS 610.990 is amended to read as follows:

Any person who intentionally violates any of the provisions of this chapter shall be guilty of a Class B misdemeanor, ***except that an intentional violation of an order issued under subsection (11) of Section 1 of this Act shall be referred to the county attorney for prosecution under KRS 530.070(1)(c) if the case relates to truancy.***

➔Section 4. KRS 610.265 is amended to read as follows:

(1) Any child who is alleged to be a status offender or who is accused of being in contempt of court on an underlying finding that the child is a status offender may be detained in a nonsecure facility or a secure juvenile detention facility for a period of time not to exceed twenty-four (24) hours, exclusive of weekends and holidays, pending a detention hearing. Any child who is accused of committing a public offense or of being in contempt of court on an underlying public offense may be detained in a secure juvenile detention facility or a nonsecure setting approved by the Department of Juvenile Justice for a period of time not to exceed forty-eight (48) hours, exclusive of weekends and holidays, pending a detention hearing.

(2) ***Beginning July 1, 2024, any child accused of committing a public offense that would be considered a violent felony offense as defined in KRS 532.200 shall be detained in a secure juvenile detention facility for a period of time not to exceed forty-eight (48) hours, exclusive of weekends and holidays, pending a detention hearing, unless the detention hearing can be held within the time allotted to peace officers to retain custody of the child pursuant to KRS 610.200 or 610.220. This subsection shall not apply to any child ten (10) years of age or younger.***

(3) (a) ***Any child detained pursuant to subsection (2) of this section shall be assessed by a mental health professional, whose communications with the child shall be confidential in conformity with the Kentucky Rules of Evidence, to determine if the child exhibits behavior that indicates the child could benefit from cognitive behavioral therapy, other evidence-based behavioral health programs, substance use disorder treatment, or treatment in a psychiatric facility for serious mental illness.***

(b) ***Any treatment recommended under this subsection shall be provided by the Department of Juvenile Justice and may be provided pursuant to a contract between the Justice and Public Safety Cabinet and a behavioral health services organization.***

(c) ***If the child is released upon a detention hearing, a court may order the child to complete any recommended treatment. The Department of Juvenile Justice shall refer the child to an existing contractor or to other resources for the treatment.***

(4) ***Any child detained pursuant to subsection (2) of this section shall be permitted visitation from individuals representing organizations including nonprofit organizations, faith-based organizations, or community organizations, to connect them with, expose them to, or minister to them through programs including but not limited to trades, arts, sports, mentoring, counseling, support programs, or community-based programs. These organizations may offer transition services to any child who is released from detention.***

~~(5)(2)~~ Within the period of detention described in ~~subsections~~~~(subsections)~~ (1) ***and*** (2) of this section, exclusive of weekends and holidays, a detention hearing shall be held by the judge or trial commissioner of the court for the purpose of determining whether the child shall be further detained. At the hearing held pursuant to this subsection, the court shall consider the nature of the offense, the child's background and history, and other information relevant to the child's conduct or condition.

~~(6)(3)~~ If the court orders a child detained further, that detention shall be served as follows:

(a) If the child is charged with a capital offense, Class A felony, or Class B felony, detention shall occur in a secure juvenile detention facility pending the child's next court appearance subject to the court's review of the detention order prior to that court appearance;

(b) Except as provided in KRS 630.080(2), if it is alleged that the child is a status offender, the child may be detained in a secure juvenile detention facility for a period not to exceed twenty-four (24) hours after which detention shall occur in a nonsecure setting approved by the Department of Juvenile Justice pending the child's next court appearance subject to the court's review of the detention order prior to the next court appearance;

(c) If a status offender or a child alleged to be a status offender is charged with violating a valid court order, the child may be detained in a secure juvenile detention facility, or in a nonsecure setting

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approved by the Department of Juvenile Justice, for a period not to exceed forty-eight (48) hours, exclusive of weekends and holidays, pending the child's next court appearance;

- (d) Prior to ordering a status offender or alleged status offender who is subject to a valid court order securely detained because the child violated the valid court order, the court shall:
1. Affirm that the requirements for a valid court order were met at the time the original order was issued;
  2. Make a determination during the adjudicatory hearing that the child violated the valid court order; and
  3. Within forty-eight (48) hours after the adjudicatory hearing on the violation of a valid court order by the child, exclusive of weekends and holidays, receive and review a written report prepared by an appropriate public agency that reviews the behavior of the child and the circumstances under which the child was brought before the court, determines the reasons for the child's behavior, and determines whether all dispositions other than secure detention have been exhausted or are inappropriate. If a prior written report is included in the child's file, that report shall not be used to satisfy this requirement. The child may be securely detained for a period not to exceed forty-eight (48) hours, exclusive of weekends and holidays, pending receipt and review of the report by the court. The hearing shall be conducted in accordance with ~~the provisions of~~ ~~KRS 610.060~~. The findings required by this subsection shall be included in any order issued by the court which results in the secure or nonsecure detention of a status offender; and
- (e) If the child is charged with a public offense, or contempt on a public offense, and the county in which the case is before the court is served by a state operated secure detention facility under the statewide detention plan, the child shall be referred to the Department of Juvenile Justice for a security assessment and placement in an approved detention facility or program pending the child's next court appearance.

~~(7)(4)~~ If, at the hearing conducted under subsection ~~(5)(2)~~ of this section, the court conducts an adjudicatory hearing on the merits of a violation of a valid court order, that hearing shall conform to the requirements of KRS 630.080.

~~(8)(5)~~ If the detention hearing is not held as provided in subsection (1) of this section, the child shall be released as provided in KRS 610.290.

~~(9)(6)~~ If the child is not released, the court-designated worker shall notify the parent, person exercising custodial control or supervision, a relative, guardian, or other responsible adult, and the Department of Juvenile Justice or the cabinet, as appropriate.

➔Section 5. KRS 635.060 is amended to read as follows:

If in its decree the juvenile court finds that the child comes within the purview of this chapter, the court, at the dispositional hearing, may impose any combination of the following, except that the court shall, if a validated risk and needs assessment tool is available, consider the validated risk and needs assessment submitted to the court and parties by the Department of Juvenile Justice or other agency before imposing any disposition:

- (1) Order the child or his parents, guardian, or person exercising custodial control to make restitution or reparation to any injured person to the extent, in the sum and upon the conditions as the court determines. However, no parent, guardian, or person exercising custodial control shall be ordered to make restitution or reparation unless the court has provided notice of the hearing, provided opportunity to be heard, and made a finding that the person's failure to exercise reasonable control or supervision was a substantial factor in the child's delinquency;
- (2) (a) Place the child:
  1. Under parental supervision in the child's own home or in a suitable home or boarding home, upon the conditions that the court shall determine, or
  2. On probation under conditions that the court shall determine.
- (b) 1. At the time the child is placed on probation, the court shall explain to the child the sanctions which may be imposed if the court's conditions are violated, and shall include notice of those sanctions as part of its written order of probation. A child placed on probation shall be subject to

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the visitation and supervision of a probation officer or an employee of the Department of Juvenile Justice.

2. The conditions of probation shall include authorization for the use of graduated sanctions prior to a court review for the imposition of a term of detention. If the court has previously imposed graduated sanctions for a violation of conditions of supervision by a child monitored by the court, or makes a finding that the graduated sanctions have previously been imposed for a child on probation, then the court may impose a sanction of up to thirty (30) days' detention for a violation of the conditions of supervision or probation. A court may not impose detention prior to use of graduated sanctions unless there is clear and convincing evidence that there are no graduated sanctions available that are appropriate for the child and the child is an immediate threat to himself or others. Except where commitment has been probated pursuant to subsection (5) of this section, a child may not be committed or recommitted to the Department of Juvenile Justice for a violation of a condition of probation.
- (c) A child placed on probation or supervision with court monitoring shall remain subject to the jurisdiction of the court as follows, except that if a person is placed on probation after the person reaches the age of seventeen (17) years and six (6) months, the probation shall be for a period not to exceed one (1) year:
1. If the child was adjudicated for an offense that would be a violation if committed by an adult, the period of probation or supervision shall not exceed thirty (30) days, except that the court may order up to three (3) months of supervision if the court-ordered treatment includes a program that requires longer than thirty (30) days to complete;
  2. If the child was adjudicated for an offense that would be a misdemeanor if committed by an adult, other than an offense for which a child has been declared a juvenile sex offender under KRS 635.510 or an offense involving a deadly weapon, the period of probation or supervision shall not exceed six (6) months, except that the court may order up to twelve (12) months of supervision if the court-ordered substance abuse or mental health treatment includes a program that requires longer than six (6) months to complete;
  3. If the child was adjudicated for an offense that would be a Class D felony if committed by an adult, other than an offense for which a child has been declared a juvenile sex offender under KRS 635.510 or an offense involving a deadly weapon, the period of probation or supervision shall not exceed twelve (12) months; or
  4. If the child was adjudicated for an offense that would be a felony offense if committed by an adult, other than a Class D felony offense, or for an offense involving a deadly weapon, or for an offense in which the child has not been declared a sexual offender pursuant to KRS 635.510, the child may be placed on probation up to age eighteen (18);
- (3) (a) If the child was adjudicated for an offense other than an offense that would be a violation if committed by an adult, order the child confined in an approved secure detention facility or detention program, as authorized by KRS Chapter 15A, as follows:
1. If the child is fourteen (14) years of age but less than sixteen (16) years of age, the child may be confined for a period of time not to exceed forty-five (45) days; or
  2. If the child is sixteen (16) years of age or older, the child may be confined for a period of time not to exceed ninety (90) days.
- (b) *Any child detained under this section, other than a child previously assessed pending a detention hearing, shall be assessed by a mental health professional to determine if the child exhibits behavior that indicates the child could benefit from cognitive behavioral therapy, other evidence-based behavioral health programs, substance use disorder treatment, or treatment in a psychiatric facility for serious mental illness. Any treatment recommended under this paragraph shall be provided by the Department of Juvenile Justice and may be provided pursuant to a contract between the Justice and Public Safety Cabinet and a behavioral health services organization.*
- (c) *The Justice and Public Safety Cabinet may enter into a contract or contracts with at least one (1):*
1. *Mental health professional whose communications with the child shall be confidential in conformity with the Kentucky Rules of Evidence, to provide the assessment required by paragraph (b) of this subsection; and*

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2. ***Behavioral health services organization that is accredited and qualified to provide behavioral health treatment.***
- (d) ***Behavioral health services organizations contracted pursuant to paragraph (c) of this subsection may utilize restorative practices designed to hold the participant accountable to the victim if there is an identified victim and, in the professional opinion of the behavioral health service provider, it is safe to do so.***
- (e) The Department of Juvenile Justice shall pay for the confinement of children confined pursuant to this subsection in accordance with the statewide detention plan and administrative regulations implementing the plan;
- (4) (a) Order the child to be committed or recommitted to the custody of the Department of Juvenile Justice, grant guardianship to a child-caring facility or a child-placing agency authorized to care for the child, or place the child under the custody and supervision of a suitable person if:
  1. The child was adjudicated for an offense that would be a misdemeanor or Class D felony if committed by an adult and the child has at least three (3) prior adjudications, excluding prior adjudications of offenses designated as a violation, or at least four (4) prior adjudications of violations, which do not arise from the same course of conduct; or
  2. The child was adjudicated for an offense involving a deadly weapon, an offense in which the child has been declared a juvenile sexual offender under KRS 635.510, or an offense that would be a felony offense if committed by an adult, other than a Class D felony.
- (b) The commitment shall be for the following term, subject to KRS 635.070 and the power of the court to terminate the order and discharge the child prior thereto:
  1. If the child was adjudicated for an offense that would be a misdemeanor if committed by an adult, other than an offense for which a child has been declared a juvenile sex offender under KRS 635.510 or an offense involving a deadly weapon, the child may be committed for a period not to exceed twelve (12) months, including all time spent in the treatment plan established pursuant to KRS 15A.0652;
  2. If the child was adjudicated for an offense that would be a Class D felony if committed by an adult, other than an offense for which a child has been declared a juvenile sex offender under KRS 635.510 or an offense involving a deadly weapon, the child may be committed for a period not to exceed eighteen (18) months, including all time spent in the treatment plan established pursuant to KRS 15A.0652;
  3. If the child was adjudicated for an offense that would be a felony offense if committed by an adult, other than a Class D felony offense, or an offense involving a deadly weapon, the child may be committed up to age eighteen (18);
  4. If the child was adjudicated for an offense that results in the child being declared a juvenile sexual offender, the commitment shall be as provided in KRS 635.515;
  5. The court, in its discretion, upon motion by the child and with the concurrence of the Department of Juvenile Justice, may authorize an extension of commitment up to age twenty-one (21) to permit the Department of Juvenile Justice to assist the child in establishing independent living arrangements; and
  6. If a child is committed after the child reaches the age of seventeen (17) years and six (6) months, and except as provided in subparagraph 4. of this paragraph, the commitment shall be for a period not to exceed one (1) year.
- (c) The Department of Juvenile Justice shall:
  1. Accept physical custody of a child who is detained in an approved secure juvenile detention facility in accordance with KRS 15A.200 to 15A.240 at the time the child is committed or recommitted to the custody of the Department of Juvenile Justice. The Department of Juvenile Justice shall remove the child from the approved secure juvenile detention facility and secure appropriate placement as soon as possible but not to exceed thirty-five (35) days of the time of commitment or recommitment; and

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2. Pay for the cost of detention from the date of commitment or recommitment, on the current charge, until the child is removed from the detention facility and placed.
- (d) All orders of commitment may include advisory recommendations the court may deem proper in the best interests of the child and of the public.~~††~~
- (e) *Any child committed under this section, other than a child previously assessed pending a detention hearing, shall be assessed by a mental health professional to determine if the child exhibits behavior that indicates the child could benefit from cognitive behavioral therapy, other evidence-based behavioral health programs, substance use disorder treatment, or treatment in a psychiatric facility for serious mental illness. Any treatment recommended under this paragraph shall be provided by the Department of Juvenile Justice and may be provided pursuant to a contract between the Justice and Public Safety Cabinet and a behavioral health services organization.*
- (f) *The Justice and Public Safety Cabinet may enter into a contract or contracts with at least one (1):*
  1. *Mental health professional whose communications with the child shall be confidential in conformity with the Kentucky Rules of Evidence, to provide the assessment required by paragraph (e) of this subsection; and*
  2. *Behavioral health services organization that is accredited and qualified to provide behavioral health treatment.*
- (g) *Behavioral health services organizations contracted pursuant to paragraph (f) of this subsection may utilize restorative practices designed to hold the participant accountable to the victim if there is an identified victim and, in the professional opinion of the behavioral health service provider, it is safe to do so; or*
- (5) (a) The court may probate or suspend a commitment ordered pursuant to subsection (4) of this section, except that if a court probates or suspends a commitment in conjunction with any other dispositional alternative, that fact shall be explained to the juvenile and contained in a written order.
- (b) Any probation or suspension imposed shall not exceed the time limitations established under subsection (2) of this section.
- (c) If the child successfully completes the conditions of probation, the court shall terminate the case.
- (d)
  1. The court may, for violations of the conditions of probation, revoke the probation or suspension ordered under this section and order the child committed.
  2. The period of the commitment shall not exceed the terms established under subsection (4) of this section.
  3. Any time a child has spent in out-of-home placement as a result of a violation of a condition of probation or suspension under this section shall be credited toward the period of commitment.
  4. If a commitment is probated or suspended after a child reaches the age of seventeen (17) years and six (6) months, the period of the suspension, and commitment if revoked, shall be for a period not to exceed one (1) year, but not to exceed age nineteen (19).

➔Section 6. KRS 610.340 is amended to read as follows:

- (1) (a) Unless a specific provision of KRS Chapters 600 to 645 specifies otherwise, all juvenile court records of any nature generated pursuant to KRS Chapters 600 to 645 by any agency or instrumentality, public or private, shall be deemed to be confidential and shall not be disclosed except to the child, parent, victims, or other persons authorized to attend a juvenile court hearing pursuant to KRS 610.070 unless ordered by the court for good cause.
- (b) Juvenile court records which contain information pertaining to arrests, petitions, adjudications, and dispositions of a child may be disclosed to victims or other persons authorized to attend a juvenile court hearing pursuant to KRS 610.070.
- (c) Release of the child's treatment, medical, mental, or psychological records is prohibited unless presented as evidence in Circuit Court. Any records resulting from the child's prior abuse and neglect under Title IV-E or Title IV-B of the Federal Social Security Act shall not be disclosed to victims or other persons authorized to attend a juvenile court hearing pursuant to KRS 610.070.

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- (d) Victim access under this subsection to juvenile court records shall include access to records of adjudications that occurred prior to July 15, 1998.
- (2) The provisions of this section shall not apply to public officers or employees engaged in the investigation of and in the prosecution of cases under KRS Chapters 600 to 645 or other portions of the Kentucky Revised Statutes. Any record obtained pursuant to this subsection shall be used for official use only, shall not be disclosed publicly, and shall be exempt from disclosure under the Open Records Act, KRS 61.870 to 61.884.
- (3) The provisions of this section shall not apply to any peace officer, as defined in KRS 446.010, who is engaged in the investigation or prosecution of cases under KRS Chapters 600 to 645 or other portions of the Kentucky Revised Statutes. Any record obtained pursuant to this subsection shall be used for official use only, shall not be disclosed publicly, and shall be exempt from disclosure under the Open Records Act, KRS 61.870 to 61.884.
- (4) The provisions of this section shall not apply to employees of the Department of Juvenile Justice or cabinet or its designees responsible for any services under KRS Chapters 600 to 645 or to attorneys for parties involved in actions relating to KRS Chapters 600 to 645 or other prosecutions authorized by the Kentucky Revised Statutes.
- (5) The provisions of this section shall not apply to records disclosed pursuant to KRS 610.320 or to public or private elementary and secondary school administrative, transportation, and counseling personnel, to any teacher or school employee with whom the student may come in contact, or to persons entitled to have juvenile records under KRS 610.345, if the possession and use of the records is in compliance with the provisions of KRS 610.345 and this section.
- (6) (a) *The provisions of this section shall not apply to records or proceedings in any case in which a child has made an admission to or been adjudicated for a violent felony offense as defined in KRS 532.200 until the expiration of a three (3) year period from the date of admission or adjudication.*
- (b) *If the child has not received any additional public offense convictions during the three (3) year period from the date of admission or adjudication, all records in the case shall be automatically sealed and shall not be disclosed consistent with the provisions of this section.*
- (c) *As used in this subsection, "admission" means a formal admission in a case, on the record, upon the waiving of an adjudication hearing.*
- ~~(7)(6)~~ No person, including school personnel, shall disclose any confidential record or any information contained therein except as permitted by this section or other specific section of KRS Chapters 600 to 645, or except as permitted by specific order of the court.
- ~~(8)(7)~~ No person, including school personnel, authorized to obtain records pursuant to KRS Chapters 600 to 645 shall obtain or attempt to obtain confidential records to which he *or she* is not entitled or for purposes for which he *or she* is not permitted to obtain them pursuant to KRS Chapters 600 to 645.
- ~~(9)(8)~~ No person, including school personnel, not authorized to obtain records pursuant to KRS Chapters 600 to 645 shall obtain or attempt to obtain records which are made confidential pursuant to KRS Chapters 600 to 645 except upon proper motion to a court of competent jurisdiction.
- ~~(10)(9)~~ No person shall destroy or attempt to destroy any record required to be kept pursuant to KRS Chapters 600 to 645 unless the destruction is permitted pursuant to KRS Chapters 600 to 645 and is authorized by the court upon proper motion and good cause for the destruction being shown.
- ~~(11)(10)~~ As used in this section the term "KRS Chapters 600 to 645" includes any administrative regulations which are lawfully promulgated pursuant to KRS Chapters 600 to 645.
- ~~(12)(11)~~ Nothing in this section shall be construed to prohibit a crime victim from speaking publicly after the adjudication about his or her case on matters within his or her knowledge or on matters disclosed to the victim during any aspect of a juvenile court proceeding.

➔Section 7. There is hereby appropriated General Fund moneys in the amount of \$3,400,000 in fiscal year 2022-2023 to the Department of Juvenile Justice for a capital project to assess and design the renovation of the Jefferson County Youth Detention Center contingent upon the completed transfer of property deed to the Commonwealth.

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➔Section 8. There is hereby appropriated General Fund moneys in the amount of \$10,000,000 in fiscal year 2023-2024 to the Department of Juvenile Justice for a capital project for the first phase to renovate the Jefferson County Youth Detention Center contingent upon the completed transfer of property deed to the Commonwealth.

➔Section 9. There is hereby appropriated General Fund moneys in the amount of \$2,000,000 in fiscal year 2023-2024 to the Department of Juvenile Justice for the operating costs of the Jefferson County Youth Detention Center.

➔Section 10. There is hereby appropriated General Fund moneys in the amount of \$4,500,000 in fiscal year 2023-2024 to the Department of Juvenile Justice for the renovation of the Jefferson Regional Juvenile Detention Facility at Lyndon.

➔Section 11. The Cabinet for Health and Family Services is directed to provide youth in juvenile detention access to Medicaid benefits to the extent allowed by the federal Centers for Medicare and Medicaid Services.

**Signed by Governor March 27, 2023.**

# House Bill 9

## “GRANT” Program

### 2023 Regular Session



CHAPTER 186

CHAPTER 186

( HB 9 )

AN ACT relating to economic relief for local communities of the Commonwealth and making an appropriation therefor.

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

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO READ AS FOLLOWS:

- (1) *The General Assembly finds and declares that the purpose of Sections 1 to 9 of this Act is to support the priority communities in the Commonwealth designated by the Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization established by Presidential Executive Order 14008, issued on January 27, 2021.*
- (2) *In enacting Sections 1 to 9 of this Act, it is the intention of the General Assembly to create and establish the Government Resources Accelerating Needed Transformation Program within the Department for Local Government to enable priority communities to access federal funding for projects that are in the public interest and for a public purpose.*
- (3) *The General Assembly further finds and declares that priority communities would benefit from the assistance of their local universities and encourages those entities to assist their priority communities in applying for Government Resources Accelerating Needed Transformation Program funds.*

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO READ AS FOLLOWS:

*As used in Sections 1 to 9 of this Act:*

- (1) *"Department" means the Department for Local Government;*
- (2) *"Eligible grant recipient" means a grant applicant that is a public agency as defined in KRS 61.805 or nonprofit entity engaged in public benefit improvements to priority communities;*
- (3) *"Eligible project" means a public benefit project in a priority community or benefiting a priority community with available matching funds that satisfies the evaluation criteria in Section 6 of this Act and that is initiated on:*
  - (a) *Publicly owned property;*
  - (b) *Property to be acquired, which comes with either a:*
    1. *Legally binding letter of intent or option for the sale to an eligible grant recipient; or*
    2. *Sale agreement for the sale to an eligible grant recipient; or*
  - (c) *Private property on which a project is located that is in the public interest and for a public purpose and that benefits a priority community;*
- (4) *"Eligible use" means the authorized purpose for which an awarded grant may be used depending on the source of funds from the Commonwealth. "Eligible use" may include but is not limited to any of the categories in Section 6 of this Act;*
- (5) *"Interagency Working Group" means the Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization established by Presidential Executive Order 14008, issued on January 27, 2021;*
- (6) *"Priority community" means the areas impacted by concentrated, direct coal-related job losses from mine and power plant closures in recent years as designated by the Interagency Working Group; and*
- (7) *"Regional project" means an eligible project that is proposed by eligible grant recipients residing in different counties in this Commonwealth who submit a single grant application.*

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO READ AS FOLLOWS:

- (1) *The Government Resources Accelerating Needed Transformation Program is hereby established under the department. The department's administration of the program includes but is not limited to the following:*

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- (a) *Creating and making available a standardized grant application and a regional grant application;*
  - (b) *Developing a standardized scoring system pursuant to Section 7 of this Act;*
  - (c) *Reviewing and processing the applications and proposals submitted by the proposed grant recipients;*
  - (d) *Verifying and determining whether a grant applicant is an eligible grant recipient and seeking a grant for an eligible project;*
  - (e) *Evaluating the project proposed by the grant application in accordance with the evaluation criteria set forth in Section 6 of this Act;*
  - (f) *Scoring each grant application project pursuant to the scoring system described in Section 7 of this Act;*
  - (g) *Ranking each grant application:*
    - 1. *To prioritize the greatest return on investment and relative positive impact on the priority community; and*
    - 2. *Based on the project evaluation and the project score described in Sections 6 and 7 of this Act;*
  - (h) *Compiling a list of proposed grant recipients whose eligible project demonstrates a high level of investment potential if a grant is made, as revealed by the evaluation, scoring, and ranking process described in this section and Sections 6 and 7 of this Act;*
  - (i) *Providing detailed feedback to the grant applicants after the project evaluation and project score are completed;*
  - (j) *Awarding matching grants to selected eligible grant recipients; and*
  - (k) *Compiling for the annual report submitted under Section 8 of this Act the following information about the project:*
    - 1. *A list of all program applicants;*
    - 2. *The identity of applicants who were not selected for recommendation;*
    - 3. *Trends found in feedback given to applicants who were not selected for recommendation;*
    - 4. *Eligible uses of the projects cited in the grant applications; and*
    - 5. *Any other information requested by the department.*
- (2) *The department shall determine the terms, conditions, and requirements of application for grant funds awarded from the Government Resources Accelerating Needed Transformation Program fund. The department may establish procedures and standards for the review and approval of eligible grant awards through the promulgation of administrative regulations in accordance with KRS Chapter 13A.*
- (3) *The commissioner of the department shall have the authority to hire staff, contract for services, expend funds, and operate the normal business activities of the Government Resources Accelerating Needed Transformation Program.*
- (4) *The Government Resources Accelerating Needed Transformation Program shall sunset on December 31, 2026, unless authorized by the General Assembly to continue its work for a specified period of time.*
- (5) *The Kentucky Council of Area Development Districts and local area development districts shall assist priority communities in identifying available grant opportunities and preparing Government Resources Accelerating Needed Transformation Program applications. Nothing in this subsection prevents any public agency or nonprofit entity from assisting priority communities in identifying and preparing Government Resources Accelerating Needed Transformation Program applications.*

➔SECTION 4. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO READ AS FOLLOWS:

- (1) *To participate in the Government Resources Accelerating Needed Transformation Program, grant applicants shall submit either a standardized or a regional application to the department.*
- (2) *If a grant application is selected as an eligible grant recipient approved under Section 6 of this Act, it shall comply with any grant agreement and reporting requirements deemed necessary by the department to verify that the awarded grant goes toward an eligible use.*

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- (3) *If the selected grant recipient fails to comply with subsection (2) of this section or uses the awarded grant money for any purpose other than an eligible use, the selected eligible grant recipient shall forfeit and be liable to the department for the full award amount.*

➔SECTION 5. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO READ AS FOLLOWS:

- (1) *There is hereby established in the State Treasury a trust and agency account to be known as the Government Resources Accelerating Needed Transformation Program fund. The fund shall consist of moneys received from state appropriations, gifts, grants, and federal funds.*
- (2) *The fund shall be administered and maintained by the department.*
- (3) *Amounts deposited in the fund shall be used for:*
- (a) *Awarding matching fund grants to applicants of the Government Resources Accelerating Needed Transformation Program upon notification of award of the federal grant requiring matching funds; and*
- (b) *Administration of the program.*
- (4) *Notwithstanding KRS 45.229, moneys in the account not expended at the close of a fiscal year shall not lapse but shall be carried forward into the next fiscal year.*
- (5) *Any interest earnings of the fund shall become a part of the fund and shall not lapse.*
- (6) *Moneys deposited in the fund are hereby appropriated for the purposes set forth in this section and shall not be appropriated or transferred by the General Assembly for any other purposes.*
- (7) *Any amounts obligated under subsection (3)(a) of this section shall be canceled upon denial of the federal award.*
- (8) *By December 1, 2023, and annually thereafter until December 1, 2026, the department shall prepare an annual report detailing the expenditures for the administration of the program from the fund, which shall be included in the annual report submitted under Section 8 of this Act.*

➔SECTION 6. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO READ AS FOLLOWS:

- (1) *The department shall identify and certify the locations for grant funding assistance by utilizing the designation of priority communities established by the Interagency Working Group. The department shall not approve a project unless it finds that the project is in the public interest and the grant funds will be used for a public purpose. For purposes of this subsection, projects that are in the public interest and for a public purpose can provide private benefit, if the department finds the following:*
- (a) *1. The project will enhance a priority community or region;*
- 2. The granting entity for which the department's matching grant is being used requires a public purpose for grant eligibility; and*
- 3. The department in its judgment concludes the proposal will enhance the quality of life or services in a priority community or region; and*
- (b) *A public purpose includes but is not limited to projects that:*
- 1. Enhance economic vitality, including revitalization of structures that have a public purpose or benefit;*
- 2. Promote or develop an artistic or philanthropic purpose;*
- 3. Improve traditional infrastructure, such as water and wastewater treatment facilities, transmission lines, transportation facilities, and flood and wastewater management;*
- 4. Create or enhance telecommunications infrastructure, including cellular towers, fiber optic expansion, and technology infrastructure;*
- 5. Promote agricultural activities and development;*
- 6. Enhance development of previously mined areas or areas previously used by the coal industry and other industrial activities into uses that diversify the local economy;*

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7. *Create or expand recreational facilities, such as walking, hiking, all-terrain vehicle, bike trails, picnic facilities, restrooms, boat docking and fishing piers, and athletic facilities;*
  8. *Acquire private property that promotes local economic vitality and housing development and enhancement;*
  9. *Preserve or enhance buildings that are of local historic or economic interest;*
  10. *Restore or create retail facilities, including related service, parking, and transportation facilities, to revitalize decaying downtown areas;*
  11. *Construct or expand other facilities that promote or enhance economic development or tourism opportunities, thereby promoting the general welfare of local residents;*
  12. *Provide facilities and activities for local residences that enhance quality of life, including but not limited to childcare access and public transportation;*
  13. *Provide vocational and entrepreneurial training for displaced miners and other persons that have lost jobs or have been unable to find employment or business opportunities in the region;*
  14. *Invest in priority communities housing stock removal and remediation to facilitate community preservation and aesthetics; or*
  15. *Create drug and substance abuse rehabilitation programs and facilities.*
- (2) *The department shall evaluate each applicant's eligible project according to the criteria described in this section and Section 7 of this Act for the purpose of compiling a recommendation and score for the eligible project pursuant to Section 7 of this Act.*
- (3) *As part of the evaluation criteria of this section, the department shall consider the following:*
- (a) *Applicant's eligibility when evaluated against the requirements of the federal grant;*
  - (b) *Application completeness when evaluated against the requirements of the grant;*
  - (c) *Application content when evaluated against the federal grant program's publicly available scoring rubric or evaluation criteria, if any;*
  - (d) *Evidence that the project will provide a direct and public benefit to one (1) or more of the priority communities;*
  - (e) *Evidence of community support for the project;*
  - (f) *Likelihood that the applicant can successfully implement the grant-funded project;*
  - (g) *Likelihood that the applicant can successfully manage the federal grant's administration requirements; and*
  - (h) *Overall positive impact for the surrounding community as evidenced by clear and feasible projected outcomes of the grant-funded project.*
- (4) *If a grant applicant is selected as an eligible grant recipient approved under the Government Resources Accelerating Needed Transformation Program, it shall comply with any incentive agreements and reporting requirements deemed necessary by the department to verify that the awarded grant shall go toward an eligible use.*

➔SECTION 7. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO READ AS FOLLOWS:

- (1) *In the administration of the Government Resources Accelerating Needed Transformation Program, the department shall develop a scoring system for the project proposed by each grant applicant based on the total projected return on investment and the relative positive impact in the priority community.*
- (2) *The scoring system shall include a:*
  - (a) *Score in each category as specified in subsection (3) of this section; and*
  - (b) *Total weighted score, which is the average of the scores in each category.*
- (3) *The scoring categories shall include but are not limited to:*
  - (a) *Projected return on investment the project will yield, which includes an assessment of the:*

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1. *Likelihood of project completion both with the department's funding and without;*
2. *Projected gross economic impact of the proposed project on the priority community;*
3. *Projected number of jobs created by the proposed project and subsequent impact on the priority community; and*
4. *A determination of the cost of the project based on the cost expended by the department if it awards the requested grant amount to the applicant; and*

(b) *Relative positive impact the project will have on the surrounding community.*

➔SECTION 8. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO READ AS FOLLOWS:

*By December 1, 2023, and annually thereafter until December 1, 2026, the Department for Local Government shall prepare an annual report of the Government Resources Accelerating Needed Transformation Program to be submitted to the Governor and the Interim Joint Committee on Economic Development and Workforce Investment and make it available on the Department for Local Government's website. The annual report shall include but not be limited to the following:*

- (1) *A summary of grant applications received and relevant statistics relating to actions taken by the department and grants awarded, including the applicant, award amount, and the purpose of the funding;*
- (2) *The detailed report of expenditures for the administration of the program prepared under subsection (8) of Section 5 of this Act;*
- (3) *The current balance of the Government Resources Accelerating Needed Transformation Program fund;*
- (4) *Recommendations regarding appropriations to the Government Resources Accelerating Needed Transformation Program fund for the upcoming fiscal year; and*
- (5) *Recommendations for legislation or policy actions needed to facilitate greater receipt of grant funding to priority communities.*

➔SECTION 9. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO READ AS FOLLOWS:

*Sections 1 to 9 of this Act shall be known as the Government Resources Accelerating Needed Transformation Act.*

➔Section 10. There is hereby appropriated General Fund moneys in the amount of \$2,000,000 in fiscal year 2023-2024 to the Government Resources Accelerating Needed Transformation Program fund created in Section 5 of this Act for the administration of the program in accordance with Sections 1 to 9 of this Act.

**Signed by Governor April 7, 2023.**

# House Bill 444

## Salary Increases for State Employees

2023 Regular Session

CHAPTER 20

CHAPTER 20

( HB 444 )

AN ACT relating to government agencies, making an appropriation therefor, and declaring an emergency.

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

➔Section 1. General Fund moneys in the amount of \$89,320,800 from the General Fund appropriation of \$200,000,000 in fiscal year 2023-2024 set out in 2022 Ky. Acts ch. 199, Part I, N., 1. is hereby transferred as follows:

(1) \$65,351,800 to the State Salary and Compensation Fund budget unit within the Personnel Cabinet in fiscal year 2023-2024 for a six percent salary increase for state employees effective July 1, 2023. Notwithstanding KRS 18A.355, relating to anniversary date, and notwithstanding KRS 156.808(6)(e) and 163.032(1), a six percent salary increase is provided, effective July 1, 2023, on the base salary or wages of each eligible state employee. For these purposes, there is hereby appropriated Road Fund moneys in the amount of \$11,381,400 in fiscal year 2023-2024, Restricted Funds in the amount of \$18,029,800 in fiscal year 2023-2024, and Federal Funds in the amount of \$14,386,400 in fiscal year 2023-2024 to the State Salary and Compensation Fund budget unit within the Personnel Cabinet. The State Budget Director shall determine the necessary amount of funds from these appropriations, by budget unit. The State Budget Director shall notify the Secretary of the Finance and Administration Cabinet of the respective amounts from the Fund to transfer to each affected budget unit. The State Budget Director shall report to the Interim Joint Committee on Appropriations and Revenue on the implementation of this provision by December 1, 2023;

(2) \$500,000 in fiscal year 2023-2024 to the General Operations budget unit within the Personnel Cabinet to provide additional contractual resources to complete the job classification reviews. The job classification reviews shall be completed by November 1, 2023, and shall be reported to the Interim Joint Committee on Appropriations and Revenue;

(3) \$1,874,400 in fiscal year 2023-2024 to the Legislative Research Commission budget unit in the Legislative Branch for a six percent salary increase on the base salary and wages of each eligible employee effective July 1, 2023; and

(4) \$21,594,600 in fiscal year 2023-2024 to the Court Operations and Administration budget unit in the Judicial Branch to provide a \$2,000 salary increase followed by a six percent increase on the base salary and wages of each eligible employee effective July 1, 2023, for elected and non-elected personnel. For these purposes, there is hereby appropriated Restricted Funds in the amount of \$1,698,000 in fiscal year 2023-2024 and Federal Funds in the amount of \$137,800 in fiscal year 2023-2024.

➔Section 2. Whereas the operations of governmental agencies are imperative for the betterment of the Commonwealth, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

**Signed by Governor March 17, 2023.**

# House Bill 448

## Special Appropriations

### 2023 Regular Session



CHAPTER 116

CHAPTER 116

( HB 448 )

AN ACT relating to government agencies, making an appropriation therefor, and declaring an emergency.

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

➔Section 1. 2022 Kentucky Acts Chapter 183, Section 6, at page 1099, is amended to read as follows:

There is hereby appropriated to the Council on Postsecondary Education General Fund moneys in the amount of \$1,500,000 in fiscal year 2022-2023 for the costs incurred by the council in carrying out its duties described in Sections 1 to 3 of this Act. *Notwithstanding KRS 45.229, any portion of these funds that have not been expended by the end of fiscal year 2022-2023 shall not lapse and shall carry forward into fiscal year 2023-2024.*

➔Section 2. 2022 Kentucky Acts Chapter 199, Part I, Operating Budget, A. General Government, 9. Department for Local Government, (11) Community Development Projects, at pages 1639 to 1640, as amended by 2022 Kentucky Acts Chapter 239, is further amended to read as follows:

**(11) Community Development Projects:** Included in the above General Fund appropriation are the following one-time allocations for the 2022-2024 fiscal biennium:

- (a) \$3,500,000 in each fiscal year to the Boone's Ridge Appalachian Wildlife Foundation for Boone's Ridge in Bell County;
- (b) \$15,000,000 in each fiscal year to the Todd County Fiscal Court for the natural gas pipeline project;
- (c) \$200,000 in fiscal year 2022-2023 to the United Methodist Mountain Mission to support operations;
- (d) \$400,000 in each fiscal year to the Kentucky Pilots Association Education Foundation;
- (e) \$2,000,000 in fiscal year 2022-2023 to the Paducah Symphony;
- (f) \$4,300,000 in fiscal year 2022-2023 to the Louisville Orchestra;
- (g) \$100,000 in fiscal year 2022-2023 to the Hickman County Fiscal Court for the Civil War Days;
- (h) \$2,500,000 in fiscal year 2022-2023 to the Paintsville High School STEM Program;
- (i) \$10,000,000 in each fiscal year to the Lincoln County Fiscal Court for the natural gas pipeline project;
- (j) \$200,000 in each fiscal year to the Backroads of Appalachia in Harlan, Kentucky, to support economic development;
- (k) \$1,500,000 in each fiscal year to the Russell County Regional Agribusiness Training Facility;
- (l) \$750,000 in fiscal year 2022-2023 to the *City of Lancaster for the fire department substation* ~~County Fiscal Court for the Garrard County Emergency Medical Services and Crescent Spring Fire Department~~;
- (m) \$500,000 in fiscal year 2023-2024 to the Fern Creek Community Center in Louisville, Kentucky;
- (n) \$750,000 in fiscal year 2023-2024 to the Hart County Chamber of Commerce;
- (o) \$300,000 in fiscal year 2023-2024 to the City of Greensburg for beautification projects;
- (p) \$20,000 in fiscal year 2022-2023 to the City of Wilmore for the Downtown Greenstage;
- (q) \$6,000 in fiscal year 2022-2023 to the Jessamine County Fiscal Court for the High Bridge Firehouse;
- (r) \$50,000 in fiscal year 2022-2023 to the Jessamine County Fiscal Court for land acquisition at the High Bridge boat ramp;
- (s) \$1,400,000 in fiscal year 2022-2023 to the city of Williamsburg for renovation and expansion of the Kentucky Splash Waterpark and Campground;
- (t) \$10,000,000 in fiscal year 2022-2023 to the Louisville Zoo for construction of Kentucky trails habitat. *Notwithstanding KRS 45.229, any portion of these funds that have not been expended by the end of fiscal year 2022-2023 shall not lapse and shall carry forward into fiscal year 2023-2024;*
- (u) \$2,500,000 in fiscal year 2022-2023 to the City of Corbin for the Corbin Arena and Corbin Center;

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- (v) \$1,000,000 in fiscal year 2022-2023 to the City of Barbourville for renovations to the Barbourville City Hall;
- (w) \$1,250,000 in fiscal year 2022-2023 to the Jackson County Fiscal Court for a new building for the Jackson County Emergency Medical Services;
- (x) \$400,000 in fiscal year 2022-2023 to the KCEOC Community Action Partnership for a vocational and technical training facility;
- (y) \$750,000 in fiscal year 2022-2023 to the City of Booneville for a city revitalization project;
- (z) \$4,250,000 in fiscal year 2022-2023 to the Manchester/Clay County Tourism Commission, Elk Hill Regional Industrial Authority, and Volunteers of America for land acquisition, renovations, upgrades, and Elk Hill Spec Building and Housing;
- (aa) \$500,000 in fiscal year 2022-2023 to the Scott United Ministries A.M.E.N. House for acquisition or construction of a new building;
- (ab) \$250,000 in fiscal year 2022-2023 to the Monroe County Fiscal Court to allow the Monroe County Medical Center to begin offering emergency medical services and paramedic training;
- (ac) \$600,000 in fiscal year 2022-2023 to the Housing Authority of Bowling Green to create a small business incubator for low income, minority, and women-owned businesses in collaboration with the city of Bowling Green;
- (ad) \$1,000,000 in fiscal year 2022-2023 to the City of Somerset Parks and Recreation for upgrades to youth sports facilities;
- (ae) \$3,000,000 in fiscal year 2022-2023 to the Christian County Board of Education for the Fort Campbell Industrial Training Partnership;
- (af) \$3,000,000 in fiscal year 2022-2023 to the Barren County Family YMCA Foundation for a swimming pool facility, equipment, and HVAC and building repair;
- (ag) \$1,000,000 in fiscal year 2022-2023 to the Green County Fiscal Court for industrial park site development;
- (ah) \$1,000,000 in fiscal year 2022-2023 to the Kentucky Science and Technology Corporation for the VALOR program;
- (ai) \$1,000,000 in fiscal year 2022-2023 to USA Cares to support veterans and their families;
- (aj) \$650,000 in fiscal year 2022-2023 to Bellewood and Brooklawn to support the Avenues to Success pilot program;
- (ak) \$5,000,000 in fiscal year 2022-2023 to the Bell County Fiscal Court to support industrial projects;
- (al) \$1,000,000 in fiscal year 2023-2024 to the Green County Fiscal Court for the American Legion Park Trail Development Project; and
- (am) \$195,000 in fiscal year 2022-2023 to Old Bardstown Village, Inc. for flood damage repairs.

➔Section 3. 2022 Kentucky Acts Chapter 199, Part I, Operating Budget, A. General Government, 28. Teachers' Retirement System, at pages 1652 to 1653, is amended to read as follows:

**28. TEACHERS' RETIREMENT SYSTEM**

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
General Fund	479,242,300	<b>722,100,400</b> <del>[761,425,500]</del>	<b>728,406,000</b> <del>[767,731,100]</del>
Restricted Funds	503,100	18,553,300	19,330,200
<b>TOTAL</b>	479,745,400	<b>740,653,700</b> <del>[779,978,800]</del>	<b>747,736,200</b> <del>[787,061,300]</del>

(1) **Debt Service:** Included in the above General Fund appropriation is \$17,365,500 in fiscal year 2022-2023 for debt service on previously issued bonds.

(2) **Dependent Subsidy for All Retirees under age 65:** Pursuant to KRS 161.675(4), health insurance supplement payments made by the retirement system shall not exceed the amount of the single coverage insurance premium.

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**(3) Retiree Health Insurance:** Pursuant to KRS 161.550(2)(b) and notwithstanding any statute to the contrary, included in the above General Fund appropriation is \$71,200,000 in fiscal year 2022-2023 and \$77,700,000 in fiscal year 2023-2024 to support the state's contribution for the cost of retiree health insurance for members not eligible for Medicare who have retired on or after July 1, 2010. Notwithstanding KRS 161.675, the Teachers' Retirement System Board of Trustees shall provide health insurance supplement payments towards the cost of the single coverage insurance premium based on age and years of service credit of eligible recipients of a retirement allowance, the cost of which shall be paid from the Medical Insurance Fund. Notwithstanding KRS 161.675, the Teachers' Retirement System Board of Trustees shall authorize eligible recipients of a retirement allowance from the Teachers' Retirement System who are less than age 65 to be included in the state-sponsored health insurance plan that is provided to active teachers and state employees under KRS 18A.225. Notwithstanding KRS 161.675(4)(a), the contribution paid by retirees who are less than age 65 who qualify for the maximum health insurance supplement payment for single coverage shall be no more than the sum of (a) the employee contribution paid by active teachers and state employees for a similar plan, and (b) the standard Medicare Part B premium as determined by the Centers for Medicare and Medicaid Services. Notwithstanding KRS 161.675(4)(a), the contribution paid by retirees who are less than age 65 who do not qualify for the maximum health insurance supplement payment for single coverage shall be determined by the same graduated formula used by the Teachers' Retirement System for Plan Year 2022.

**(4) Medical Insurance Fund Employee Contributions:** Notwithstanding KRS 161.540(1), the employee contribution to the Medical Insurance Fund shall not be changed in fiscal year 2022-2023 or fiscal year 2023-2024.

**(5) Amortized Benefits Payoff:** Included in the above General Fund appropriation is \$479,242,300 in fiscal year 2021-2022 to pay off the principal balance for past benefit enhancements. Notwithstanding KRS 45.229, any funds in excess of the principal balance shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

**(6) Sick Leave Liability Reporting~~Payment~~:** ~~Included in the above General Fund appropriation is \$39,325,100 in each fiscal year to support the actuarial cost of sick leave benefits for new retirees.~~ The Teachers' Retirement System shall provide a report on the cost of sick leave to the Public Pension Oversight Board no later than December 1, 2023.

**(7) Actuarially Determined Employer Contribution:** Included in the above General Fund appropriation is \$629,415,000 in fiscal year 2022-2023 and \$646,456,000 in fiscal year 2023-2024 to provide the full actuarially determined employer contribution. The Teachers' Retirement System shall provide a report on the actuarially determined employer contribution to the Public Pension Oversight Board no later than December 1, 2023.

**(8) Salary Increment:** Notwithstanding Part III, 2. of this Act, unexpended Restricted Funds to administer the salary increment pursuant to Part IV, 2. of this Act shall become available for expenditure in the 2022-2024 fiscal biennium. The Teachers' Retirement System shall submit a report on the cost to implement the salary increment to the Interim Joint Committee on Appropriations and Revenue no later than August 1, 2022.

➔Section 4. 2022 Kentucky Acts Chapter 199, Part I, Operating Budget, C. Department of Education, 2. Operations and Support Services, at pages 1658 to 1659, as amended by 2022 Kentucky Acts Chapter 2 and 2022 (1st Extra. Sess.) Kentucky Acts Chapter 1, is further amended to read as follows:

**2. OPERATIONS AND SUPPORT SERVICES**

	2021-22	2022-23	2023-24
General Fund	30,603,800	<del>63,901,300</del> <b>60,401,300</b>	<del>64,606,600</del> <b>61,106,600</b>
Restricted Funds	91,400	48,179,100	8,200,100
Federal Funds	130,400	465,364,900	465,407,300
<b>TOTAL</b>	<b>30,825,600</b>	<del>577,445,300</del> <b>573,945,300</b>	<del>538,214,000</del> <b>534,714,000</b>

**(1) Employment of Leadership Personnel:** Notwithstanding KRS 18A.005 to 18A.200, the Kentucky Board of Education shall continue to have sole authority to determine the employees of the Department of Education who are exempt from the classified service and to set those employees' compensation comparable to the competitive market.

**(2) Debt Service:** Included in the above General Fund appropriation is \$584,000 in fiscal year 2022-2023 and \$1,168,000 in fiscal year 2023-2024 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

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(3) **Blind/Deaf Residential Travel Program:** Included in the above General Fund appropriation is \$492,300 in each fiscal year for the Blind/Deaf Residential Travel Program.

(4) **School Food Services:** Included in the above General Fund appropriation is \$3,827,000 in each fiscal year for the School Food Services Program.

(5) **Advanced Placement and International Baccalaureate Exams:** Notwithstanding KRS 160.348(3), included in the above General Fund appropriation is \$1,000,000 in each fiscal year to pay the cost of Advanced Placement and International Baccalaureate examinations for those students who meet the eligibility requirements for free or reduced-price meals. Notwithstanding KRS 154A.130(4) and 160.348(3), included in the above General Fund appropriation is \$2,600,000 in each fiscal year to pay the cost of Advanced Placement examinations for students on a first-come, first-served basis.

(6) **Review of the Classification of Primary and Secondary School Buildings:** Included in the above General Fund appropriation is \$600,000 in each fiscal year to implement KRS 157.420(9) and (10). Notwithstanding KRS 45.229, any portion of the \$600,000 that has not been expended by the end of fiscal year 2022-2023 shall not lapse and shall carry forward into fiscal year 2023-2024. Notwithstanding KRS 157.420(9) and (10), only schools classified as A1, A2, A3, A4, A5, A6, C2, and D1 shall be included in the evaluation process. Notwithstanding KRS 157.420(9) and (10), the Department of Education may limit the school buildings included in the evaluation process based on the time elapsed since the building's construction or last major renovation as defined in 702 KAR 4:160. The Department of Education shall provide an updated list of school buildings evaluated by the process pursuant to KRS 157.420(9) and (10) to the Legislative Research Commission by October 1, 2023.

(7) **District Facility Plan Modifications:** Notwithstanding any statute to the contrary, a district may modify its district facility plan without convening the local planning committee for the sole purpose of complying with KRS 158.162(3)(d). Any modification shall identify an unmet requirement of KRS 158.162(3)(d) as the highest priority on the modified district facility plan, subject to approval by the local board of education and the Commissioner of Education.

~~[(8) **Kentucky Datastream Initiative:** Included in the above General Fund appropriation is a one-time allocation of \$3,500,000 in each fiscal year for the Kentucky Datastream Initiative.]~~

➔Section 5. 2022 Kentucky Acts Chapter 199, Part I, Operating Budget, D. Education and Labor Cabinet, 1. General Administration and Program Support, at pages 1661 to 1662, is amended to read as follows:

**1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
General Fund (Tobacco)	-0-	1,400,000	1,400,000
General Fund	125,600	<del>21,656,400</del> <del>[18,156,400]</del>	<del>21,505,900</del> <del>[18,005,900]</del>
Restricted Funds	728,400	25,095,900	25,215,700
Federal Funds	24,000	6,636,800	6,636,000
<b>TOTAL</b>	<b>878,000</b>	<del><b>54,789,100</b></del> <del>[51,289,100]</del>	<del><b>54,757,600</b></del> <del>[51,257,600]</del>

(1) **Early Childhood Development:** Included in the above General Fund (Tobacco) appropriation is \$1,400,000 in each fiscal year for the Early Childhood Advisory Council.

(2) **Governor's Scholars Program:** Included in the above General Fund appropriation is \$1,758,700 in each fiscal year for the Governor's Scholars Program.

(3) **Governor's School for Entrepreneurs:** Included in the above General Fund appropriation is \$895,000 in each fiscal year for the Governor's School for Entrepreneurs.

(4) **Kentucky Center for Statistics:** (a) Included in the above General Fund appropriation is \$1,200,000 in fiscal year 2022-2023 and \$1,733,300 in fiscal year 2023-2024 to sustain the State Longitudinal Data System.

(b) Included in the above General Fund appropriation is \$1,363,200 in each fiscal year for the Workforce Data Quality Initiative and Supplemental Nutrition Assistance Program data collection and analysis.

(5) **The Hope Center:** Included in the above General Fund appropriation is \$100,000 in each fiscal year for the Hope Center. Included in the above General Fund appropriation is an additional one-time allocation of \$250,000 in fiscal year 2022-2023 for the Hope Center.

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(6) **Kentucky Adult Learner Program:** Included in the above General Fund appropriation is \$2,000,000 in each fiscal year for the Kentucky Adult Learner Program. The purpose of the program is to provide adults 18 years of age or older who have not graduated high school the opportunity to earn a high school diploma. The Education and Labor Cabinet (ELC) and the Kentucky Department of Education shall authorize a single eligible entity to operate the program for not more than 350 adult learners. The eligible entity shall be a Kentucky-based non-profit organization, agree to commit at least \$1,000,000 to the program, and staff the program with certified teachers teaching core academic subjects.

Notwithstanding any statute to the contrary, the Kentucky Adult Learner Program shall have authorization to issue a Kentucky high school diploma to an adult learner participant if all of the minimum graduation requirements under Kentucky law are met.

The Kentucky Board of Education and the ELC shall develop metrics that will appropriately assess the expected performance outcomes of the program.

(7) **Heuser Hearing Institute:** Included in the above General Fund appropriation is \$1,500,000 in each fiscal year for the Heuser Hearing Institute to develop a program to close the education and achievement gaps for deaf and hard-of-hearing individuals.

(8) **Workforce Development Program Analysis:** Included in the above General Fund appropriation is \$500,000 in fiscal year 2022-2023 to study the effectiveness of Kentucky's state-sponsored workforce development programs. The Cabinet shall collaborate with the Center for Business and Economic Research at the University of Kentucky to establish the scope of the study. The Cabinet shall provide a report regarding the outcome of the study to the Interim Joint Committee on Economic Development and Workforce Investment by December 1, 2023.

(9) **Everybody Counts Program:** Included in the above General Fund appropriation is \$5,000,000 in each fiscal year for the Everybody Counts Program.

(10) **Kentucky Datastream Initiative:** *Included in the above General Fund appropriation is a one-time allocation of \$3,500,000 in each fiscal year for the Kentucky Datastream Initiative.*

➔Section 6. 2022 Kentucky Acts Chapter 199, Part I, Operating Budget, K. Public Protection Cabinet, 1. Secretary, (1) Nonprofit Assistance, at pages 1699 to 1700, as amended by 2022 Kentucky Acts Chapter 239, is further amended to read as follows:

(1) **Nonprofit Assistance:** (a) Included in the above Federal Funds appropriation is \$75,000,000 in fiscal year 2022-2023 from the State Fiscal Recovery Fund of the American Rescue Plan Act of 2021 to provide direct relief payments to eligible nonprofit organizations. *Of this amount, \$2,570,400 in fiscal year 2022-2023 is appropriated as a one-time allocation to the Kentucky Nonprofit Network to support outreach, resources, and programming for Kentucky nonprofits to strengthen Kentucky communities. Beginning July 1, 2023, through September 1, 2027, the Kentucky Nonprofit Network shall provide an annual report to the Interim Joint Committee on Appropriations and Revenue by September 1 detailing the impact of these funds on the ability of nonprofits to mitigate the negative impact of COVID-19 and provide effective services.* Notwithstanding KRS 45.229, any unexpended Federal Funds from the American Rescue Plan Act of 2021 Federal Funds appropriations shall not lapse and shall carry forward. Eligible nonprofit organizations will be entitled to apply for a one-time assistance grant of a maximum amount of \$100,000 per organization, not to exceed the net negative revenue difference between the organization's calendar year 2020 and calendar year 2021 financial statements.

1. One-time assistance grants will be reviewed in the order in which they are received and eligible grants will be provided until the appropriate amount is exhausted.

2. The process for determining an applicant's eligibility and awarding the grants will be determined by the Secretary of the Public Protection Cabinet.

(b) Eligible nonprofit organization means organizations meeting all of the following criteria:

1. A nonprofit that has been granted exemption from the federal income tax by the United States commissioner of internal revenue as organizations described in Section 501(c)(3), (6), or (8) or as veterans' organizations described in Section 501(c) of the United States Internal Revenue Code of 1986 and subject to the provisions of the Nonprofit Corporation Act;

2. A nonprofit based in Kentucky providing services to Kentuckians;

3. Excluding nonprofit arts organizations, a nonprofit providing services to the following populations most affected by COVID-19:

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- a. People living at or below the federal poverty level;
- b. People experiencing homelessness;
- c. Communities of Color;
- d. Minimum or low-wage employees displaced by business closures;
- e. Older adults living at or below the federal poverty level;
- f. People who are immunocompromised or medically fragile;
- g. Immigrant and refugee communities;
- h. People with limited English proficiency;
- i. People with disabilities;
- j. People without health insurance;
- k. Victims of domestic violence or child abuse;
- l. Children in need of services; and
- m. Workers without access to paid sick leave; and

(c) A nonprofit that has not already received direct financial assistance, excluding loans, through the federal CARES Act (Pub. L. No. 116-136), the Consolidated Appropriations Act, 2021 (H.R. 133), or any subsequent federal relief package enacted prior to the nonprofit’s grant application being considered shall be given preference.

➔Section 7. 2022 Kentucky Acts Chapter 199, Part I, Operating Budget, L. Tourism, Arts and Heritage Cabinet, 10. Heritage Council, (2) American Battlefield Trust, at page 1706, is amended to read as follows:

(2) **American Battlefield Trust:** Included in the above General Fund appropriation is \$3,300,000 in fiscal year 2022-2023 to provide matching funds for the American Battlefield Trust. *Notwithstanding KRS 45.229, any portion of these funds that have not been expended by the end of fiscal year 2022-2023 shall not lapse and shall carry forward into fiscal year 2023-2024.*

➔Section 8. 2022 Kentucky Acts Chapter 199, Part II, Capital Projects Budget, I. Postsecondary Education, 11. Western Kentucky University, 002. Construct New Gordon Ford College of Business, at page 1744, is amended to read as follows:

**002. Construct New Gordon Ford College of Business**

Bond Funds	-0-	-0-	74,400,000
<i>Agency Bonds</i>	<i>-0-</i>	<i>-0-</i>	<i>25,000,000</i>
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>99,400,000</b>

➔Section 9. 2022 Kentucky Acts Chapter 214, Part I, Operating Budget, A. Transportation Cabinet, 1. General Administration and Support, at pages 2016 to 2017, is amended to read as follows:

**1. GENERAL ADMINISTRATION AND SUPPORT**

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
General Fund	-0-	<i>500,000</i> <del>[17,864,000]</del>	500,000
Restricted Funds	31,400	2,743,400	2,752,300
Federal Funds	-0-	69,456,000	-0-
Road Fund	1,088,200	1,374,000	81,626,400
<b>TOTAL</b>	<b>1,119,600</b>	<b><i>154,073,400</i></b> <del>[171,437,400]</del>	<b>84,878,700</b>

(1) **Biennial Highway Construction Plan:** The Secretary of the Transportation Cabinet shall produce a single document that shall detail the enacted fiscal biennium 2022-2024 Biennial Highway Construction Program and the 2024-2028 Highway Preconstruction Program.

(2) **Debt Service:** Included in the above Road Fund appropriation is \$343,800 in fiscal year 2022-2023 and \$345,000 in fiscal year 2023-2024 for debt service on previously authorized bonds.

## CHAPTER 116

(3) **Adopt-A-Highway Litter Program:** The Transportation Cabinet and the Energy and Environment Cabinet may receive, accept, and solicit grants, contributions of money, property, labor, or other things of value from any governmental agency, individual, nonprofit organization, or private business to be used for the Adopt-a-Highway Litter Program or other statewide litter programs. Any contribution of this nature shall be deemed to be a contribution to a state agency for a public purpose and shall be treated as Restricted Funds under KRS Chapter 45 and reported according to KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter 11A.

(4) **Riverport Improvements:** Included in the above General Fund appropriation is \$500,000 in each fiscal year to improve public riverports within Kentucky. The Secretary of the Transportation Cabinet, in conjunction with the Kentucky Water Transportation Advisory Board, shall determine how the funds are distributed.

(5) **Electric Vehicle Charging Program:** Included in the above *Federal Funds appropriation* is ~~appropriations are \$17,364,000 in General Fund and~~ \$69,456,000 ~~in Federal Funds~~ in fiscal year 2022-2023 for the Electric Vehicle Charging Program in the Infrastructure Investment and Jobs Act. ~~Notwithstanding KRS 45.229, these funds shall not lapse and shall carry forward.~~ The Transportation Cabinet shall submit an Electric Vehicle Infrastructure Development Plan to the Interim Joint Committee on Transportation on or before June 30, 2022.

➔Section 10. 2022 Kentucky Acts Chapter 239, Section 13, at page 2408, is amended to read as follows:

There is hereby appropriated Federal Funds from the State Fiscal Recovery Fund from the American Rescue Plan Act of 2021 in the amount of \$1,500,000 in fiscal ~~year~~~~years~~ 2022-2023 ~~and 2023-2024~~ to the Learning and Results Services budget unit to enrich science curriculums. *There is hereby appropriated Federal Funds from the State Fiscal Recovery Fund from the American Rescue Plan Act of 2021 in the amount of \$1,500,000 in fiscal year 2023-2024 to the Learning and Results Services budget unit for a chemistry and physical science 3D game-based learning platform for middle school and high school students that aligns to Kentucky's science academic standards, connects the standards to real world technologies and applications, and highlights STEM and CTE career pathways in Kentucky to increase students' interest in pursuing a chemistry-related career.*

➔Section 11. There is hereby appropriated Restricted Funds in the amount of \$325,000 in fiscal year 2023-2024 to the Hairdressers and Cosmetologists budget unit as a one-time allocation for an information technology project.

➔Section 12. There is hereby appropriated \$63,663,100 in Restricted Funds and \$254,652,500 in Federal Funds in fiscal year 2022-2023 and \$322,499,200 in Restricted Funds and \$1,143,406,400 in Federal Funds in fiscal year 2023-2024 to the Medicaid Benefits budget unit to provide Medicaid reimbursement of outpatient hospital services under the Hospital Rate Improvement Program.

➔Section 13. Notwithstanding KRS 39A.303(1), there is hereby transferred Restricted Funds from the East Kentucky State Aid Funding for Emergencies (EKSAFE) Fund in the amount of \$10,000,000 in fiscal year 2023-2024 to the Rural Housing Trust Fund. These funds are hereby appropriated and shall be used to provide loans or grants for eligible activities, including but not limited to acquisition, construction, or rehabilitation of rural housing units to those located in the areas named in the Presidential Declaration of a Major Disaster, designated FEMA-4663-DR-KY, in the eastern Kentucky region to recover from the devastation caused by the storms and flooding.

➔Section 14. Notwithstanding KRS 39A.305(1), there is hereby transferred Restricted Funds from the West Kentucky State Aid Funding for Emergencies (WKSAFE) Fund in the amount of \$10,000,000 in fiscal year 2023-2024 to the Rural Housing Trust Fund. These funds are hereby appropriated and shall be used to provide loans or grants for eligible activities, including but not limited to acquisition, construction, or rehabilitation of rural housing units to those located in the areas named in the Presidential Declaration of a Major Disaster, designated FEMA-4630-DR-KY, in the western Kentucky region to recover from the devastation caused by the storms and tornadoes.

➔Section 15. Notwithstanding KRS 304.2-300 and 304.2-400, there is hereby transferred Restricted Funds in the amount of \$1,300,000 in fiscal year 2023-2024 to the Self-Insurance Fund (KRS 342.920) to support making payments to eligible workers' compensation claimants. Notwithstanding KRS 342.920, these funds shall be disbursed to the Kentucky Group Self-Insurance Guaranty Fund to make payments in fiscal year 2023-2024 to workers' compensation claimants injured after March 1, 1997, when the security of a former self-insured group has been depleted. Notwithstanding 342.908(4), no assessments from the members of the Kentucky Group Self-Insurance Guaranty Fund shall exceed an amount in excess of \$5,000,000 at any given time. Notwithstanding KRS 342.908(4) and (5), the Board of Directors shall raise assessments to a percentage of the premium for each member of the Kentucky Group Self-Insurance Guaranty Fund sufficient to pay outstanding claims.

ACTS OF THE GENERAL ASSEMBLY

➔Section 16. Whereas the provisions of this Act provide ongoing support for state government agencies and their functions, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

**Signed by Governor March 28, 2023.**



# House Bill 553

## SEEK Calculation, Courthouse and Parks Projects

2023 Regular Session

CHAPTER 175

CHAPTER 175

( HB 553 )

AN ACT relating to fiscal matters, making an appropriation therefor, and declaring an emergency.

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

→Section 1. 2022 Kentucky Acts Chapter 162, Part II, Capital Projects Budget, (4) Deferred Funding, at page 982, is amended to read as follows:

**(4) Deferred Funding:** (a) General Fund support to provide operating costs of \$204,200, use allowance of \$1,449,800 and nonrecurring furniture and equipment costs of \$500,000 for the Leslie County project is deferred to the 2024-2026 fiscal biennium.

(b) General Fund support to provide operating costs totaling \$234,000, use allowance payments totaling \$1,682,000 and nonrecurring furniture and equipment costs totaling \$750,000 for the Graves County project is deferred to the 2024-2026 fiscal biennium.

(c) General Fund support to provide operating costs totaling \$2,053,500 and nonrecurring furniture and equipment costs of \$3,575,000 for six judicial center projects authorized by the 2020 General Assembly is deferred to the 2024-2026 fiscal biennium.

(d) It is the intent of the General Assembly that all projects in paragraphs (a), (b), and (c) of this subsection shall be funded using resources previously appropriated for projects that no longer require use allowance debt payments in the 2024-2026 fiscal biennium.

*(e) General Fund support to provide additional annualized use allowance payments totaling \$50,600 attributable to a project scope increase for the Bath County facility project authorized by the 2018 General Assembly and based on \$575 per square foot is deferred to the 2024-2026 fiscal biennium.*

*(f) General Fund support to provide additional annualized use allowance payments totaling \$251,200 attributable to a project scope increase for the Barren County facility project authorized by the 2020 General Assembly and based on \$610 per square foot is deferred to the 2024-2026 fiscal biennium.*

*(g) General Fund support to provide additional annualized use allowance payments totaling \$63,500 attributable to a project scope increase for the Butler County facility project authorized by the 2020 General Assembly and based on \$610 per square foot is deferred to the 2024-2026 fiscal biennium.*

*(h) General Fund support to provide additional annualized use allowance payments totaling \$64,100 attributable to a project scope increase for the Clinton County facility project authorized by the 2020 General Assembly and based on \$610 per square foot is deferred to the 2024-2026 fiscal biennium.*

*(i) General Fund support to provide additional annualized use allowance payments totaling \$105,200 attributable to a project scope increase for the Crittenden County facility project authorized by the 2020 General Assembly and based on \$575 per square foot is deferred to the 2024-2026 fiscal biennium.*

*(j) General Fund support to provide additional annualized use allowance payments totaling \$790,800 attributable to a project scope increase for the Jessamine County facility project authorized by the 2020 General Assembly and based on \$575 per square foot is deferred to the 2024-2026 fiscal biennium.*

*(k) General Fund support to provide additional annualized use allowance payments totaling \$278,400 attributable to a project scope increase for the Scott County facility project authorized by the 2020 General Assembly and based on \$575 per square foot is deferred to the 2024-2026 fiscal biennium.*

*(l) General Fund support to provide additional annualized use allowance payments totaling \$288,400 attributable to a project scope increase for the Madison County facility project authorized by the 2021 General Assembly and based on \$500 per square foot is deferred to the 2024-2026 fiscal biennium.*

*(m) General Fund support to provide additional annualized use allowance payments totaling \$97,000 attributable to a project scope increase for the Graves County facility project authorized by the 2022 General Assembly and based on \$610 per square foot is deferred to the 2024-2026 fiscal biennium.*

ACTS OF THE GENERAL ASSEMBLY

(n) *General Fund support to provide additional annualized use allowance payments totaling \$101,200 attributable to a project scope increase for the Leslie County facility project authorized by the 2022 General Assembly and based on \$610 per square foot is deferred to the 2024-2026 fiscal biennium.*

➔Section 2. 2022 Kentucky Acts Chapter 162, Part II, Capital Projects Budget, A. Judicial Branch, 2. Local Facilities Fund, 004. Hardin County – HVAC Project, at page 983, is amended to read as follows:

**004.** Hardin County - HVAC Project

General Fund	3,000,000	-0-
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(1) *Hardin County - HVAC Project Scope and Authority: The fiscal year 2022-2023 project scope for the Hardin County - HVAC Project shall be no more than \$6,000,000, of which General Fund moneys in the amount of \$3,000,000 are appropriated above. Any increase in project scope above \$3,000,000 shall not constitute additional General Fund appropriations.*

(2) *Facility Title: Pursuant to KRS Chapter 26A, Hardin County shall accept title to the facility within six months of notification by the Administrative Office of the Courts of the completion of the project.*

➔Section 3. 2022 Kentucky Acts Chapter 199, Part I, Operating Budget, A. General Government, 9. Department for Local Government, (10) Jail Arraignment Equipment Grants, at page 1639, is amended to read as follows:

**(10) Jail Arraignment Equipment Grants:** Included in the above General Fund appropriation is a one-time allocation of \$15,000,000 in fiscal year 2022-2023 for jail arraignment equipment grants. The Department for Local Government shall coordinate with the Kentucky Jailer's Association to implement a statewide video arraignment system within county jails that is compatible with technology used by the Administrative Office of the Courts. *Notwithstanding KRS 45.229, any portion of these funds that have not been expended by the end of fiscal year 2022-2023 shall not lapse and shall carry forward into fiscal year 2023-2024.*

➔Section 4. 2022 Kentucky Acts Chapter 199, Part I, Operating Budget, A. General Government, 9. Department for Local Government, (11) Community Development Projects, at pages 1639 to 1640, as amended by 2022 Kentucky Acts Chapter 239 and 2023 Regular Session HB 448, is further amended to read as follows:

**(11) Community Development Projects:** Included in the above General Fund appropriation are the following one-time allocations for the 2022-2024 fiscal biennium:

- (a) \$3,500,000 in each fiscal year to the Boone's Ridge Appalachian Wildlife Foundation for Boone's Ridge in Bell County;
- (b) \$15,000,000 in each fiscal year to the Todd County Fiscal Court for the natural gas pipeline project;
- (c) \$200,000 in fiscal year 2022-2023 to the United Methodist Mountain Mission to support operations;
- (d) \$400,000 in each fiscal year to the Kentucky Pilots Association Education Foundation;
- (e) \$2,000,000 in fiscal year 2022-2023 to the Paducah Symphony;
- (f) \$4,300,000 in fiscal year 2022-2023 to the Louisville Orchestra;
- (g) \$100,000 in fiscal year 2022-2023 to the Hickman County Fiscal Court for the Civil War Days;
- (h) \$2,500,000 in fiscal year 2022-2023 to the Paintsville High School STEM Program;
- (i) \$10,000,000 in each fiscal year to the Lincoln County Fiscal Court for the natural gas pipeline project;
- (j) \$200,000 in each fiscal year to the Backroads of Appalachia in Harlan, Kentucky, to support economic development;
- (k) \$1,500,000 in each fiscal year to the Russell County Regional Agribusiness Training Facility;
- (l) \$750,000 in fiscal year 2022-2023 to the City of Lancaster for the fire department substation;
- (m) \$500,000 in fiscal year 2023-2024 to the Fern Creek Community Center in Louisville, Kentucky;
- (n) \$750,000 in fiscal year 2023-2024 to the Hart County Chamber of Commerce;
- (o) \$300,000 in fiscal year 2023-2024 to the City of Greensburg for beautification projects;
- (p) \$20,000 in fiscal year 2022-2023 to the City of Wilmore for the Downtown Greenstage;
- (q) \$6,000 in fiscal year 2022-2023 to the Jessamine County Fiscal Court for the High Bridge Firehouse;

## CHAPTER 175

(r) \$50,000 in fiscal year 2022-2023 to the Jessamine County Fiscal Court for land acquisition at the High Bridge boat ramp;

(s) \$1,400,000 in fiscal year 2022-2023 to the city of Williamsburg for renovation and expansion of the Kentucky Splash Waterpark and Campground;

(t) \$10,000,000 in fiscal year 2022-2023 to the Louisville Zoo for construction of Kentucky trails habitat. Notwithstanding KRS 45.229, any portion of these funds that have not been expended by the end of fiscal year 2022-2023 shall not lapse and shall carry forward into fiscal year 2023-2024;

(u) \$2,500,000 in fiscal year 2022-2023 to the City of Corbin for the Corbin Arena and Corbin Center;

(v) \$1,000,000 in fiscal year 2022-2023 to the City of Barbourville for ~~renovations to the~~ **construction of** Barbourville City Hall;

(w) \$1,250,000 in fiscal year 2022-2023 to the Jackson County Fiscal Court for a new building for the Jackson County Emergency Medical Services;

(x) \$400,000 in fiscal year 2022-2023 to the KCEOC Community Action Partnership for a vocational and technical training facility;

(y) \$750,000 in fiscal year 2022-2023 to the City of Booneville for a city revitalization project;

(z) \$4,250,000 in fiscal year 2022-2023 to the Manchester/Clay County Tourism Commission, Elk Hill Regional Industrial Authority, and Volunteers of America for land acquisition, renovations, upgrades, and Elk Hill Spec Building and Housing;

(aa) \$500,000 in fiscal year 2022-2023 to the Scott United Ministries A.M.E.N. House for acquisition or construction of a new building;

(ab) \$250,000 in fiscal year 2022-2023 to the Monroe County Fiscal Court to allow the Monroe County Medical Center to begin offering emergency medical services and paramedic training;

(ac) \$600,000 in fiscal year 2022-2023 to the Housing Authority of Bowling Green to create a small business incubator for low income, minority, and women-owned businesses in collaboration with the city of Bowling Green;

(ad) \$1,000,000 in fiscal year 2022-2023 to the City of Somerset Parks and Recreation for upgrades to youth sports facilities;

(ae) \$3,000,000 in fiscal year 2022-2023 to the Christian County Board of Education for the Fort Campbell Industrial Training Partnership;

(af) \$3,000,000 in fiscal year 2022-2023 to the Barren County Family YMCA Foundation for a swimming pool facility, equipment, and HVAC and building repair;

(ag) \$1,000,000 in fiscal year 2022-2023 to the Green County Fiscal Court for industrial park site development;

(ah) \$1,000,000 in fiscal year 2022-2023 to the Kentucky Science and Technology Corporation for the VALOR program;

(ai) \$1,000,000 in fiscal year 2022-2023 to USA Cares to support veterans and their families;

(aj) \$650,000 in fiscal year 2022-2023 to Bellewood and Brooklawn to support the Avenues to Success pilot program;

(ak) \$5,000,000 in fiscal year 2022-2023 to the Bell County Fiscal Court to support industrial projects;

(al) \$1,000,000 in fiscal year 2023-2024 to the Green County Fiscal Court for the American Legion Park Trail Development Project; and

(am) \$195,000 in fiscal year 2022-2023 to Old Bardstown Village, Inc. for flood damage repairs.

➔Section 5. 2022 Kentucky Acts Chapter 199, Part II, Capital Projects Budget, J. Tourism, Arts and Heritage Cabinet, 2. Parks, at page 1747, is amended to read as follows:

### 2. PARKS

001. Maintenance Pool - 2022-2024

ACTS OF THE GENERAL ASSEMBLY

General Fund	10,000,000	10,000,000
<b>002. State Parks Improvement</b>		
Bond Funds	-0-	<del>137,000,000</del> 150,000,000
<b>003. Lake Barkley State Resort Park - Emergency Repairs</b>		
<b>Bond Funds</b>	-0-	<b>7,500,000</b>
<b>004. Jenny Wiley State Resort Park - Emergency Repairs</b>		
<b>Bond Funds</b>	-0-	<b>5,500,000</b>

➔Section 6. There is hereby appropriated Restricted Funds in the amount of \$31,200 in fiscal years 2022-2023 and 2023-2024 to the Board of Respiratory Care budget unit to support continuing services.

➔Section 7. There is hereby appropriated Restricted Funds in the amount of \$80,000 in fiscal year 2022-2023 to the Board of Social Work budget unit to support continuing services.

➔Section 8. Notwithstanding KRS 157.360(9), 157.410(3), 2021 (1st Extra.Sess.) Ky. Acts ch. 4, sec. 6, or any other statute to the contrary, the Department of Education shall recalculate the exact final amount of the common school funds for fiscal year 2022-2023 on or before June 1, 2023. The Kentucky Department of Education shall utilize the attendance data used to calculate each school district's respective SEEK distribution for the 2022-2023 school year to effectuate KRS 157.360(9). No school district shall receive less than the exact final amount of the common school funds for fiscal year 2022-2023 as determined on or before March 1, 2023.

➔Section 9. Whereas the provisions of this Act provide ongoing support for state government agencies and their functions, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

**Signed by Governor April 5, 2023.**

Senate Bill 158

Juvenile Justice  
Audit

2023 Regular Session

1 AN ACT relating to juvenile justice and making an appropriation therefor.

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

3 ➔Section 1. The Office of the Auditor of Public Accounts shall contract with a  
4 third party to perform a full performance review of the preadjudication facilities operated  
5 by, and the programs administered by, the Department of Juvenile Justice within the  
6 Justice and Public Safety Cabinet. The Office of the Auditor of Public Accounts shall be  
7 the engaged party under the contract and shall contract with an entity that has experience  
8 in reviewing the performance of state agencies offering juvenile detention facilities and  
9 programs.

10 Notwithstanding any law to the contrary, the Office of the Auditor of Public  
11 Accounts shall be solely responsible for procuring the contract through competitive  
12 bidding. The Office of the Auditor of Public Accounts shall not contract with any entity  
13 that accredits Kentucky's preadjudication juvenile detention facilities or programs, or  
14 Kentucky's postadjudication juvenile detention facilities or programs.

15 The contract shall provide that the audit results shall be reported to the Legislative  
16 Research Commission, and any materials related to the audit shall be provided to the  
17 Legislative Research Commission. An initial preliminary report of the results of the  
18 performance review shall be submitted to the Legislative Research Commission by  
19 October 15, 2023.

20 ➔Section 2. The contracted entity under Section 1 of this Act shall have the  
21 authority provided under KRS 43.080. Employees of the Department of Juvenile Justice  
22 shall be allowed to participate in interviews outside the presence of any supervisor,  
23 official, or counsel representing the department or the Justice and Public Safety Cabinet.  
24 The work papers of the contracted entity shall be confidential and shall not be subject to  
25 subpoena, or to review or production under KRS 61.870 to KRS 61.884, the Kentucky  
26 Open Records Act.

27 ➔Section 3. The scope of the performance review shall include, but not be limited

1 to:

2 (1) Interviews with front-line employees;

3 (2) Interviews with local law enforcement agencies in the area of the detention  
4 facility;

5 (3) Review of adopted staffing procedures, and the compliance or noncompliance  
6 with the adopted procedures on-site;

7 (4) Review of incident reporting procedures and incident reports;

8 (5) Receipt, review, and actions taken by the Department of Juvenile Justice  
9 related to complaints and concerns from employees;

10 (6) Review of all monthly reports; and

11 (7) Review of all complaints and exit interview forms.

12 ➔Section 4. There is hereby appropriated General Fund moneys in the amount of  
13 \$500,000 in fiscal year 2022-2023 to the Auditor of Public Accounts budget unit to fund  
14 the performance review directed under Section 1 of this Act. Notwithstanding KRS  
15 45.229, any portion of these funds not expended shall not lapse and shall carry forward  
16 for expenditure in fiscal year 2023-2024.



Senate Bill 162

Juvenile Justice  
And  
Corrections

2023 Regular Session

**CHAPTER 106****( SB 162 )**

AN ACT relating to public safety, making an appropriation therefor, and declaring an emergency.

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

➔Section 1. KRS 15A.020 is amended to read as follows:

- (1) The Justice and Public Safety Cabinet shall have the following departments:
  - (a) Department of Corrections;
  - (b) Department of Criminal Justice Training, which shall have the following divisions:
    1. Training Operations Division; and
    2. Administrative Division;
  - (c) Department of Juvenile Justice, which shall have the following offices *and divisions*:
    1. Office of Program Operations, which shall have the following divisions:
      - a. Division of Western Region;
      - b. Division of Eastern Region; and
      - c. Division of Placement Services;
    2. Office of Support Services, which shall have the following divisions:
      - a. Division of Administrative Services;
      - b. Division of Program Services; and
      - c. *Division of Professional Development*~~{Division of Medical Services}~~; and
    3. Office of Community and Mental Health Services, which shall have the following *division*~~{divisions}~~:
      - a.~~{~~—~~Division of Professional Development; and~~
      - ~~b.}~~ Division of Community and Mental Health Services;
    4. *Office of Detention, which shall require that all detention centers report to one (1) supervisor who reports directly to the commissioner, and which shall have the following division:*
      - a. *Division of Transportation; and*
    5. *Division of Compliance;*
  - (d) Department of Kentucky State Police, which shall have the following offices and divisions:
    1. Office of Administrative Services, which shall be headed by an executive director who shall be appointed by the commissioner of the Department of Kentucky State Police and who shall report to the commissioner;
      - a. Division of Operational Support, which shall be headed by a director who shall be appointed by the commissioner of the Department of Kentucky State Police and who shall report to the executive director of the Office of Administrative Services; and
      - b. Division of Management Services, which shall be headed by a director who shall be appointed by the commissioner of the Department of Kentucky State Police and who shall report to the executive director of the Office of Administrative Services;
    2. Office of Operations, which shall be headed by an executive director who shall be appointed by the commissioner of the Department of Kentucky State Police and who shall report to the commissioner;

## ACTS OF THE GENERAL ASSEMBLY

- a. Division of West Troops, which shall be headed by a director who shall be appointed by the commissioner of the Department of Kentucky State Police and who shall report to the executive director of the Office of Operations;
  - b. Division of East Troops, which shall be headed by a director who shall be appointed by the commissioner of the Department of Kentucky State Police and who shall report to the executive director of the Office of Operations;
  - c. Division of Special Enforcement, which shall be headed by a director who shall be appointed by the commissioner of the Department of Kentucky State Police and who shall report to the executive director of the Office of Operations; and
  - d. Division of Commercial Vehicle Enforcement, which shall be headed by a director who shall be appointed by the commissioner of the Department of Kentucky State Police and who shall report to the executive director of the Office of Operations; and
3. Office of Technical Services, which shall be headed by an executive director who shall be appointed by the commissioner of the Department of Kentucky State Police and who shall report to the commissioner;
- a. Division of Forensic Services, which shall be headed by a director who shall have a minimum of a bachelor's degree in a natural science and at least seven (7) years of experience in an accredited forensic laboratory, who shall be appointed by the commissioner of the Department of Kentucky State Police, and who shall report to the executive director of the Office of Technical Services; and
  - b. Division of Information Technology, which shall be headed by a director who shall be appointed by the commissioner of the Department of Kentucky State Police and who shall report to the executive director of the Office of Technical Services; and
- (e) Department of Public Advocacy, which shall have the following divisions:
1. Protection and Advocacy Division;
  2. Division of Law Operations;
  3. Division of Trial Services;
  4. Division of Post-Trial Services; and
  5. Division of Conflict Services.
- (2) Each department, except for the Department of Public Advocacy, shall be headed by a commissioner who shall be appointed by the secretary of the Justice and Public Safety Cabinet with the approval of the Governor as required by KRS 12.040. Each commissioner shall be directly responsible to the secretary and shall have such functions, powers, and duties as provided by law and as the secretary may prescribe. The Department of Public Advocacy shall be headed by the public advocate, appointed as required by KRS 31.020, who shall be directly responsible to the Public Advocacy Commission. The Department of Public Advocacy is an independent state agency which shall be attached to the Justice and Public Safety Cabinet for administrative purposes only. The Justice and Public Safety Cabinet shall not have control over the Department of Public Advocacy's information technology equipment and use unless granted access by court order.
- (3) The Justice and Public Safety Cabinet shall have the following offices and divisions:
- (a) Office of the Secretary, which shall be headed by a deputy secretary appointed pursuant to KRS 12.050 and responsible for the direct administrative support for the secretary and other duties as assigned by the secretary, and which, with the approval of the secretary, may employ such staff as necessary to perform the duties, functions, and responsibilities of the office;
  - (b) Office of Human Resource Management, which shall be headed by an executive director appointed pursuant to KRS 12.050 who shall be responsible to and report to the secretary and be responsible for all matters relating to human resources, and who, with the approval of the secretary, may employ such staff as necessary to perform the duties, functions, and responsibilities of the office;
    1. Division of Human Resource Administration, which shall be headed by a director appointed pursuant to KRS 12.050 who shall report to the executive director of the Office of Human Resource Management; and

## CHAPTER 106

2. Division of Employee Management, which shall be headed by a director appointed pursuant to KRS 12.050 who shall report to the executive director of the Office of Human Resource Management;
- (c) Office of Legal Services, which shall be headed by an executive director appointed pursuant to KRS 12.050 and 12.210, that:
1. Shall provide legal representation and services for the cabinet; and
  2. May investigate all complaints regarding the facilities, staff, treatment of juveniles, and other matters relating to the operation of the Justice and Public Safety Cabinet. If it appears that there is a violation of statutes, administrative regulations, policies, court decisions, the rights of juveniles who are subject to the orders of the department, or any other matter relating to the Justice and Public Safety Cabinet, the office shall report to the secretary of the Justice and Public Safety Cabinet who shall, if required, refer the matter to a law enforcement agency, Commonwealth's attorney, county attorney, the Attorney General, or federal agencies, as appropriate. The office may be used to investigate matters in which there is a suspicion of violation of written policy, administrative regulation, or statutory law within the Department of Public Advocacy only when the investigation will have no prejudicial impact upon a person who has an existing attorney-client relationship with the Department of Public Advocacy. Notwithstanding the provisions of this subparagraph, investigation and discipline of KRS Chapter 16 personnel shall continue to be conducted by the Department of Kentucky State Police pursuant to KRS Chapter 16. The office shall conduct no other investigations under the authority granted in this subparagraph. The secretary may, by administrative order, assign the investigative functions in this subparagraph to a branch within the office.

The executive director shall be directly responsible to and report to the secretary and, with the approval of the secretary, may employ such attorneys appointed pursuant to KRS 12.210 and other staff as necessary to perform the duties, functions, and responsibilities of the office;

- (d) Office of Legislative and Intergovernmental Services, which shall be headed by an executive director appointed pursuant to KRS 12.050 who shall be responsible for all matters relating to the provision of support to the Criminal Justice Council, legislative liaison services, and functions and duties vested in the Criminal Justice Council as described in KRS 15A.030. The executive director shall be directly responsible to and report to the secretary and may employ such staff as necessary to perform the duties, functions, and responsibilities of the office;
- (e) Office of Communications, which shall be headed by an executive director appointed by the secretary of the Justice and Public Safety Cabinet pursuant to KRS 12.050 who shall be responsible to report to the secretary and be responsible for all matters relating to communications, and who, with the approval of the secretary, may employ such staff as necessary to perform the duties, functions, and responsibilities of the office;
1. Information and Technology Services Division, which shall be headed by a director appointed by the secretary of the Justice and Public Safety Cabinet pursuant to KRS 12.050 who shall report to the executive director of the Office of Communications;
- (f) Office of Financial Management Services, which shall be headed by an executive director appointed by the secretary of the Justice and Public Safety Cabinet pursuant to KRS 12.050 who shall be responsible to report to the secretary and be responsible for all matters relating to fiscal functions, and who, with the approval of the secretary, may employ such staff as necessary to perform the duties, functions, and responsibilities of the office;
1. Division of Financial Management, which shall be headed by a director appointed by the secretary of the Justice and Public Safety Cabinet pursuant to KRS 12.050 who shall report to the executive director of the Office of Financial Management Services;
- (g) Grants Management Division, which shall be headed by a director appointed by the secretary of the Justice and Public Safety Cabinet pursuant to KRS 12.050 who shall be responsible to report to the secretary and be responsible for all matters relating to state and federal grants management, and who, with the approval of the secretary, may employ such staff as necessary to perform the duties, functions, and responsibilities of the office;

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- (h) Office of the Kentucky State Medical Examiner, which shall be headed by a chief medical examiner appointed pursuant to KRS 72.240 who shall be responsible for all matters relating to forensic pathology and forensic toxicology and other duties as assigned by the secretary. The executive director appointed pursuant to KRS 12.050 shall be responsible for all matters related to the administrative support of the Office of the State Medical Examiner. The executive director shall report directly to the secretary and with the approval of the secretary may employ such administrative support staff as necessary to perform the administrative duties, functions, and responsibilities of the office. The chief medical examiner shall be directly responsible to and report to the secretary and may employ such staff as necessary to perform the forensic duties, functions, and responsibilities of the office; and
- (i) Office of Drug Control Policy, which shall be headed by an executive director appointed pursuant to KRS 12.050 who shall be responsible for all matters relating to the research, coordination, and execution of drug control policy and for the management of state and federal grants, including but not limited to the prevention and treatment related to substance abuse. By December 31 of each year, the Office of Drug Control Policy shall review, approve, and coordinate all current projects of any substance abuse program which is conducted by or receives funding through agencies of the executive branch. This oversight shall extend to all substance abuse programs which are principally related to the prevention or treatment, or otherwise targeted at the reduction, of substance abuse in the Commonwealth. The Office of Drug Control Policy shall promulgate administrative regulations consistent with enforcing this oversight authority. The executive director shall be directly responsible to and report to the secretary and may employ such staff as necessary to perform the duties, functions, and responsibilities of the office.

➔Section 2. KRS 15A.061 is amended to read as follows:

- (1) ***The cabinet shall maintain a comprehensive, centralized data tracking system for the Department of Juvenile Justice.***
- (2) The cabinet shall ensure that all departments within the cabinet collaborate to develop procedures to allow collection and sharing of data necessary to analyze juvenile recidivism. Recidivism includes an adjudication of delinquency by a juvenile court, or a conviction by a District Court or Circuit Court, for an offense committed within three (3) years of release from the custody or control of the Department of Juvenile Justice.

➔Section 3. KRS 15A.063 is amended to read as follows:

- (1) The Juvenile Justice Oversight Council is created for the purpose of providing independent review of the state juvenile justice system and providing recommendations to the General Assembly. The council ~~shall~~<sup>is to</sup> actively ~~engage in~~<sup>review</sup> the implementation of ~~all the~~ juvenile justice reforms ***enacted by the General Assembly***~~in 2014 Ky. Acts ch. 132~~, collect and review performance measurement data, and continue to review the juvenile justice system for changes that improve public safety, hold youth accountable, provide better outcomes for children and families, and control juvenile justice costs.
- (2) (a) The membership of the council shall include the following:
  - 1. The secretary of the Justice and Public Safety Cabinet, ex officio;
  - 2. The commissioner of the Department for Behavioral Health, Developmental and Intellectual Disabilities, ex officio;
  - 3. The commissioner of the Department for Community Based Services, ex officio;
  - 4. The commissioner of the Department of Juvenile Justice, ex officio;
  - 5. The commissioner of the Department of Education, ex officio;
  - 6. The director of the Administrative Office of the Courts, ex officio;
  - 7. The Public Advocate, ex officio;
  - 8. The Senate chair of the Committee on Judiciary, nonvoting ex officio;
  - 9. The House chair of the Committee on Judiciary, nonvoting ex officio;
  - 10. ***One (1) member of the Senate appointed by the President of the Senate, and one (1) member of the minority party in the Senate appointed by the Minority Floor Leader in the Senate, who shall serve as ex officio, nonvoting members for the duration of the terms for which they were elected;***

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11. **One (1) member of the House of Representatives appointed by the Speaker of the House of Representatives, and one (1) member of the minority party in the House of Representatives appointed by the Minority Floor Leader in the House of Representatives, who shall serve as ex officio, nonvoting members for the duration of the terms for which they were elected;** and

12.~~10.~~ Five (5) at-large members appointed by the Governor, as follows:

- a. One (1) member representing public schools or an education group or organization;
- b. One (1) District Judge nominated by the Chief Justice of the Kentucky Supreme Court;
- c. One (1) member representing law enforcement;
- d. One (1) member of the County Attorneys' Association nominated by the Attorney General; and
- e. One (1) member representing community-based organizations, whether for-profit or nonprofit, with experience in programs for juveniles, including substance abuse prevention and treatment, case management, mental health, or counseling.

(b) The chairs of the House and Senate Judiciary Committees shall serve as co-chairs.

(c) At-large members shall be appointed by August 1, 2022, shall serve a term of two (2) years, and may be reappointed.

(d) Each ex officio member, except for legislative members, may designate a proxy by written notice to the council prior to call of order of each meeting, and the proxy shall be entitled to participate as a full voting member.

(e) Except as otherwise provided by law, members shall not be compensated for being members of the council but shall be reimbursed for ordinary travel expenses, including meals and lodging, incurred while performing council business.

(f) The council shall meet at least quarterly. A quorum, consisting of a majority of the membership of the council, shall be required for the transaction of business. Meetings shall be held at the call of the chair, or upon the written request of two (2) members to the chair.

(3) The council shall:

(a) **Review**~~Oversee~~ the implementation of the reforms **enacted by the General Assembly**~~contained in 2014 Ky. Acts ch. 132, including;~~

~~(b)1.~~ Review~~of the~~ performance measures~~to be adopted~~ and recommend modifications;

~~(c)2.~~ **Review**~~Ensure~~ all policies **to confirm implementation as**~~are implemented in accordance with the time frames~~ established **by legislation enacted by the General Assembly and administrative regulations promulgated thereunder**;

~~(d)3.~~ **Review**~~Ensure~~ the fiscal incentive program established pursuant to KRS 15A.062~~is implemented and continue to review the program; and~~

~~4. Review the Department of Juvenile Justice facilities plan submitted following a reduction of population and make recommendations to the General Assembly as to the plan and any changes to the reinvestment of savings achieved from the closure of any facilities;~~

~~(e)4.~~ Collect and review performance data and recommend any additional performance measures needed to identify outcomes in the juvenile justice system;

~~(f)5.~~ Review the information received from the Department of Education pursuant to KRS 156.095, and determine whether any action is necessary, including additional performance measures, funding, or legislation;

~~(g)6.~~ Continue review of juvenile justice areas determined appropriate by the council, including:

1. Status offense reform;
2. Necessary training for school resource officers as defined in KRS 158.441, in juvenile justice best practices, research, and impacts on recidivism and long-term outcomes;

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3. Graduated sanctions protocols in public schools, including their current use and their development statewide;
4. A minimum age of criminal responsibility;
5. Competency;
6. Reforms to the family resource and youth service centers in the Cabinet for Health and Family Services;
7. Population levels in Department of Juvenile Justice facilities, and the potential for closure of facilities while maintaining staffing ratios necessary to comply with applicable accreditation standards; and
8. Whether juvenile court hearings should be open to the public;~~and~~

**(h) Review and make recommendations regarding:**

1. *The structure and staffing of the Department of Juvenile Justice;*
2. *Training of juvenile justice staff;*
3. *The adequacy of current programs and facilities operated by the Department of Juvenile Justice;*
4. *Best practices in juvenile justice programs and facilities; and*
5. *Other topics as determined by the council; and*

~~(i)(e)~~ Report by **December 1, 2023**~~[November 2014]~~, and by **December 1**~~[November]~~ of each year thereafter, to the Interim Joint Committee on Judiciary and the Governor and make recommendations to the General Assembly for any additional legislative changes the council determines appropriate.

- (4) The council shall be attached to the **Legislative Research Commission**~~[Justice and Public Safety Cabinet]~~ for administrative purposes.
- (5) The council shall terminate on July 1, 2030, unless the General Assembly extends the term of the council.

➔Section 4. KRS 15A.305 is amended to read as follows:

- (1) The Department of Juvenile Justice shall~~[, with available funds,]~~ develop and administer a statewide detention program and, as each regional facility is constructed and ready for occupancy, shall~~[, within appropriation limitations,]~~ provide for:
  - (a) The operation of preadjudication detention facilities for children charged with public offenses; and
  - (b) The operation of postadjudication detention facilities for children adjudicated delinquent or found guilty of public offenses.
- (2) In each region in which the Department of Juvenile Justice operates or contracts for the operation of a detention facility, the department shall~~[, within appropriation limitations,]~~ develop and administer a program for alternatives to secure detention that shall provide for:
  - (a) The operation of or contracting for the operation of preadjudication alternatives to secure detention and follow-up programs for juveniles who are before the court or who enter pretrial diversion or informal adjustment programs; and
  - (b) The operation of or contracting for the operation of postadjudication alternatives to secure detention and follow-up programs, including but not limited to community-based programs, mentoring, counseling, and other programs designed to limit the unnecessary use of secure detention and ensure public safety.
- (3) The department shall develop and implement a system to immediately notify the Cabinet for Health and Family Services when a status offender or child alleged to be a status offender has been detained for the alleged violation of a valid court order.
- (4) The department may, except as provided in KRS 635.060, charge counties, consolidated local governments, and urban-county governments a per diem not to exceed ninety-four dollars (\$94) for lodging juveniles in state-owned or contracted facilities.
- (5) Detention rates charged by contracting detention facilities shall not exceed the rate in effect on July 1, 1997, subject to increases approved by the department.

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- (6) No juvenile detention facility, as defined in KRS 15A.200, shall be taken over, purchased, or leased by the Commonwealth without prior approval of the fiscal court upon consultation with the jailer in the county where the facility is located. The county, upon consultation with the jailer, may enter into contracts with the Commonwealth for the holding, detention, and transportation of juveniles.
- (7) *The Department of Juvenile Justice shall enter into sufficient contracts to ensure the availability of institutional treatment for children with severe emotional disturbance or mental illness as soon as practicable.*
- (8) *The Department of Juvenile Justice shall, for any facility operated pursuant to subsection (1) of this section, require that the facility:*
  - (a) *Provide children in crisis who are residing in a juvenile detention facility access to a mental health professional whose communications with the child are privileged under the Kentucky Rules of Evidence;*
  - (b) *Conduct monthly documented training related to emergency response;*
  - (c) *Ensure that appropriate staff working with detained youth have controlled access to, and are properly trained in the use of, appropriate defensive equipment comparable to that utilized by the Department of Corrections, including tasers, pepper spray, and shields;*
  - (d) *Establish a specially trained emergency response team within each juvenile detention center and youth development center which shall be trained in tactics related to detention facilities and engage in monthly drills as part of emergency response training;*
  - (e) *Enter into a memorandum of understanding with local law enforcement for emergency response and include these agencies in emergency response trainings;*
  - (f) *Be equipped with an alarm that directly communicates an emergency situation to the local dispatch center; and*
  - (g) *Promulgate administrative regulations in accordance with KRS Chapter 13A to implement this subsection.*

➔Section 5. KRS 610.340 is amended to read as follows:

- (1)
  - (a) Unless a specific provision of KRS Chapters 600 to 645 specifies otherwise, all juvenile court records of any nature generated pursuant to KRS Chapters 600 to 645 by any agency or instrumentality, public or private, shall be deemed to be confidential and shall not be disclosed except to the child, parent, victims, or other persons authorized to attend a juvenile court hearing pursuant to KRS 610.070 unless ordered by the court for good cause.
  - (b) Juvenile court records which contain information pertaining to arrests, petitions, adjudications, and dispositions of a child may be disclosed to victims or other persons authorized to attend a juvenile court hearing pursuant to KRS 610.070.
  - (c) Release of the child's treatment, medical, mental, or psychological records is prohibited unless presented as evidence in Circuit Court. Any records resulting from the child's prior abuse and neglect under Title IV-E or Title IV-B of the Federal Social Security Act shall not be disclosed to victims or other persons authorized to attend a juvenile court hearing pursuant to KRS 610.070.
  - (d) Victim access under this subsection to juvenile court records shall include access to records of adjudications that occurred prior to July 15, 1998.
- (2) The provisions of this section shall not apply to public officers or employees engaged in the investigation of and in the prosecution of cases under KRS Chapters 600 to 645 or other portions of the Kentucky Revised Statutes. Any record obtained pursuant to this subsection shall be used for official use only, shall not be disclosed publicly, and shall be exempt from disclosure under the Open Records Act, KRS 61.870 to 61.884.
- (3) The provisions of this section shall not apply to any peace officer, as defined in KRS 446.010, who is engaged in the investigation or prosecution of cases under KRS Chapters 600 to 645 or other portions of the Kentucky Revised Statutes. Any record obtained pursuant to this subsection shall be used for official use only, shall not be disclosed publicly, and shall be exempt from disclosure under the Open Records Act, KRS 61.870 to 61.884.



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- (4) The provisions of this section shall not apply to employees of the Department of Juvenile Justice or cabinet or its designees responsible for any services under KRS Chapters 600 to 645 or to attorneys for parties involved in actions relating to KRS Chapters 600 to 645 or other prosecutions authorized by the Kentucky Revised Statutes.
- (5) The provisions of this section shall not apply to records disclosed pursuant to KRS 610.320 or to public or private elementary and secondary school administrative, transportation, and counseling personnel, to any teacher or school employee with whom the student may come in contact, or to persons entitled to have juvenile records under KRS 610.345, if the possession and use of the records is in compliance with the provisions of KRS 610.345 and this section.
- (6) *The provisions of this section shall not apply to employees of local law enforcement agencies, the Department of Kentucky State Police, or the Federal Bureau of Investigation engaged in conducting background checks for the sole purpose of identifying and providing potentially disqualifying juvenile public offense records to the National Instant Criminal Background Check System pursuant to Div. A, Title II, Sec. 12001(a) of the Bipartisan Safer Communities Act, Pub. L. No. 117-159. Notwithstanding KRS 635.040, an adjudication for a public offense is a conviction of a crime for purposes of 18 U.S.C. sec. 922(d)(1), (d)(3), or (d)(9). Any public offense record obtained pursuant to this subsection shall be used for official use only, not be disclosed publicly, and be exempt from disclosure under the Open Records Act, KRS 61.870 to 61.884.*
- (7) No person, including school personnel, shall disclose any confidential record or any information contained therein except as permitted by this section or other specific section of KRS Chapters 600 to 645, or except as permitted by specific order of the court.
- ~~(8)(7)~~ No person, including school personnel, authorized to obtain records pursuant to KRS Chapters 600 to 645 shall obtain or attempt to obtain confidential records to which he is not entitled or for purposes for which he is not permitted to obtain them pursuant to KRS Chapters 600 to 645.
- ~~(9)(8)~~ No person, including school personnel, not authorized to obtain records pursuant to KRS Chapters 600 to 645 shall obtain or attempt to obtain records which are made confidential pursuant to KRS Chapters 600 to 645 except upon proper motion to a court of competent jurisdiction.
- ~~(10)(9)~~ No person shall destroy or attempt to destroy any record required to be kept pursuant to KRS Chapters 600 to 645 unless the destruction is permitted pursuant to KRS Chapters 600 to 645 and is authorized by the court upon proper motion and good cause for the destruction being shown.
- ~~(11)(10)~~ As used in this section the term "KRS Chapters 600 to 645" includes any administrative regulations which are lawfully promulgated pursuant to KRS Chapters 600 to 645.
- ~~(12)(11)~~ Nothing in this section shall be construed to prohibit a crime victim from speaking publicly after the adjudication about his or her case on matters within his or her knowledge or on matters disclosed to the victim during any aspect of a juvenile court proceeding.

➔Section 6. The Justice and Public Safety Cabinet shall:

- (1) Develop and implement, as soon as practicable, a plan that will transition back to the regional model of juvenile detention center facilities while safely segregating males and females and separating violent and nonviolent offenders. The plan shall provide for a return to the regional structure from the current emergency structure;
- (2) Within 30 days after the effective date of this Act, return to a uniform requirement for Department of Juvenile Justice correctional officers within juvenile detention facilities;
- (3) Within 90 days after the effective date of this Act, implement a Youth Worker-R program to retain retired youth workers to supplement the staff of the Department of Juvenile Justice;
- (4) Within 30 days after the effective date of this Act, notwithstanding KRS Chapter 18A, implement a limited duration program to allow staff of the Department of Juvenile Justice who have resigned to return at their previous employment classification with the approval of the department;
- (5) Reinstate and maintain a management training program for the Department of Juvenile Justice for all leadership positions, including the commissioner, and provide that any individual who has satisfactorily completed the training program shall be an eligible candidate for any leadership position within the department, including the position of commissioner; and

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(6) Develop and implement a plan to identify and transfer any juvenile to another facility if the transfer is related to a security risk, is necessary to avoid interference with any criminal investigation, or is necessary due to lack of available beds or staff shortages.

➔Section 7. Within 90 days after the effective date of this Act, the Department for Medicaid Services shall develop and submit an amendment to the Section 1115 demonstration waiver submitted pursuant to 2021 Ky. Acts ch. 169, Part I, G., 3., b., (16) to provide Medicaid benefits to Medicaid-eligible children detained by the Department of Juvenile Justice. Upon approval of the waiver, the cost of medical and behavioral health care shall be a covered Medicaid benefit for an incarcerated child.

➔Section 8. The Office of the Auditor of Public Accounts shall contract with a third party to perform a full performance review of the preadjudication facilities operated by, and the preadjudication programs administered by, the Department of Juvenile Justice within the Justice and Public Safety Cabinet. The Office of the Auditor of Public Accounts shall contract with an entity that has experience in reviewing the performance of state agencies offering juvenile detention facilities and programs.

Notwithstanding any law to the contrary, the Office of the Auditor of Public Accounts shall procure professional services by a personal service contract through noncompetitive negotiation with an entity that has experience in reviewing the performance of state agencies offering juvenile detention facilities and programs. The Office of the Auditor of Public Accounts shall not contract with any entity that accredits Kentucky's preadjudication juvenile detention facilities or programs, or Kentucky's postadjudication juvenile detention facilities or programs.

The contracting party shall enter into a memorandum of understanding with the Legislative Oversight and Investigations Committee of the Legislative Research Commission concerning the exchange of materials and work papers and maintenance of confidentiality. The contract shall provide that the performance review results shall be reported to the Legislative Research Commission, and any materials related to the performance review shall be provided to the Legislative Research Commission. An initial preliminary report of the results of the performance review shall be submitted to the Legislative Research Commission by October 15, 2023.

➔Section 9. The contracted entity under Section 8 of this Act shall have the authority provided under KRS 43.080 and KRS 43.090. Employees of the Department of Juvenile Justice shall be allowed to participate in interviews outside the presence of any supervisor, official, or counsel representing the department or the Justice and Public Safety Cabinet. The work papers of the contracted entity shall be confidential and shall not be subject to subpoena, or to review or production under KRS 61.870 to KRS 61.884, the Kentucky Open Records Act.

➔Section 10. The scope of the performance review shall be for the period from January 1, 2016, to December 31, 2022, and shall include but not be limited to:

- (1) Interviews with front-line employees;
- (2) Interviews with law enforcement agencies in the area of the detention facility;
- (3) Review of adopted staffing procedures, and the compliance or noncompliance with the adopted procedures on-site;
- (4) Review of incident reporting procedures and incident reports;
- (5) Receipt, review, and actions taken by the Department of Juvenile Justice related to complaints and concerns from employees;
- (6) Review of all monthly reports; and
- (7) Review of all complaints and exit interview forms.

➔Section 11. General Fund moneys in the amount of \$38,000,000 from the General Fund appropriation of \$200,000,000 in fiscal year 2023-2024 set out in 2022 Ky. Acts ch. 199, Part I, N., 1. are hereby transferred as follows:

- (1) \$3,200,000 to the Department of Juvenile Justice in fiscal year 2023-2024 to maintain the salary increases provided to youth workers in juvenile detention centers in fiscal year 2022-2023;
- (2) \$4,800,000 to the Department of Juvenile Justice in fiscal year 2023-2024 to provide salary increases to other job classifications within the department; and

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(3) \$30,000,000 to the Adult Correctional Institutions budget unit in fiscal year 2023-2024 to provide salary increases for correctional officers within the Department of Corrections facilities in the same manner as was provided to youth workers in juvenile detention facilities with a base pay of \$50,000.

→Section 12. There is hereby appropriated General Fund moneys in the amount of \$9,700,000 in fiscal year 2023-2024 to the Department of Juvenile Justice for 146 additional youth workers in juvenile detention centers.

→Section 13. There is hereby appropriated General Fund moneys in the amount of \$200,000 in fiscal year 2023-2024 to the Department of Juvenile Justice for the development of a youth offender management system.

→Section 14. There is hereby appropriated General Fund moneys in the amount of \$4,000,000 in fiscal year 2022-2023 to the Department of Juvenile Justice to provide security upgrades within the juvenile detention centers. Notwithstanding KRS 45.229, the General Fund appropriation under this section shall not lapse and shall carry forward for expenditure in fiscal year 2023-2024.

→Section 15. There is hereby appropriated General Fund moneys in the amount of \$1,500,000 in fiscal year 2022-2023 to the Department of Juvenile Justice to establish a diversionary program to identify and provide treatment for any juvenile identified as suffering from severe mental illness, in conjunction with the State Interagency Council for Services and Supports to Children and Transition-age Youth, including any juvenile currently detained who shall be transferred as soon as practicable to a secure facility for treatment. As used in this section, "severe mental illness" means one or more mental, behavioral, or emotional disorders resulting in serious functional impairment, which substantially interferes with or limits one or more major life activities. Notwithstanding KRS 45.229, the General Fund appropriation under this section shall not lapse and shall carry forward for expenditure in fiscal year 2023-2024.

→Section 16. There is hereby appropriated General Fund moneys in the amount of \$1,750,000 in fiscal year 2022-2023 to the Department of Juvenile Justice to retain design experts to enable a return to the regional model of juvenile detention center facilities. Notwithstanding KRS 45.229, the General Fund appropriation under this section shall not lapse and shall carry forward for expenditure in fiscal year 2023-2024.

→Section 17. Any Department of Juvenile Justice or Adult Correctional Institutions employee receiving an increase in overall compensation due to either a base salary increase, or the addition of new or increased locality pay, as part of the compensation enhancement process beginning in December 2022, shall not be eligible for an annual statewide increment or increase in fiscal year 2023-2024.

→Section 18. There is hereby appropriated General Fund moneys in the amount of \$250,000 in fiscal year 2022-2023 to the Department of Juvenile Justice for transportation costs for female youth detained by the Department of Juvenile Justice to be used until the juvenile detention system returns to a regional model. Such transportation costs shall be on a cost-reimbursement basis to the local law enforcement agency providing transport which shall certify the actual cost on a form provided by the Finance and Administration Cabinet. Reimbursement for the transport of male youth detained by the Department of Juvenile Justice may also be made in the same manner as females only upon a court order and only when the Department of Juvenile Justice cannot accommodate the transport. Reimbursement for transport of male youth shall only be made to the local law enforcement agency if it is to a juvenile justice facility other than the regional juvenile detention center in its catchment area. Notwithstanding KRS 45.229, the General Fund appropriation under this section shall not lapse and shall carry forward for expenditure in fiscal year 2023-2024.

→Section 19. There is hereby appropriated General Fund moneys in the amount of \$500,000 in fiscal year 2022-2023 to the Auditor of Public Accounts budget unit to fund the performance review directed under Section 8 of this Act. Notwithstanding KRS 45.229, any portion of these funds not expended shall not lapse and shall carry forward for expenditure in fiscal year 2023-2024.

→Section 20. Whereas the operations of the Department of Juvenile Justice and the safety of juveniles and staff are imperative for the betterment of the Commonwealth, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

**Signed by Governor March 27, 2023.**

Senate Bill 282

Crime Victims'  
Compensation

2023 Regular Session

CHAPTER 173

CHAPTER 173

( SB 282 )

AN ACT relating to victims of crime, making an appropriation therefor, and declaring an emergency.

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

➔Section 1. KRS 49.280 is amended to read as follows:

As used in KRS 49.270 to 49.490, unless the context otherwise requires:

- (1) "Child" means any person less than eighteen (18) years of age;
- (2) "Claimant" means any of the following claiming compensation under KRS 49.270 to 49.490: a victim, a dependent of a deceased victim, a third person other than a collateral source, or an authorized person acting on behalf of any of them who is legally responsible for the expenses incurred by the victim as a result of the crime committed against the victim;
- (3) "Criminally injurious conduct" means conduct that occurs or is attempted in this jurisdiction, poses a substantial threat of personal physical~~ly~~ or psychological injury~~ly~~ or death, and is punishable by fine, imprisonment, or death. Criminally injurious conduct shall include an act of terrorism, as defined in 18 U.S.C. sec. 2331, committed outside of the United States against a resident of Kentucky. Acts which, but for the insanity or mental irresponsibility or lack of capacity of the perpetrator, would constitute criminal conduct shall be deemed to be criminally injurious conduct. The operation of a motor vehicle, motorcycle, train, boat, aircraft, or other vehicle in violation of law does not constitute a criminally injurious conduct unless the injury or death was intentionally inflicted, ~~for~~involved a violation of KRS 189A.010, driving under the influence, *or involved the operator of a vehicle in an accident who did not stop and disclose his or her identity as required by KRS 189.580*;
- (4) "Family," when used with reference to a person, shall mean:
  - (a) Any person related to such person within the third degree of consanguinity;
  - (b) Any person maintaining a sexual relationship with such person; or
  - (c) Any person residing in the same household with such person; and
- (5) (a) "Victim" means a needy person who suffers personal physical or psychological injury or death from a criminal act in Kentucky as a result of:
  1. Criminally injurious conduct;
  2. A good-faith effort to prevent criminally injurious conduct; or
  3. A good-faith effort to apprehend a person reasonably suspected of engaging in criminally injurious conduct.
- (b) "Victim" shall also mean a resident who is a victim of a crime occurring outside this state if:
  1. The crime would be compensable had it occurred inside this state; and
  2. The crime occurred in a state which does not have a crime victim compensation program, for which the victim is eligible as eligibility is set forth in KRS 49.310.
- (c) "Victim" shall also mean a resident of this state who is injured or killed by an act of terrorism, as defined in 18 U.S.C. sec. 2331, committed outside the United States.

➔Section 2. KRS 49.370 is amended to read as follows:

- (1) No award shall be made unless the Crime Victims Compensation Board or board member, as the case may be, finds that:
  - (a) Criminally injurious conduct occurred;
  - (b) Such criminally injurious conduct resulted in personal physical or psychological injury to, or death of, the victim; and

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- (c) Police or court records show that such crime was promptly reported to the proper authorities; and in no case may an award be made where the police or court records show that such report was made more than forty-eight (48) hours after the occurrence of such crime unless the board, for good cause shown, finds the delay to have been justified.
- (2) Except for claims related to sexual assault, human trafficking, and domestic violence, the board upon finding that the claimant or victim has not fully cooperated with appropriate law enforcement agencies shall deny, reconsider, or reduce an award.
- (3) Any award made pursuant to KRS 49.270 to 49.490 shall be in an amount not exceeding out-of-pocket expenses, including indebtedness reasonably incurred for medical or other services, including mental health counseling, necessary as a result of the injury upon which the claim is based, together with loss of earnings or support resulting from such injury. Mental health counseling shall be paid for a maximum of two (2) years, but only after proper documentation is submitted to the board stating what treatment is planned and for what period of time. The board shall have the power to discontinue payment of mental health counseling at any time within the two (2) year period. Replacement of eyeglasses and other corrective lenses shall be included in an award, provided they were stolen, destroyed, or damaged during the crime.
- (4) Any award made for loss of earnings or financial support may be considered for a claimant who has loss of support or wages due to the crime for which the claim is filed. Unless reduced pursuant to other provisions of KRS 49.270 to 49.490, the award shall be equal to net earnings at the time of the criminally injurious conduct; however, no such award shall exceed **three hundred dollars (\$300)**~~one hundred fifty dollars (\$150)~~ for each week of lost earnings or financial support. The wage earner or source of support must have been employed or paying support at the time the crime occurred. Said employment or support shall be verified by the staff of the board after information is provided by the claimant or victim. Should the claimant or victim fail to supply the board with the information requested, the portion of the claim for lost wages or support shall be denied. If there are two (2) or more persons entitled to an award as a result of the injury or death of a person which is the direct result of criminally injurious conduct, the award shall be apportioned by the board among the claimants.
- (5) The board is authorized to set a reasonable limit for the payment of funeral and burial expenses which shall include funeral costs, a monument, and grave plot. In no event shall an award for funeral expenses exceed **seven thousand five hundred dollars (\$7,500)**~~five thousand dollars (\$5,000)~~.
- (6) Any award made under KRS 49.270 to 49.490 shall not exceed **thirty thousand dollars (\$30,000)**~~twenty five thousand dollars (\$25,000)~~ in total compensation to be received by or paid on behalf of a claimant from the fund.
- (7) No award shall be made for any type of property loss or damage, except as otherwise permitted in KRS 49.270 to 49.490.

➔Section 3. The moneys in the Crime Victims' Compensation Fund (KRS 49.480) necessary for payment of awards made in accordance with Section 2. of this Act are hereby appropriated for fiscal year 2022-2023 and fiscal year 2023-2024.

➔Section 4. Whereas, the provisions of this Act relate to programs funded in the 2022-2024 Executive Branch biennial budget, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

**Signed by Governor April 4, 2023.**