

AN ACT relating to postsecondary education and declaring an emergency.

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

Section 1. This Act may be cited as the "Kentucky Postsecondary Education Improvement Act of 1997."

SECTION 2. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) *The General Assembly hereby finds that:*

(a) *The general welfare and material well-being of citizens of the Commonwealth depend in large measure upon the development of a well-educated and highly-trained workforce;*

(b) *The education and training of the current and future workforce of the Commonwealth can provide its businesses and industries with the competitive edge critical to their success in the global economy and must be improved to provide its citizens the opportunity to achieve a standard of living in excess of the national average; and*

(c) *The positive advancement of the welfare of the citizens of the Commonwealth through the transmission of knowledge can only be achieved by the incorporation of ethical standards, the historic American moral principles promoted by the nations' Founding Fathers into Kentucky public instruction, state educational training, and personal development of its teachers, students, and people, and affirms President George Washington's statement in his September 19, 1796, farewell address: "Of all the dispositions and habits which lead to political prosperity, Religion and morality are indispensable."*

(2) *The General Assembly declares on behalf of the people of the Commonwealth the following goals to be achieved by the year 2020:*

- (a) A seamless, integrated system of postsecondary education strategically planned and adequately funded to enhance economic development and quality of life;
- (b) A major comprehensive research institution ranked nationally in the top twenty (20) public universities at the University of Kentucky;
- (c) A premier, nationally-recognized metropolitan research university at the University of Louisville;
- (d) Regional universities, with at least one (1) nationally-recognized program of distinction or one (1) nationally-recognized applied research program, working cooperatively with other postsecondary institutions to assure statewide access to baccalaureate and master's degrees of a quality at or above the national average;
- (e) A comprehensive community and technical college system with a mission that assures, in conjunction with other postsecondary institutions, access throughout the Commonwealth to a two (2) year course of general studies designed for transfer to a baccalaureate program, the training necessary to develop a workforce with the skills to meet the needs of new and existing industries, and remedial and continuing education to improve the employability of citizens; and
- (f) An efficient, responsive, and coordinated system of autonomous institutions that delivers educational services to citizens in quantities and of a quality that is comparable to the national average.
- (3) The achievement of these goals will lead to the development of a society with a standard of living and quality of life that meets or exceeds the national average.
- (4) The achievement of these goals will only be accomplished through increased educational attainment at all levels, and contributions to the quality of

elementary and secondary education shall be a central responsibility of Kentucky's postsecondary institutions.

(5) The furtherance of these goals is a lawful public purpose that can best be accomplished by a comprehensive system of postsecondary education with single points of accountability that ensure the coordination of programs and efficient use of resources.

Section 3. KRS 164.001 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Administrator" means the chief executive officer of the institution;

(2) "Adult basic education" means instruction in mathematics, science, social studies, reading, language arts, and related areas to enable individuals to better function in society;

(3) "Benchmarks" means objective measures developed where applicable or practical by the Council on Postsecondary Education to judge the performance of the postsecondary education system and progress toward the goals as stated in subsection (2) of Section 2 of this Act;

(4) "Board" or "governing board" means the board of trustees for the University of Kentucky or the University of Louisville, the board of regents for a regional university, or the board of regents for the Kentucky Community and Technical College System;

(5) "Board of regents" means the governing board of each regional university and the Kentucky Community and Technical College System;

(6) "Committee" means the Strategic Committee on Postsecondary Education created in Section 4 of this Act;

(7) "Council" means the Council on Postsecondary Education created in Section 73 of this Act;

(8) "Customized training" means training in specific academic areas, work processes, or technical skills that are designed to serve a specific industry or industries to upgrade worker skills;

(9) "Goals" means the six (6) goals specified in subsection (2) of Section 2 of this Act;

(10) "Institution" means a university, college, community college, health technology center, vocational-technical school, technical institute, technical college, technology center, or the Kentucky Community and Technical College System;

(11) "Kentucky Community and Technical College System" means the system composed of two (2) branches, which are:

(a) The Technical Institutions' Branch. This branch includes the postsecondary vocational-technical schools, state technical institutes, health technology centers, and technology centers, formerly known as Kentucky Tech and operated by the Cabinet for Workforce Development; and

(b) The University of Kentucky Community College System, with the exception of the Lexington Community College.

The system also includes institutions created by the board of regents for the Kentucky Community and Technical College System and approved by the General Assembly;

(12) "Literacy" means an individual's ability to read, write, and speak in English and compute and solve problems at levels of proficiency necessary to function on the job and in society to achieve one's goals and develop one's knowledge and potential;

(13) "Lower division academic course" means any academic course offered for college or university credit that is designated as a freshman or sophomore level academic course;

- (14) "Nonteaching personnel" means any employee who is a full-time staff member excluding a president, chancellor, vice president, academic dean, academic department chair, or administrator;
- (15) "Postsecondary education system" means the following public institutions: University of Kentucky, University of Louisville, Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, Western Kentucky University, and the Kentucky Community and Technical College System;
- (16) "Public" means operated with state support;
- (17) "Relative" means a person's father, mother, brother, sister, husband, wife, son, daughter, aunt, uncle, son-in-law, or daughter-in-law;
- (18) "Remedial education" means any program, course, or activity that is designed specifically for students who have basic deficiencies in reading, written or oral communication, mathematics, study skills, or other skills necessary to do beginning postsecondary work as defined by the institution;
- (19) "Standardized degree program" means a program, approved by the Council on Postsecondary Education, that consists of specific competencies, curriculum, and performance requirements regardless of the providing institution;
- (20) "Strategic agenda" means the state strategic postsecondary education agenda described in Section 6 of this Act; and
- (21) "Technical institution" means an educational institution that offers certificates, diplomas, or technical degrees in technical or occupational-related programs, including a facility called a vocational-technical school, technical institute, health technology center, technology center, technical college, or similar designation.

SECTION 4. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

- (1) The Strategic Committee on Postsecondary Education is hereby created and established. The committee shall be composed of members appointed by the Council on Postsecondary Education, the Governor, and the General Assembly. The council's representatives shall consist of the chair of the council, the president of the council, and five (5) members of the council designated by the chair. The Governor's representatives shall consist of the Governor and six (6) persons designated by the Governor. The General Assembly's representatives shall consist of the President of the Senate, the Speaker of the House of Representatives, the Majority and Minority Floor Leaders of both chambers of the General Assembly, the minority caucus chair of each chamber, a member appointed by the President of the Senate, a member appointed by the Speaker of the House of Representatives, a member appointed by the Minority Floor Leader of the Senate, a member appointed by the Minority Floor Leader of the House of Representatives, and the chair of the Committee on Appropriations and Revenue of each chamber.
- (2) The chair of the council shall serve as chair of the committee. The committee shall meet at least quarterly and at other times upon the written call of the chair or of majorities of any two (2) of the three (3) groups that compose the committee.
- (3) Nonlegislative members of the committee shall serve without compensation, but shall be reimbursed for their actual and necessary expenses, as set forth in KRS 12.070(5). Committee members who are Kentucky legislators shall be compensated for attendance at committee meetings from the legislative branch budget bill and as set forth in KRS 6.190.
- (4) The committee shall serve as a forum for the council and the elected leadership of the Commonwealth to exchange ideas about the future of postsecondary education in Kentucky.

- (5) The council shall periodically review its strategic implementation plan for the strategic agenda under Section 6 of this Act and advise the committee of the actions necessary to meet the goals established in subsection (2) of Section 2 of this Act. The elected leaders shall review and comment on the strategic agenda and the timetable for implementation.
- (6) The Governor shall advise the committee about the financial condition of the Commonwealth and the probable funds the executive branch intends to recommend to the General Assembly to be appropriated for postsecondary education.
- (7) The legislative members shall react to the comments of the council and the Governor.
- (8) The council shall advise the committee about its opinion of how the postsecondary education funds projected to be available should be allocated based on priorities and projected resources. Nothing in this section shall be construed to infringe upon the Governor's duty under KRS 48.100 to recommend appropriations to the General Assembly or upon the General Assembly's power to make final appropriations in the enacted budget.
- (9) The committee shall have the advisory authority not explicitly prohibited by law that is necessary to carry out and effectuate its advisory functions, duties, and responsibilities, including the following:
- (a) Receive reports from the council on the development and implementation of the long-term strategic agenda, including biennial budget requests for postsecondary education, and any subsequent and related budget requests;
- (b) Review the council's proposed objectives and benchmarks for the next fiscal biennium for furthering the Commonwealth's achievement of the goals set out in subsection (2) of Section 2 of this Act;

- (c) Consider and advise the council on the general budget parameters regarding development of the postsecondary budget for the next fiscal biennium;
- (d) Review biennial budget requests from the council for the next fiscal biennium including base funding, increases in base funding, and funding for a strategic investment and incentive funding program including criteria to be used in allocating these funds to institutions;
- (e) Receive from the council, at least annually and on a more frequent basis if requested by the committee, accountability reports, budget information, and other information the committee deems proper; and
- (f) Serve as the search committee for the review and consideration of candidates to be presented to the council for the initial appointment to the position of president of the Council on Postsecondary Education. Each group of the committee shall have one (1) vote on the search committee. The vote of each group shall be determined by a majority of the members of that group.

SECTION 5. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

- (1) The Council on Postsecondary Education shall set the qualifications for the position of president of the council. Except for the first president appointed under subsection (2) of this section, the council shall employ a search firm and conduct a nationwide search for candidates. The search firm employed by the council shall consider, interview, and propose three (3) or more candidates for the position of president. The council may seek additional names from the search firm or from other sources.
- (2) In the selection of candidates for the first president of the Council on Postsecondary Education, the Strategic Committee on Postsecondary Education

shall serve as a search committee, employing a search firm for assistance. The committee shall recommend three (3) candidates to be considered by the council and shall repeat this process until it finds a satisfactory person to appoint as the first president of the council.

- (3) The president shall possess an excellent academic and administrative background, have strong communication skills, have significant experience and an established reputation as a professional in the field of postsecondary education, and shall not express, demonstrate, or appear to have an institutional or regional bias in his or her actions.
- (4) The president shall be the primary advocate for postsecondary education and advisor to the Governor and the General Assembly on matters of postsecondary education in Kentucky. As the primary advocate for postsecondary education, the president shall work closely with the committee and the elected leadership of the Commonwealth to ensure that they are fully informed about postsecondary education issues and that the council fully understands the goals for postsecondary education that the General Assembly has established in subsection (2) of Section 2 of this Act.
- (5) The president may design and develop for review by the council new statewide initiatives in accordance with the strategic agenda.
- (6) The president shall be compensated on a basis in excess of the base salary of any president of a Kentucky public university. The council shall set the salary of the president which shall be exempt from state employee salary limitations as set forth in KRS 64.640.
- (7) The president shall be accorded a contract to serve for a term not to exceed five (5) years, which is renewable at the pleasure of the council.
- (8) The president shall determine the staffing positions and organizational structure necessary to carry out the responsibilities of the council and may employ staff. All

personnel positions of the Council on Higher Education, as of the effective date of this Act, with the exception of the position of executive director, shall be transferred to the Council on Postsecondary Education. All personnel shall be transferred at the same salary and benefit levels. Notwithstanding the provisions of KRS 11A.040, any person employed by the Council on Higher Education prior to the effective date of this Act may accept immediate employment with any governmental entity or any postsecondary education organization or institution in the Commonwealth and may carry out the employment duties assigned by that entity, organization or institution.

(9) The president shall be responsible for the day-to-day operations of the council and shall report and submit annual reports on the strategic implementation plan of the strategic agenda, carry out policy and program directives of the council, prepare and submit to the council for its approval the proposed budget of the council, and perform all other duties and responsibilities assigned by state law.

(10) With approval of the council, the president may enter into agreements with any state agency or political subdivision of the state, any state postsecondary education institution, or any other person or entity to enlist staff assistance to implement the duties and responsibilities under Section 74 of this Act.

(11) The president shall be reimbursed for all actual and necessary expenses incurred in the performance of all assigned duties and responsibilities.

SECTION 6. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The Council on Postsecondary Education shall adopt a strategic agenda that identifies specific short-term objectives in furtherance of the long-term goals established in subsection (2) of Section 2 of this Act.

- (2) (a) The purpose of the strategic agenda is to further the public purposes under Section 2 of this Act by creating high-quality, relevant, postsecondary education opportunities in the Commonwealth. The strategic agenda shall:
1. Serve as the public agenda for postsecondary education for the citizens of the Commonwealth, providing statewide priorities and a vision for long-term economic growth;
 2. State those important issues and aspirations of the Commonwealth's students, employers, and workforce reflecting high expectations for their performance and the performance of the educational institutions that serve them; and
 3. Sustain a long-term commitment for constant improvement, while valuing market-driven responsiveness, accountability to the public, technology-based strategies, and incentive-based motivation.
- (b) The council shall develop a strategic implementation plan, which may be periodically revised, to achieve the strategic agenda. The strategic agenda shall serve as a guide for institutional plans and missions.
- (3) The framework for the strategic implementation plan of the strategic agenda shall include the following elements:
- (a) A mission statement;
 - (b) Goals;
 - (c) Principles;
 - (d) Strategies and objectives;
 - (e) Benchmarks; and
 - (f) Incentives to achieve desired results.
- (4) The implementation plan for the strategic agenda shall take into consideration the value to society of a quality liberal arts education and the needs and concerns of Kentucky's employers.

- (5) The council shall develop benchmarks using criteria that shall include, but not be limited to:
- (a) Use of the statistical information commonly provided by governmental and regulatory agencies or specific data gathered by authorization of the council;
- (b) Comparison of regions and areas within the Commonwealth, and comparisons of the Commonwealth to other states and the nation; and
- (c) Measures of educational attainment, effectiveness, and efficiency including, but not limited to, those set forth in Section 84 of this Act.
- (6) The council shall review the goals established by subsection (2) of Section 2 of this Act at least every four (4) years and shall review its implementation plan at least every two (2) years.
- (7) In developing the strategic agenda, the council shall actively seek input from the Department of Education and local school districts to create necessary linkages to assure a smooth and effective transition for students from the elementary and secondary education system to the postsecondary education system. Upon completion of the strategic agenda and strategic implementation plan, the council shall distribute copies to each local school district.

SECTION 7. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

- (1) There is established and created in the Council on Postsecondary Education a Strategic Investment and Incentive Funding Program for postsecondary education to consist of a system of strategic financial assistance awards to institutions, systems, agencies, and programs of postsecondary education to advance the goals of postsecondary education as stated in subsection (2) of Section 2 of this Act. There are established in the State Treasury the following individual strategic investment and incentive trust funds:

- (a) A research challenge trust fund;
- (b) A regional university excellence trust fund;
- (c) A technology initiative trust fund;
- (d) A physical facilities trust fund;
- (e) A postsecondary workforce development trust fund; and
- (f) A student financial aid and advancement trust fund.

(2) The funding program and the individual trust funds are created to provide financial assistance to the institutions, systems, agencies, and programs of postsecondary education each fiscal biennium. It is the intent of the General Assembly to make appropriations, including general fund appropriations, each fiscal biennium to each of the individual trust funds in the funding program in a form and manner consistent with the strategic agenda adopted by the Council on Postsecondary Education. Appropriations made to individual trust funds in the Strategic Investment and Incentive Funding Program shall not lapse at the end of a fiscal year but shall be carried forward in the respective trust fund accounts and shall be available for allotment for their respective purposes in the next fiscal year.

SECTION 8. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The individual trust funds in the Strategic Investment and Incentive Funding Program may receive state appropriations, gifts and grants from public and private sources, and federal funds. Any unallotted or unencumbered balances in the individual trust funds shall be invested as provided for in KRS 42.500(9). Income earned from the investments shall be credited to the appropriate trust fund accounts.

(2) All capital projects funded through appropriations to one (1) of the individual trust funds shall adhere to the capital processes created in KRS Chapters 7A, 45, 45A, and 48.

(3) Debt service appropriations for bond-supported capital projects funded through one (1) of the individual trust funds shall be made to the individual trust fund. Allotment of the appropriations shall be made to the university, Kentucky Community and Technical College System, or agency authorized to issue the bonds to finance the capital project.

SECTION 9. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The Council on Postsecondary Education shall make a biennial budget request to the General Assembly and to the Governor with regard to:

(a) Specific funding amounts to be appropriated to each individual trust fund in the Strategic Investment and Incentive Funding Program;

(b) Specific funding amounts of all capital projects to be appropriated and funded from each individual trust fund in the Strategic Investment and Incentive Funding Program; and

(c) Funding to be appropriated to the base budgets of the institutions, systems, agencies, and programs.

(2) Funds appropriated for the Strategic Investment and Incentive Funding Program shall be for the purpose of encouraging the activities of institutions, systems, agencies, and programs of postsecondary education in accordance with the strategic agenda adopted by the Council on Postsecondary Education.

SECTION 10. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) (a) The research challenge trust fund created by Section 7 of this Act may include separate, subsidiary programs and related accounts, such as an

Endowed Professorship Matching Program, an Endowed Chairs Matching Program, an External Research Grant Matching Program, a Graduate Assistant Program, a Junior Faculty Research Encouragement Program, or other programs and related accounts as determined through the biennial budget process for the Council on Postsecondary Education.

(b) Appropriations to the research challenge trust fund are to encourage research activities at the University of Kentucky and at the University of Louisville so that these institutions may achieve the goals established in subsection (2) of Section 2 of this Act.

(c) Funds appropriated to the research challenge trust fund shall be apportioned two-thirds (2/3) to the University of Kentucky and one-third (1/3) to the University of Louisville.

(2) The Council on Postsecondary Education shall develop the criteria and process for submission of an application under this section. The evaluation of all applications for support of specific faculty research projects, if such projects are included in the university's plan for use of research trust funds, shall be subject to review and ranking by an external panel of experts appointed according to guidelines and procedures approved by the council in consultation with the University of Kentucky and the University of Louisville. The University of Kentucky and the University of Louisville may apply to the council for financial assistance from the research challenge trust fund. The council shall determine the matching funds or internal reallocation requirements from the applicants to qualify for funding. Financial assistance that may be awarded by the council shall be consistent with the adopted strategic agenda, the biennial budget process, and the availability of any resources to the research challenge trust fund.

SECTION 11. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

- (1) (a) The regional university excellence trust fund created by Section 7 of this Act shall consist of six (6) separate accounts: one (1) for Eastern Kentucky University; one (1) for Kentucky State University; one (1) for Morehead State University; one (1) for Murray State University; one (1) for Northern Kentucky University; and one (1) for Western Kentucky University.
- (b) Funds appropriated to the regional university excellence trust fund or any subsidiary fund created by the Council on Postsecondary Education shall be apportioned to each of the regional universities proportional to their respective share of total general fund appropriations in each fiscal year, excluding debt service appropriations and specialized, noninstructional appropriations.
- (c) The purpose of the regional university excellence trust fund is to provide financial assistance to encourage regional universities to develop at least one (1) nationally-recognized program of distinction or at least one (1) nationally-recognized applied research program consistent with the goals established in subsection (2) of Section 2 of this Act.
- (2) The council shall develop the criteria and process for submission of an application under this section. Each university may apply to the council for financial assistance from the regional university excellence trust fund. The council shall determine the matching funds or internal reallocation requirements from the applicants to qualify for funding. Financial assistance that may be awarded by the council shall be consistent with the adopted strategic agenda, the biennial budget process, and the availability of any resources to the regional university excellence trust fund.

SECTION 12. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) (a) The technology initiative trust fund created by Section 7 of this Act is intended to support investments in electronic technology for postsecondary education throughout the Commonwealth to improve student learning.

(b) The Council on Postsecondary Education may establish separate subsidiary programs and related accounts to provide financial assistance to the postsecondary education system in acquiring the infrastructure necessary to acquire and develop electronic technology capacity; to encourage shared program delivery among libraries, institutions, systems, agencies, and programs; to provide funding for the Commonwealth Virtual University under Section 16 of this Act; and other programs consistent with the purposes of postsecondary education, the adopted strategic agenda, and the biennial budget process.

(2) The council shall develop the criteria and process for submission of an application under this section. Any university and the Kentucky Community and Technical College System may apply to the council for financial assistance from the technology initiative trust fund. The council shall determine the matching funds or internal reallocation requirements for the applicants to qualify for funding. Financial assistance that may be awarded by the council shall be consistent with the adopted strategic agenda, the biennial budget process, and the availability of any resources to the technology initiative trust fund.

SECTION 13. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The physical facilities trust fund created by Section 7 of this Act is intended to provide sufficient financial assistance for unexpected contingencies for the construction, improvement, renovation, or expansion of the physical facilities of the postsecondary education system.

(2) The Council on Postsecondary Education shall develop the criteria and process for submission of an application under this section. The physical facilities trust fund shall not replace the existing capital construction provisions and appropriation provisions of state law. Each university or the Kentucky Community and Technical College System may apply to the council for financial assistance from the physical facilities trust fund. Financial assistance that may be awarded by the council shall be consistent with the adopted strategic agenda, the biennial budget process, and the availability of any resources to the physical facilities trust fund.

SECTION 14. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The postsecondary workforce development trust fund created by Section 7 of this Act is intended to provide financial assistance to further cooperative efforts among community colleges and technical institutions and for the acquisition of equipment and technology necessary to provide quality education programs.

(2) The Council on Postsecondary Education shall develop the criteria and process for submission of an application under this section. The Kentucky Community and Technical College System may apply to the council for financial assistance from the postsecondary workforce development trust fund. Financial assistance shall be awarded for instructional programs ensuring that the community colleges and the technical institutions are able to continually acquire state-of-the-art equipment and technology needed to accomplish their missions.

SECTION 15. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) (a) The student financial aid and advancement trust fund created by Section 7 of this Act is intended to provide financial assistance that encourages student access to postsecondary education including regionally-accredited

or nationally-accredited technical institutions and colleges, community colleges, public universities, and regionally-accredited private colleges and universities.

(b) Appropriations shall be made to the trust fund and allotted to universities and the Kentucky Community and Technical College System or to the Kentucky Higher Education Assistance Authority as the Council on Postsecondary Education deems appropriate. Appropriations made to this trust fund may be used for the College Access Program, the Kentucky Tuition Grant Program, or other student financial aid programs as authorized by the General Assembly.

(c) The council shall establish separate subsidiary programs and related accounts that are consistent with this section, the adopted strategic agenda, the biennial budget process, and the availability of any resources to the student financial aid and advancement trust fund.

(2) (a) The Council on Postsecondary Education, in consultation with the Kentucky Higher Education Assistance Authority, shall determine the nature and purposes of budget requests for funding support to the student financial aid and advancement trust fund. The determination shall be based upon the financial assistance needs and requirements of students of postsecondary regionally-accredited or nationally-accredited private or public institutions.

(b) A minimum of twenty-five percent (25%) of the student financial aid and advancement trust fund appropriation shall be allotted for the purpose of assisting individuals whose available income, determined in accordance with part F of Title IV of the Higher Education Act of 1965 as amended, is at or below one hundred percent (100%) of the federal income poverty guidelines. From the foregoing allotment, administrators of programs

funded under this section may exercise discretion in accordance with 20 U.S.C. sec. 1087tt in awarding student financial assistance benefits on a case-by-case basis to individuals with disabilities, as defined by Title II of the Americans With Disabilities Act , 42 U.S.C. sec. 12131 et seq., whose available income is above the federal income poverty guidelines, whether or not the student qualifies for vocational rehabilitation services. Any funds remaining after all eligible students have been served under this paragraph may be used for other purposes as provided in this section.

(3) The council shall develop the criteria and process for submission of an application under this section. Financial assistance that may be awarded by the council shall be consistent with the adopted strategic agenda, the biennial budget process, and the availability of any resources to the student financial aid and advancement trust fund.

SECTION 16. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The Commonwealth Virtual University shall be the academic programs made available to the citizens of the Commonwealth through the use of modern methods of communications and information dissemination as determined by the Council on Postsecondary Education after consideration of the recommendations of the Distance Learning Advisory Committee and the needs expressed by the regional advisory groups.

(2) The council shall establish a Distance Learning Advisory Committee to advise the council on matters relating to the Commonwealth Virtual University. The members of the advisory committee shall include the presidents of each of the nine (9) state postsecondary education institutions, the executive director of the Kentucky Educational Television Network, a representative of the Association of Independent Kentucky Colleges and Universities, and other representatives as the

council deems appropriate. The committee shall elect its chair and other officers as it deems necessary.

(3) The council, after receiving the recommendations of the Distance Learning Advisory Committee, shall establish policies to control and promote the use of distance learning systems to be used by the Commonwealth Virtual University to increase the availability of all postsecondary education programs throughout the state in the most efficient manner. The regional universities shall be the primary developers and deliverers of baccalaureate and master's degree programs to be delivered by the Commonwealth Virtual University; however, this does not preclude the University of Kentucky, the University of Louisville, or independent colleges from offering baccalaureate and master's degree programs or other course offerings, and community colleges and technical institutions from offering associate and technical degree programs or other courses through the Commonwealth Virtual University.

(4) The council shall determine the allocation of tuition, course offerings, source of courses, technology to be used, and other matters relating to the use of distance learning to promote education through the Commonwealth Virtual University.

SECTION 17. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The president of the Kentucky Community and Technical College System shall be selected and employed by the board of regents of the Kentucky Community and Technical College System from a list of three (3) candidates, recommended by a six (6) member search committee. The search committee shall be appointed by the board of trustees of the University of Kentucky and shall be selected as follows:

(a) Two (2) members shall be selected from the four (4) members of the board of regents who were recommended by the board of trustees and appointed by the Governor;

(b) Two (2) members shall be selected from the four (4) members of the board of regents who were recommended by the Governor's Postsecondary Education Nominating Committee and appointed by the Governor;

(c) One (1) member shall be the student or faculty or nonteaching personnel member of the board of regents representing the technical institutions; and

(d) One (1) member shall be the student or faculty or nonteaching personnel member of the board of regents representing the community colleges.

If the board of regents so chooses, it may reject the first list of names and direct the search committee to submit a list of three (3) additional names from which it may select a president. The board shall repeat this process until it finds a satisfactory person to appoint as president of the system.

(2) The board of regents of the Kentucky Community and Technical College System shall appoint the chancellors upon recommendation of the president to head the Community College System and the Technical Institutions' Branch. However, the chancellor of the University of Kentucky Community College System as of the effective date of this Act shall serve as the first chancellor of the Community College System.

(3) The chancellors shall be appointed from candidates selected by a search committee. When a new chancellor is needed to head the Community College System, the president of the system shall recommend to the board of regents a chancellor from a list of three (3) candidates nominated by a search committee. The search committee shall be composed of equal representatives appointed by the University of Kentucky board of trustees and the Kentucky Community and Technical College System board of regents.

(4) The chancellors shall possess the necessary skills to guide and direct the institutional missions of the respective branches.

(5) Each chancellor shall serve at the pleasure of the president.

SECTION 18. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) Effective July 1, 1998, the Kentucky Community and Technical College System shall be the legal successor to the postsecondary Kentucky Tech institutions and corresponding administrative units in the Cabinet for Workforce Development and shall assume all assets and liabilities of this system, including without limitation all obligations, responsibilities, programs, staff, instructional supplies, equipment, real property, facilities, funds and records. The Finance and Administration Cabinet shall execute the instruments necessary to transfer the real property relating to the operation of the postsecondary institutions in the Kentucky Tech System from the Cabinet for Workforce Development to the Kentucky Community and Technical College System.

(a) The staff positions in the Department for Technical Education and the Cabinet for Workforce Development whose responsibilities include support for the postsecondary institutions in the Kentucky Tech System and the school-based positions shall be transferred to the Kentucky Community and Technical College System. Selected employees of the Kentucky Tech regional offices shall be transferred and reassigned within the Kentucky Community and Technical College System. Appropriate central office functions from the Department for Technical Education shall be assigned within the system to carry out the administrative and support functions with the approval of the board of regents for the Kentucky Community and Technical College System.

(b) All funds related to the costs of operating the Kentucky Tech postsecondary institutions, including the administrative costs, shall be transferred to the board of regents for the Kentucky Community and Technical College

System for carrying out the mission of the postsecondary technical institutions and colleges.

(c) Funds raised by a not-for-profit or nonprofit organization for a specific program or technical institution shall be for the exclusive use of the program or that technical institution.

(d) The following provisions shall apply to the employees who are transferred from the Cabinet for Workforce Development to the Kentucky Community and Technical College System, effective July 1, 1998:

1. Accumulated sick leave, compensatory time, and annual leave as of June 30, 1998, shall be transferred with each employee;
2. Employees who have earned continuing status as defined in KRS 151B.010 and employees who have earned classified status as merit system employees under KRS Chapter 18A shall be provided the same standing. Those employees who are transferred and are in the process of earning continuing status or classified status shall earn their standing based on the rules that were governing them on June 30, 1998, in their respective systems. New employees within the system shall earn status based on the new policies established by the board;
3. Employees shall transfer into the new system at a salary not less than their previous salary as of June 30, 1998;
4. Employees shall be provided retirement plans in the same system where they are currently enrolled: the Kentucky Teachers' Retirement System under Section 68 of this Act or the Kentucky Employees Retirement System under Section 37 of this Act;
5. Employees shall be provided a health benefits package that is available or equivalent to that provided to other state or university employees; and

6. Employees shall be provided life insurance coverage and optional insurance or investment programs; and

(e) The board shall adopt rules that are the same as the administrative regulations under KRS Chapter 151B in effect on June 30, 1998, to govern the certified and equivalent employees who transfer from the Cabinet for Workforce Development, except that the rules shall provide that all grievances and appeals shall be to the board of regents or to the board's designee. The board shall adopt rules that are the same as the administrative regulations under KRS Chapter 18A in effect on June 30, 1998, to govern the transferred classified employees, except that the rules shall provide that all grievances and appeals shall be to the board of regents or to the board's designee. A transferred employee shall have the option to elect to participate in the new Kentucky Community and Technical College personnel system in lieu of the rules under which the employee transferred. An employee who elects to accept this option may not return to the previous personnel policy. An employee shall have the right to exercise this option at any time.

(2) New employees hired after July 1, 1997, in the Kentucky Community and Technical College System shall be governed by the rules and regulations established by the board.

SECTION 19. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) Effective upon the affirmative completion of the regional accrediting agency's substantive change process but not later than July 1, 1998, the board of trustees of the University of Kentucky shall delegate to the board of regents of the Kentucky Community and Technical College System the management responsibilities for the University of Kentucky Community College System, except

for the Lexington Community College. Responsibilities shall include, but not be limited to, management of facilities and grounds, assets, liabilities, revenues, personnel, programs, financial and accounting services, and support services. In this capacity, the board shall receive and disburse funds and handle other financial matters. The board of regents, in exercising its personnel management responsibilities, shall establish the operating policies and procedures for the University of Kentucky employees in the community colleges. The board of regents shall have the right to appoint and dismiss personnel and to set the compensation for the employees. The president and board of regents of the Kentucky Community and Technical College System shall have jurisdiction over the use and distribution of the resources to operate the system effectively and efficiently.

(2) All funds that are appropriated to the University of Kentucky Community College System or funds that are allocated in the University of Kentucky budget for administering the community college system, except for the Lexington Community College, shall be transferred and allotted to the board of regents for the benefit of the University of Kentucky Community College System.

(a) The board may divide the assets and funds among the specific organizations and institutions within the community college system to meet the mission of the system.

(b) Funds held in escrow or invested solely for the purpose of a community college and bequests, and private funds specifically earmarked for a community college may, at the discretion of that local community college, be managed by the University of Kentucky or that local community college.

(c) Private funds, foundation funds, and funds raised by a not-for-profit or nonprofit organization for the use and benefit of a specific program or

community college shall be used exclusively for that program or that community college.

- (3) Employees in the University of Kentucky Community College System as of the effective date of the transfer of the management responsibilities of the University of Kentucky Community College System to the Kentucky Community and Technical College System shall be governed by the University of Kentucky administrative regulations as of the effective date of the transfer and any subsequent changes made by the university, except that appeals shall be to the board of regents or to the board's designee. The following provisions shall apply:
- (a) Accumulated sick leave, compensatory time, and annual leave as of the effective date of the transfer shall be retained by each employee;
 - (b) Employees with tenure shall retain their tenure. Employees without tenure shall earn tenure based on personnel policies in effect at the time of their employment. New employees without tenure shall earn tenure based on the new policies established by the board;
 - (c) Employees shall maintain a salary not less than their previous salary as of the effective date of the transfer; and
 - (d) All employees hired as of the effective date of the transfer shall be provided the same benefit package available for other University of Kentucky employees as it may be modified by the University of Kentucky for all employees.
- (4) A person employed as of the effective date of the transfer described in subsections (1) and (3) of this section in a University of Kentucky Community College may elect to participate in the new Kentucky Community and Technical College personnel system. An employee who elects to accept this option may not return to the previous personnel policy. The employee shall have the right to exercise this option at any time.

- (5) New employees hired after July 1, 1997, in the Kentucky Community and Technical College System shall be governed by the rules established by the board.
- (6) A regular full-time employee may, with prior administrative approval, take one (1) course per semester or combination of summer sessions on the University of Kentucky's campus or at a community college during the employee's normal working hours. The University of Kentucky shall defray the registration fee up to a maximum of six (6) credit hours per semester or combination of summer sessions.
- (7) Students enrolled in the University of Kentucky Community College System shall have all of the responsibilities, privileges, and rights accorded to University of Kentucky Community College System students as of the effective date of the transfer described in subsections (1) and (3) of this section. The privileges shall include, but not be limited to, tickets to athletic events, homecoming queen contests, the Great Teacher Award Contest, and the University of Kentucky scholarship programs.
- (8) If any conflict arises between the University of Kentucky board of trustees and the Kentucky Community and Technical College board of regents relating to the delegation of authority from the university to the board of regents or the management of the University of Kentucky Community College System within the Kentucky Community and Technical College System, the Council on Postsecondary Education shall resolve the conflict.

SECTION 20. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The board of regents for the Kentucky Community and Technical College System shall establish a personnel dispute resolution system that results, in the final stage, in an independent third party appeal for all employees of the Kentucky Community and Technical College System.

SECTION 21. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

- (1) The board of regents may provide medical and accident insurance for students enrolled in the Kentucky Community and Technical College System institutions. The president, on behalf of the system, may enter into a contract or contracts with one (1) or more sureties or insurance companies or their agents to provide appropriate medical and accident insurance coverage and to provide group coverage to all students enrolled in institutions within the system. The appropriate group coverage shall be issued by one (1) or more sureties or insurance companies authorized to transact business in this state, and the coverage shall be approved by the commissioner of insurance.
- (2) The board shall approve policies upon recommendation of the president to implement the medical and accident insurance program. The board may fix the rate of fees for all postsecondary and adult students, as it deems necessary to meet the expense in whole or in part for appropriate student medical and accident insurance.
- (3) The limits of liability and other appropriate provisions for student medical and accident insurance authorized by this section shall be set by the board.

SECTION 22. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The president, on behalf of the board of regents for the Kentucky Community and Technical College System, shall provide a full report and recommendations to the board of trustees of the University of Kentucky, the Council on Postsecondary Education, and the Strategic Committee on Postsecondary Education by January 1 of each odd-numbered year. The report shall address the condition and operation of the system since the date of the previous report, and the capacity of the system to improve

the knowledge and skills of Kentucky's adult population. It shall include outcome data as required by the Council on Postsecondary Education.

SECTION 23. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The Council on Postsecondary Education shall establish regional advisory groups and shall provide necessary staff support to assist in the development of regional strategies for workforce development that support the state strategic agenda and that include a comprehensive coordinated approach to education and training services. The regional advisory groups shall be encouraged to:

- (1) Involve universities; colleges; technical institutions; elementary and secondary educational agencies; labor, business, and industry representatives from regional and state labor market areas; community-based organizations; citizens' groups; and other policymakers in the development of the regional strategies; and*
- (2) Assist with an annual review of progress toward the regional strategies.*

SECTION 24. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The Kentucky Community and Technical College System shall reimburse the University of Kentucky at a reasonable cost for any services provided to the system. The services shall include, but not be limited to, library services, processing scholarships and student loans, and all other financial aid services. The board may also contract for services from other providers. The Kentucky Community and Technical College System shall not be assessed by the University of Kentucky for rental charges or other similar fees for the use of real or personal property. The Council on Postsecondary Education shall resolve any disputes about services to be provided and costs to be charged for the services.

SECTION 25. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The universities and the Kentucky Community and Technical College System shall recognize and accept for transfer credit all courses that were accepted for transfer prior to the establishment of the Kentucky Community and Technical College System, unless a substantial change in the content for teaching the course can be demonstrated to have occurred. Disputes on these matters shall be settled by the Council on Postsecondary Education.

SECTION 26. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) On or before August 15 of 1999 and of each subsequent odd-numbered year, the Finance and Administration Cabinet, in conjunction with the Consensus Forecasting Group created by KRS 48.115, shall provide to each branch of government a budget planning report to include:

(a) A baseline analysis and projections of economic conditions and outlook;

(b) Any potential consequences of the analysis and projections for the Commonwealth's fiscal condition; and

(c) The revenue implications for the general fund and road fund for the current fiscal year and next four (4) fiscal years.

(2) The budget planning report shall include, but not be limited to, projections of personal income, employment, and preliminary planning estimates of general fund and road fund revenues to be used in the development of budgetary policy and guidelines for budget unit requests under KRS 48.040 and 48.050 for the next fiscal biennium.

SECTION 27. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The Council on Postsecondary Education may identify academic programs offered at institutions to which the criteria for a standardized degree program shall be applied.

- (1) If the council determines that a particular degree program offered by any state postsecondary institution shall be a standardized degree program, then the council shall direct each institution offering the degree program to collaborate under the direction of the council and establish the courses and the course content required for that degree program.
- (2) If the various institutions cannot agree upon the courses required or the content of the courses, then the council shall make these determinations.
- (3) All courses approved for a standardized degree shall be transferable among all institutions granting that degree.

Section 28. KRS 12.020 is amended to read as follows:

Departments, program cabinets and their departments, and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office, or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or statutorily-authorized executive order; except in the case of the Personnel Board and where the attached department or administrative body is headed by a constitutionally elected officer, the attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of the department or administrative body.

- I. Cabinet for General Government - Departments headed by elected officers:
1. The Governor.
 2. Lieutenant Governor.
 3. Department of State.
 - (a) Secretary of State.

- (b) Board of Elections.
 - (c) Registry of Election Finance.
 - 4. Department of Law.
 - (a) Attorney General.
 - 5. Department of the Treasury.
 - (a) Treasurer.
 - 6. Department of Agriculture.
 - (a) Commissioner of Agriculture.
 - (b) Kentucky Council on Agriculture.
 - 7. Superintendent of Public Instruction.
 - 8. Auditor of Public Accounts.
 - 9. Railroad Commission.
- II. Program cabinets headed by appointed officers:
- 1. Justice Cabinet:
 - (a) Department of State Police.
 - (b) Department of Criminal Justice Training.
 - (c) Department of Corrections.
 - (d) Department of Juvenile Justice.
 - (e) Office of the Secretary.
 - (f) Offices of the Deputy Secretaries.
 - (g) Office of General Counsel.
 - (h) Medical Examiner Program.
 - (i) Parole Board.
 - (j) Kentucky State Corrections Commission.
 - (k) Commission on Correction and Community Service.
 - 2. Education, Arts, and Humanities Cabinet:
 - (a) Department of Education.

- (1) Kentucky Board of Education.
 - (2) Education Professional Standards Board.
 - (b) Department for Libraries and Archives.
 - (c) Kentucky Arts Council.
 - (d) Kentucky Educational Television.
 - (e) Kentucky Historical Society.
 - (f) Kentucky Teachers' Retirement System Board of Trustees.
 - (g) Kentucky Center for the Arts.
 - (h) Kentucky Craft Marketing Program.
 - (i) Kentucky Commission on the Deaf and Hard of Hearing.
 - (j) Governor's Scholars Program.
 - (k) Governor's School for the Arts.
 - (l) Office of Development.
 - (m) Kentucky Heritage Council.
 - (n) Kentucky African-American Heritage Commission.
3. Natural Resources and Environmental Protection Cabinet:
- (a) Environmental Quality Commission.
 - (b) Kentucky Nature Preserves Commission.
 - (c) Department for Environmental Protection.
 - (d) Department for Natural Resources.
 - (e) Department for Surface Mining Reclamation and Enforcement.
 - (f) Office of Legal Services.
 - (g) Office of Communications and Community Affairs.
4. Transportation Cabinet:
- (a) Department of Highways.
 - (b) Department of Vehicle Regulation.
 - (c) Department of Administrative Services.

- (d) Department of Fiscal Management.
 - (e) Department of Rural and Municipal Aid.
 - (f) Office of Aeronautics.
 - (g) Office of General Counsel.
 - (h) Office of Public Relations.
 - (i) Office of Personnel Management.
 - (j) Office of Minority Affairs.
 - (k) Office of Environmental Affairs.
5. Cabinet for Economic Development:
- (a) Department of Administration and Support.
 - (b) Department of Job Development.
 - (c) Department of Financial Incentives.
 - (d) Department of Community Development.
 - (e) Tobacco Research Board.
 - (f) Kentucky Economic Development Finance Authority.
6. Public Protection and Regulation Cabinet:
- (a) Public Service Commission.
 - (b) Department of Insurance.
 - (c) Department of Housing, Buildings and Construction.
 - (d) Department of Financial Institutions.
 - (e) Department of Mines and Minerals.
 - (f) Department of Public Advocacy.
 - (g) Department of Alcoholic Beverage Control.
 - (h) Kentucky Racing Commission.
 - (i) Board of Claims.
 - (j) Crime Victims Compensation Board.
 - (k) Kentucky Board of Tax Appeals.

- (l) Backside Improvement Commission.
7. Cabinet for Human Resources:
- (a) Department for Health Services.
 - (b) Department for Social Insurance.
 - (c) Department for Social Services.
 - (d) Department for Medicaid Services.
 - (e) Department for Mental Health and Mental Retardation Services.
 - (f) Commission for Children with Special Health Care Needs.
 - (g) Public Assistance Appeals Board.
 - (h) Office of Administrative Services.
 - (i) Office of Communications.
 - (j) Office of General Counsel.
 - (k) Office of Inspector General.
 - (l) Office of Policy and Budget.
 - (m) Office of the Ombudsman.
8. Finance and Administration Cabinet:
- (a) Office of Legal and Legislative Services.
 - (b) Office of Management and Budget.
 - (c) Office of Financial Management and Economic Analysis.
 - (d) Office of the Controller.
 - (e) Department for Administration.
 - (f) Department of Facilities Management.
 - (g) Department of Information Systems.
 - (h) State Property and Buildings Commission.
 - (i) Kentucky Pollution Abatement Authority.
 - (j) Kentucky Savings Bond Authority.
 - (k) Deferred Compensation Systems.

- (l) Office of Equal Employment Opportunity Contract Compliance.
 - (m) Capital Plaza Authority.
 - (n) County Officials Compensation Board.
 - (o) Kentucky Employees Retirement Systems.
 - (p) Commonwealth Credit Union.
 - (q) State Investment Commission.
 - (r) Kentucky Housing Corporation.
 - (s) Governmental Services Center.
 - (t) Kentucky Local Correctional Facilities Construction Authority.
 - (u) Kentucky Turnpike Authority.
 - (v) Historic Properties Advisory Commission.
9. Labor Cabinet:
- (a) Department of Workplace Standards.
 - (b) Department of Workers' Claims.
 - (c) Kentucky Labor-Management Advisory Council.
 - (d) Occupational Safety and Health Standards Board.
 - (e) Prevailing Wage Review Board.
 - (f) Workers' Compensation Board.
 - (g) Kentucky Employees Insurance Association.
 - (h) Apprenticeship and Training Council.
 - (i) State Labor Relations Board.
 - (j) Kentucky Occupational Safety and Health Review Commission.
 - (k) Office of Administrative Services.
 - (l) Office of Labor Management Relations.
 - (m) Office of General Counsel.
 - (n) Workers' Compensation Funding Commission.
 - (o) Employers Mutual Insurance Authority.

10. Revenue Cabinet:
 - (a) Department of Property Taxation.
 - (b) Department of Compliance and Taxpayer Assistance.
 - (c) Department of Administrative Services.
 - (d) Office of General Counsel.

11. Tourism Cabinet:
 - (a) Department of Travel Development.
 - (b) Department of Parks.
 - (c) Department of Fish and Wildlife Resources.
 - (d) Kentucky Horse Park Commission.
 - (e) State Fair Board.
 - (f) Office of Administrative Services.
 - (g) Office of Film Promotion.
 - (h) Office of General Counsel.

12. Cabinet for Workforce Development:
 - (a) Department for Adult Education and Literacy.
 - (b) Department for Technical Education.
 - (c) Department of Vocational Rehabilitation.
 - (d) Department for the Blind.
 - (e) Department for Employment Services.
 - (f) State Board for Adult and Technical Education.
 - (g) Governor's Council on Vocational Education.
 - (h) The State Board for Proprietary Education.
 - (i) The Foundation for Adult Education.
 - (j) The Kentucky Job Training Coordinating Council.
 - (k) Office of General Counsel.
 - (l) Office of Communication Services.

- (m) Office of Development and Industry Relations.
- (n) Office of Workforce Analysis and Research.
- (o) Office for Administrative Services.
- (p) Office for Policy, Budget, and Personnel.
- (q) Unemployment Insurance Commission.

III. Other departments headed by appointed officers:

- 1. Department of Military Affairs.
- 2. Department of Personnel.
- 3. Council on Postsecondary~~[Higher]~~ Education.
 - (a) Kentucky Community Service Commission.
- 4. Department of Local Government.
- 5. Kentucky Commission on Human Rights.
- 6. Kentucky Commission on Women.
- 7. Department of Veterans' Affairs.
- 8. Kentucky Commission on Military Affairs.

Section 29. KRS 12.023 is amended to read as follows:

The following organizational units and administrative bodies shall be attached to the Office of the Governor:

- (1) Council on Postsecondary~~[Higher]~~ Education~~[(The state universities and colleges shall report through the Council on Higher Education)]~~;
- (2) Department of Military Affairs;
- (3) Department of Local Government;
- (4) Kentucky Commission on Human Rights;
- (5) Kentucky Commission on Women;
- (6) Kentucky Commission on Military Affairs; and
- (7) Coal Marketing and Export Council.

Section 30. KRS 13A.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

- (1) "Administrative body" means each state board, bureau, cabinet, commission, department, authority, officer, or other entity, except the General Assembly and the Court of Justice, authorized by law to promulgate administrative regulations;
- (2) "Administrative regulation" means each statement of general applicability promulgated by an administrative body that implements, interprets, or prescribes law or policy, or describes the organization, procedure, or practice requirements of any administrative body. The term includes an existing administrative regulation, a new administrative regulation, an emergency administrative regulation, an administrative regulation in contemplation of a statute, the amendment or repeal of an existing administrative regulation, but does not include:
 - (a) Statements concerning only the internal management of an administrative body and not affecting private rights or procedures available to the public; or
 - (b) Declaratory rulings; or
 - (c) Intradepartmental memoranda not in conflict with KRS 13A.130; or
 - (d) Statements relating to acquisition of property for highway purposes and statements relating to the construction or maintenance of highways; or
 - (e) Rules, regulations, and policies of the governing boards of institutions ***that make up the postsecondary education system defined in Section 3 of this Act***~~[of higher education]~~ pertaining to students attending or applicants to ~~the~~^{such} institutions, ***to faculty and staff of the respective institutions***, or to the control and maintenance of land and buildings occupied by the respective institutions;
- (3) "Adopted" means that an administrative regulation has become effective in accordance with the provisions of this chapter;
- (4) "Authorizing signature" means the signature of the head of the administrative body authorized by statute to promulgate administrative regulations;

- (5) "Commission" means the Legislative Research Commission;
- (6) "Economic impact" means a financial impact on:
 - (a) Commercial enterprises;
 - (b) Retail businesses;
 - (c) Service businesses;
 - (d) Industry;
 - (e) Consumers of a product or service; or
 - (f) Taxpayers;
- (7) "Effective" means that an administrative regulation has completed the legislative subcommittee review established by KRS 13A.290 and 13A.330;
- (8) "Federal mandate" means any federal constitutional, legislative or executive law or order which requires or permits any administrative body to engage in regulatory activities which impose compliance standards, reporting requirements, recordkeeping, or similar responsibilities upon entities in the Commonwealth;
- (9) "Federal mandate comparison" means a written statement containing the information required by KRS 13A.245;
- (10) "Filed" means that an administrative regulation, or other document required to be filed by this chapter, has been submitted to the Commission in accordance with this chapter;
- (11) "Promulgate" means that an administrative body has approved an administrative regulation for filing with the Commission in accordance with the provisions of KRS Chapter 13A;
- (12) "Proposed administrative regulation," except as provided by KRS 13A.015(5), means an administrative regulation that an administrative body proposes to promulgate;
- (13) "Regulatory impact analysis" means a written statement containing the provisions required by KRS 13A.240;

- (14) "Statement of consideration" means that an administrative body must either accept suggestions or recommendations regarding an administrative regulation or issue a concise statement setting forth the reasons for not accepting suggestions or recommendations regarding an administrative regulation;
- (15) "Subcommittee" includes the Administrative Regulation Review Subcommittee, any other subcommittee of the Legislative Research Commission, a standing committee of the General Assembly, or a House and Senate standing committee meeting jointly; and
- (16) "Tiering" means the tailoring of regulatory requirements to fit the particular circumstances surrounding regulated entities.

Section 31. KRS 18A.115 is amended to read as follows:

- (1) The classified service to which KRS 18A.005 to 18A.200 shall apply shall comprise all positions in the state service now existing or hereafter established, except the following:
 - (a) The General Assembly and employees of the General Assembly, including the employees of the Legislative Research Commission;
 - (b) Officers elected by popular vote and persons appointed to fill vacancies in elective offices;
 - (c) Members of boards and commissions;
 - (d) Officers and employees on the staff of the Governor, the Lieutenant Governor, the Office of the secretary of the Governor's Cabinet, and the Office of Program Administration;
 - (e) Cabinet secretaries, commissioners, office heads, and the administrative heads of all boards and commissions, including the executive director of Kentucky Educational Television;
 - (f) Employees of Kentucky Educational Television who have been determined to be exempt from classified service by the Kentucky Authority for Educational

Television, which shall have sole authority over such exempt employees for employment, dismissal, and setting of compensation, up to the maximum established for the executive director and his principal assistants;

- (g) One (1) principal assistant or deputy for each person exempted under subsection (1)(e) of this section;
- (h) One (1) additional principal assistant or deputy as may be necessary for making and carrying out policy for each person exempted under subsection (1)(e) of this section in those instances in which the nature of the functions, size, or complexity of the unit involved are such that the commissioner approves such an addition on petition of the relevant cabinet secretary or department head and such other principal assistants, deputies, or other major assistants as may be necessary for making and carrying out policy for each person exempted under subsection (1)(e) of this section in those instances in which the nature of the functions, size, or complexity of the unit involved are such that the board may approve such an addition or additions on petition of the department head approved by the commissioner;
- (i) Division directors subject to the provisions of KRS 18A.170. Division directors in the classified service as of January 1, 1980, shall remain in the classified service;
- (j) Physicians employed as such;
- (k) One (1) private secretary for each person exempted under subsection (1)(e), (g), and (h) of this section;
- (l) The judicial department, referees, receivers, jurors, and notaries public;
- (m) Officers and members of the staffs of state universities and colleges and student employees of such institutions; officers and employees of the Teachers' Retirement System; and officers, teachers, and employees of local boards of education;

- (n) Patients or inmates employed in state institutions;
- (o) Persons employed in a professional or scientific capacity to make or conduct a temporary or special inquiry, investigation, or examination on behalf of the General Assembly, or a committee thereof, or by authority of the Governor, and persons employed by state agencies for a specified, limited period to provide professional, technical, scientific, or artistic services under the provisions of KRS 45A.690 to 45A.725;
- (p) Seasonal, temporary, and emergency employees;
- (q) Federally funded time-limited employees;
- (r) Officers and members of the state militia;
- (s) State Police troopers and sworn officers in the Department of State Police, Justice Cabinet;
- (t) University or college engineering students or other students employed part-time or part-year by the state through special personnel recruitment programs; provided that while so employed such aides shall be under contract to work full-time for the state after graduation for a period of time approved by the commissioner or shall be participants in a cooperative education program approved by the commissioner;
- (u) Superintendents of state mental institutions, including heads of mental retardation centers, and penal and correctional institutions as referred to in KRS 196.180(2);
- (v) Staff members of the Kentucky Historical Society, if they are hired in accordance with KRS 171.311;
- (w) County and Commonwealth's attorneys and their respective appointees;
- (x) Chief district engineers and the state highway engineer;
- (y) Veterinarians employed as such by the Kentucky State Racing Commission or the Kentucky Harness Racing Commission;~~[-and]~~

(z) Employees of the Kentucky Peace Corps; and

(aa) Employees of the Council on Postsecondary Education.

- (2) Nothing in KRS 18A.005 to 18A.200 is intended, or shall be construed, to alter or amend the provisions of KRS 150.022 and 150.061.
- (3) Nothing in KRS 18A.005 to 18A.200~~herein~~ is intended or shall be construed to affect any nonmanagement, nonpolicy-making position which must be included in the classified service as a prerequisite to the grant of federal funds to a state agency.
- (4) Career employees within the classified service promoted to positions exempted from classified service shall, upon termination of their employment in the exempted service, revert to a position in that class in the agency from which they were terminated if a vacancy in that class exists. If no such vacancy exists, they shall be considered for employment in any vacant position for which they were qualified pursuant to KRS 18A.130 and 18A.135.
- (5) Nothing in KRS 18A.005 to 18A.200~~herein~~ shall be construed as precluding appointing officers from filling unclassified positions in the manner in which positions in the classified service are filled except as otherwise provided in KRS 18A.005 to 18A.200~~herein~~.

(6) The positions of employees who are transferred, effective July 1, 1998, from the Cabinet for Workforce Development to the Kentucky Community and Technical College System shall be abolished and the employees' names removed from the roster of state employees. Employees that are transferred, effective July 1, 1998, to the Kentucky Community and Technical College System under KRS Chapter 164 shall have the same benefits and rights as they had under KRS Chapter 18A and have under Section 18 of this Act; however, they shall have no guaranteed reemployment rights in the KRS Chapter 151B or KRS Chapter 18A personnel systems. An employee who seeks reemployment in a state position under KRS Chapter 151B or KRS Chapter 18A shall have years of service in the Kentucky

Community and Technical College System counted towards years of experience for calculating benefits and compensation.

Section 32. KRS 42.540 is amended to read as follows:

Notwithstanding KRS 41.290, every nonprofit fiduciary holding funds for the benefit of any form of state organization, including, but not limited to, Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, University of Kentucky, University of Louisville, Western Kentucky University, **Kentucky Community and Technical College System**, and the State Fair Board shall make a report according to generally accepted accounting principles of all money received and disbursed during each fiscal year, on or before the fifteenth of July, showing receipts, expenditures, depositories, rates of interest paid by depositories, investments, and rates of return in investments to the State Investment Commission. Such fiduciaries include, but are not limited to Eastern Kentucky University Foundation; Kentucky State University Foundation, Inc.; Morehead State University Foundation, Inc.; Morehead Alumni Foundation, Inc.; Eagle Athletic Foundation, Inc.; Murray State University Foundation; Northern Kentucky University Foundation, Inc.; University of Kentucky Research Foundation; University of Kentucky Athletics Association; The Fund for the Advancement of Education and Research in the University of Kentucky Medical Center; Health Care Collection Service, Inc.; McDowell Cancer Network, Inc.; University of Kentucky-Business Partnership Foundation, Inc.; Kentucky Medical Services Foundation, Inc.; University of Louisville Foundation, Inc.; University of Louisville Hospital, Inc.; University of Louisville Institute of Industrial Research, Inc.; University of Louisville Medical School Fund, Inc.; The College Heights Foundation; KFEC Research and Development Foundation, Inc.; Kentucky Export Resources Authority, Inc.; and all similar nonprofit fiduciaries for the benefit of any form of state organization and their successors.

Section 33. KRS 42.545 is amended to read as follows:

Each agency authorized to issue bonds listed in this section shall make a report according to generally accepted accounting principles of all money received and disbursed during each fiscal year, on or before the 15th of July, showing the receipts, expenditures, trustees, depositories, rates of interest paid by depositories, investments, and rates of return on investments by each agency to the State Investment Commission. The agencies required to report under this section are Eastern Kentucky University; Kentucky State University; Morehead State University; Murray State University; Northern Kentucky University; University of Kentucky; University of Louisville; Western Kentucky University; **Kentucky Community and Technical College System**; Kentucky Housing Corporation; Kentucky Pollution Abatement Authority; Kentucky Higher Education Student Loan Corporation; Kentucky School Building Authority; The Turnpike Authority of Kentucky; the State Property and Buildings Commission; Churchill Downs Authority; Kentucky Health and Geriatric Authority; Capital Plaza Authority; State Fair Board; Department of Fish and Wildlife Resources; Water Resources Authority of Kentucky; and any other agency or instrumentality authorized to issue bonds.

Section 34. KRS 45A.840 is amended to read as follows:

As used in KRS 45A.840 to 45A.879, unless the context requires otherwise:

- (1) "Bond counsel" means an attorney who provides legal counsel to a bond issuing agency with regard to bond issuance and provides an unqualified legal opinion to the agency with respect to validity and tax treatment;
- (2) "Bond issuance" means the formulation, authorization, and issuance of bonds by a bond issuing agency;
- (3) "Bond issuing agency" means the State Property and Buildings Commission, Turnpike Authority of Kentucky, Kentucky Housing Corporation, Kentucky Infrastructure Authority, Kentucky Higher Education Student Loan Corporation, Kentucky River Authority, Kentucky Agricultural Finance Corporation, Kentucky Local Correctional Facilities Construction Authority, School Facilities Construction

Commission, Murray State University, Western Kentucky University, University of Louisville when it declines to exercise the authority granted under KRS 164A.585(1) and 164A.605, Northern Kentucky University, Kentucky State University, University of Kentucky when it declines to exercise the authority granted under KRS 164A.585(1) and 164A.605, Morehead State University, ~~and~~ Eastern Kentucky University, *the Kentucky Community and Technical College System for the Technical Institutions' Branch, and the University of Kentucky for the University of Kentucky Community College System;*

- (4) "Bonds" means the revenue bonds, notes, or other debt obligations issued by a bond issuing agency;
- (5) "Executive director" means the executive director of the Office of Financial Management and Economic Analysis;
- (6) "Office" means the Office of Financial Management and Economic Analysis established by KRS 42.400;
- (7) "Underwriter" means:
 - (a) The financial institution which structures and underwrites the bond issuing agency's issuance of bonds; or
 - (b) The financial advisor or fiscal agent which provides advice or services to the bond issuing agency with respect to the structure, timing, terms, or other matters concerning bond issuance;
- (8) "Underwriter's counsel" means an attorney who provides legal counsel to an underwriter with respect to its work on behalf of a bond issuing agency.

Section 35. KRS 45A.850 is amended to read as follows:

- (1) (a) Pursuant to KRS 45A.853 and 45A.857, one (1) underwriter and one (1) bond counsel shall be chosen for the State Property and Buildings Commission.
- (b) The underwriter and the bond counsel chosen for the commission shall provide their services for all bonds issued in one (1) bond project.

- (2) (a) Pursuant to KRS 45A.853 and 45A.857, one (1) underwriter and one (1) bond counsel shall be chosen for each of the following agencies:
1. Turnpike Authority of Kentucky;
 2. Kentucky Housing Corporation;
 3. Kentucky Infrastructure Authority;
 4. Kentucky Higher Education Student Loan Corporation;
 5. Kentucky River Authority;
 6. Kentucky Agricultural Finance Corporation; and
 7. Kentucky Local Correctional Facilities Construction Authority;
- (b) The underwriter and the bond counsel chosen for each agency shall provide their services for all bond issuance over a period of twelve (12) months from their selection. At the conclusion of the twelve (12) month period, the executive director may continue the employment of the underwriter or the bond counsel, on the same terms and conditions, for another twelve (12) month period. If the employment is not continued, the choosing of an underwriter or bond counsel, as appropriate, shall be conducted pursuant to KRS 45A.853 and 45A.857.
- (3) (a) Pursuant to KRS 45A.853 and 45A.857, one (1) underwriter and one (1) bond counsel shall be chosen to provide their services for all of the following agencies:
1. School Facilities Construction Commission;
 2. Murray State University;
 3. Western Kentucky University;
 4. University of Louisville when it declines to exercise the authority granted under KRS 164A.585(1) and 164A.605;
 5. Northern Kentucky University;
 6. Kentucky State University;

7. University of Kentucky when it declines to exercise the authority granted under KRS 164A.585(1) and 164A.605;
8. Morehead State University;~~and~~
9. Eastern Kentucky University;and

10. Kentucky Community and Technical College System.

- (b) The underwriter and the bond counsel chosen for all of the agencies shall provide their services for all bond issuance of the agencies for a period of twelve (12) months from the underwriter's and the bond counsel's selection. At the conclusion of the twelve (12) month period, the executive director may continue the employment of the underwriter or the bond counsel, on the same terms and conditions, for another twelve (12) month period. If the employment is not continued, the choosing of an underwriter or bond counsel, as appropriate, shall be conducted pursuant to KRS 45A.853 and 45A.857.
- (4) The office may select national comanaging underwriters and Kentucky comanaging underwriters who shall provide national and local marketing expertise for bond issuances. The executive director shall recommend to the secretary of the Finance and Administration Cabinet the number of national and Kentucky comanaging underwriters, if any, to be utilized on each bond issuance. The executive director shall consider the following issues when making the recommendations:
 - (a) Principal amount of bonds being issued; and
 - (b) Structure of the bond issue; and
 - (c) Composition of expected buyers of the bonds.

Kentucky comanaging underwriters shall be selected pursuant to a request for proposals. National comanaging underwriters shall be selected pursuant to an administrative regulation promulgated by the office. Comanaging underwriters selected pursuant to this subsection shall provide their services to a bond issuing agency as needed over the appropriate period of time stated in this section.

Section 36. KRS 56.495 is amended to read as follows:

The boards of regents of the respective state ~~colleges or~~ universities and the Kentucky Community and Technical College System and the board of trustees of the University of Kentucky may issue, under the provisions of KRS 162.340 to 162.380, consolidated educational building revenue bonds or housing bonds, provided that prior to seeking the final approval required by KRS 56.491, the board of the state ~~college or of the~~ university or the Kentucky Community and Technical College System shall submit to the commission, through the cabinet, a request for approval of the project before any financial commitment of any sort may be made in connection therewith, including employment of architects, engineers, fiscal agents, or attorneys. The request shall include a general description of the project and its need, use, location, approximate size, and such other information as the cabinet may require. After approval by the commission, the cabinet shall appoint fiscal agents, bond counsel, and architects and engineers as may be required to make plans and specifications or financial arrangements for the project.

Section 37. KRS 61.525 is amended to read as follows:

Membership in the system shall consist of the following:

- (1) All persons who become employees of a participating department after the date such department first participates in the system, except a person who did not elect membership pursuant to KRS 61.545(3);
- (2) All persons who are employees of a department on the date the department first participates in the system, either in service or on authorized leave from service, and who elect within thirty (30) days following the department's participation, or in the case of persons on authorized leave, within thirty (30) days of their return to active service, to become members and thereby agree to make contributions as provided in KRS 61.515 to 61.705;

- (3) All persons who are employees of any credit union whose membership was initially limited to employees of state government and their families and which subsequently may have been extended to local government employees and their families;
- (4) All persons who were professional staff employees of the Council on Postsecondary~~Higher~~ Education or the Higher Education Assistance Authority and were contributing to the system on or after the effective date of Executive Order 74-762 or 75-964, respectively, and file a written election of their desire to continue in the system and all administrative and professional staff employees of the Higher Education Assistance Authority who, on or after January 1, 1993, are not participating in another retirement plan sponsored by the Higher Education Assistance Authority;
- (5) All persons who were professional staff employees of the Kentucky Authority for Educational Television on and after July 1, 1974;
- (6) All persons who are employees of the Teachers' Retirement System except employees who are required to participate under the Teachers' Retirement System under KRS 161.220(4)(d);~~and~~
- (7) Membership in the system shall not include those employees who are simultaneously contributing to another state-administered defined benefit plan within Kentucky other than those administered by the Kentucky Retirement Systems; and
- (8) Employees of the Kentucky Community and Technical College System who were previously contributing members and are not required to participate in the Teachers' Retirement System as a member; and new employees as of July 1, 1997, who are not eligible under the Teachers' Retirement System or who are not contributing to an optional retirement plan established by the board of regents for the Kentucky Community and Technical College System.**

Section 38. KRS 61.945 is amended to read as follows:

- (1) There is hereby created an independent agency of state government to be known as the Kentucky Information Resources Management Commission, hereafter called the commission. It shall be the responsibility of the commission to coordinate and guide the application of information technologies and resources in the executive branch of state government.
- (2) The commission shall consist of:
 - (a) Three (3) cabinet secretaries from the executive branch, at least one (1) of whom shall be from either the Transportation or Human Resources Cabinet, appointed by the Governor, or their respective designees;
 - (b) The state budget director or his designee;
 - (c) The commissioner of the Department of Information Systems;
 - (d) The State Librarian or his designee;
 - (e) One (1) representative from the public universities to be appointed by the Governor from a list of three (3) persons submitted by the president~~executive director~~ of the Council on Postsecondary~~Higher~~ Education;
 - (f) Two (2) citizen members from the private sector with information resources management knowledge and experience to be appointed by the Governor;
 - (g) One (1) representative of local government appointed by the Governor from a list of six (6) persons, three (3) to be submitted by the president of the Kentucky League of Cities, and three (3) to be submitted by the president of the Kentucky Association of Counties;
 - (h) One (1) member of the press to be appointed by the Governor from a list of three (3) persons submitted by the president of the Kentucky Press Association;
 - (i) The executive director of the Kentucky Authority for Educational Television;
 - (j) The chairman of the Communications Advisory Council as an ex officio, nonvoting member; and

- (k) The chairman of the Geographic Information Advisory Council as an ex officio, nonvoting member.
- (3) The commission shall select from its membership a chairperson and any other officers it considers essential. A member of the commission shall not:
- (a) Be an officer, employee, registered legislative agent, Executive Branch lobbyist, or paid consultant of a business entity that has, or of a trade association for business entities that has, a substantial interest in the information resources technology industry;
 - (b) Own, control, or have directly or indirectly, more than a ten percent (10%) interest in a business entity that has a substantial interest in the information resources technology industry;
 - (c) Be in any manner connected with any contract or bid for furnishing any state governmental body with information resources systems, the computers on which they are automated, or a service related to information resources systems; or
 - (d) Receive anything of value from an individual, firm, or corporation to whom a contract may be awarded, directly or indirectly, by rebate, gift, or otherwise.
- (4) (a) It shall be a ground for removal of a member of the commission if the member:
- 1. Does not maintain during service on the commission the qualifications or status required for initial appointment to the commission;
 - 2. Violates a prohibition established by subsection (3) of this section; or
 - 3. Is absent from three (3) consecutive meetings or more than half of the regularly-scheduled commission meetings that the member is eligible to attend during a state fiscal year unless the absence is excused by majority vote of the commission.

- (b) The validity of an action of the commission shall not be affected by the fact that it was taken when a ground for removal of a member existed. If the chairperson of the commission has knowledge that a potential ground for removal of a commission member exists, the chairperson shall notify the Governor of the potential ground for removal.
- (5) (a) The term of office of the members specified in subsections (2)(b), (c), (d), (i), (j), and (k) of this section shall be the same as the term of office by virtue of which they serve upon the commission.
- (b) The terms of the cabinet secretaries appointed pursuant to subsection (2)(a) of this section shall be established in the commission's operating policies or bylaws not to be less than two (2) years.
- (6) Members of the commission appointed pursuant to subsections (2)(e), (f), (g), and (h) of this section shall serve for a term of four (4) years. Vacancies in the membership of the commission shall be filled in the same manner as the original appointments. If a nominating organization changes its name, the subsequent organization having the same responsibilities and purposes shall be the nominating organization.
- (7) Members of the commission shall serve without compensation, but shall be reimbursed for actual expenses incurred in the performance of their duties.
- (8) A majority of the members shall constitute a quorum for the transaction of business. Members' designees shall have voting privileges at commission meetings.

Section 39. KRS 61.955 is amended to read as follows:

- (1) There is hereby created a Communications Advisory Council to the Kentucky Information Systems Commission for the development and coordination of statewide communications plans for the effective and efficient use of communications technology within state government.

- (2) The Communications Advisory Council, hereinafter called the council, shall be responsible for assisting the Kentucky Information Systems Commission with the development and implementation of strategic plans for statewide communications.
- (3) The council shall consist of:
- (a) Two (2) officers of the Finance and Administration Cabinet which shall include the commissioners of the Department of Information Systems and Department of Facilities Management or their respective designees;
 - (b) Two (2) representatives of the public universities appointed by the Governor from a list of four (4) persons submitted by the president~~[executive director]~~ of the Council on Postsecondary~~[Higher]~~ Education;
 - (c) The president~~[executive director]~~ of the Council on Postsecondary~~[Higher]~~ Education or his designee;
 - (d) The executive director of the Kentucky Authority for Educational Television or his designee;
 - (e) The state librarian or his designee;
 - (f) The chief state school officer or his designee;
 - (g) The adjutant general or his designee;
 - (h) The commissioner of the Department of State Police or his designee;
 - (i) The executive director of the Administrative Office of the Courts or his designee;
 - (j) The executive director of the Public Service Commission or his designee;
 - (k) One (1) representative of local governments to be appointed by the Governor; and
 - (l) Two (2) citizen members to be appointed by the Governor.
- (4) A member of the council may not:

- (a) Be an officer, employee, or paid consultant of a business entity, or of a trade association for business entities, that has a substantial interest in the communications industry;
 - (b) Own or control, directly or indirectly, more than a ten percent (10%) interest in a business entity that has a substantial interest in the communications or automated information industry; or
 - (c) Be in any manner connected with any contract or bid for furnishing any state governmental body with communications systems or a service related to the automation of information systems or the computers in which they are automated, or a related service.
- (5) A member of the council shall be removed if the member violates a prohibition established by subsection (4) of this section. The validity of an action of the council shall not be affected by the fact that it was taken when a ground for removal of a member existed. If the chairman of the commission has knowledge that a potential ground for removal of a council member exists, the chairman shall notify the Governor of the potential ground for removal.
- (6) The term of office of the members specified in subsections (3)(a) and (3)(c) to (3)(j) shall be the same as the term of the office by virtue of which they serve upon the council.
- (7) Appointed members of the council shall serve for a term of four (4) years. Vacancies in the membership of the council shall be filled in the same manner as the original appointments.
- (8) Members of the council shall serve without compensation, but shall be reimbursed for actual expenses incurred in the performance of their duties.
- (9) A majority of the members shall constitute a quorum for the transaction of business. Members' designees shall have voting privileges at council meetings.

Section 40. KRS 61.958 is amended to read as follows:

- (1) There is hereby established a Geographic Information Advisory Council, hereinafter called the council, to the Kentucky Information Systems Commission to advise the Governor, the General Assembly, the Judicial Branch, and the Kentucky Information Systems Commission on issues as they relate to geographic information and geographic information systems.
- (2) The council shall establish and adopt policies and procedures that assist state and local jurisdictions in developing, deploying, and leveraging geographic information resources and geographic information systems technology for the purpose of improving public administration.
- (3) The council shall closely coordinate with users of geographic information systems to establish policies and procedures that insure the maximum use of geographic information by minimizing the redundancy of geographic information and geographic information resources.
- (4) The Geographic Information Advisory Council shall consist of twenty-five (25) members and one (1) legislative liaison. The members shall be knowledgeable in the use and application of geographic information systems technology and shall have sufficient authority within their organizations to influence the implementation of council recommendations.
 - (a) The council shall consist of:
 1. The secretary of the Transportation Cabinet or his designee;
 2. The secretary of the Cabinet for Human Resources or his designee;
 3. The director of the Kentucky Geological Survey or his designee;
 4. The secretary of the Revenue Cabinet or his designee;
 5. The commissioner of the Department of Information Systems or his designee;
 6. The secretary of the Economic Development Cabinet or his designee;

7. The commissioner of the Department of Local Government or his designee;
8. The secretary of the Justice Cabinet or his designee;
9. One (1) member appointed by the Governor from a list of three (3) persons submitted by the president~~[executive director]~~ of the Council on Postsecondary~~[Higher]~~ Education;
10. The adjutant general of the Department of Military Affairs or his designee;
11. The commissioner of the Department of Education or his designee;
12. The secretary of the Natural Resources and Environmental Protection Cabinet or his designee;
13. The commissioner of the Department of Agriculture or his designee;
14. The secretary of the Public Protection and Regulation Cabinet or his designee;
15. The secretary of the Tourism Cabinet or his designee;
16. Two (2) members appointed by the Governor from a list of six (6) persons submitted by the president of the Kentucky League of Cities;
17. Two (2) members appointed by the Governor from a list of six (6) persons submitted by the president of the Kentucky Association of Counties;
18. One (1) member appointed by the Governor from a list of three (3) persons submitted by the president of the Kentucky Chapter of the American Planning Association;
19. One (1) member appointed by the Governor from a list of three (3) persons submitted by the president of the Kentucky Chamber of Commerce;

20. One (1) member appointed by the Governor from a list of three (3) persons submitted by the president of the Kentucky Association of Land Surveyors;
 21. One (1) member appointed by the Governor from a list of three (3) persons submitted by the president of the Kentucky Society of Professional Engineers; and
 22. One (1) member appointed by the Governor from a list of three (3) persons submitted by the chairman of the Kentucky Board of Registered Geologists; and
 23. One (1) member appointed by the Governor from a list of three (3) persons submitted by the president of the Council of Area Development Districts.
- (b) The council shall have one (1) nonvoting legislative liaison, to be appointed by the Legislative Research Commission.
- (5) The council shall select from its membership a chairman and any other officers it considers essential. The council may have committees and subcommittees as determined by the council or an executive committee, if an executive committee exists.
- (6) A member of the council shall not:
- (a) Be an officer, employee, or paid consultant of a business entity that has, or of a trade association for business entities that has, a substantial interest in the geographic information industry and is doing business in the Commonwealth;
 - (b) Own, control, or have directly or indirectly, more than ten percent (10%) interest in a business entity that has a substantial interest in the geographic information industry;
 - (c) Be in any manner connected with any contract or bid for furnishing any governmental body of the Commonwealth with geographic information

systems, the computers on which they are automated, or a service related to geographic information systems;

- (d) Be a person required to register as a lobbyist because of activities for compensation on behalf of a business entity that has, or on behalf of a trade association of business entities that have substantial interest in the geographic information industry;
 - (e) Accept or receive money or another thing of value from an individual, firm, or corporation to whom a contract may be awarded, directly or indirectly, by rebate, gift, or otherwise;
 - (f) Be liable to civil action or any action performed in good faith in the performance of duties as a council member.
- (7) Those council members specified in subsection (4)(a) of this section who serve by virtue of an office shall serve on the council while they hold that office.
- (8) Appointed members of the council shall serve for a term of four (4) years. Vacancies in the membership of the council shall be filled in the same manner as the original appointments. If a nominating organization changes its name, its successor organization having the same responsibilities and purposes shall be the nominating organization.
- (9) The council shall have no funds of its own, and council members shall not receive compensation of any kind from the council.
- (10) A majority of the members shall constitute a quorum for the transaction of business. Members' designees shall have voting privileges at council meetings.

Section 41. KRS 63.080 is amended to read as follows:

- (1) Except as provided in subsection (2) of this section and otherwise provided by law, any person appointed by the Governor, either with or without the advice and consent of the Senate, may be removed from office by the Governor for any cause

the Governor deems sufficient, by an order of the Governor entered in the executive journal removing the officer.

- (2) Members of the board of trustees of the University of Kentucky, the board of trustees of the University of Louisville, members of the board of regents respectively of Eastern Kentucky University, Western Kentucky University, Morehead State University, Kentucky State University, Northern Kentucky University, ~~and~~ Murray State University, **and the Kentucky Community and Technical College System**, and members of the Kentucky Board of Education and the Council on **Postsecondary**~~Higher~~ Education shall not be removed except for cause.

Section 42. KRS 95A.020 is amended to read as follows:

- (1) There is hereby created the Commission on Fire Protection Personnel Standards and Education, hereinafter called "commission," which shall be attached to the state fire marshal's office in the Department of Housing, Buildings and Construction.
- (2) The commission shall be composed of seventeen (17) members, residents of the State of Kentucky, appointed by the Governor. These members should be persons well qualified by experience or education in the field of fire protection or related fields.
- (3) The membership of the commission shall include:
- (a) Two (2) volunteer firefighters, neither of which is a fire chief or assistant fire chief;
 - (b) Three (3) paid firefighters, at least one (1) of whom shall be a full-time paid county firefighter and none of whom shall be a fire chief or assistant fire chief;
 - (c) One (1) trustee of a volunteer fire department or fire district who is not a volunteer firefighter;
 - (d) Two (2) fire chiefs of paid fire departments;
 - (e) One (1) licensed physician;

- (f) Two (2) fire chiefs of volunteer fire departments;
- (g) One (1) teacher or administrator representing the fire and rescue training service of the Kentucky Community and Technical College System~~[Office of Kentucky Tech System of the Department for Adult and Technical Education in the Workforce Development Cabinet];~~
- (h) One (1) representative of the Division of Disaster and Emergency Services of the Department of Military Affairs;
- (i) One (1) mayor of a Kentucky city;
- (j) One (1) county judge/executive;
- (k) One (1) representative of Kentucky industry or business enterprise; and
- (l) One (1) representative of the general public.

The chancellor for the Technical Institutions' Branch of the Kentucky Community and Technical College System~~[commissioner of the Department for Adult and Technical Education]~~ and the state fire marshal, or their designees, shall serve as ex officio members of the commission. Their designees shall have full voting rights. Appointive members shall be appointed for a term of four (4) years. Any member chosen by the Governor to fill a vacancy created otherwise than by expiration of term shall be appointed for the unexpired term of the member he is chosen to succeed.

- (4) Members of the commission shall receive no compensation for their services but shall be allowed their actual and necessary expenses incurred in the performance of their functions~~[hereunder]~~.
- (5) Members of the commission appointed pursuant to this section shall first be appointed on July 15, 1980. The terms of members appointed earlier shall terminate on July 15, 1980, but the Governor may reappoint those members who qualify under the provisions of this section.

Section 43. KRS 138.510 is amended to read as follows:

(1) Except for the conduct of harness racing at a county fair, an excise tax is imposed on all tracks conducting pari-mutuel racing under the jurisdiction of the Kentucky Racing Commission. For each track with a daily average handle of one million two hundred thousand dollars (\$1,200,000) or above, the tax shall be in the amount of three and one-half percent (3.5%) of all money wagered during the fiscal year. A fiscal year as used in this subsection and subsection (2) shall begin at 12:01 a.m. July 1 and end at 12 midnight June 30. For each track with a daily average handle under one million two hundred thousand dollars (\$1,200,000) the tax shall be an amount equal to one and one-half percent (1.5%) of all money wagered during the fiscal year. For the purposes of this subsection, the daily average handle shall be computed from the amount wagered only at the host track on live racing and shall not include money wagered:~~;~~

- (a) At a receiving track;
- (b) At a simulcast facility;
- (c) On telephone account wagering; or
- (d) At a track participating as a receiving track or simulcast facility displaying simulcasts and conducting interstate wagering as permitted by KRS 230.3771 and 230.3773.

Money shall be deducted from the tax paid by host tracks and deposited to the respective development funds in the amount of three-quarters of one percent (0.75%) of the live racing handle for thoroughbred racing and one percent (1%) of the live handle for harness racing.

(2) An excise tax is imposed on:~~;~~

- (a) All licensed tracks conducting telephone account wagering;
- (b) All tracks participating as receiving tracks in intertrack wagering under the jurisdiction of the Kentucky Racing Commission; and

- (c) All tracks participating as receiving tracks displaying simulcasts and conducting interstate wagering thereon.
- (3) The tax imposed in subsection (2) of this section shall be in the amount of three percent (3%) of all money wagered under subsection (2) of this section during the fiscal year.
- (4) An amount equal to two percent (2%) of the amount wagered shall be deducted from the tax imposed in subsection (2) of this section and deposited as follows:
 - (a) If the money is deducted from taxes imposed under subsection (2)(a) and (b) of this section, it shall be deposited in the thoroughbred development fund if the host track is conducting a thoroughbred race meeting or the Kentucky standardbred, quarter horse, Appaloosa, and Arabian development fund, if the host track is conducting a harness race meeting; or
 - (b) If the money is deducted from taxes imposed under subsection (2)(c) of this section, to the thoroughbred development fund if interstate wagering is conducted on a thoroughbred race meeting or to the Kentucky standardbred, quarter horse, Appaloosa, and Arabian development fund, if interstate wagering is being conducted on a harness race meeting.
- (5) Two-tenths of one percent (0.2%) of the total amount wagered on live racing in Kentucky shall be deducted from the pari-mutuel tax levied in subsection (1) of this section, and one-twentieth of one percent (0.05%) of the total amount wagered on intertrack wagering shall be deducted for the pari-mutuel tax levied in subsection (2) of this section, and allocated to the equine industry program trust and revolving fund to be used for funding the equine industry program at the University of Louisville.
- (6) One-tenth of one percent (0.1%) of the total amount wagered in Kentucky shall be deducted from the pari-mutuel tax levied in subsections (1), (2), and (3) of this section and deposited to a trust and revolving fund to be used for the construction,

expansion, or renovation of facilities or the purchase of equipment for equine programs at state universities. These funds shall not be used for salaries or for operating funds for teaching, research, or administration. Funds allocated under this subsection shall not replace other funds for capital purposes or operation of equine programs at state universities. The Kentucky Council on Postsecondary~~Higher~~ Education shall serve as the administrative agent and shall establish an advisory committee of interested parties, including all universities with established equine programs, to evaluate proposals and make recommendations for the awarding of funds. The Kentucky Council on Postsecondary~~Higher~~ Education may by administrative regulation establish procedures for administering the program and criteria for evaluating and awarding grants.

Section 44. KRS 151B.025 is amended to read as follows:

- (1) The Department for Technical Education is hereby created and shall be attached to the Cabinet for Workforce Development. The department shall consist of a commissioner and those administrative bodies and employees provided or appointed pursuant to law.
- (2) The chief executive officer of the department shall be the commissioner of the Department for Technical Education. The appointment of the commissioner shall be made from a list of three (3) names submitted by the State Board for Adult and Technical Education to the secretary and the Governor. The commissioner shall be appointed by the secretary of the Cabinet for Workforce Development from the list with the approval of the Governor. The commissioner shall have general supervision and direction over all functions of the department and its employees, and shall be responsible for carrying out the programs and policies of the department. The commissioner shall be responsible for implementing policies adopted by the State Board for Adult and Technical Education. The commissioner

may delegate authority to deputies who may then act on his behalf in performing the duties assigned *in this subsection*~~herein~~.

- (3) The department shall have the responsibility for all administrative functions of the state in relation to the management, control, and operation of ~~nondegree programs in post-secondary and vocational technical education, and may exercise the general powers and functions relating to a Kentucky technical system of state vocational technical schools,~~ state-operated *secondary* area vocational education *and technology* centers~~, state technical institutes, and technology centers~~. When appropriate, the department shall provide education training programs through contracts with private business and industries. These programs may be on a shared cost basis or on a total cost recovery basis.
- (4) The department shall have the authority to enter into agreements or contracts with other government or education agencies, including local school districts, in order to carry out services under its jurisdiction.
- (5) *Secondary* area vocational education *and technology* centers shall be operated in compliance with program standards established by the Kentucky Board of Education. Principals, counselors, and teaching staff shall meet the qualifications and certification standards for all secondary vocational personnel as established by the *Educational Professional Standards Board*~~Kentucky Board of Education. Program standards and qualification of staff in the post-secondary institutions shall be governed solely by the State Board for Adult and Technical Education~~. *In addition to direct appropriations, funds appropriated to support* the cost of operating area vocational education *and technology* centers shall be transferred annually from the secondary funds administered by the Kentucky Department of Education for that purpose.
- (6) The Department for Technical Education, in the operation and management of its schools and the programs at those schools, shall meet all required federal and state

standards relating to facilities and personnel qualification; provided, however, that no license or license fee shall be required for any school or program operated by the Department for Technical Education.

- (7) The Department for Technical Education shall be the education agency solely designated for the purpose of developing and approving state plans required by state or federal laws and regulations as prerequisites to receiving federal funds for vocational-technical or technology education. The department shall involve representatives from all eligible recipient categories in the development of such plans.
- (8) The department shall be permitted to enter into memorandums of agreement with individuals on a year to year basis to fill positions in hard-to-find teaching specialties~~[specialities]~~. Such agreements and compensation shall be approved by the State Board for Adult and Technical Education, but shall not be subject to the provisions of KRS Chapter 45A~~[45]~~. All such agreements shall be filed with the secretary of the Finance and Administration Cabinet.
- (9) The commissioner of the Department for Technical Education shall, from time to time, prepare or cause to be prepared, and submit for approval and publication by the State Board for Adult and Technical Education, any bulletins, programs, outlines of courses, placards, and courses of study he deems useful in the promotion of the interests of technical and vocational education.
- (10) The department shall prepare a biennial budget request and submit it for review by the State Board for Adult and Technical Education. The budget shall be forwarded to the secretary of the Cabinet for Workforce Development for review and modification.

Section 45. KRS 151B.030 is amended to read as follows:

The Department for Technical Education shall be divided according to the following organizational structure:

- (1) The commissioner of the Department for Technical Education shall appoint a deputy commissioner for technical education pursuant to KRS 12.050, who shall serve as secretary to the State Board for Adult and Technical Education. ~~The deputy commissioner shall also directly supervise the Office of the Kentucky Tech System, which is created by subsection (3) of this section.~~
- (2) There is hereby created a Division of Administrative ~~Federal Programs and Support~~ Services within the Department for Technical Education. The division shall be headed by a director appointed by the commissioner of the Department for Technical Education. The division shall be composed of organizational entities as deemed appropriate by the commissioner of the Department for Technical Education as set forth by administrative order.
- (3) There is hereby created an Office of Area Vocational Education and Technology Centers ~~the Kentucky Tech System~~ within the Department for Technical Education. The office shall be headed by an office head appointed by the commissioner of the Department for Technical Education pursuant to KRS 12.050. The office head shall be an individual with a background in school administration and supervision and shall be otherwise reasonably qualified to carry out the duties of the office. The office shall be comprised of the system of state-operated secondary ~~vocational technical schools and~~ area vocational education and technology centers ~~known as the Kentucky Tech System~~. The office shall be composed of the Division of School Management ~~Operations~~, the Division of Curriculum Services ~~Program Management~~, an Ombudsman, and an assistant for budget analysis. Each division shall be headed by a director appointed by the commissioner of the Department for Technical Education and shall be composed of such organizational entities as deemed appropriate by the commissioner of the Department for Technical Education as set forth by administrative order.

Section 46. KRS 151B.035 is amended to read as follows:

- (1) The State Board for Adult and Technical Education shall promulgate, by administrative regulations, personnel policies and procedures for all full-time and part-time unclassified employees, certified and equivalent staff, including administrative, teaching, and supervisory staff in the Department for Adult Education and Literacy and the Department for Technical Education central offices, state-operated vocational facilities, and regional staffs. All other staff shall remain under the authority of the Kentucky Department of Personnel and KRS Chapter 18A. Employees who transfer to or from the KRS Chapter 18A personnel system shall transfer accrued annual, compensatory, and sick leave.
- (2) As provided in this chapter, the State Board for Adult and Technical Education shall promulgate comprehensive administrative regulations for the administration of a personnel system in the Department for Adult Education and Literacy and the Department for Technical Education which are consistent with the provisions of this chapter and with federal standards for state government agencies receiving federal grants.
- (3) The board shall promulgate comprehensive administrative regulations for full-time and part-time certified and equivalent staff governing:
 - (a) Establishment and abolishment of positions;
 - (b) Applications;
 - (c) Certification;
 - (d) Classification and compensation plans;
 - (e) Incentive programs;
 - (f) Selection of employees;
 - (g) Types of appointments;
 - (h) Attendance, including hours of work, compensatory time, and annual, court, military, sick, voting, and special leaves of absence;

- (i) Preparation, maintenance, and revision of a position classification plan and an equitable salary schedule for certified and equivalent staff based on qualifications, experience, and responsibilities;
 - (j) Extent and duration of the state-operated area vocational education and technology centers~~[Kentucky Tech System]~~ school term, use of school days, and extended employment;
 - (k) Employee evaluations;
 - (l) Programs to improve the work effectiveness of employees including staff development;
 - (m) Demotion;
 - (n) Dismissal;
 - (o) Layoffs;
 - (p) Suspensions and other disciplinary measures;
 - (q) Probationary periods, limited employment status, and continuing employment status;
 - (r) Promotion;
 - (s) Transfer;
 - (t) Appeals; and
 - (u) Employee grievances and complaints.
- (4) (a) Administrative regulations promulgated by the board shall comply with the provisions of this chapter and KRS Chapter 13A, and shall have the force and effect of law, when approved by the board, and after compliance with the provisions of KRS Chapter 13A.
- (b) Administrative regulations promulgated by the board shall not expand or restrict rights granted to, or duties imposed upon, employees and administrative bodies by the provisions of this chapter.

- (c) No administrative body other than the State Board for Adult and Technical Education shall promulgate administrative regulations governing the subject matters specified in this section.
 - (d) Policies and procedures for the implementation of administrative regulations shall be developed by the Department for Adult Education and Literacy and the Department for Technical Education.
- (5) The commissioner for Adult Education and Literacy and the commissioner for Technical Education shall be the appointing authorities with respect to all personnel actions for their respective departments. Each commissioner may authorize a designee to act on behalf of his agency with respect to employee appointments, position establishments, payroll documents, reemployment lists, waiver requests, or other position actions. Such designation shall be in writing. Authority to employ personnel may be delegated to the vocational school management by state board policy and procedure. Any recommendation for employment from the local level shall be based on guidelines promulgated by the state board and shall be contingent upon confirmation by the commissioner and the board.
- (6) The board shall promulgate other administrative regulations to govern its proceedings which relate to certified and equivalent employees and which shall provide for:
- (a) The procedures to be utilized by the board in the conduct of hearings, consistent with KRS Chapter 13B;
 - (b) Discharge, as provided by this section;
 - (c) Imposition, as a disciplinary measure, of a suspension from service without pay for up to thirty (30) working days and, in accordance with the provisions of KRS 151B.055, for the manner of notification of the employee of the discipline and right of appeal;

- (d) Promotions which shall give appropriate consideration to the applicant's qualifications, record of performance, and conduct;
 - (e) Supplementary information for the salary schedule for certified and equivalent staff including teachers, counselors, administrators, managers, and educational consultants in state-operated vocational technical facilities, field offices, and central office in the Department for Adult Education and Literacy and the Department for Technical Education that shall provide uniformity, recognition of education, teaching, and supervisory experience and use as a base the average salary paid to beginning classroom teachers by all public schools in the state for personnel with comparable qualifications and experience. Indexes may be incorporated in the compensation plan for administrative responsibilities. The salary schedule shall be computed annually, and shall be submitted to and approved by the Governor;
 - (f) Reemployment of laid-off employees in accordance with the provisions of this chapter;
 - (g) Establishment of a plan for resolving employee grievances and complaints. The plan shall not restrict rights granted employees by the provisions of this chapter; and
 - (h) Any other administrative regulations not inconsistent with this chapter and KRS Chapter 13A proper and necessary for its enforcement.
- (7) The board shall make investigations, either on petition of a citizen, taxpayer, interested party, or on its own motion, concerning the enforcement and effect of KRS 151B.035 to 151B.090, shall require observance of its provisions and the administrative regulations promulgated pursuant to the provisions of this chapter and KRS Chapter 13A, and shall make investigation as requested by the General Assembly or the Governor and to report thereon.

- (8) The board shall promulgate administrative regulations, pursuant to KRS Chapter 13A, for an appeal system for aggrieved certified or equivalent employees.
- (9) The board shall hear appeals from applicants for positions or from certified, equivalent, and unclassified employees who have been dismissed, demoted, suspended, or otherwise penalized for cause.
- (10) The board may, any statute to the contrary notwithstanding, delegate the conduct of the hearing and the rendition of a recommended order to the full board, to a panel of the board, or to a hearing officer, relative to any hearing appeal, or decision, judicial or quasi-judicial in nature, which the board is empowered or directed, by this or any other chapter, to conduct, hear, or make; provided, however, that the full board as provided by statute, makes the final order, based upon the evidence submitted.
- (11) The board shall promulgate administrative regulations, pursuant to KRS Chapter 13A, governing the unclassified service including the preparation and maintenance of a salary schedule and other administrative regulations authorized by this chapter.
- (12) The annual percentage salary increment for all certified and equivalent employees subject to the personnel system established under this chapter shall be at least equal to that funded and provided for other elementary and secondary teachers.
- (13) The positions of employees who are transferred, effective July 1, 1998, from the Cabinet for Workforce Development to the Kentucky Community and Technical College System shall be abolished and the employees' names removed from the roster of state employees. Employees who are transferred, effective July 1, 1998, to the Kentucky Community and Technical College System under KRS Chapter 164 shall have the same benefits and rights as they had under KRS Chapter 18A and have under Section 18 of this Act; however, they shall have no guaranteed reemployment rights in the KRS Chapter 151B or KRS Chapter 18A personnel systems. An employee who seeks reemployment in a state position under KRS Chapter 151B or KRS Chapter 18A shall have years of service in the Kentucky**

Community and Technical College System counted toward years of experience for calculating benefits and compensation.

Section 47. KRS 151B.075 is amended to read as follows:

- (1) The State Board for Adult and Technical Education shall adopt written evaluation procedures for all certified and equivalent employees. The procedures shall be based upon recommendations received from the commissioner for adult education and literacy, the commissioner for technical education, and a committee composed of equal numbers of teachers, counselors, and administrators.
- (2) Evaluations shall be in writing. An evaluator shall follow all statutory and regulatory provisions for evaluation and shall present and explain all documentation affecting an employee's evaluation, as well as discuss every aspect of performance with the employee at each evaluation. The evaluator shall solicit the employee's opinions and suggestions and shall advise the employee of the measures needed to improve performance.
- (3) Each full-time employee who has completed initial probation, and each part-time employee who works over one hundred (100) hours each month and who has completed initial probation shall be evaluated.
- (4)
 - (a) The first-line supervisor of an employee shall be the evaluator, providing the period of supervision has been for a period of at least ninety (90) calendar days.
 - (b) If the evaluator has supervised an employee for at least ninety (90) calendar days and ceases to be the employee's first-line supervisor after such period of time, the evaluation of the employee shall be at least five (5) working days prior to the day when the responsibility for supervision ceases.
 - (c) If the first-line supervisor ceases to be the supervisor of an employee due to the suspension, demotion, or dismissal of the first-line supervisor, paragraph (b) of this subsection shall not apply.

- (d) If the first-line supervisor ceases to be an employee's supervisor because the employee transfers, the first-line supervisor shall evaluate the employee prior to transfer, if the period of supervision of the employee is not less than ninety (90) calendar days prior to notification of transfer.
- (5) Teachers and administrators in the state-operated secondary area vocational education and technology centers~~[schools]~~ shall be evaluated in the following categories and appropriate criteria for each category shall be described in the written evaluation procedure:
- (a) School or classroom management, as appropriate;
 - (b) Job knowledge and skills;
 - (c) Instructional management;
 - (d) Employee conduct; and
 - (e) Professional responsibility.
- (6) All other certified and equivalent staff in the field and in the central office shall be evaluated in the following categories with appropriate criteria described in written evaluation procedures:
- (a) Job knowledge and skills;
 - (b) Quality of work;
 - (c) Employee conduct; and
 - (d) Professional responsibility.
- (7) There shall be established by the state board an evaluation appeals procedure for certified or equivalent personnel in the Department for Adult Education and Literacy and the Department for Technical Education.
- (8) (a) Within five (5) working days of an evaluation, an employee may request reconsideration of the evaluation by the evaluator.
- (b) Within five (5) working days of the reconsideration, an employee may:

1. Submit a written response to any evaluation which shall be attached to the evaluation; and
 2. Submit a written request for reconsideration of any evaluation to the second-line supervisor.
- (c) No later than fifteen (15) working days after receipt of the request, the second-line supervisor shall inform the employee and the evaluator in writing of the decision after the second-line supervisor has:
1. Obtained written statements from both the employee and the evaluator; or
 2. Met with the employee and the evaluator; and
 3. Reviewed the evaluation process according to statutory or regulatory requirements as well as the ratings.
- (9) Within thirty (30) days after the employee has received the written decision of the second-line supervisor, the employee may appeal an evaluation to the next level. For the state-operated secondary area vocational education and technology centers~~[Kentucky Tech System]~~, this appeal shall go to the ombudsman for mediation. If not resolved at this level, the employee may file an appeal with the commissioner of the Department for Technical Education who shall make a final ruling. For other employees in the Department for Adult Education and Literacy and the Department for Technical Education, this appeal shall go to the appropriate office head and then to the commissioner.
- (10) If an employee receives an overall unsatisfactory evaluation rating on two (2) successive evaluations, the employee shall be:
- (a) Demoted to a position commensurate with abilities; or
 - (b) Terminated.
- Section 48. KRS 151B.095 is amended to read as follows:

- (1) There is hereby established the State Board for Adult and Technical Education to be attached to the Cabinet for Workforce Development, which shall consist of nine (9) voting members, one (1) from each Supreme Court district as established by KRS 21A.010 and two (2) members from the state at large. Members shall serve for terms of four (4) years. A chairperson shall be selected by the membership.
- (2) The Governor shall make appointments to the board and fill any vacancies as they occur. Appointments shall conform to subsection (4) of this section.
- (3) The terms of the appointees shall expire on June 30 in the appropriate year, and the terms of each new member appointed thereafter shall begin on July 1.
- (4) The members of the State Board for Adult and Technical Education shall have the qualifications of school board members required by KRS 160.180, except that members of the board shall be at least thirty (30) years of age. Appointments shall be made without reference to occupation, political affiliation, or similar considerations. No member at the time of his appointment or during the term of his service shall be engaged as a professional educator.
- (5) Members of the State Board for Adult and Technical Education shall possess an understanding of business and industry and a knowledge of occupational and academic needs of adults. At least one (1) member shall possess a knowledge of vocational rehabilitation services.
- (6) The board may~~[shall have the authority to]~~ enter into agreements with other agencies in order to carry out services under its jurisdiction.
- (7) The board may enter into agreements with the Kentucky Community and Technical College System to provide space and equipment for programs for adults in the state-operated area vocational education and technology centers. The board shall not operate full-time diploma postsecondary programs unless there is an agreement to operate these programs with the Kentucky Community and Technical College System~~[shall be responsible for establishing priorities for,~~

~~and approval of, construction of facilities designed for vocational-occupational programs].~~

~~[(8) The board, in conjunction with the Council on Higher Education, shall, by program title, prepare a complete listing of programs of a vocational-technical-occupational nature offered in public institutions of higher education and the community colleges, state vocational-technical schools and centers, and junior and senior high schools. These listings shall distinguish between vocational-technical-occupational programs for which approval is required by the state board and other general education programs.~~

~~(9) The board shall have the authority and responsibility to review and to make recommendations to the Council on Higher Education concerning both new and existing programs at the associate degree level offered at the institutions of public higher education, including the community colleges, if these programs are of a vocational-technical-occupational nature.]~~

Section 49. KRS 151B.110 is amended to read as follows:

The State Board for Adult and Technical Education shall have the management and control of state-operated secondary area vocational education and technology centers~~[vocational schools]~~, and all programs and services operated in these~~[schools and]~~ centers. In addition, it shall be responsible for adult education and literacy programs and services.

Section 50. KRS 151B.115 is repealed, reenacted, as a new section of KRS Chapter 164, and is amended to read as follows:

Vocational and nonvocational programs offered at the state universities shall be operated and administered by those universities consistent with the regulations developed by the board of trustees or regents and approved by the Council on Postsecondary~~[Higher]~~ Education for the issuance of associate, baccalaureate, or graduate degrees.~~[The State Board for Adult and Technical Education shall not operate or administer any programs~~

for such degrees.] Joint programming and articulation of vocational-technical education nondegree programs with associate degree programs shall be pursued between the Kentucky Community and Technical College System and other postsecondary institutions when feasible. No public institution of higher education[, including the community colleges,] shall offer any new program of a vocational-technical-occupational nature below the associate degree level without the review[consent] of the [State] board of regents for the Kentucky Community[Adult] and Technical College System and the approval of the Council on Postsecondary Education. The [State] board of regents for the Kentucky Community[Adult] and Technical College System[Education], with approval of the Council on Postsecondary[Higher] Education, may contract with public institutions of higher education for the operation of specific programs and projects.

Section 51. KRS 151B.165 is amended to read as follows:

Tuition and fees for secondary pupils enrolled in the state secondary[vocational-technical schools and] area vocational education and technology centers operated by the Department for Technical Education shall be free to all residents of Kentucky. The State Board for Adult and Technical Education shall fix the rate of tuition and fees for [postsecondary pupils and] adults who are enrolled in secondary programs in the state- operated [vocational-technical schools and] area vocational education and technology centers under its control. Adult students enrolled in full-time postsecondary programs under the jurisdiction of the Kentucky Community and Technical College System that are physically located in an area vocational education or technology center shall pay the tuition as established by the Council on Postsecondary Education and fees as established by the board of regents for the Kentucky Community and Technical College System. [The state board shall fix the rate of tuition and fees and the conditions on which postsecondary pupils and adults who are not residents of Kentucky shall be admitted. The state board shall fix such incidental fees as it deems necessary to meet such incidental expenses of postsecondary pupils and adults as may be incurred.]

Section 52. KRS 151B.175 is amended to read as follows:

- (1) The commissioner of the Department for Technical Education is authorized to provide medical and accident insurance for students enrolled in the state secondary area technology centers~~[vocational-technical schools]~~ and area vocational education centers. The Department for Technical Education may enter into a contract or contracts with one (1) or more sureties or insurance companies or their agents to provide appropriate medical and accident insurance coverage and to provide group coverage to all students enrolled in state-operated~~[state vocational-technical]~~ schools under its jurisdiction~~[and area vocational education centers]~~. The appropriate group coverage shall be issued by one (1) or more sureties or insurance companies authorized to transact business in this state, and such coverage shall be approved by the commissioner of insurance.
- (2) The State Board for Adult and Technical Education, upon the recommendation of the commissioner of the Department for Technical Education, shall promulgate administrative regulations to implement the medical and accident insurance program. The State Board for Adult and Technical Education may fix the rate of fees for all secondary~~[and postsecondary]~~ students~~[and adults]~~, the provisions of KRS 151B.165 with respect to fees for secondary students notwithstanding, as it deems necessary to meet the expense in whole or in part for appropriate student medical and accident insurance.
- (3) The limits of liability and other appropriate provisions for student medical and accident insurance authorized by this section shall be set by the State Board for Adult and Technical Education.

Section 53. KRS 151B.215 is amended to read as follows:

- (1) The Kentucky Occupational Information Coordinating Committee (KOICC) is hereby created and shall be attached to the Office for Workforce Analysis and

Research within the Office of the Secretary of the Cabinet for Workforce Development.

- (2) The committee shall coordinate the development, gathering, aggregation, analysis, dissemination, and application of occupational, labor market, educational training, and career information for the purpose of planning and administering occupational, career, employment training, and economic development efforts and for its use in decision making by counselors, students, the unemployed, and others. The committee shall facilitate the integration of occupational, labor market, and educational training opportunities information into the program planning process. The committee shall use this information for the enhancement of economic development endeavors and the Kentucky Career Information System.
- (3) The committee shall do all things necessary to comply with the Adult and Education Act, 20 U.S.C. secs. 1201 et seq.; the Carl D. Perkins Vocational Education Act, 29 U.S.C. secs. 2301 et seq.; the Job Training Partnership Act, 29 U.S.C. secs. 1501 et seq.; and other related public laws which mandate the establishment of state occupational information coordinating committees, state occupational information systems, and state career information systems, including the filing of required reports and annual plans.
- (4) The objectives of the committee shall include, but shall not be limited to, the following:
 - (a) To coordinate, and evaluate information which will be used to develop a comprehensive statewide policy relating to all job training, skills development, and related education programs funded or administered by any agency of the Commonwealth. This statewide policy shall be published and distributed by the committee;

- (b) To promote communication, cooperation, and coordination between producers and users of data and information relating to education and training, employment, and economic development;
 - (c) To work toward providing one (1) commonly-accepted data and information base, based on standardized terminologies and estimating procedures, which can be utilized by all related organizations in meeting the program planning and counseling needs of users;
 - (d) To develop, implement, and operate an occupational information system for use by planners and administrators of educational training programs and economic development efforts;
 - (e) To develop, implement, and operate a Kentucky Career Information System for use by counselors, students, the unemployed, and others in the career decision making process;
 - (f) To provide information and training to user groups on new programs and resources which are available for utilization in the enhancement of common endeavors;
 - (g) To prepare, publish, and distribute, with or without charge as the committee may determine, technical studies, reports, bulletins, and other materials as it deems appropriate; and
 - (h) To collect, analyze, and disseminate to interested individuals, in cooperation with and through any agencies of federal, state, and municipal government, information concerning areas of present and projected employment needs, programs of skills training and education consistent therewith, special occupational licensure requirements, wage data by occupation, and any other relevant information.
- (5) The Kentucky Occupational Information Coordinating Committee (KOICC) shall be composed of the following:

- (a) The secretary of the Cabinet for Workforce Development, who shall serve as chairman;
 - (b) The commissioner of the Department for Employment Services, Cabinet for Workforce Development, who shall serve as vice chairman;
 - (c) The executive director of the Bluegrass State Skills Corporation;
 - (d) The executive director of the Governor's Council on Vocational Education;
 - (e) The commissioner of the Department of Vocational Rehabilitation;
 - (f) ~~[(The commissioner of the Department for Technical Education;~~
 - ~~(g)]~~ The commissioner of the Department for Adult Education and Literacy;
 - ~~(g)~~~~(h)~~ The commissioner of the Department for the Blind;
 - ~~(h)~~~~(i)~~ The ***two (2) chancellors***~~[chancellor]~~ of the~~[University of]~~ Kentucky Community ***and Technical*** College System;
 - ~~(i)~~~~(j)~~ A representative from the Kentucky Council on ***Postsecondary***~~[Higher]~~ Education;
 - ~~(j)~~~~(k)~~ A representative from the Kentucky Chamber of Commerce; and
 - ~~(k)~~~~(4)~~ Five (5) additional representatives from the private sector representing employers, employees, and interested parties who shall be appointed by and serve at the pleasure of the Governor.
- (6) Committee members shall receive no compensation, with the exception of those members serving by virtue of public office, but members shall be reimbursed for their expenses in attending meetings and other authorized activities as provided by regulation.
- (7) The committee shall meet as often as necessary, but at least quarterly in the months of January, April, July, and October, to effectuate its purposes. Meetings shall be called by the chairman and notice of meetings shall be either in writing or other acceptable means of communications. For the purpose of conducting business, a majority of the committee shall constitute a quorum.

- (8) The committee shall be attached to the Cabinet for Workforce Development.
- (9) The committee may create subcommittees as needed to carry out the purposes of the full committee.

Section 54. KRS 151B.410 is amended to read as follows:

- (1) The Department for Adult Education and Literacy shall administer an adult education learning system in regions of the state. The adult education learning system shall include diverse educational services provided by credentialed professionals, based on the learners' current needs and a commitment to life-long learning.
 - (a) Services shall be provided at multiple sites appropriate for adult learning including vocational and technical schools, ~~University of Kentucky~~ community colleges, regional universities, ~~and~~ adult education centers, ~~and~~ family resource centers, adult correctional facilities, and other institutions.
 - (b) Access and referral services shall be initiated at multiple points including businesses, educational institutions, labor organizations, employment offices, and government offices.
 - (c) Multiple funding sources, program support, and partnerships to administer the adult education learning system may include: the Adult Education Act as amended by the National Literacy Act; Kentucky Education Reform Act funded family resource centers; Job Training Partnership Act; Kentucky Bluegrass State Skills Corporation, Job Opportunities and Basic Skills program; adult technical education; ~~University of Kentucky~~ community college system; Parent and Child Education programs; student scholarship and grants; fees for services rendered; and other general, agency, local, federal, and private funds.
- (2) Services included as part of the adult education learning system shall include, but not be limited to:

- (a) Functionally-contexted workplace essential skills training based on employers' needs, leading to a competency-based certificate indicating proficiency in critical thinking, computing, reading, writing, communicating, problem-solving, team-building, and use of technology at various worksites regarding basic skills;
 - (b) Literacy and adult basic education which includes learning for those with academic educational skills below the ninth grade level;
 - (c) Adult secondary education that includes learning above the ninth grade level including GED preparation and the external diploma program, that is a competency-based assessment system which credentials mature adults who have acquired high school level skills through life experiences;
 - (d) Family literacy programs, that have a goal of intergenerational transfer of cognitive skills, support of children's education, participation in Kentucky Education Reform Act and breaking the poverty cycle, by offering basic skills and competencies with parenting, life skills, and parent-child interactive activities; and
 - (e) English as a second language programs for adults who have limited English proficiency.
- (3) (a) The Department for Adult Education and Literacy within the Cabinet for Workforce Development may establish regional adult education advisory committees, representing adult education practitioners, state vocational technical and ~~University of Kentucky~~ community college educators, employment and career advisors, business and industry participants, employees, students, and organized labor.
- (b) The adult education advisory committees shall meet at least twice a year to:

1. Advise the Department for Adult Education and Literacy on the regional training services and needs in the area of adult education and functionally-contexted workplace essential skills;
 2. Report the number and location of referral and access points that have identified an adult population who is or could benefit from service and has an active interest in participation;
 3. Report the number and location of entrance points that have identified an adult population who has been referred for service; and
 4. Report the number of adults served and the number completing programs, method of payment for services, outcomes of service provision, and career and employment change following program completion.
- (4) In administering an adult education system, the Department for Adult Education and Literacy shall:
- (a) Establish regions for purpose of implementing an adult education learning system assisting local programs;
 - (b) Make provision for quality job-specific and workplace essential skills instruction for workers in business and industry, literacy and adult basic education, adult secondary education, including GED preparation, the external diploma program, English as a second language, and family literacy programs, in cooperation with local business, labor, economic development, educational, employment, and service support entities;
 - (c) Develop student assessments in coordination with other educational and employment entities, allowing assessments to be shared when necessary with appropriate personnel for accessing students, additional educational programs, taking into consideration student confidentiality;

- (d) Establish professional credentials for instructors, and make provision for the development of those providers who have not attained the established credentials;
- (e) Develop criteria for certifying adult education providers;
- (f) Develop administrative regulations for consideration by the Cabinet for Workforce Development and the State Board for Adult and Technical Education, including those for business and industry service participation and mechanisms for service funding through all appropriate federal, state, local, and private resources;
- (g) Require and monitor compliance with Cabinet for Workforce Development administrative regulations and policies; and
- (h) Develop and implement performance measures and benchmarks.

Section 55. KRS 154.12-205 is amended to read as follows:

- (1) There is hereby created an independent, de jure corporation of the Commonwealth with all the general corporate powers incidental thereto which shall be known as the "Bluegrass State Skills Corporation." The corporation shall be a political subdivision of the state and shall be attached to the Cabinet for Economic Development.
- (2) The corporation is created and established to improve and promote the employment opportunities of the citizens of the Commonwealth by creating and expanding programs of skills training and education which meet the needs of business and industry.
- (3) The corporation shall be governed by a board of directors consisting of eighteen (18) members, including the following six (6) ex officio members: the commissioner of the Department of Employment Services, the secretary of the Cabinet for Economic Development, the secretary of the Labor Cabinet, the president~~chairman~~ of the Council on Postsecondary~~Higher~~ Education, the

secretary of the Cabinet for Workforce Development and the president~~chancellor~~ of the ~~University of~~ Kentucky Community and Technical College System. The twelve (12) other members shall be appointed by the Governor, including persons having knowledge and experience in business and industry, skills training, education, and minority employment; and at least one (1) of the twelve (12) members shall be appointed to represent labor organizations. Each member appointed by the Governor shall serve for a term of four (4) years, except that in making the initial appointments, the Governor shall appoint three (3) members to serve for one (1) year, three (3) members to serve for two (2) years, three (3) members to serve for three (3) years, and three (3) members to serve for four (4) years. All succeeding appointments shall be for a term of four (4) years.

- (4) In the event of a vacancy, the Governor may appoint a replacement member who shall hold office during the remainder of the term so vacated.
- (5) Any member may be removed from his appointment by the Governor for cause.
- (6) The Governor shall designate a member of the board as its chairman.
- (7) Members of the board of directors of the corporation, except for ex officio members, shall be entitled to compensation for their services in the amount of one hundred dollars (\$100) for each regular or special called meeting of the corporation, and all members shall be entitled to reimbursement for any actual and necessary expenses incurred in the performance of their duties.
- (8) The board of directors of the corporation shall annually elect a vice chairman, a secretary, and a treasurer. The secretary shall keep a record of the proceedings of the corporation and shall be custodian of all books, documents, and papers filed with the corporation, and its official seal.
- (9) The secretary of the Cabinet for Economic Development shall hire an executive director and establish his salary. The executive director shall be the chief administrative and operational officer of the corporation and shall direct and

supervise its administrative affairs and general management subject to the policies, control, and direction of the board.

- (10) All officers and employees of the corporation having access to its funding shall give bond to the corporation, at its expense, in the amount and with the surety as the board may prescribe.

Section 56. KRS 154.47-055 is amended to read as follows:

- (1) Notwithstanding the provisions of KRS Chapter 151B, ~~[on or before January 1, 1995,]~~ the University of Kentucky, Eastern Kentucky University, Morehead State University, and the Kentucky Community and Technical College System ~~[of the University of Kentucky, and the Kentucky Tech System]~~ in conjunction with the corporation shall develop an integrated program and curricula for workforce training in the area of secondary wood products manufacturing, including nondegree and degree courses of study. Neither the corporation nor the Cabinet for Economic Development or any of its agencies or instrumentalities shall provide funding for training, education or any other purpose, to any state agency or institution which provides workforce training or education relating to wood products manufacturing, unless the agency or institution complies with the integrated program and curricula developed in accordance with this section.
- (2) No state agency provider of workforce training shall reduce existing funding for wood industry related training to offset funding received from the corporation under the integrated training program.
- (3) The integrated workforce training program and the curricula shall be designed in a manner that shall provide post-secondary, nondegree and degree level students with the contemporary skills needed for employment in the secondary wood industry.

Section 57. KRS 156.029 is amended to read as follows:

- (1) There is hereby established a Kentucky Board of Education, which shall consist of eleven (11) members appointed by the Governor and confirmed by the Senate and

the House of Representatives of the General Assembly, with the president~~executive director~~ of the Council on Postsecondary~~Higher~~ Education serving as an ex officio nonvoting member. Seven (7) members shall represent each of the Supreme Court districts as established by KRS 21A.010, and four (4) members shall represent the state at large. Each of the appointed members shall serve for a four (4) year term, except the initial appointments shall be as follows: the seven (7) members representing Supreme Court districts shall serve a term which shall expire on April 14, 1994; and the four (4) at-large members shall serve a term which shall expire on April 14, 1992. Subsequent appointments shall be submitted to the Senate and to the House of Representatives for confirmation in accordance with KRS 11.160. Each appointment by the Governor shall be agreed upon by both chambers in order for the person to be confirmed. Each confirmed appointee shall take office on April 15.

- (2) Appointments shall be made without reference to occupation, political affiliation, or similar consideration. No member at the time of his appointment or during the term of his service shall be engaged as a professional educator. Pursuant to KRS 63.080, a member shall not be removed except for cause.
- (3) A vacancy in the membership of the board shall be filled by the Governor for the unexpired term with the consent of the Senate and the House of Representatives. In the event that the General Assembly is not in session at the time of the appointment, the consent of the Senate and the House of Representatives shall be obtained during the time the General Assembly next convenes.
- (4) At the first regular meeting of the board in each fiscal year, a chairperson shall be elected from its voting membership.
- (5) The members shall be reimbursed for actual and necessary expenses incurred in the performance of their duties.
- (6) The commissioner of education shall serve as the executive secretary to the board.

- (7) The primary function of the board shall be to develop and adopt policies and administrative regulations, with the advice of the Local Superintendents Advisory Council, by which the Department of Education shall be governed in planning, coordinating, administering, supervising, operating, and evaluating the educational programs, services, and activities within the Department of Education which are within the jurisdiction of the board.

Section 58. KRS 156.666 is amended to read as follows:

- (1) There is established the Council for Education Technology which shall be an advisory group attached to the Kentucky Board of Education. The council shall develop a master plan for education technology.
- (2) The council shall consist of the Commissioner of the Department of Information Systems, the Secretary of the Education, Arts, and Humanities Cabinet, and the president~~Executive Director~~ of the Council on Postsecondary~~Higher~~ Education who shall serve as ex officio voting members and eight (8) voting members appointed by the Governor within thirty (30) days after April 3, 1992. The members shall be as follows:
- (a) One (1) member of the Kentucky Board of Education;
 - (b) One (1) member of the House of Representatives;
 - (c) One (1) member of the Senate; and
 - (d) Five (5) citizens of the Commonwealth.

A majority of the membership present at any meeting shall constitute a quorum for the official conduct of business.

- (3) Members shall be appointed for four (4) year terms and may be reappointed. The initial members of the board shall be appointed as follows: two (2) members shall be appointed for terms of two (2) years; two (2) members shall be appointed for terms of three (3) years; and four (4) members shall be appointed for terms of four

- (4) years. Members shall receive no compensation but may be reimbursed for actual and necessary expenses in accordance with state laws and regulations.
- (4) Terms of members serving pursuant to KRS 156.665 shall terminate on April 3, 1992.
- (5) Immediately upon receiving notice of the appointment of all members, the chief state school officer shall call an organizational meeting. At this meeting the chief state school officer shall preside as temporary chairman, and the council shall elect from among the members a chairman and any other officers it deems necessary, and define the duties of the officers.
- (6) Meetings shall be held at least two (2) times per year at a time and place designated by the chairman. The Department of Education shall provide staff support for the council.
- (7) The duties and responsibilities of the council shall include, but not be limited to, the following:
- (a) Developing a long-range master plan for the efficient and equitable use of technology at all levels from primary school through higher education, including vocational and adult education. The plan shall focus on the technology requirements of classroom instruction, literacy laboratories, student record management, financial and administrative management, distance learning, and communications as they relate to the Commonwealth's outcome goals for students as described in KRS 158.6451;
 - (b) Creating, overseeing, and monitoring a well-planned and efficient statewide network of technology services designed to meet the educational and informational needs of the schools;
 - (c) Working with private enterprise to encourage the development of technology products specifically designed to answer Kentucky's educational needs;

- (d) Encouraging an environment receptive to technological progress in education throughout the Commonwealth;
- (e) Recommending a policy governing the granting of right of ways for the laying of fiber optic cable in a manner to insure that all of Kentucky's citizens are served equitably, that the fiber optic system is available for educational technology purposes, and that the private and public sectors are partners in the venture; and
- (f) Receiving, holding, investing, and administering all funds received by the council for the purpose of carrying out its duties and responsibilities, as set out in this section. These funds shall be spent with the aim of achieving equality of education throughout the Commonwealth.

Section 59. KRS 156.671 is amended to read as follows:

The chief state school officer shall convene the Commissioner of the Department for Information Systems, one (1) representative of Kentucky Educational Television, one (1) representative of the Council on Postsecondary~~Higher~~ Education, and one (1) representative of the Department of Education to create a strategic plan for distance learning in the Commonwealth and submit it to the Legislative Research Commission by July 1, 1993. The plan shall set forth the Commonwealth's vision for developing a long-term and statewide distance learning strategy. It shall include, but not be limited to, definitions of the types of distance learning delivery systems, an evaluation process for determining and certifying the educational and cost effectiveness of each type of delivery system, comparisons of the various types of delivery systems, and recommendations for implementation.

Section 60. KRS 156.740 is amended to read as follows:

- (1) The Interagency Commission on Educational and Job Training Coordination is hereby created. Its membership shall be composed of the following individuals, serving in an ex-officio capacity:

- (a) The chairman of the Council on Postsecondary~~[Higher]~~ Education;
- (b) The president~~[executive director]~~ of the Council on Postsecondary~~[Higher]~~ Education;
- (c) The chairman of the Kentucky Board of Education;
- (d) The commissioner of the Department of Education;
- (e) The chairman of the State Board for Adult and Technical Education;
- (f) The secretary of the Cabinet for Workforce Development;~~[-and]~~
- (g) The chairman of the Board for the Kentucky Higher Education Assistance Authority; and

(h) The president of the Kentucky Community and Technical College System.

- (2) Members shall serve by virtue of their office. The chairman of the commission shall be chosen annually by a simple majority vote of the members. A quorum for conducting business shall be one-half (1/2) of the members plus one (1). The chair shall rotate annually, so that no person or agency holds the chairmanship in successive years.

Section 61. KRS 156.760 is amended to read as follows:

- (1) As used in KRS 156.760 to 156.766, "commission" means the Kentucky Community Service Commission.
- (2) The Kentucky Community Service Commission is created and shall be attached to the Council on Postsecondary~~[Higher]~~ Education for administrative purposes only. Initial temporary staffing for the commission shall be provided jointly by existing staff of the Council on Postsecondary~~[Higher]~~ Education and the Department of Education. A director and other appropriate staff shall be hired by the commission when federal funds become available.

Section 62. KRS 158.646 is amended to read as follows:

- (1) The Kentucky Institute for Education Research Board is hereby created.

- (2) The board shall establish a corporation which can qualify and obtain status under Section 501(c)(3) of the Internal Revenue Code. The purpose and mission of the corporation shall be to solicit and raise funds through private foundations, grants, and government agencies to support the independent evaluation of the Kentucky Education Reform Act and related activities. The corporation shall serve as a stimulus and clearinghouse for Kentucky Education Reform Act related research projects.
- (3) (a) The board shall cause an in-depth evaluation of the impact of Kentucky Education Reform Act to be performed. This evaluation shall include, but not be limited to, the effect of the reforms on students, individual schools, school systems, and educators. The evaluation shall also include an analysis of the reliability and validity of the changes in scores between baseline scores and scores from subsequent administrations of tests.
- (b) The board shall make recommendations to the citizens and elected leaders of the Commonwealth concerning the enhancement of the benefits of the Kentucky Education Reform Act and the expansion and improvement of services to students.
- (c) The board shall establish an organizational capacity to:
1. Develop and manage implementation of a research design to include the issuing of requests for proposals; awarding of contracts; and general oversight and coordination of the quality and quantity of research;
 2. Conduct research in accordance with a comprehensive research design and establish priorities; and
 3. Design and implement a comprehensive educational data information system.
- (d) The board shall prepare an annual report of its activities and the activities of the corporation and forward copies to the Governor, the Legislative Research

Commission, the Kentucky Board of Education, and the Council on Postsecondary~~Higher~~ Education and make copies available to the citizens of the Commonwealth.

- (e) The board shall hire an executive officer and other necessary personnel to carry out its responsibilities.
- (f) The board shall consist of ten (10) members who shall initially be appointed to two (2) year terms by the Governor. The board shall select from its membership a chairperson and establish bylaws, including bylaws governing board membership and length of terms. Upon expiration of the initial appointments and adoption of bylaws governing membership and length of terms by the board, the board shall be self-perpetuating, and the appointment and length of terms shall be made in accordance with the board's bylaws. Vacancies which occur before the expiration of the initial appointments shall be filled by the Governor for the remaining term of the vacancy.

Section 63. KRS 158.799 is amended to read as follows:

The Kentucky Science and Technology Council, Inc., shall, in cooperation with the Department for Education and the Council on Postsecondary~~Higher~~ Education, develop and conduct a competition among Kentucky middle and high school students for the purpose of choosing a Kentuckian of national or international acclaim as a scientist, mathematician, or engineer for whom the programs developed under KRS 158.798 shall be named.

Section 64. KRS 160.730 is amended to read as follows:

- (1) Parents or eligible students may challenge the content of a student record to ensure that the record or report is not inaccurate, misleading, or otherwise in violation of privacy or other rights of the student. The right to challenge shall also provide the opportunity for rebuttal to, and the correction, deletion, or expunction of, any inaccurate, misleading, or inappropriate information.

- (2) A challenge to the record may take the form of an informal discussion among the parents, student, and school officials. Any agreement between these parties shall be reduced in writing, signed by all parties, and placed in the student's records. If no agreement can be reached, either party may request a formal hearing to the challenge which shall be conducted in accordance with procedures established by rules and regulations of the Department of Education and the Council on Postsecondary~~Higher~~ Education for educational institutions under their jurisdiction. The~~Such~~ rules and regulations shall provide that a formal hearing be conducted within a reasonable time after the request for a hearing; and an official of the educational institution who has no direct interest in the outcome of the challenge shall conduct the hearing and render a decision on the challenge within a reasonable time after the hearing. All parties to the challenge shall be afforded a full and fair opportunity to present evidence relevant to the issues raised. Furthermore, school officials shall take the necessary action to implement the decision.

Section 65. KRS 161.027 is amended to read as follows:

- (1) The Education Professional Standards Board, pursuant to KRS 161.028, shall by administrative regulation establish requirements for a preparation program in institutions of higher education for all new applicants for principal certification and establish criteria for admission to the program.
- (2) The Education Professional Standards Board and the Council on Postsecondary~~Higher~~ Education shall evaluate the preparation programs for principals and maintain only those institutional programs that can demonstrate both the quality and the capability to enroll adequate numbers of students to justify the resources necessary for maintenance of a quality program.
- (3) The Education Professional Standards Board shall develop or select appropriate assessments for applicants seeking certification as principals, including:

- (a) A generic assessment to assure an acceptable level of communication skills, general knowledge, and professional education concepts related to, but not limited to, instructional leadership, management, and supervisory skills; and
 - (b) A specialized assessment on the current instructional and administrative practices in Kentucky public education.
- (4) The Education Professional Standards Board shall establish the minimum score for successful completion of assessments and shall establish a reasonable fee to be charged applicants for the actual cost of administration of the assessments. The Education Professional Standards Board shall provide for confidentiality of assessment scores.
- (5) The Education Professional Standards Board shall develop an internship program which shall provide for the supervision, assistance, and assessment of beginning principals and assistant principals. The internship shall not be required of applicants who have completed, within a ten (10) year period prior to making application, at least two (2) years of successful experience as a principal in a school situation. The Education Professional Standards Board, by administrative regulation, shall establish the internship program.
- (6) The certification of principals shall require the successful completion of the examinations required by subsection (3) of this section. A one (1) year certificate may be given to a person who has:
- (a) A comparable certificate from another state; or
 - (b) All other qualifications except the assessments and is selected as a principal in a district where the superintendent certifies to the Education Professional Standards Board that there is a limited number of applicants to meet the requirements of the school council selecting a principal.

Upon successful completion of the assessments, a certificate shall be issued for an additional four (4) years.

- (7) Upon successful completion of the approved preparation program and the assessments, the chief state school officer shall issue to the applicant a statement of eligibility for internship valid for five (5) years. If the applicant does not participate in an internship program within the five (5) year period, the applicant shall reestablish eligibility by repeating and passing the assessments in effect at that time. Upon obtaining employment for an internship position as principal or assistant principal within the period of eligibility, the applicant shall be issued the appropriate one (1) year certificate for the position.
- (8) All applicants for principal certification, after successfully completing the assessments, shall successfully complete the internship program described in subsection (5) of this section for certification as a principal. If the principal's internship performance is judged to be less than satisfactory pursuant to administrative regulations developed by the Education Professional Standards Board, the principal applicant shall be provided with an opportunity to repeat the internship one (1) time if the applicant is employed by a school district as a principal or assistant principal.
- (9) Following successful completion of the internship program, the principal's certificate shall be extended for four (4) years. Renewal of the certificate shall require the completion of a continuing education requirement as prescribed by the Education Professional Standards Board.

Section 66. KRS 161.028 is amended to read as follows:

- (1) Beginning July 15, 1990, there shall be an Education Professional Standards Board, with the authority and responsibility to:
- (a) Establish standards and requirements for obtaining and maintaining a teaching certificate;

- (b) Set standards for, approve, and evaluate college, university, and school district programs for the preparation of teachers and other professional school personnel;
- (c) Issue, renew, suspend, and revoke teaching certificates;
- (d) Develop specific guidelines to follow upon receipt of an allegation of sexual misconduct by an employee certified by the Education Professional Standards Board. The guidelines shall include investigation, inquiry, and hearing procedures which ensure the process does not revictimize the alleged victim or cause harm if an employee is falsely accused;
- (e) Receive, along with investigators hired by the Education Professional Standards Board, training on the dynamics of sexual misconduct of professionals, including the nature of this abuse of authority, characteristics of the offender, the impact on the victim, the possibility and the impact of false accusations, investigative procedures in sex offense cases, and effective intervention with victims and offenders;
- (f) Maintain data and submit reports to the Governor and the Legislative Research Commission concerning employment trends and performance of certificated personnel and the quality of professional preparation programs. The board shall study the problem of the declining pool of minority teachers in the Commonwealth and submit recommendations for increasing the number of minority teachers to the 1992 Regular Session of the General Assembly;
- (g) Reduce and streamline the credential system to allow greater flexibility in staffing local schools while maintaining standards for teacher competence;
- (h) Develop a professional code of ethics;
- (i) Select and evaluate the executive secretary to the board;
- (j) Approve the biennial budget request; and

- (k) Charge reasonable fees for the issuance, reissuance, and renewal of certificates that are established by administrative regulation. The proceeds shall be used to meet a portion of the costs of the issuance, reissuance, and renewal of certificates, and the costs associated with revoking certificates.
- (2) (a) The board shall be composed of seventeen (17) members. The chief state school officer and the president~~executive director~~ of the Council on Postsecondary~~Higher~~ Education, or their designees, shall serve as ex officio voting members. The Governor shall make the following fifteen (15) appointments:
1. Nine (9) members who shall be teachers representative of elementary, middle or junior high, secondary, special education, and secondary vocational classrooms;
 2. Two (2) members who shall be school administrators, one (1) of whom shall be a school principal;
 3. One (1) member representative of local boards of education; and
 4. Three (3) members representative of institutions of higher education, two (2) of whom shall be deans of colleges of education at public~~state-supported~~ universities and one (1) of whom shall be the chief academic officer of an independent not-for-profit college or university.
- (b) For the initial appointments, the Governor shall designate four (4) members to serve a term of four (4) years; three (3) members to serve a term of three (3) years; three (3) members to serve a term of two (2) years; three (3) members to serve a term of one (1) year.
- (c) A vacancy on the board shall be filled in the same manner as the original appointment within sixty (60) days after it occurs. A member shall continue to serve until his successor is named. Any member who, through change of employment status or residence, or for other reasons, no longer meets the

criteria for the position to which he was appointed shall no longer be eligible to serve in that position.

- (d) Members of the board shall serve without compensation, but shall be permitted to attend board meetings and perform other board business without loss of income or other benefits.
 - (e) A state agency or any political subdivision of the state, including a school district, required to hire a substitute for a member of the board who is absent from his employment while performing board business shall be reimbursed by the board for the actual amount of any costs incurred.
 - (f) A chairman shall be elected by and from the membership. A member shall be eligible to serve no more than three (3) one (1) year terms in succession as chairman. The executive secretary appointed by the chief state school officer from the Department of Education staff shall keep records of proceedings. Regular meetings shall be held at least semiannually on call of the chairman. The Department of Education shall provide staff and support for the board.
 - (g) To carry out the functions relating to its duties and responsibilities, the board is empowered to receive donations and grants of funds; to appoint consultants as needed; and to sponsor studies, conduct conferences, and publish information.
- (3) No later than June, 1997, the board shall develop and submit to the Governor and the Legislative Research Commission plans for the operation of the board after July 15, 1998, including separation of administrative attachment to the Department of Education.
 - (4) The Education Professional Standards Board shall be the successor to the State Board for Elementary and Secondary Education for purposes of performing the duties authorized in KRS 161.027, 161.028, 161.030, 161.042, 161.044, 161.046, 161.048, 161.049, 161.100, 161.115, 161.120, 161.124, and 161.126. Rules,

administrative regulations, and procedures relating to these duties shall not lapse and shall continue in effect until repealed or amended by the Education Professional Standards Board.

Section 67. KRS 161.165 is amended to read as follows:

- (1) The Education Professional Standards Board in cooperation with the Kentucky Board of Education and the Council on Postsecondary~~Higher~~ Education shall develop a coordinated, strategic plan for increasing the number of minority teachers in the Commonwealth. The plan shall include, but not be limited to, recommendations on ways to:
 - (a) Identify methods for increasing the percentage of minority educators in proportion to the number of minority students;
 - (b) Establish programs to identify, recruit, and prepare as teachers minority persons who have already earned college degrees in other job fields;
 - (c) Create awareness among secondary school guidance counselors of the need for minority teachers.
- (2) Upon completion of the plan, the Education Professional Standards Board shall promulgate administrative regulations to establish pilot programs that increase the percentage of minorities who enter and successfully complete a four (4) year teacher preparation program and provide support to minority students in meeting qualifying requirements for students entering a teacher preparation program at institutions of higher education.
- (3) The Education Professional Standards Board shall periodically submit a report to the Interim Joint Committee on Education~~[no later than December 1, 1993,]~~ that evaluates the results of these efforts and includes accompanying recommendations to establish a continuing program for increasing the number of minorities in teacher education.

Section 68. KRS 161.220 is amended to read as follows:

As used in KRS 161.230 to 161.716 and KRS 161.990:

- (1) "Retirement system" means the arrangement provided for in KRS 161.230 to 161.716 and KRS 161.990 for payment of allowances to members;
- (2) "Retirement allowance" means the amount annually payable during the course of his natural life to a member who has been retired by reason of service;
- (3) "Disability allowance" means the amount annually payable to a member retired by reason of disability;
- (4) "Member" means the chief state school officer, deputy commissioners, associate commissioners, and all division directors in the State Department of Education, and any regular or special teacher, or professional occupying a position requiring certification or graduation from a four (4) year college or university, as a condition of employment, and who is employed by public boards, institutions, or agencies as follows:
 - (a) Local boards of education;
 - (b) Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Western Kentucky University, and any community~~[-or-junior]~~ colleges established under the control of these universities, and the Kentucky Community and Technical College System and any community colleges or technical institutions established under its control;
 - (c) State-operated secondary~~[State-and]~~ area vocational education or area technology centers~~[schools]~~, Kentucky School for the Blind, and Kentucky School for the Deaf;
 - (d) The State Department of Education, other public education agencies as created by the General Assembly, and those members of the administrative staff of the Teachers' Retirement System of the State of Kentucky whom the board of trustees may designate by administrative regulation;

- (e) Regional cooperative organizations formed by local boards of education or other public educational institutions listed in this subsection, for the purpose of providing educational services to the participating organizations;
- (f) All full-time members of the staffs of the Kentucky Association of School Administrators, Kentucky Education Association, Kentucky Vocational Association, Kentucky High School Athletic Association, Kentucky Academic Association, and the Kentucky School Boards Association who were members of the Kentucky Teachers' Retirement System or were qualified for a position covered by the system at the time of employment by the association in the event that the board of directors of the respective association petitions to be included. The board of trustees of the Kentucky Teachers' Retirement System may designate by resolution whether part-time employees of the petitioning association are to be included. The state shall make no contributions on account of these employees, either full-time or part-time. The association shall make the employer's contributions, including any contribution that is specified under KRS 161.550. The provisions of this paragraph shall be applicable to persons in the employ of the associations on or subsequent to July 1, 1972;
- (g) The Department for Adult Education and Literacy;
- (h) The Department for Technical Education;
- (i) The Office of General Counsel within the Office of the Secretary of the Cabinet for Workforce Development;
- (j) The Office for Policy, Budget, and Personnel within the Office of the Secretary of the Cabinet for Workforce Development;
- (k) The Office for Administrative Services within the Office of the Secretary of the Cabinet for Workforce Development;
- (l) The Department of Vocational Rehabilitation;
- (m) The Kentucky Educational Collaborative for State Agency Children;

- (n) The Governor's Scholars Program; and
 - (o) Any person who is retired for service from the retirement system and is reemployed by an employer identified in this subsection in a position that the board of trustees deems to be a member.
- (5) "Present teacher" means any teacher who was a teacher on or before July 1, 1940, and became a member of the retirement system created by 1938 (1st Extra. Sess.) Ky. Acts ch. 1, on the date of the inauguration of the system or within one (1) year after that date, and any teacher who was a member of a local teacher retirement system in the public elementary or secondary schools of the state on or before July 1, 1940, and continued to be a member of the system until he, with the membership of the local retirement system, became a member of the state Teachers' Retirement System or who becomes a member under the provisions of KRS 161.470(4);
- (6) "New teacher" means any member not a present teacher;
- (7) "Prior service" means the number of years during which the member was a teacher in Kentucky prior to July 1, 1941, except that not more than thirty (30) years' prior service shall be allowed or credited to any teacher;
- (8) "Subsequent service" means the number of years during which the teacher is a member of the Teachers' Retirement System after July 1, 1941;
- (9) "Final average salary" means the average of the five (5) highest annual salaries which the member has received for service in a covered position and on which the member has made contributions, or on which the public board, institution, or agency has picked-up employee contributions pursuant to KRS 161.540(2), or the average of the five (5) years of highest salaries as defined in KRS 61.680(2)(a), which shall include picked-up employee contributions. However, if any of the five (5) highest annual salaries used to calculate the final average salary was paid within the three (3) years immediately prior to the date of the member's retirement, the

amount of salary to be included for each of those three (3) years for the purpose of calculating the final average salary shall be limited to the lesser of:

- (a) The member's actual salary; or
- (b) The member's annual salary that was used for retirement purposes during each of the prior three (3) years, plus a percentage increase equal to the percentage increase received by all other members employed by the public board, institution, or agency, or for employees of school districts, the highest percentage increase received by members on any one (1) rank and step of the salary schedule of the school district. The increase shall be computed on the salary that was used for retirement purposes.

This limitation shall not apply if the member receives an increase in salary in a percentage exceeding that received by the other members, and this increase was accompanied by a corresponding change in position or in length of employment. This limitation shall also not apply to the payment to a member for accrued annual leave or accrued sick leave which is authorized by statute and which shall be included as part of a retiring member's annual compensation for the member's last year of active service;

- (10) "Annual compensation" means the total salary received by a member as compensation for all services performed in employment covered by the retirement system during a fiscal year. Annual compensation shall not include payment for any benefit or salary adjustments made by the public board, institution, or agency to the member or on behalf of the member which is not available as a benefit or salary adjustment to other members employed by that public board, institution, or agency. The board of trustees shall determine if any benefit or salary adjustment qualifies as annual compensation;

- (11) "Age of member" means the age attained on the first day of the month immediately following the birthdate of the member. This definition is limited to retirement eligibility and does not apply to tenure of members;
- (12) "Age of entrance" means the age attained at the last birthday of any member at the time of the establishment of the retirement system, if the member was a member subject to membership in the system at that time. Otherwise it means the age attained as of July 1 of the fiscal year in which he first becomes a member of the retirement system. Any birthday occurring on February 29 shall be considered as occurring on February 28;
- (13) "Regular interest" means interest at three percent (3%) per annum;
- (14) "Accumulated contributions" means the contributions of a member to the teachers' savings fund, including picked-up employee contributions as described in KRS 161.540(2), plus accrued regular interest;
- (15) "Annuitant" means a person who receives a retirement allowance or a disability allowance;
- (16) "Local retirement system" means any teacher retirement or annuity system created in any public school district in Kentucky in accordance with the laws of Kentucky;
- (17) "Fiscal year" means the twelve (12) month period from July 1 to June 30;
- (18) "Public schools" means the schools and other institutions mentioned in subsection (4) of this section;
- (19) "Dependent" as used in KRS 161.520 and 161.525 means a person who was receiving, at the time of death of the member, at least one-half (1/2) of the support from the member for maintenance, including board, lodging, medical care, and related costs;
- (20) "Active contributing member" means a member currently making contributions to the Teachers' Retirement System, who made contributions in the next preceding

fiscal year, for whom picked-up employee contributions are currently being made, or for whom these contributions were made in the next preceding fiscal year; and

- (21) "Regular teacher, supervisor, or administrator," when used to determine eligibility for membership in the retirement system, means a professional employee holding a position which requires services on a continuing basis equal to at least seven-tenths (7/10) of normal full-time service on a daily or weekly basis.

Section 69. KRS 161.567 is amended to read as follows:

- (1) An optional retirement plan is hereby authorized for designated employees of public postsecondary education institutions~~[of higher education]~~ who are also eligible for membership in the Kentucky Teachers' Retirement System under~~[pursuant to]~~ KRS 161.220(4)(b) and 161.470(1). The purpose of the optional retirement plan shall be to provide suitable retirement and death benefits, while affording the maximum portability of these benefits to the eligible employees as an alternative to membership in the retirement system. Benefits shall be provided by the purchase of annuity contracts, fixed or variable in nature, or a combination thereof, at the option of the participant. The specific provisions of annuity contracts with respect to the benefits payable to members and their beneficiaries shall prevail over specific provisions relating to the same subjects found in KRS 161.220 to 161.716, other than this section.
- (2) The boards of regents of those institutions identified in KRS 161.220(4)(b) shall select no less than two (2) but no more than three (3) companies from which to purchase contracts under the optional retirement plan. As criteria for this selection, the boards of regents shall consider, among other things, the following:
- (a) The portability of the contracts offered or to be offered by a company, based on the number of states in which the company provides contracts under similar plans;

- (b) The efficacy of the contracts in the recruitment and retention of employees for the various state public postsecondary education institutions~~[of higher education]~~;
- (c) The nature and extent of the rights and benefits to be provided by the contracts for participating employees and their beneficiaries;
- (d) The relation of the rights and benefits to the amount of contributions required;
- (e) The suitability of the rights and benefits to the needs and interests of eligible employees and the various state public postsecondary education institutions~~[of higher education]~~; and
- (f) The ability of the designated companies to provide the rights and benefits under those contracts.

Section 70. KRS 161.568 is amended to read as follows:

- (1) Eligibility to participate in the optional retirement plan shall be determined by the board of regents of each of the state public postsecondary education institutions~~[of higher education]~~ identified in KRS 161.220(4)(b). The employees of these institutions of higher education who are initially employed on or after the implementation date of the optional retirement plan may make an irrevocable election to participate in the optional retirement plan within thirty (30) days after their employment date. No member of the Kentucky Teachers' Retirement System who terminates employment and is subsequently reemployed by the same or another public postsecondary education institution~~[of higher education]~~ which participates in the Kentucky Teachers' Retirement System may be eligible to elect to participate in the optional retirement plan unless the date of reemployment is at least six (6) months after the date of termination. These elections shall be made in writing and filed with the appropriate officer of the employer institution.
- (2) Elections of eligible employees hired on or after the implementation date of the optional retirement plan at their employer institution shall be effective on the date

of their employment. If an eligible employee hired subsequent to the implementation date at the employer institution fails to make the election provided for in this section, he shall become a member of the regular retirement plan of the Kentucky Teachers' Retirement System.

Section 71. KRS 164.005 is amended to read as follows:

- (1) There is established the Governor's Postsecondary~~[Higher]~~ Education Nominating Committee which shall consist of seven (7) members representing each of the Supreme Court districts who shall be appointed by the Governor with the consent of the House of Representatives and the Senate. If the General Assembly is not in session at the time of appointment, the consent of the General Assembly shall be obtained during the time the General Assembly next convenes.
- (2) (a) In order to be eligible to serve on the Governor's Postsecondary~~[Higher]~~ Education Nominating Committee, a member at the time of appointment shall have no conflict of interest pursuant to KRS 45A.340. In addition, no member shall have a relative employed by a public postsecondary institution~~[of higher education]~~, the Council on Postsecondary~~[Higher]~~ Education, the Kentucky Higher Education Assistance Authority, the Kentucky Higher Education Student Loan Corporation, or the Kentucky Authority for Educational Television during his tenure on the committee. No more than two (2) persons holding an undergraduate degree from the same institution of higher education shall be members of the committee.
- (b) *The Governor shall make the appointments so as to reflect, inasmuch as possible, equal representation of the two (2) sexes and no less than proportional representation of the two (2) leading political parties of the Commonwealth based on the state's voter registration and to assure that appointments reflect the minority racial composition of the Commonwealth. In filling vacancies to the committee, the Governor shall act so as to*

provide, inasmuch as possible, equal representation of the two (2) sexes by appointing a member of the sex that is the lesser represented at the time of the appointment. If the remaining membership already has an equal number of males and females, the Governor may appoint a member of either sex.~~[The Governor shall make the appointments so as to reflect no less than proportional representation of the minority racial composition of the Commonwealth].~~

(c) In selecting the members of the committee, the Governor shall solicit recommendations from each of the following:

1. Advisory Conference of Presidents;
2. Council on *Postsecondary*~~[Higher]~~ Education Student Advisory Committee;
3. Associations representing faculty from universities, *technical institutions*, and community colleges;
4. Associations representing university, *technical institutions*, and community college alumni;
5. *Postsecondary*~~[Higher]~~ education advocacy groups;
6. The Kentucky Board of Education;~~[and]~~
7. Associations representing business and civic interests; *and*
8. *Associations representing independent, nonprofit colleges and universities.*

(3) (a) Members of the committee representing Supreme Court districts shall serve six (6) year terms and until a successor is appointed, except the initial appointments shall be as follows:

1. Two (2) members shall serve a two (2) year term;
2. Two (2) members shall serve a four (4) year term; and
3. Three (3) members shall serve a six (6) year term.

- (b) The terms of the original appointees shall expire on April 14 in the year designated for the term, and the terms of each member appointed thereafter shall begin on April 15. Appointments shall be submitted to the Senate and to the House of Representatives for confirmation by February 1 in each year that a regular session of the General Assembly convenes. Each appointment shall be consented to by both chambers in order for the person to be confirmed. At the first regular meeting of the committee each fiscal year, a chairperson shall be selected by the membership.
- (4) The members of the committee may be reimbursed for actual and necessary expenditures incurred in the performance of their duties. The expenses of the committee shall be paid out of the appropriation for the Governor's office.
- (5) (a) The committee shall be responsible for submitting three (3) nominations from which the Governor shall select each gubernatorial appointment to a university governing board made pursuant to KRS 164.131, 164.321, and 164.821 and to the Council on Postsecondary~~Higher~~ Education pursuant to KRS 164.011, except for the *four (4) members of the Kentucky Community and Technical College System who shall be nominated by the board of trustees of the University of Kentucky under Section 97 of this Act*~~student member~~. The committee shall not make recommendations for alumni, faculty, and staff appointments made pursuant to KRS 164.131 and 164.821 and the student appointments made pursuant to KRS 164.131, 164.321, and 164.821. If more than one (1) equivalent gubernatorial appointment is being made to a governing board or the Council on Postsecondary~~Higher~~ Education at the same time, the committee shall submit a number of nominees equal to three (3) times the number of vacancies. *The committee shall provide to the Governor, inasmuch as possible, an equal number of male and female nominees. If the Governor needs nominees of a particular sex in*

order to make an appointment, the committee shall only provide nominees of that sex. The Governor shall select the appointees from among the nominees.

- (b) The committee shall be responsible for submitting three (3) nominations from which the Governor shall select each gubernatorial appointment to the Kentucky Authority for Educational Television made pursuant to KRS 168.040, the Kentucky Higher Education Assistance Authority pursuant to KRS 164.746, and the Kentucky Higher Education Student Loan Corporation pursuant to KRS 164A.050. If more than one (1) appointment is being made at the same time, the committee shall submit a number of nominees equal to three (3) times the number of vacancies. The Governor shall select the appointees from among the nominees.
- (c) Nominations shall be made thirty (30) days prior to the expiration of a term or as soon as practicable following an unforeseen vacancy. The Governor shall make the appointment within sixty (60) days following receipt of the nominations. If the Governor does not make the appointment within sixty (60) days, the committee shall select one (1) of the nominees to serve.
- (6) In making its nominations, the committee shall consider the needs of the respective institutions, locate potential appointees, review candidates' qualifications and references, conduct interviews, and carry out other search and screening activities as necessary.
- (7) The Governor's office staff shall provide support services for the committee.

Section 72. KRS 164.0053 is amended to read as follows:

- (1) No appointing authority shall appoint himself or his spouse, or the Governor or his spouse, to a ~~university~~ governing board of a postsecondary institution created pursuant to KRS 164.131, 164.321, or 164.821, or to the Council on Postsecondary~~Higher~~ Education created pursuant to KRS 164.011.

- (2) No full-time employee of a public institution of postsecondary~~[higher]~~ education shall be eligible to serve on the Council on Postsecondary~~[Higher]~~ Education or on the governing board of another institution of postsecondary~~[higher]~~ education, except the community and technical college faculty and nonteaching personnel~~[representative]~~ serving on the board of regents for the Kentucky Community and Technical College System, and except the faculty member appointed under subsection (3) of Section 73 of this Act~~[University of Kentucky Board of Trustees]~~.
- (3) No postsecondary institution shall award an honorary degree to a sitting governor.
- (4) All~~[university]~~ governing board members created pursuant to KRS 164.131, 164.321, and 164.821 and the members of the Council on Postsecondary~~[Higher]~~ Education shall have no conflict of interest pursuant to KRS 45A.340, except for compensation paid to faculty, staff, or student members.

Section 73. KRS 164.011 is amended to read as follows:

- (1) There is hereby created and established~~[shall be]~~ a Council on Postsecondary~~[Higher]~~ Education in Kentucky as an agency, instrumentality, and political subdivision of the Commonwealth and a public body corporate and politic having all powers, duties, and responsibilities as are provided to it by law, appointed for a term set by law pursuant to Section 23 of the Constitution of Kentucky. The council shall be composed of the commissioner of education, a faculty member, a student member, and thirteen (13) citizen~~[the chief state school officer, and seventeen (17) lay]~~ members appointed by the Governor. The citizen members shall be confirmed by the Senate and the House of Representatives under KRS 11.160, and the commissioner of education shall serve as a nonvoting ex officio member. Citizen council members shall be selected from a list of nominees provided to the Governor under the nominating process set forth in

Section 71 of this Act. If the General Assembly is not in session at the time of the appointment, persons appointed shall serve prior to confirmation, but the Governor shall seek the consent of the General Assembly at the next regular session or at an intervening extraordinary session if the matter is included in the call of the General Assembly[: one (1) from each Supreme Court district, ten (10) at large members which shall include a student member].

- (2) By no later than thirty (30) days after the effective date of this Act, the Governor's Postsecondary Education Nominating Committee shall submit nominations to the Governor as set forth in Section 71 of this Act. On making appointments to the council, the Governor shall assure broad geographical and political representation; assure equal representation of the two (2) sexes, inasmuch as possible; assure no less than proportional representation of the two (2) leading political parties of the Commonwealth based on the state's voter registration; and assure that appointments reflect the minority racial composition of the Commonwealth. In filling vacancies to the council, the Governor shall act so as to provide, inasmuch as possible, equal representation of the two (2) sexes by appointing a member of the sex that is the lesser represented at the time of the appointment. If the remaining membership already has an equal number of males and females, the Governor may appoint a member of either sex. No more than two (2) members of the council shall hold an undergraduate degree from any one (1) Kentucky university, and no more than three (3) voting members of the council shall reside in any one (1) judicial district of the Kentucky Supreme Court as of the date of the appointment. However, change in residency after the date of appointment shall not affect the ability to serve.
- (3) One (1) member shall be a full-time faculty member employed at a state institution of postsecondary education. The faculty member shall be appointed to a four (4) year term by the Governor from a list of three (3) nominees selected

and submitted by majority vote of the ten (10) faculty members who serve as faculty representatives of the boards of trustees and boards of regents of the nine (9) postsecondary education institutions.

(4) One (1) member~~[The student member]~~ shall be enrolled as a full-time student at a state~~[public]~~ institution of postsecondary~~[higher]~~ education and shall be selected annually in the following manner: not later than June 1 of each year the eight (8) student body presidents of the four (4) year state public institutions of higher education and the two (2) student members to the Kentucky Community and Technical College System~~[one (1) representative of the community college student body presidents elected from among themselves,]~~ shall elect by majority vote~~[of the nine (9) presidents]~~ three (3) nominees to submit to the Governor. From this list of nominees, the Governor shall appoint a student member.

(5)~~(3)~~ In filling any vacancies, the Governor shall ensure the continuing representation upon the council of the broad constituencies as set forth in subsection (2) of this section. Vacancies on the council shall be filled for the unexpired term in accordance with the procedures established for the original appointments~~[Among the lay members, there shall be at least one (1) undergraduate degree recipient from each of the state universities to be appointed by the Governor, and at least one (1) undergraduate degree recipient from an independent, nonprofit college or university licensed by the council to be appointed by the Governor, one (1) of whom may reside outside the Commonwealth. The gubernatorial appointments shall reflect no less than proportional representation of the minority racial composition of the Commonwealth. The lay members shall constitute the voting membership of the council].~~

(6)~~(4)~~ Each citizen member shall serve a term~~[After the initial appointments, the lay members shall be appointed for regular terms]~~ of six (6) years, except~~[for the~~

~~student member who shall serve a one (1) year term.] the initial appointments shall be as follows:~~

- (a) *Two (2) appointments shall expire December 31, 1997*~~[Two (2) members shall serve one (1) year terms, one (1) of which shall be the student member];~~
- (b) *Three (3) appointments shall expire December 31, 1998*~~[Three (3) members shall serve two (2) year terms];~~
- (c) *Two (2) appointments shall expire December 31, 1999*~~[Three (3) members shall serve three (3) year terms];~~
- (d) *Two (2) appointments shall expire December 31, 2000*~~[Three (3) members shall serve four (4) year terms];~~
- (e) *Two (2) appointments shall expire December 31, 2001*~~[Three (3) members shall serve five (5) year terms]; and~~
- (f) *Two (2) appointments shall expire December 31, 2002*~~[Three (3) members shall serve six (6) year terms].~~

~~(7)[(5)]~~ Any person, other than the chief state school officer, holding either an elective or appointive state office or who is a member of the governing board of any state university in Kentucky, shall be ineligible for membership or appointment on the council during his term.

~~(8)[(6)]~~ *The members of the council shall elect the chair and the vice chair of the council from among the council's membership, and the chair and vice chair shall serve at the pleasure of the council. The vice chair shall serve as chair in the absence of the chair*~~[When the council meets to consider curricula for teacher education, three (3) persons who are from accredited institutions of higher learning, and who have been appointed by the executive committee of the Kentucky Association of Colleges, Secondary and Elementary Schools, shall be invited to meet with the council in an advisory capacity].~~

- (9) The council shall meet at least quarterly and at other times upon the call of the chair or a majority of the council.
- (10) A quorum shall be a majority of the appointive membership of the council.
- (11) A quorum shall be required to organize and conduct the business of the council, except that an affirmative vote of eight (8) or more appointive members of the entire council shall be required to dismiss from employment the president of the council, and to adopt or amend the state strategic postsecondary education agenda.
- (12) New appointees to the council shall not serve more than two (2) consecutive terms. Appointees after the effective date of this Act who previously served on the Council of Higher Education may serve two (2) additional full consecutive terms.

Section 74. KRS 164.020 is amended to read as follows:

The Council on Postsecondary~~[Higher]~~ Education in Kentucky shall:

- (1) Develop and implement the strategic agenda with the advice and counsel of the Strategic Committee on Postsecondary Education. The council shall provide for and direct the planning process and subsequent strategic implementation plans based on the strategic agenda as provided in Section 6 of this Act;
- (2) Revise the strategic agenda and strategic implementation plan with the advice and counsel of the committee as set forth in Section 4 of this Act;
- (3) Develop a system of public accountability related to the strategic agenda by evaluating the performance and effectiveness of the state's postsecondary system. The council shall prepare a report in conjunction with the accountability reporting described in Section 84 of this Act, which shall be submitted to the committee, the Governor, and the General Assembly by December 1 annually. This report shall include a description of contributions by postsecondary institutions to the quality of elementary and secondary education in the Commonwealth;

(4) Review, revise, and approve the missions of the state's universities and the Kentucky Community and Technical College System. The Council on Postsecondary Education shall have the final authority to determine the compliance of postsecondary institutions with their academic, service, and research missions;

(5) Establish and ensure that all postsecondary institutions in Kentucky cooperatively provide for an integrated system of postsecondary education. The council shall guard against inappropriate and unnecessary conflict and duplication by promoting transferability of credits and easy access of information among institutions;

(6) Engage in analyses and research to determine the overall needs of postsecondary~~higher~~ education in the Commonwealth;

(7)~~(2)~~ Develop plans that may be required by federal legislation~~and transmit to the Governor comprehensive plans for public higher education which meet the needs of the Commonwealth. The plans so developed shall conform to the respective functions and duties of the state universities, the community colleges, and the University of Kentucky, as provided by statute~~. The council shall for all purposes of federal legislation relating to planning be considered the "single state agency" as that term may be used in federal legislation. When federal legislation requires additional representation on any "single state agency," the Council on Postsecondary~~Higher~~ Education shall establish advisory groups necessary to satisfy federal legislative or regulatory guidelines;

(8)~~(3)~~ Determine tuition and approve the minimum qualifications for admission to the state postsecondary educational system~~public institutions of higher education~~. In determining the tuition for non-Kentucky residents, the council shall consider the fees required of Kentucky students by institutions in adjoining states, the resident fees charged by other states, the total actual per student cost of training in the

institutions for which the fees are being determined, and the ratios of Kentucky students to non-Kentucky students comprising the enrollments of the respective institutions, and other factors the council may in its sole discretion deem pertinent.

(9) Devise, establish, and periodically review and revise policies to be used in making recommendations to the Governor for consideration in developing recommendations to the General Assembly for appropriations to the universities and the Kentucky Community and Technical College System. The council has sole discretion, with advice of the Strategic Committee on Postsecondary Education and the executive officers of the postsecondary education system, to devise policies that provide for allocation of funds among the universities and the Kentucky Community and Technical College System;

(10) Lead and provide staff support for the biennial budget process as provided under KRS Chapter 48, in cooperation with the committee;

~~[(4) Consider the requirements and review the budget requests, which shall be prepared in the manner and submitted by the institutions to the council by dates prescribed by the council, of the institutions of public higher education as to their appropriate level of support considering the functions of the institutions and their respective needs. The council, in cooperation with the university presidents, shall devise, establish, and periodically review and revise formulas for use in making recommendations to provide to the Governor and the Legislature for use in making appropriations for the institutions of higher learning. The formulas shall provide for adequate and equitable allocation of funds among the several universities considering their respective needs and statutory, institutional, and geographic missions. In the development, revision, and refinement of formulas, committees composed of members of the council staff and a representative of each of the state universities shall conduct hearings on each campus in a manner to give all principal~~

~~segments of each institution the opportunity to participate in the development of the formulas. The studies shall include, but not be limited to:~~

- ~~(a)—A review of formulas used by other states to calculate needs and appropriate funds for institutions of higher education;~~
- ~~(b)—A complete review of selected comparable institutions with reference to both the state appropriations and tuition charges; and~~
- ~~(c)—A review of institutional activities and programs that can be calculated for use in the development of the formulas.~~

~~—There shall be included in the final report the institutional responses to the studies and their recommendations and the recommendations of the advisory conference of presidents. Nothing in this chapter shall prevent or prohibit the Governor, the Legislature, the Council on Higher Education, or the governing board of any institution of higher education from requesting or recommending deviations from any applicable formula or formulas prescribed by the Council on Higher Education and advancing reasons and arguments in support of them. The individual institutions' budget requests, including tuition and registration fee schedules for all categories of students, along with council recommendations shall be submitted to the Governor through the Finance and Administration Cabinet not later than November 15 of each odd-numbered year. The council shall submit a separate budgetary recommendation for the University of Kentucky community college system.]~~

(11) (a) (5) **Except as provided in paragraph (b) of this subsection,** review and approve all capital construction projects **covered by KRS 45.750(1)(f), including real property acquisitions, and regardless of the source of funding for projects or acquisitions**~~[the cost of which exceeds four hundred thousand dollars (\$400,000) approved by the governing boards of the state-supported institutions of higher education prior to the institutions' submission~~

of the projects to the Finance and Administration Cabinet or the State Property and Buildings Commission]. *Approval of capital projects and real property acquisitions shall be on a basis consistent with the strategic agenda and the mission of the respective universities and the Kentucky Community and Technical College System.*

(b) The organized groups that are establishing community college satellites as branches of existing community colleges in the counties of Laurel, Leslie, and Muhlenburg, and that have substantially obtained cash, pledges, real property, or other commitments to build the satellite at no cost to the Commonwealth, other than operating costs that shall be paid as part of the operating budget of the main community college of which the satellite is a branch, are authorized to begin construction of the satellite on or after January 1, 1998.

~~(12)~~⁽⁶⁾ Require reports from the executive officer of each institution it deems necessary for the effectual performance of its duties;[-]

~~(7)~~ Publish annually a report of the educational and financial affairs of the institutions and disseminate other information relating to higher education.[-]

~~(13)~~⁽⁸⁾ Develop a university track program within the[- University of] Kentucky Community *and Technical* College System consisting of sixty (60) hours of instruction that can be transferred and applied toward the requirements for a bachelor's degree at the public universities. The track shall consist of general education courses and pre-major courses as prescribed by the council. Courses in the university track program shall transfer and apply toward the requirements for graduation with a bachelor's degree at all public universities. Successful completion of the university track program shall meet the academic requirement for transfer to a public university as a junior. By fall semester of 1997, requirements for track programs shall be established for all majors and baccalaureate degree programs;[-]

(14)~~(9)~~ Define and approve the offering of all postsecondary~~higher~~ education technical, associate, baccalaureate, graduate, and professional degree, ~~or~~ certificate, or diploma programs in the public postsecondary~~state-supported~~ ~~higher~~ education institutions. The council shall expedite wherever possible the approval of requests from the Kentucky Community and Technical College System board of regents relating to new certificate, diploma, technical, or associate degree programs of a vocational-technical and occupational nature. Without the consent of the General Assembly, the council shall not abolish or limit the total enrollment of the general program offered at any community college to meet the goal of reasonable access throughout the Commonwealth to a two (2) year course of general studies designed for transfer to a baccalaureate program. This does not restrict or limit the authority of the council, as set forth in this section, to eliminate or make changes in individual programs within that general program.

(15) Eliminate, in its discretion, existing programs or make any changes in existing academic programs at the state's postsecondary educational institutions, taking into consideration these criteria:

- (a) Consistency with the institution's mission and the strategic agenda;
- (b) Alignment with the priorities in the strategic implementation plan for achieving the strategic agenda;
- (c) Elimination of unnecessary duplication of programs within and among institutions; and
- (d) Efforts to create cooperative programs with other institutions through traditional means, or by use of distance learning technology and electronic resources, to achieve effective and efficient program delivery;

(16) Ensure the governing board and faculty of all postsecondary education institutions are committed to providing instruction free of discrimination against

students who hold political views and opinions contrary to those of the governing board and faculty;

(17) Review proposals and make recommendations to the Governor regarding the establishment of new public~~[state-supported]~~ community colleges, technical institutions, and new four (4) year colleges;~~[-]~~

(18) ~~[The Council on Higher Education shall]~~Postpone the approval of any new program at a state postsecondary educational institution~~[of higher learning]~~, unless the institution has met its equal educational opportunity goals, as established by the council. In accordance with administrative regulations promulgated by the council, those institutions not meeting the goals shall be able to obtain a temporary waiver, if the institution has made substantial progress toward meeting its equal educational opportunity goals;~~[-]~~

(19) Ensure the coordination, transferability, and connectivity of technology among postsecondary institutions in the Commonwealth including the development and implementation of a technology plan as a component of the strategic agenda;~~[Provided, nothing in this section, KRS 164.011, 164.125, and 164.290 to 164.295 shall be construed to grant the Council on Higher Education authority to disestablish or eliminate any college of law which became a part of the state system of higher education through merger with a state college.]~~

(20)~~[(10)]~~ Approve the teacher education programs in the public institutions that comply with standards established by the Education Professional Standards Board pursuant to Section 66 of this Act;~~[-]~~

~~(11)~~ Elect a chairperson annually from the voting membership and appoint an executive director and staff needed and fix their compensation without limitation of the provisions of KRS Chapter 18A and KRS 64.640, subject to the approval of the commissioner of personnel and the secretary of the Finance and Administration

~~Cabinet. No relative of a Council on Higher Education member shall be employed by the agency.]~~

~~(21)[(12)]~~ Constitute the representative agency of the Commonwealth in all matters of postsecondary~~[higher]~~ education of a general and statewide nature which are not otherwise delegated to one (1) or more institutions of postsecondary~~[higher]~~ learning. The responsibility may be exercised through appropriate contractual relationships with individuals or agencies located within or without the Commonwealth. The authority includes, but is not limited to, contractual arrangements for programs of research, specialized training, and cultural enrichment;[-]

~~(22)[(13)]~~ Maintain~~[Develop]~~ procedures for the approval of a designated receiver to provide for the maintenance of student records of the public institutions of higher education and the colleges as defined in KRS 164.945, and institutions operating pursuant to KRS 165A.310 which offer collegiate level courses for academic credit, which cease to operate~~[after July 15, 1980]~~. Procedures shall include assurances that, upon proper request, subject to federal and state laws and regulations, copies of student records shall be made available within a reasonable length of time for a minimum fee;[-]

~~(23)[(14)]~~ Monitor and transmit a report on compliance with KRS 164.351~~[. The report shall be transmitted]~~ to the director of the Legislative Research Commission for distribution to the Health and Welfare Committee;[-]

~~(24)[(15)]~~ Develop in cooperation with each state postsecondary educational institution~~[of higher education]~~ a comprehensive orientation program for new members of the council and the~~[to be carried out by the respective institution for newly appointed]~~ governing boards~~[board trustees and regents]~~. The orientation program shall include, but not be limited to, the~~[presentation of]~~ information concerning the roles of the council, the strategic agenda and the strategic implementation plan, and

the respective institution's mission, budget, plans, policies, strengths, and weaknesses;[-]

- (25) Develop a financial reporting procedure to be used by all state postsecondary education institutions to ensure uniformity of financial information available to state agencies and the public;
- (26) Select and appoint a president of the council under Section 5 of this Act;
- (27) Employ consultants and other persons and employees as may be required for the council's operations, functions, and responsibilities;
- (28) Promulgate administrative regulations, in accordance with KRS Chapter 13A, governing its powers, duties, and responsibilities as described in this section;
- (29) Prepare and present by January 31 of each year an annual status report on postsecondary education in the Commonwealth to the Governor, the Strategic Committee on Postsecondary Education, and the Legislative Research Commission;
- (30) Ensure that the state postsecondary system does not unnecessarily duplicate services and programs provided by private postsecondary institutions and shall promote maximum cooperation between the state postsecondary system and private postsecondary institutions;
- (31) Create advisory groups representing the presidents, faculty, nonteaching staff, and students of the public postsecondary education system and the independent colleges and universities;
- (32) Develop a statewide policy to promote employee and faculty development in all postsecondary institutions through the waiver of tuition for college credit coursework in the public postsecondary education system. Any regular full-time employee of a postsecondary public institution may, with prior administrative approval of the course offering institution, take a maximum of six (6) credit

hours per term at any public postsecondary institution. The institution shall waive the tuition up to a maximum of six (6) credit hours per term; and

(33) Exercise any other powers, duties, and responsibilities necessary to carry out the purposes of this chapter. Nothing in this chapter shall be construed to grant the Council on Postsecondary Education authority to disestablish or eliminate any college of law which became a part of the state system of higher education through merger with a state college.

Section 75. KRS 164.0205 is amended to read as follows:

The Council on Postsecondary~~Higher~~ Education in Kentucky shall promote, support, and assist in the program created in KRS 158.798 by:

- (1) Identifying college students who have a superior academic aptitude or achievement in math, science, and technology related course work to participate in this program;
- (2) Educating higher education institutions as to the availability of this program and encouraging participation by administrators, faculty, and students;
- (3) Establishing liaison and assisting in the coordination of any specific program component which involves college-level internships, scholarships, or career development.

Section 76. KRS 164.021 is amended to read as follows:

The president or chief executive officer of each four (4) year state institution of higher learning and the president of the Kentucky Community and Technical College System shall serve on an advisory conference for the Council on Postsecondary~~Higher~~ Education. The Advisory Conference of Presidents will receive the full agenda for each meeting of the council a reasonable time prior to the council meeting and, in the event of viewpoints differing from the Council on Postsecondary~~Higher~~ Education, an elected spokesperson for the conference may meet with the council and the executive committee to present before the council the institutional positions on such issues. At least once each

year the Council on Postsecondary~~[Higher]~~ Education will meet with the Advisory Conference of Presidents.

Section 77. KRS 164.027 is amended to read as follows:

- (1) The Council on Postsecondary~~[Higher]~~ Education shall have authority to provide for a program of occupational qualification development in the Commonwealth. The program may be provided for by contract with any recognized and accredited municipal junior college located within the Commonwealth. The contract shall provide that the college shall admit to its course of instruction, up to such percentage of its full teaching capacity as may be fixed by contract, residents of the Commonwealth who make application to pursue the course of study of the college; provided, however, that the persons shall be classified as residents according to council administrative regulations and shall be eligible for admissions to the junior college.
- (2) The Council on Postsecondary~~[Higher]~~ Education shall pay to the college not more than two hundred dollars (\$200) per school year for each student enrolled. The payments shall be additional to the annual tuition fees paid by each student. The council shall have authority to provide by contract that it pay the expense of specific research projects or programs conducted by the college. The council shall make an annual report of its occupational qualification development program after June 30 of each year, including an accounting of all moneys received and disbursed. The council shall have no authority to incur any obligation in excess of the sums that have been appropriated to it.

Section 78. KRS 164.028 is amended to read as follows:

There shall be established in the Council on Postsecondary~~[Higher]~~ Education an Office of Professional Education Preparation Programs. The office shall have as its principal responsibility the coordination, development, and implementation, through appropriate means, of educational activities directed toward solving the problem of professional

manpower distribution in the Commonwealth. For the purposes of KRS 164.028 to 164.029, the words "profession" and "professional" mean medicine and dentistry.

Section 79. KRS 164.0282 is amended to read as follows:

The Council on Postsecondary~~Higher~~ Education shall:

- (1) Employ a director and sufficient staff to administer the professional education preparation programs;
- (2) Formulate guidelines and policies governing program activities and fund expenditures;
- (3) Allocate funds to appropriate agencies, organizations, and institutions for the purpose of conducting activities approved in accordance with guidelines and policies;
- (4) Recognize regional groups made up of professionals, educators, and consumers, which shall serve in an advisory capacity to the council in accordance with guidelines and policies;
- (5) Recognize a group made up of professionals, educators and consumers which shall serve in an advisory capacity to the council on all program matters;
- (6) Develop and maintain a mechanism for evaluating the impact of the program activities on admissions to, and graduation from, professional schools, and on professional manpower distribution;
- (7) Conduct specific program activities which are beyond the capability of a single institution, agency, or organization, or when it is determined that it would be inappropriate for such institutions, agencies, or organizations to conduct the activity;
- (8) Establish liaison with and provide assistance to the Kentucky Board of Education ~~and the State Board for Occupational Education~~ in developing counseling and other related programs to encourage students from shortage areas to prepare for professional careers;

- (9) Coordinate the development of a financial support system to enable potential professional students in underserved areas which will enhance their ability to apply for, be admitted to, and graduate from professional education programs;
- (10) Report at least annually to the appropriate committees and interim committees of the General Assembly on the operation of the program.

Section 80. KRS 164.029 is amended to read as follows:

The Area Health Education System in the Council on Postsecondary~~[Higher]~~ Education is hereby recognized.

Section 81. KRS 164.030 is amended to read as follows:

The governing board of each of the state postsecondary educational institutions~~[-of higher learning]~~ shall make such changes or adjustments in the curricula and such rules and regulations affecting their schools as are necessary to carry out and put into effect the rulings of the Council on Postsecondary~~[Higher]~~ Education in regard to curricular offerings, entrance fees and qualifications for admission to and reports from their respective institutions.

Section 82. KRS 164.050 is amended to read as follows:

The members of the Council on Postsecondary Education shall receive one hundred dollars (\$100)~~[sixty five dollars (\$65)]~~ per day for each council meeting attended and shall be reimbursed for their necessary traveling and other expenses while attending the meetings of the council, except a member who resides outside the Commonwealth shall not be reimbursed for out-of-state travel. Each institution shall pay the expenses of its own representatives. The expenses of the chief state school officer shall be paid by the state in the same manner as his other traveling expenses are paid.

Section 83. KRS 164.070 is amended to read as follows:

The council shall meet in the office of the president~~[executive director]~~ or such other place as it designates.

Section 84. KRS 164.095 is amended to read as follows:

- (1) As used in this section, unless the context requires otherwise:
- (a) "Disability" means hard of hearing, including deafness; speech or language impairment; visual impairment, including blindness; orthopedic impairment; other health impairment that substantially limits a major life activity; or specific learning problem.
 - (b) "Institution" means public universities, their subdivisions, and the ~~University of~~ Kentucky Community ***and Technical*** College System.
- (2) It is the intent of the General Assembly that an accountability process be implemented which provides for a systematic ongoing evaluation of quality and effectiveness in Kentucky ***postsecondary educational*** ~~public~~ institutions ~~of higher education~~ and to provide a method for evaluating each institution's progress toward meeting specific ***goals, principles, strategies, objectives, and benchmarks as set forth in the strategic agenda established in Section 6 of this Act*** ~~standards~~. It is further the intent of the General Assembly that the accountability process monitor performance at the institutions in each of the major areas of instruction, research, and public service, while recognizing the individual missions of each of the institutions. The accountability process shall provide for the adoption of systemwide and individual performance goals with standards identified ***with the advice of*** ~~through a collaborative effort involving~~ the ***postsecondary educational*** ~~higher education~~ institutions and the Council on ***Postsecondary*** ~~Higher~~ Education.
- (3) *The Council on Postsecondary Education shall develop and implement a system of accountability for the postsecondary education institutions that measures:***
- (a) *Educational quality and educational outcomes;***
 - (b) *Student progress in the postsecondary system;***
 - (c) *Research and service activities;***
 - (d) *Use of resources;***

(e) Other performance or outcomes that support the achievement of the strategic agenda, including involvement in quality enhancement of elementary and secondary education; and

(f) Other indicators as deemed appropriate by the Council on Postsecondary Education.

(4) The Council on Postsecondary Education shall collect information, maintain a comprehensive database, and publish reports on the condition of the postsecondary education system that include but are not limited to student enrollments, utilization of facilities, and the finances of the institutions [The

accountability process shall be implemented in phases as follows:

~~(a) By October 1, 1992, the Council on Higher Education shall submit to the Governor and the Legislative Research Commission a plan for implementing the higher education accountability process. The plan shall provide a timetable which identifies the specific performance standards and related goals to be implemented each year, with full implementation by December 31, 1994. The plan shall include, but not be limited to, data gathered and reported in a manner prescribed by the Council on Higher Education on the following performance standards:~~

- ~~1. Total student credit hours produced, by institution and by discipline;~~
- ~~2. Total number of degrees awarded, by institution and by discipline;~~
- ~~3. Total number of contact hours of instruction produced by faculty, rank of faculty, institution, and course level;~~
- ~~4. A measure of faculty workload to include the hours spent in the following activities: instruction, course preparation, noninstructional student contact, research, and public service;~~
- ~~5. Pass rates on professional licensure examinations, by institution;~~

- ~~6.— Institutional quality as assessed by follow-up surveys of alumni, parents, clients, and employers;~~
- ~~7.— Length of time and number of academic credits required to complete an academic degree, by institution and by degree.~~
- ~~8.— Enrollment, persistence, retention, and graduation rates by discipline and by race, gender, and disability. The disability category shall include all students who are clients of vocational rehabilitation and students who make their disability known to the institution;~~
- ~~9.— Student course demand analysis;~~
- ~~10.— Classroom utilization;~~
- ~~11.— Research and public service activities, including activities supporting elementary and secondary education reform;~~
- ~~12.— The number and percentage of accredited programs and the number and percentage of programs eligible for accreditation;~~
- ~~13.— The percent and number of students enrolled in remedial courses and the number of students exiting remedial courses and successfully completing entry-level curriculum courses; and~~
- ~~14.— The number of full-time students who have transferred from a two-year, post-secondary institution and the number of these students who have successfully completed a four-year program}.~~

(5) ~~{(b) Beginning December 1, 1993, }~~The Council on Postsecondary~~[Higher]~~ Education shall submit to the Governor and the Legislative Research Commission an annual accountability report providing information on the implementation of performance standards and the achievement of the performance goals during the prior year and initiatives to be undertaken during the next year.

Section 85. KRS 164.125 is amended to read as follows:

- (1) The University of Kentucky shall provide:

- (a) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, associate and baccalaureate programs of instruction;
 - (b) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, master degree programs, specialist degree programs above the master's-degree~~[masters-degree]~~ level, and joint doctoral programs in cooperation with other public postsecondary educational~~[state-supported]~~ institutions~~[of higher education]~~ in the state;
 - (c) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, doctoral and post-doctoral programs and professional instruction including law, medicine, dentistry, education, architecture, engineering and social professions.
- (2) The University of Kentucky shall be the principal state institution for the conduct of statewide research and statewide service programs and shall be the primary~~[only]~~ institution authorized to expend state general fund appropriations on research and service programs of a statewide nature financed principally by state funds. As applied in this section, research and service programs of a statewide nature shall be programs requiring the establishment and operation of facilities or centers outside of the primary service area of the institution. *In carrying out its statewide mission, the University of Kentucky shall conduct statewide research and provide statewide services including, but not limited to, agricultural research and extension services, industrial and scientific research, industrial technology extension services to Kentucky employers, and research related to the doctoral, professional, and post-doctoral programs offered within the university. The university may establish and operate centers and utilize state appropriations and other resources to carry out the necessary research and service activities throughout the state. The university may enter into joint research and service activities with other universities in order to accomplish its statewide mission.*

Nothing contained in this subsection shall limit the authority of the Council on Postsecondary Education to establish instructional programs that are consistent with the strategic agenda.

- (3) The University of Kentucky *shall provide comprehensive community college programs at the Lexington Community College. The Lexington Community College, as one of the fourteen (14) community colleges that composed the University of Kentucky Community Colleges on the effective date of this Act, shall be provided an equitable share of the funds appropriated to improve the funding levels of the community colleges for the 1997-98 fiscal year. Subsequent biennial budget requests for the Lexington Community College shall be included in the University of Kentucky's budget requests, as a separate line item, and shall not be considered a part of the Kentucky Community and Technical College System requests* ~~is authorized to provide programs of a community college nature in its own community comparable to those listed for the community college system, as provided by KRS Chapter 164].~~

Section 86. KRS 164.131 is amended to read as follows:

- (1) *(a)* The government of the University of Kentucky is vested in a board of trustees appointed for a term set by law pursuant to Section 23 of the Constitution of Kentucky.
- (b)* *All persons appointed after the effective date of this Act shall be required to attend and complete an orientation program prescribed by the council under Section 74 of this Act, as a condition of their service.*
- (c)* *The board shall periodically evaluate the institution's progress in implementing its missions, goals, and objectives to conform to the strategic agenda. Officers and officials shall be held accountable for the status of the institution's progress.*

(d) Board members may be removed by the Governor for cause, which shall include neglect of duty or malfeasance in office, after being afforded a hearing with counsel before the council and a finding of fact by the council.

(e) The board shall consist of sixteen (16) members appointed by the Governor, two (2) members of the faculty of the University of Kentucky, ~~one (1) member of the teaching faculty of the community college system,~~ and one (1) member of the student body of the University of Kentucky. The voting members of the board shall select a chairperson annually.

(2) (a) The terms of the appointed members shall be for six (6) years and until their successors are appointed and qualified; except the initial appointments shall be as follows:

1. Two (2) members shall serve one (1) year terms;
2. Two (2) members shall serve two (2) year terms, one (1) of whom shall be a graduate of the university, selected from a list of three (3) names submitted by the alumni of the university according to rules established by the board of trustees;
3. Three (3) members shall serve three (3) year terms;
4. Three (3) members shall serve four (4) year terms, one (1) of whom shall be a graduate of the university, selected as under subparagraph 2. of this subsection;
5. Three (3) members shall serve five (5) year terms; and
6. Three (3) members shall serve six (6) year terms, one (1) of whom shall be a graduate of the university, selected as under subparagraph 2. of this subsection.

(b) Three (3) of the appointments shall be graduates of the university and may include one (1) graduate of the institution who resides outside the Commonwealth; three (3) shall be representative of agricultural interests; and

ten (10) shall be other distinguished citizens representative of the learned professions.

(c) The Governor shall make the appointments so as to reflect proportional representation of the two (2) leading political parties of the Commonwealth based on the state's voter registration and to reflect no less than proportional representation of the minority racial composition of the Commonwealth.

(d) Appointments to fill vacancies shall be made for the unexpired term in the same manner as provided for the original appointments.

(3)~~[(a)]~~ The two (2) University of Kentucky faculty members shall be of the rank of assistant professor or above. They shall be elected by secret ballot by all University of Kentucky faculty members of the rank of assistant professor or above. Faculty members shall serve for terms of three (3) years and until their successors are elected and qualified. Faculty members shall be eligible for reelection, but they shall be ineligible to continue to serve as members of the board of trustees if they cease to be members of the faculty of the university. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for original elections.

~~[(b) The faculty member representing the community college system shall be a teaching or research member at one (1) of the community colleges. The community college faculty member shall be elected by secret ballot by members of the community college faculties. The community college faculty member shall serve for a three (3) year term and until a successor is elected and qualified. No community college shall have a faculty representative on the board of trustees for more than one (1) term in succession. The community college faculty member shall be ineligible to continue to serve as a member of the board of trustees if he ceases to be a member of the faculty at one (1) of the community colleges. Election to fill a vacancy shall be made for the unexpired term in the same manner as provided for original election.]~~

- (4) The student member shall be the president of the student body of the university during the appropriate academic year and may be an out-of-state resident if applicable. If the student member does not maintain his position as student body president or, his status as a full-time student at any time during that academic year, a special election shall be held to select a full-time student. The student member shall serve for a term of one (1) year beginning with the first meeting of the fiscal year which contains that academic year.
- (5) The number of student and employee trustees of the University of Kentucky elected to the board shall not exceed four (4).
- (6) No member of the administrative staff of the university shall be directly or indirectly interested in any contract with the university for the sale of property, materials, supplies, equipment, or services, with exception of compensation to the three (3) faculty members.
- (7) *New appointees of the board shall not serve more than two (2) consecutive terms. Board members serving as of the effective date of this Act may be reappointed at the end of their existing terms and may serve two (2) additional full consecutive terms.***

Section 87. KRS 164.150 is amended to read as follows:

No member of a governing board of a public institution of ~~postsecondary~~^{higher} education shall be held to be a public officer by reason of his membership on the board except as provided in KRS 45A.335 for the purpose of KRS 45A.340.

Section 88. KRS 164.260 is amended to read as follows:

The board of trustees may acquire additional lands or other property or material under Section 140 of this Act and KRS 45.750(1)(f) for the purpose of expanding its plant and extending its usefulness. When unable to contract with the owner of land or other property or material necessary for the purposes of the university, it may acquire the same

by condemnation proceedings in the manner provided in the Eminent Domain Act of Kentucky.

Section 89. KRS 164.283 is amended to read as follows:

- (1) As used in this section unless the context otherwise requires:
 - (a) "Academic" means a student's official record of academic performance, including, but not limited to transcript of grades or other action taken by the institution directly related to academic performance. The term "academic" does not include any nonacademically-related action the institution may take.
 - (b) "Universities and colleges" means all state~~public~~ supported postsecondary educational institutions~~[-of higher learning]~~ in Kentucky.
 - (c) "Institution" means all public supported institutions of higher learning in Kentucky.
- (2) All student academic records shall be confidential and shall not require a student's Social Security number to identify the student, with the exception of the exemptions stated in subsections (3) to (9) of this section, and shall not be released by any public supported institution of higher education in Kentucky, to any person, organization, institution, group or agency, except with the express consent of the individual student. This confidentiality shall apply only to student academic records, including, but not limited to official transcript of grades.
- (3) All student academic records shall be made available upon request to any agency of the federal or state government for the purpose of determining a student's eligibility for military service, and shall include making such records available to local draft boards. This authority shall be limited only to determining the student's eligibility for military service and shall not be extended, except with the individual student's consent as specified in subsection (2) of this section.
- (4) Any institution may provide the legal parents of any student under twenty-one (21) years of age with a copy of the student's academic record.

- (5) All student academic records shall be made available to any federal, state, or local law enforcement agency and any court of law upon request or issuance of a subpoena.
- (6) All student academic records shall be made available upon request to any grantor of scholarships or loans based upon the maintenance of a satisfactory level of scholarship, but shall be for the official use of the grantors only.
- (7) All student academic records shall be made available upon request to a public or private junior college from which the individual student was graduated or to a public or private secondary school from which the individual student was graduated.
- (8) All student academic records shall be made available upon request to the Council on Postsecondary~~[Higher]~~ Education for professional academic research.
- (9) All student academic records shall be made available upon request to any official of the university or college in which the student is enrolled who is directly concerned with the student's academic progress. This authority shall include but is not limited to the individual student's academic adviser.
- (10) This section shall be applicable to all academic records maintained by all public postsecondary educational~~[supported]~~ institutions~~[of higher education]~~ in Kentucky.

Section 90. KRS 164.287 is amended to read as follows:

Each board of regents or trustees of the public postsecondary educational~~[state-supported]~~ institutions~~[of higher learning]~~ is authorized to provide for liability and indemnity insurance against the negligence of drivers or operators of motor vehicles or other mobile equipment owned or operated by the board. If the transportation of members of the student bodies is let out under contract, the contract shall require the contractor to carry indemnity or liability insurance against negligence in such amount as the board designates. In either case the indemnity bond or insurance policy shall be issued by some

surety or insurance company authorized to transact business in this state, and shall bind the company to pay any final judgment not to exceed the limits of the policy rendered against the insured for loss or damage to property of any student or other person, or death or injury of any student or other person.

Section 91. KRS 164.2871 is amended to read as follows:

- (1) The governing board of each state **postsecondary educational** institution~~[of higher education]~~ is authorized to purchase liability insurance for the protection of the individual members of the governing board, faculty, and staff of such institutions from liability for acts and omissions committed in the course and scope of the individual's employment or service. Each institution may purchase the type and amount of liability coverage deemed to best serve the interest of such institution.
- (2) All retirement annuity allowances accrued or accruing to any employee of a state **postsecondary educational** institution~~[of higher education]~~ through a retirement program sponsored by the state **postsecondary educational** institution~~[of higher education]~~ are hereby exempt from any state, county, or municipal tax, and shall not be subject to execution, attachment, garnishment, or any other process whatsoever, nor shall any assignment thereof be enforceable in any court. Except retirement benefits accrued or accruing to any employee of a state **postsecondary educational** institution~~[of higher education]~~ through a retirement program sponsored by the state **postsecondary educational** institution~~[of higher education]~~ on or after January 1, 1998, shall be subject to the tax imposed by KRS 141.020, to the extent provided in KRS 141.010 and 141.0215.
- (3) Except as provided in KRS Chapter 44, the purchase of liability insurance for members of governing boards, faculty and staff of institutions of higher education in this state shall not be construed to be a waiver of sovereign immunity or any other immunity or privilege.

(4) The governing board of each state postsecondary education institution is authorized to provide a self-insured employer group health plan to its employees, which plan shall conform to the requirements of subtitle 32 of KRS Chapter 304 and shall be exempt from conformity with subtitle 17A of KRS Chapter 304.

Section 92. KRS 164.288 is amended to read as follows:

Any of the **state postsecondary educational** institutions~~[of higher education]~~ or the state on behalf of any of the institutions may accept federal aid in the form of services, equipment, supplies, materials or funds by way of gift, grant or loan for the purpose of higher education including student loans. Any of the institutions acting through its president or its governing board is hereby authorized to receive such services, equipment, supplies, materials and funds as are available. The institutions are authorized to use funds appropriated to them in carrying out the matching provisions required by federal programs, loans or grants.

Section 93. KRS 164.289 is amended to read as follows:

Notwithstanding any other provision of KRS Chapter 164, the faculty member of any governing board of any **postsecondary educational** institution~~[of higher education]~~ supported in whole or in part by state funds, whether or not described as nonvoting, shall have the right to vote on all matters except that of faculty compensation.

Section 94. KRS 164.2891 is amended to read as follows:

Any university **or postsecondary educational institution** under the jurisdiction of the Council on **Postsecondary**~~[Higher]~~ Education may have a faculty member as a voting member of its board of trustees or regents.

Section 95. KRS 164.295 is amended to read as follows:

The six (6) state universities shall provide:

- (1) Upon approval of the Council on **Postsecondary**~~[Higher]~~ Education, associate and baccalaureate programs of instruction;

- (2) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, graduate programs of instruction at the master's-degree~~[masters-degree]~~ level in education, business, and the arts and sciences, specialist degrees, and programs beyond the master's-degree~~[masters-degree]~~ level to meet the requirements for teachers, school leaders, and other certified personnel;
- (3) Research and service programs directly related to the needs of their primary geographical areas;
- (4) And, may provide programs of a community college nature in their own community comparable to those listed for the~~[University of]~~ Kentucky Community and Technical College System, as provided in Section 111 of this Act~~[by this chapter]~~.

Section 96. KRS 164.310 is amended to read as follows:

There shall be a board of regents for each of the state universities~~[colleges]~~, to be known as the board of regents of the ... State University and a board of regents for the Kentucky Community and Technical College System~~[(or College)]~~.

Section 97. KRS 164.321 is amended to read as follows:

- (1) Eastern Kentucky University, Morehead State University, Murray State University, Western Kentucky University, Kentucky State University,~~[and]~~ Northern Kentucky University, and the Kentucky Community and Technical College System shall each be governed by a board of regents appointed for a term set by law pursuant to Section 23 of the Constitution of Kentucky.

(a) Each board of the regional universities shall consist of eight (8) members appointed by the Governor, one (1) member of the teaching faculty, one (1) member of the university nonteaching personnel, and one (1) member of the student body of the respective university or college. The members of the board shall select a chairperson annually.

(b) The board of the Kentucky Community and Technical College System shall consist of eight (8) members appointed by the Governor, two (2) members of

the teaching faculty, two (2) members of the nonteaching personnel, and two (2) members of the student body.

1. Four (4) members shall be appointed by the Governor from three (3) nominations for each of four (4) appointments, recommended by the board of trustees of the University of Kentucky. The Governor may request additional nominations at his discretion.

2. Four (4) members shall be appointed by the Governor from nominations by the Governor's Postsecondary Nominating Committee, under Section 71 of this Act.

No more than three (3) appointed members of the board shall reside in any one (1) judicial district of the Kentucky Supreme Court as of the date of the appointment. However, change in residency after the date of appointment shall not affect the ability to serve. In making initial appointments, the Governor shall act so as to provide equal representation of the two (2) sexes. In filling vacancies, the Governor shall act so as to provide, inasmuch as possible, equal representation of the two (2) sexes by appointing a member of the sex that is the lesser represented at the time of the appointment. If the remaining membership already has an equal number of males and females, the Governor may appoint a member of either sex.

- (2) The terms of appointed members shall be for six (6) years and until their successors are appointed and qualified, except the initial appointments to the board of regents for the Kentucky Community and Technical College System shall be as follows:
- (a) One (1) member shall serve a one (1) year term;
 - (b) One (1) member shall serve a two (2) year term;
 - (c) Two (2) members~~[One (1) member]~~ shall serve~~[a]~~ three (3) year terms~~[term]~~;
 - (d) One (1) member shall serve a four (4) year term;

(e) One (1) member~~[Two (2) members]~~ shall serve a five (5) year term~~[terms]~~;
and

(f) Two (2) members shall serve six (6) year terms.

New appointees of a board of regents shall not serve for more than two (2) consecutive terms. Board members serving as of the effective date of this Act may be reappointed at the end of their existing terms and may serve two (2) additional full consecutive terms.

- (3) The gubernatorial appointments may include one (1) graduate of the respective institution who resides outside the Commonwealth. Not more than two (2) appointed members of any board shall be residents of one (1) county. The appointments shall reflect the proportional representation of the two (2) leading political parties of the Commonwealth based on the state's voter registration. Membership on the board shall reflect no less than proportional representation of the minority racial composition of the Commonwealth. Membership on the board shall not be incompatible with any state office.
- (4) Appointments to fill vacancies shall be made in the same manner and within the same time after the occurrence of the vacancy as regular appointments. The person appointed shall hold the position for the unexpired term only.
- (5) Each member of the board shall serve for the term for which he is appointed and until his successor is appointed and qualified.
- (6) (a) The faculty member shall be a teaching or research member of the faculty of his respective university or college of the rank of assistant professor or above. He shall be elected by secret ballot by all faculty members of his university or college of the rank of assistant professor or above. The faculty member shall serve for a term of three (3) years and until his successor is elected and qualified. The faculty member shall be eligible for reelection, but he shall not be eligible to continue to serve as a member of the board if he ceases being a

member of the teaching staff of the university or college. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for the original election.

(b) The faculty members of the Kentucky Community and Technical College System shall be represented by one (1) faculty member elected from the community colleges and one (1) faculty member elected from the technical institutions to serve three (3) year terms and until their successors are named. The faculty representatives of each branch shall be elected by means of a process established by the board. The faculty members may be reelected but shall not serve more than two (2) consecutive terms. A faculty member shall be ineligible to continue to serve as a member of the board if he ceases to be a member of the faculty at one (1) of the institutions within the system. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for the original election. These two (2) members shall collectively have one (1) vote which may be cast one-half (1/2) vote by each member.

(7) **(a)** The nonteaching personnel member in a regional university shall be any full-time staff member excluding the president, vice presidents, academic deans, and academic department chairpersons. He shall represent all nonteaching university employees including, but not limited to, building facilities and clerical personnel. He shall be elected by secret ballot by the nonteaching employees. The nonteaching personnel member shall serve a term of three (3) years and until his successor is elected and qualified. The nonteaching personnel member shall be eligible for reelection, but he shall not be eligible to continue to serve as a member of the board if he ceases being an employee of the university. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for the original election.

(b) The nonteaching personnel members in the Kentucky Community and Technical College System shall be any full-time staff member excluding a president, chancellor, vice president, academic dean, academic department chair, or other administrator. They shall represent all nonteaching employees in their respective branch institutions including, but not limited to, support and clerical personnel. One (1) member shall be a representative from the community colleges and one (1) member shall be a representative from the technical institutions. They shall serve three (3) year terms and until their successors are named. These two (2) members shall collectively have one (1) vote which may be cast one-half (1/2) vote by each member. The nonteaching personnel members of each branch shall be elected by means of a process established by the board. A nonteaching personnel member may be reelected but shall not serve more than two (2) consecutive terms. A nonteaching employee shall be ineligible to continue to serve as a member of the board if that employee ceases to be a nonteaching employee at one (1) of the institutions within the system. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for the original election.

- (8) (a) The student member on a regional university board shall be the president of the student body of the university during the appropriate academic year and may be an out-of-state resident if applicable. If the student member does not maintain his position as student body president or his status as a full-time student at any time during that academic year, a special election shall be held to select a full-time student member. The student member shall serve for a term of one (1) year beginning with the first meeting of the fiscal year which contains that academic year.

- (b) Two (2) full-time student members shall be elected to the board of regents for the Kentucky Community and Technical College System. One (1) shall represent students of the community colleges and one (1) shall represent the technical institutions. The student members shall be elected by means of a process established by the board. The student members shall serve one (1) year terms beginning with the first meeting of the fiscal year that contains the academic year. If the student member does not maintain his or her status as a full-time student, a special election shall be held to fill the vacancy. The two (2) members shall collectively have one (1) vote which may be cast one-half (1/2) vote by each member.
- (9) All persons appointed after the effective date of this Act shall be required to attend and complete an orientation program prescribed by the council under Section 74 of this Act, as a condition of their service.
- (10) Board members may be removed by the Governor for cause, which shall include neglect of duty or malfeasance in office, after being afforded a hearing with counsel before the Council on Postsecondary Education and a finding of fact by the council.
- (11) The initial board of the Kentucky Community and Technical College System shall be appointed by July 31, 1997:
- (a) By not later than thirty (30) days after the effective date of this Act, the Governor's Postsecondary Nominating Committee shall submit nominations to the Governor as set forth in subsection (1) of this section for initial appointments to the board.
- (b) By June 10, 1997, the board of trustees for the University of Kentucky shall submit nominations to the Governor, as set forth in subsection (1) of this section, for initial appointments to the board. For any subsequent appointment to be made from nominations from the board of trustees, the

board of trustees shall forward nominations thirty (30) days prior to the expiration of a term or as soon as practicable following an unforeseen vacancy. If the Governor needs nominees of a particular sex in order to make an appointment, the board of trustees shall only provide nominees of that sex.

Section 98. KRS 164.330 is amended to read as follows:

Each board of regents shall hold its first meeting within thirty (30) days after each appointment of new members. At this meeting there shall be elected a vice chairperson and a secretary for the board. Each board shall appoint a treasurer, and such officers as it deems necessary but no member of any of the boards shall be appointed treasurer. No member of any board shall draw any salary for his services, but shall be reimbursed for necessary expenditures made in going to and from each meeting of the board and for other legitimate expenses, except a member who resides outside the Commonwealth shall not be reimbursed for out-of-state travel. The expenses shall be paid out of the funds of the *appropriate institution*~~[university or college]~~.

Section 99. KRS 164.335 is amended to read as follows:

In addition to the qualifications provided in KRS 164.131 for members of the board of trustees of the University of Kentucky, in KRS 164.821 for members of the board of trustees of the University of Louisville, and in KRS 164.321 for members of the board of regents of other Kentucky universities and *of the Kentucky Community and Technical College System*~~[state colleges]~~, no person who is a member of either house of the Kentucky General Assembly shall serve as a member of the board of trustees or board of regents of any *public institution*~~[state-supported college or university]~~.

Section 100. KRS 164.340 is amended to read as follows:

The governing board shall meet quarterly at the *institution*~~[university or college]~~ or at such other place as is agreed upon. Upon written request of the president of the institution or of two (2) members of the board, the chairman of the board shall call a special meeting

at a place designated by him, and the board may at such special meeting transact any or all business that it may transact at a regular meeting. A majority of the members of the board shall constitute a quorum for the transaction of business, but no appropriation of money shall be made nor any contract that requires a disbursement of money shall be authorized, and no teacher employed or dismissed, unless a majority of all the members of the board vote for it.

Section 101. KRS 164.350 is amended to read as follows:

- (1)** The government of each of the state universities and **the Kentucky Community and Technical College System**~~colleges~~ is vested in its respective board of regents. Each board of regents, when its members have been appointed and qualified, shall constitute a body corporate, with the usual corporate powers, and with all immunities, rights, privileges, and franchises usually attaching to the governing bodies of educational institutions. Each board may:
- (a)**~~(1)~~ Receive grants of money and expend the same for the use and benefit of the university or college;
- (b)**~~(2)~~ Adopt bylaws, rules, and regulations for the government of its members, officers, agents, and employees, and enforce obedience to such rules;
- (c)**~~(3)~~ Require such reports from the president, officers, faculty, and employees as it deems necessary and proper from time to time;
- (d)**~~(4)~~ Determine the number of divisions, departments, bureaus, offices, and agencies needed for the successful conduct of the affairs of the university or college; and
- (e)**~~(5)~~ Grant diplomas and confer degrees upon the recommendation of the president and faculty.
- (2)** **Each board of regents shall periodically evaluate the institution's progress in implementing its missions, goals, and objectives to conform to the strategic**

agenda. Officers and officials shall be held accountable for the status of the institution's progress.

(3) In addition to the duties required in subsections (1) and (2) of this section, the board of regents for the Kentucky Community and Technical College System, upon recommendation of the president of the system, shall:

(a) Develop and implement guidelines for the preparation of biennial budget requests by the administrators of the Technical Institutions' Branch and the University of Kentucky Community College System. The guidelines pertaining to community colleges shall define the processes for review and approval by the boards of directors for the community colleges;

(b) Adopt a biennial budget request for each branch of the Kentucky Community and Technical College System upon the recommendation of the chancellor for the respective branch and the president of the system.

1. The board of regents shall submit the biennial budget request for the Technical Institutions' Branch to the Council on Postsecondary Education for its action.

2. The board of regents shall transmit the biennial budget request for the University of Kentucky Community College System to the board of trustees of the University of Kentucky for consideration. The board of trustees shall review the biennial budget request for the University of Kentucky Community College System and shall transmit the biennial budget request for the University of Kentucky Community College System, along with recommendations to the council for its action.

3. The biennial budget request for the University of Kentucky, adopted by the board of trustees, shall identify the amount of funds by source and related purpose in the biennial budget request for administering the

University of Kentucky Community College System except for the Lexington Community College.

4. All funds that are appropriated to the University of Kentucky for administering the Community College System, except for the Lexington Community College, shall be transferred and allotted to the board of regents.

(c) Adopt an allocation process for distributing the funds appropriated to the Technical Institutions' Branch and the University of Kentucky Community College System by the General Assembly to the institutions within the system; and

(d) Consider recommendations from the boards of directors of the community colleges to improve the overall budget planning and allocation processes.

The board of regents shall assure that the budget planning and implementation processes are consistent with the adopted strategic agenda and biennial budget and with the missions of the institutions within the system.

Section 102. KRS 164.351 is amended to read as follows:

- (1) State colleges and universities and the Kentucky Community and Technical College System shall provide information on how to prevent the transmission of the human immunodeficiency virus consistent with the Centers for Disease Control guidelines, to all freshmen and transfer students.
- (2) Each state technical institution, community college, or university shall inform students of the name and telephone number of a technical institution, community college, college, or university counselor trained to counsel persons about the human immunodeficiency virus.

Section 103. KRS 164.352 is amended to read as follows:

If a board of trustees or regents of a public~~[state-supported]~~ institution of postsecondary education~~[higher learning]~~ provides access to its campus or its student directory

information to persons or groups which make students aware of occupational or educational options, the boards shall provide access on the same basis to official recruiting representatives of the military forces of the state and the United States for the purpose of informing students of educational and career opportunities available in the military.

Section 104. KRS 164.360 is amended to read as follows:

- (1) (a) Each board of regents for the universities may appoint a president, and on the recommendation of the president may, in its discretion, appoint all faculty members and employees and fix their compensation and tenure of service, subject to the provisions of subsection (2) of this section.
 - (b) *The board of regents for the Kentucky Community and Technical College System shall appoint a president, and on the recommendation of the president may, in its discretion, appoint all faculty members and employees and fix their compensation and tenure of service, subject to the provisions of subsection (2) of this section.*
- (2) No person shall be employed for a longer period than four (4) years. No person shall be employed at an institution where his relative serves on the board of regents for that institution.
- (3) Each board may remove the president of the university or Kentucky Community and Technical College System~~[college]~~, and upon the recommendation of the president may remove any faculty member or employees, but no president or faculty member shall be removed except for incompetency, neglect of or refusal to perform his duty, or for immoral conduct. A president or faculty member shall not be removed until after ten (10) days' notice in writing, stating the nature of the charges preferred, and after an opportunity has been given him to make defense before the board by counsel or otherwise and to introduce testimony which shall be heard and determined by the board. Charges against a president shall be preferred by the

chairperson of the board upon written information furnished to him, and charges against a faculty member shall be preferred in writing by the president unless the offense is committed in his presence.

Section 105. KRS 164.365 is amended to read as follows:

- (1)** Anything in any statute of the Commonwealth to the contrary notwithstanding, the power over and control of appointments, qualifications, salaries and compensation payable out of the State Treasury or otherwise, promotions, and official relations of all employees of Eastern Kentucky University, Western Kentucky University, Murray State University, Northern Kentucky University, and Morehead State University, as provided in KRS 164.350 and 164.360, and of Kentucky State University **and the Kentucky Community and Technical College System**, shall be under the exclusive jurisdiction of the respective governing boards of each of the institutions named.
- (2)** **The board of regents for the Kentucky Community and Technical College System shall develop personnel rules for the governing of its members, officers, agents, and employees by June 30, 1998. The board shall adopt interim policies to govern employees hired from July 1, 1997, until the permanent rules are adopted.**
- (3)** **Upon receipt of a written authorization from an employee of the Kentucky Community and Technical College System, the board shall deduct dues from the employee's paycheck for employee membership organizations. Dues shall be deducted at a rate established by the organization, and shall be discontinued upon written notification by an employee to both the system and the employee organization. On a quarterly basis, the Kentucky Community and Technical College System shall provide to each employee membership organization an updated list that includes the names and home addresses of the employees who are having dues deducted from their paychecks for the purpose of maintaining membership in that organization.**

Section 106. KRS 164.400 is amended to read as follows:

The respective boards of regents of the state universities and colleges *and the Kentucky Community and Technical College System* shall establish such incidental fees and nonresident tuition fees as will be sufficient for the purpose of paying the incidental expenses of the university or college and as are consistent with the recommendations of the Council on *Postsecondary*~~[Higher]~~ Education. No money derived from nonresident tuition or other fees paid by students shall be used for any other purpose, except such amount as is over and above that needed to defray the incidental expenses.

Section 107. KRS 164.410 is amended to read as follows:

- (1) The governing board of *a postsecondary education*~~[an]~~ institution~~[of higher education]~~ may purchase or lease land *under Section 140 of this Act* for the purpose of securing the erection of buildings~~[,]~~ and may receive by any legal mode of conveyance, purchase, and hold property *under Section 140 of this Act* of any description that the board deems necessary for the purposes of the school, and may build and construct improvements for such purposes and hold or sell the same. If a governing board is unable to agree with the owner of the real estate as to its value, or to its purchase, it may proceed in its own name to condemn the real estate in the manner provided in the Eminent Domain Act of Kentucky. Real estate acquired by purchase or condemnation shall be paid for out of money appropriated to the institution.
- (2) The governing board of each institution shall periodically review the assets of the institution and shall sell and convey *under Section 140 of this Act* those assets not necessary for implementing the institutional mission. Proceeds from the disposition shall be deposited in the unexpended plant fund account or in the fund for excellence authorized by KRS 164A.620.
- (3) Any real property acquired under this section shall be in name of the Commonwealth for the use and benefit of the institution.

Section 108. KRS 164.460 is amended to read as follows:

The president of each postsecondary education institution~~[of higher education]~~ shall make to his governing board written reports which shall contain a full account of receipts of money from all sources, amount, and purpose of disbursements thereof, and the condition of the university or college. The reports shall be made according to a schedule established by the board.

Section 109. KRS 164.4781 is amended to read as follows:

~~[By the beginning of the 1986-87 school year,]~~ There shall be an interpreter training program at one (1) public institution of higher education to ensure that qualified interpreters are available to meet the needs of deaf and hard of hearing students attending the institutions of higher education. The Council on Postsecondary~~[Higher]~~ Education shall select an institution which has demonstrated expertise in training interpreters and is currently providing support services for deaf and hard of hearing students to develop and offer the training program. The program shall lead to a minimum of an associate degree in interpreting.~~[By the beginning of the 1987-88 school year,]~~ The university shall implement an extension interpreter training program which shall move to different sites throughout the state from year to year. These programs shall be exempt from the normal student load requirements for a period of ten (10) years or until it can be clearly demonstrated that an adequate supply of interpreters is available in all parts of the state, whichever is later.

Section 110. KRS 164.540 is amended to read as follows:

(1) The Council on Postsecondary~~[Higher]~~ Education in Kentucky as defined in KRS 164.011 is hereby designated as the agency of the Commonwealth of Kentucky charged with the responsibility and vested with all necessary authority, subject to the conditions and restrictions set out in subsection (2) of this section, to carry out the obligations, participate in the planning and negotiations, and administer the rights, benefits, and privileges, devolving upon the Commonwealth of Kentucky

and its citizens pursuant to the regional compact referred to in KRS 164.530, and to do all such other acts and things as may be necessary or desirable to implement the provisions of said regional compact efficiently and impartially for the benefit of all citizens of the Commonwealth.

- (2) In its participation in the regional compact, or in any other regional plan having a similar purpose, the Commonwealth of Kentucky shall not erect, acquire, develop, or maintain in any manner any educational institution within its borders to which any student would be refused entrance on the basis of race, national origin, gender, creed, or religion~~[Negroes will not be admitted on an equal basis with other races, nor shall any Negro citizen of Kentucky be forced to attend any segregated regional institution to obtain instruction in a particular course of study if there is in operation within the Commonwealth at the time an institution that offers the same course of study to students of other races].~~

Section 111. KRS 164.580 is amended to read as follows:

- (1) ~~The University of~~ Kentucky Community and Technical College System is established. The Kentucky Community and Technical College System~~[Each community college]~~ shall provide:

(a)~~(1)~~ A general two (2) year academic curriculum with credits transferable to two (2) year and four (4) year colleges and universities;

(b)~~(2)~~ Technical and semiprofessional programs of two (2) years or less;~~[and]~~

(c)~~(3)~~ Within a two (2) year college curriculum, courses in general education, including adult education, not necessarily intended for transfer nor technically oriented; and

(d) Services to Kentucky's employers and the general public to provide continuing education and customized training for purposes of improving the knowledge and skills of Kentucky workers and citizens in all regions of the state.

(2) The Kentucky Community and Technical College System shall be responsive to the needs of students and employers in all regions of the Commonwealth with accessible education and training to support the lifelong learning needs of Kentucky citizens in order to:

- (a) Increase the basic academic and literacy skills of adults through adult basic education and remedial education services;
- (b) Increase the technical skills and professional expertise of Kentucky workers through associate and technical degrees, diploma, and certificate programs;
- (c) Increase the access for students to complete the prebaccalaureate associate degree in arts or associate degree in science for ease of transfer to four (4) year institutions;
- (d) Enhance the relationship of credentials between secondary and postsecondary programs which permit secondary students to enter programs through early admission, advanced placement, or dual enrollment;
- (e) Facilitate transfers of credit between certificate, diploma, technical, and associate degree programs;
- (f) Develop a pool of educated citizens to support the expansion of existing business and industry and the recruitment of new business and industry;
- (g) Enhance the flexibility and adaptability of Kentucky workers in an ever-changing and global economy through continuing education and customized training for business and industry;
- (h) Promote the cultural and economic well-being of the communities throughout Kentucky; and
- (i) Improve the quality of life for Kentucky's citizens.

(3) Students attending the University of Kentucky Community College System under the administration of the board of regents for the Kentucky Community and Technical College System may pursue four (4) kinds of degree programs:

- (a) Associate degree programs approved by the board of trustees as of the effective date of the transfer of the management responsibilities of the University of Kentucky Community College System to the Kentucky Community and Technical College System. These programs shall be periodically reviewed by a process established by the board of trustees of the University of Kentucky. A report shall be forwarded to the chancellor of the University of Kentucky Community College System, the board of regents, and the board of trustees. If the board of trustees finds that a degree program does not meet its prescribed standards of quality and the institution does not correct the deficiencies within a two (2) year period, the board of trustees may recommend to the Council on Postsecondary Education that the program no longer bear the name of the University of Kentucky. The board of trustees of the University of Kentucky shall confer degrees and award diplomas for these programs;
- (b) New associate degree programs to be awarded in the name of the University of Kentucky. These degree programs shall be reviewed and approved by the board of regents prior to submission to the University of Kentucky board of trustees for approval. The programs shall be offered only after the approval of the Council on Postsecondary Education. The board of trustees shall confer degrees and award diplomas for these programs;
- (c) Associate degree programs developed by the Kentucky Community and Technical College System, approved by the board of regents and the Council on Postsecondary Education. The board of regents shall confer degrees and award diplomas for the approved programs; and
- (d) Joint degree programs developed between the University of Kentucky Community College System and the Technical Institutions' Branch or other institutions.

- (4) Degrees shall be conferred upon community college students and their diplomas awarded by the University of Kentucky board of trustees. If the regional accrediting agency for the community colleges in the process of completing its substantive change process review determines that the organizational structure of the Kentucky Community and Technical College System and its board of regents does not meet the requirements for accrediting individual community colleges and for granting of degrees by the University of Kentucky board of trustees, then the Kentucky Community and Technical College board of regents and the board of trustees shall initiate corrective actions within thirty (30) days of notification from the accrediting agency or within the time table specified by the accrediting agency to alleviate the problem.
- (5) The board of regents for the Kentucky Community and Technical College System shall expedite, whenever possible, action on requests for any new technical or associate degree program of a vocational-technical or occupational nature.
- (6) The University of Kentucky Community College faculty senate shall have the primary responsibility for determining academic policy and curricula development that shall be recommended through the chancellor to the president of the Kentucky Community and Technical College System and to the board of regents for approval.
- (7) The Technical Institutions' Branch through its faculty and accrediting procedures may develop technical degree programs that shall be considered for approval by the board of regents and the Council on Postsecondary Education. A graduate of a program within three (3) years of the program becoming an accredited technical degree program shall receive all or partial credit toward the degree, based on criteria established by the institution and approved by the board of regents. The board of regents shall confer degrees and award diplomas for these programs.

Section 112. KRS 164.583 is amended to read as follows:

- (1) Each community college of the~~[University of]~~ Kentucky Community ***and Technical*** College System may offer, within the two (2) year academic curriculum of the college, any and all lower division academic courses offered for undergraduate credit at any and all of the four (4) year ***public***~~[state-supported]~~ colleges and universities.
- (2) All lower division academic courses offered by the community colleges shall be transferable for academic credit to any and all four (4) year ***public***~~[state-supported]~~ colleges and universities, regardless of the number of academic credits earned by any student at one (1) or more community college.
- (3) Nothing ***in this section***~~[herein]~~ shall be construed or interpreted to change, reduce, or otherwise affect the required distribution between lower division and upper division courses now required for matriculation in an undergraduate program at any institution of higher education.

Section 113. KRS 164.591 is amended to read as follows:

A community college ***or extension of a community college*** shall be maintained in each of the following locations: Ashland, Carrollton, Cumberland, Elizabethtown, Glasgow, Henderson, Hopkinsville, Madisonville, Owensboro, ***Paducah***, Prestonsburg, Somerset, Blackey-Hazard, Jefferson County and Mason County. ***The University of Kentucky may continue to operate a community college in Lexington, and Western Kentucky University may continue to operate a community college in Bowling Green. Additional extension centers may be established by the board of regents for the Kentucky Community and Technical College System with approval of the Council on Postsecondary Education. New community colleges shall require approval of the General Assembly.***

Section 114. KRS 164.593 is amended to read as follows:

- (1) The board of *regents for the Kentucky Community and Technical College System shall recognize previous actions under prior law.*
- ~~(2)~~ ~~Trustees of the University of Kentucky, (herein called board) may include~~ Paducah Junior College *may be included* in the system provided for by KRS 164.580 upon the concurrence of the board *of trustees of the University of Kentucky* and the board of trustees of Paducah Junior College. Following the concurrence of the two (2) boards, an agreement shall be executed between the board and the board of trustees providing for the conversion of the existing facilities of Paducah Junior College and containing other provisions the parties deem appropriate and desirable, *provided that any agreement executed under this subsection shall be subject to the management of the Kentucky Community and Technical College System under the provisions of Section 19 of this Act.*
- ~~(3)~~~~(2)~~ The agreement required by subsection ~~(2)~~~~(1)~~ may provide for the transfer to the board of any funds accruing to Paducah Junior College as the result of any contract or agreement with any agency or instrumentality of the United States or the Commonwealth of Kentucky including any funds accruing pursuant to KRS 164.027.
- ~~(4)~~~~(3)~~ Upon the execution of the agreement required by subsection ~~(2)~~~~(1)~~, any taxes levied under KRS 165.170 or 165.175 and paid to the trustees shall continue to be received by the board of trustees of Paducah Junior College. However, the trustees may in the agreement~~,~~ provide for the expenditure of the taxes levied for such purposes as the trustees and the board may mutually agree.
- Section 115. KRS 164.594 is amended to read as follows:
- (1) The community college in the Big Sandy Valley is designated as Prestonsburg Community College. The service area of Prestonsburg Community College shall include Pike County in its entirety.

- (2) Course offerings in Pike County shall be expanded as necessary, to respond more fully to the higher and adult educational needs of the citizens of the area.
- (3) The ~~University of~~ Kentucky Community ***and Technical*** College System may use private or state funds to purchase, renovate, and otherwise make available physical facilities in the Pike County area conducive to educational purposes.

Section 116. KRS 164.595 is amended to read as follows:

- (1) The board ***of regents for the Kentucky Community and Technical College System*** ~~has the same powers with respect to the community colleges that it has as to the University of Kentucky in general. The board~~ shall designate each community college with a name that includes the words "Community College." ***The names of community colleges on the effective date of this Act shall be retained.***
- (2) The board shall encourage and may accept donations of land or funds or both to be used in the acquisition, construction or operation of community colleges. The board may commemorate donations from private persons or corporations with suitable memorials.
- (3) The board may accept federal grants to be used in the acquisition, construction, or operation of community colleges.

Section 117. KRS 164.597 is amended to read as follows:

~~Upon prior concurrence of the board of trustees of the University of Kentucky and the board of regents of the Northern Kentucky University,~~ The Northern Community College at Covington shall be operated by the board of regents of the Northern Kentucky University and shall ***not*** ~~no longer~~ be considered part of the ~~University of~~ Kentucky Community ***and Technical*** College System. The board of regents of the Northern Kentucky University shall provide programs of a community college nature at Northern Community College at Covington comparable to those ***community colleges that make up the Kentucky Community and Technical College System*** ~~listed for the University of Kentucky community college system, as provided in this chapter~~.

Section 118. KRS 164.600 is amended to read as follows:

- (1) There shall be a ~~local advisory~~ board *of directors* for each community college *under the Kentucky Community and Technical College System*, except as provided in KRS 165.160. Each ~~local advisory~~ board *of directors* shall:
 - (a) *Recommend one (1) candidate for the community college president from three (3) candidates provided by the president of the Kentucky Community and Technical College System. The president shall have the authority to make the final appointment and shall not be bound by the recommendation from the board of directors;*
 - (b) *Evaluate the community college president and advise the chancellor of his or her performance. The president has final authority for the appointment and termination of the community college president;*
 - (c) *Approve budget requests for recommendation to the Kentucky Community and Technical College System;*
 - (d) *Adopt and amend an annual operating budget and submit it to the board of regents of the Kentucky Community and Technical College System for approval as to the compliance with its guidelines;*
 - (e) *Approve and implement a strategic plan that is developed in coordination with local employers, civic leaders, campus constituents, and other postsecondary institutions in the region and that is consistent with the strategic agenda of the General Assembly*~~*serve in an advisory capacity to the board and the head of the community college on the operation of the community college*~~.
- (2) *The president of each community college shall have full authority and discretion regarding the use and management of the budget approved by the board of regents for the Kentucky Community and Technical College System under Section 101 of this Act.*

(3) Each ~~local advisory~~ board ***of directors*** shall consist of nine (9) members, seven (7) of whom shall be appointed by the Governor ***for a term set by law pursuant to Section 23 of the Constitution of Kentucky***. The other two (2) ~~local advisory~~ board members shall be one (1) member of the teaching faculty and one (1) member of the student body. ~~After July 13, 1990,~~ An appointed member's term ***shall be*** ~~is~~ six (6) years; ~~however, when appointing the initial members of the local advisory boards, the Governor may appoint some members for terms of less than four (4) years~~.

(4) ~~(3)~~ The faculty member shall be on the teaching or research faculty of the community college. He shall be elected by secret ballot of all full-time faculty members of the community college. Faculty members shall serve for terms of three (3) years and until their successors are elected and qualified. Faculty members shall be eligible for reelection, but they shall be ineligible to continue to serve as members of the ~~local advisory~~ boards if they cease to be members of the teaching staff of the community college. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for original election.

(5) ~~(4)~~ The student member shall be the president of the student body of the community college. If the president of the student body is not a full-time student who maintains permanent residency in the Commonwealth of Kentucky, a special election shall be held to select a full-time student who does maintain permanent residency in this Commonwealth as the student member.

(6) ~~(5)~~ ***The*** ~~Local advisory board~~ members ***of the board of directors*** shall receive no compensation for their services, but shall be paid for their actual and necessary expenses.

(7) ***The board of regents of the Kentucky Community and Technical College System may extend this type of local governance authority to each postsecondary***

technical institution under its control, subject to review and approval by the Council on Postsecondary Education.

Section 119. KRS 164.740 is amended to read as follows:

As used in KRS 164.740 to 164.785, the terms listed below shall have the following meanings:

- (1) "Authority" means the Kentucky Higher Education Assistance Authority.
- (2) "Board" means the board of directors of the Kentucky Higher Education Assistance Authority.
- (3) "Business school" means any business school which is accredited by the Association of Independent Colleges and Schools, the commission for business schools, or any successor, and which provides a program of study leading to the granting of a postsecondary degree or diploma.
- (4) "College" means any *postsecondary educational* institution of higher learning which is accredited by the Southern Association of Colleges and Schools, the commission on colleges, or any successor, and which provides a program of study leading to the granting of a postsecondary degree or diploma.
- (5) "Eligible institution" means any educational institution or class of institutions designated pursuant to the federal act or this chapter as eligible to participate in authority-administered programs, provided that no right of participation shall be deemed vested pursuant to this subsection in any institution, including, but not by way of limitation, any college, school of nursing, vocational school, or business school.
- (6) "Eligible lender" means any entity described as eligible pursuant to the federal act to make or originate insured student loans, provided that no right of participation shall be deemed vested hereby in any lender.

- (7) "Eligible student" means any student enrolled or accepted for enrollment at a participating institution, meeting the criteria established by the federal act and this chapter for the various authority administered programs.
- (8) "Endorser" means a person who signs a student loan promissory note as an accommodation party, in the manner of KRS 355.3-415, and is secondarily liable for payment on such note.
- (9) "Federal Act" means the Higher Education Act of 1965, Public Law 89-329, as amended.
- (10) "Grant" means a gift of money, tuition discount, waiver of tuition and fees, or other monetary award that requires neither employment nor repayment, except under conditions prescribed by the board, and is based on demonstrated financial need and such other terms and conditions as the board may prescribe.
- (11) "Honorary scholarship" means a certificate of merit or achievement or other appropriate document which may be issued by the board to students in recognition of superior academic ability or achievement or a special talent.
- (12) "Insured student loan" means a loan to an eligible borrower, who is qualified under the federal act, on which the payment of principal and interest is insured as evidenced by a loan guarantee issued by the authority and reinsured by the secretary under the federal act.
- (13) "Loan" means an advance of money, to be used exclusively for payment of educational expenses, evidenced by a promissory note or similar instrument requiring repayment under specified conditions.
- (14) "Loan guarantee" means the certificate, document, or endorsement issued by the authority as evidence of insurance of a loan as to both principal and interest and of reinsurance by the secretary under the federal act.
- (15) "Participating institution" means any eligible institution, to the extent that it offers an eligible program of study, having a contract in force with the authority, if

required by the authority, on such terms as the authority may deem necessary or appropriate to the administration of its programs.

- (16) "Participating lender" means any eligible lender, including the authority and the Kentucky Higher Education Loan Corporation, which has in force a contract with the authority providing for loan guarantee to be issued by the authority under the federal act and this chapter.
- (17) "Penal institution" means any penitentiary, detention facility, adult correctional facility, jail, or other similar institution operated by the state, local, or federal government or by private business.
- (18) "Recognition award" means an advance of money to or on behalf of a student in recognition of superior academic ability, achievement or special talent.
- (19) "Scholarship" means a gift of money to provide an incentive for fulfillment of a particular public purpose which may be based on financial need and superior academic ability or achievement or a special talent and such other terms and conditions as the board may prescribe.
- (20) "School of nursing" means any training program in the field of nursing, including one regarding nurse aides, which is accredited by the Kentucky Board of Nursing Education and Nurse Registration, or any successor, and which provides a program of study leading to the granting of a postsecondary degree or diploma.
- (21) "Secretary" means the United States Secretary of Education.
- (22) "Vocational school" means any public vocational school, **technical institution, or technology center** which is managed and controlled by the **board of regents for the Kentucky Community and Technical System**~~[State Board for Adult and Technical Education]~~ and which provides a course of study leading to the granting of a postsecondary certificate or diploma, or a vocational technical school accredited by the national association of trade and technical schools, or any successor, which

provides a program of study leading to the granting of a postsecondary degree, diploma, or certificate.

- (23) "Work study" means an award of money disbursed by the board at specified intervals to students, or as reimbursement to employers of students, who provide needed services for a specified number of hours in a capacity approved by the board.

Section 120. KRS 164.746 is amended to read as follows:

- (1) The authority shall be governed, all of its powers shall be exercised, and its duties and functions shall be performed by a board of directors. The board shall consist of seven (7) voting members who shall be appointed by the Governor. In addition, the president~~executive director~~ of the Council on Postsecondary~~Higher~~ Education and the secretary of the Department of Finance shall serve as nonvoting ex officio members. The term of office of appointed members shall be four (4) years. Each member shall serve for the term for which he is appointed and until his successor is appointed.
- (2) Appointments to fill vacancies on the board shall be made in the same manner as regular appointments. The person appointed shall hold the position for the unexpired portion of the term only.
- (3) The board shall elect from its voting membership a chairman and chairman-elect who shall each serve for a term of one (1) year. At the conclusion of the chairman's term of office, the chairman-elect shall become chairman for the succeeding year and the board shall elect from its voting membership a new chairman-elect.
- (4) Board members shall receive compensation for their services, in the amount of sixty-five dollars (\$65) per day, and may be reimbursed for actual and necessary expenses incurred in the performance of their duties under KRS 164.740 to 164.785.
- (5) The board shall provide for the holding of regular meetings and special meetings.

- (a) A majority of the voting members shall constitute a quorum for the transaction of any business, special meetings shall be called by the chairman in accordance with KRS 61.823, and either the chairman or the chairman-elect shall be present for the transaction of any business.
- (b) In lieu of personal attendance by members of the board of directors at the same location, the board of directors may conduct meetings by teleconference or other available technological means suitable for conducting its business. Meetings of the board shall be open and accessible to the public in accordance with KRS 61.805 to 61.850, and any alternate method of conducting a meeting in lieu of personal attendance shall ensure public access.
- (6) The board shall adopt bylaws and policies governing its internal affairs and the conduct of its business, and shall adopt administrative regulations pursuant to KRS Chapter 13A, not inconsistent with law, in connection with the administration of the authority's programs and the performance of its functions and duties.
- (7) The board may:
 - (a) Appoint such officers and employees as necessary and may fix their compensation, and shall prescribe their duties notwithstanding personnel limits established by KRS 18A.010 or the biennial budget and its related documents; and
 - (b) Adopt the provisions of KRS 45A.345 to 45A.460, pursuant to KRS 45A.343. Section 121. KRS 164.753 is amended to read as follows:
 - (1) In the instance of loans the rules and regulations adopted by the board may include, but not be limited to, those which:
 - (a) Are necessary to qualify the authority as an insured lender under the Higher Education Act of 1965, as amended;
 - (b) Require that loans be made only to those eligible students who are unable to secure comparable loans from private lenders; and

- (c) Are necessary to qualify the authority as a lender under the Public Health Service Act, as amended.
- (2) In the instance of insured student loans and loan guarantees the rules and regulations adopted by the board shall include, but not be limited to, those which are necessary to qualify the authority to insure loans under the federal act, as amended, and following such qualification to issue loan guarantees to participating lenders on any loans advanced by such lenders to eligible students attending or planning to attend any participating institution, except that the total amount of all insured student loans that may be guaranteed by the authority shall not at any time exceed fifteen (15) times the loan guarantee fund balance. In determining the total amount of insured student loans that may be guaranteed by the authority there shall be excluded from the computation of required loan guarantee fund balances eighty percent (80%) of the amount of insured student loans which are reinsured with the United States or any agency thereof pursuant to the federal act.
- (3) In the instance of scholarships the rules and regulations adopted by the board shall include, but not be limited to, those which:
- (a) Specify ways in which superior academic achievement or ability or special talents will be identified and measured;
 - (b) Ensure that the amount of scholarship to a student attending or planning to attend a participating institution will not exceed the financial need of the student as determined in accordance with paragraph (f) of this subsection, or the maximum scholarship as established by the board, whichever is less;
 - (c) Restrict scholarships to persons who are classified as resident students under the rules and regulations of the Council on Postsecondary~~Higher~~ Education and are not planning to enroll or are not enrolled in a program of study leading to a certificate, diploma or degree in theology, divinity or religious education;

- (d) Ensure that scholarships are awarded only to eligible students who have applied for such federal, state or institutional student financial assistance programs as the authority may require;
 - (e) Ensure that scholarships are awarded only to eligible students who are planning to enroll, accepted for enrollment, or are enrolled as full-time students in a participating institution; and
 - (f) Ensure, by such needs analysis as the authority may require, that the person is in need of the assistance in order to enroll in or complete an eligible program of study as defined by the board.
- (4) In the instance of grants the rules and regulations adopted by the board shall include, but not be limited to, those which:
- (a) Ensure that the amount of a grant to a student will not exceed the financial need of the student as determined in accordance with paragraph (e) of this subsection or the maximum grant as established by the board, whichever is less;
 - (b) Restrict grants to persons who are classified as resident students under the rules and regulations of the Council on Postsecondary~~Higher~~ Education and are not planning to enroll or are not enrolled in a program of study leading to a certificate, diploma or degree in theology, divinity or religious education;
 - (c) Ensure that grants are awarded only to eligible students who have applied for such federal, state, or institutional student financial assistance programs as the authority may require;
 - (d) Ensure that grants are awarded only to eligible students who are planning to enroll, accepted for enrollment, or are enrolled as full-time students in a participating institution; and

- (e) Ensure, by such needs analysis as the authority may require, that grants be made only to students who have insufficient financial resources to enroll in or complete an eligible program of study as defined by the board.
- (5) Funds appropriated to the financial assistance program established by KRS 164.780 and 164.785 shall be administered by the board in accordance with the provisions of KRS 164.780 and 164.785.
- (6) In the instance of work-study payments, rules and regulations adopted by the board shall include, but not be limited to, those which require that:
 - (a) The employment opportunity available for the student will not interfere with the student's normal progress toward a degree, diploma or certificate;
 - (b) Contracts to promote increased employment opportunities for eligible students will not result in the displacement of employed workers or impair existing contracts for services; and
 - (c) The work-study payment will not exceed the financial need of the student or the maximum payment as established by the board, whichever is less.

Section 122. KRS 164.785 is amended to read as follows:

- (1) The State of Kentucky shall grant an amount as provided in KRS 164.780 and this section to any applicant who meets the following qualifications:
 - (a) Is a Kentucky resident as defined by the Kentucky Council on Postsecondary~~Higher~~ Education;
 - (b) Has been accepted by or is enrolled as a full time student in a Kentucky independent nonprofit college or university which is accredited by the Southern Association of Colleges and Schools and whose institutional programs are not comprised solely of a sectarian instruction;
 - (c) Is not enrolled in a program of study leading to a degree in theology, divinity, or religious education; and

- (d) Has not previously attended college or university for more than seven (7) semesters or the equivalent.
- (2) The amount of the tuition grant to be paid to a student each semester, or appropriate academic term, shall be determined by the Kentucky Higher Education Assistance Authority.
- (3) The maximum amount shall not exceed fifty percent (50%) of the average state appropriation per full-time equivalent student enrolled in all public institutions of higher education. Such tuition grants are to be calculated annually by the Kentucky Higher Education Assistance Authority.
- (4) The need of each applicant shall be determined by acceptable need analysis such as the parents' confidential statement of the college scholarship service, and such other analyses as the authority may determine, subject to the approval by the U.S. Secretary of Education.
- (5) An adjustment shall be made in the tuition grant of any student awarded a scholarship from any other source provided the combination of grants and awards exceeds the calculated need of the student.

Section 123. KRS 164.810 is amended to read as follows:

- (1) As used in KRS 164.810 to 164.870, the following terms shall have, unless the context shall otherwise indicate, the following meanings:
 - (a) "University of Louisville" means the university which is situated in a city of the first class, and which has heretofore constituted a municipal university within the meaning and application of KRS 165.010, et seq.;
 - (b) "Council" means the Council on Postsecondary~~Higher~~ Education in Kentucky.
- (2) Consistent with the provisions of KRS 164.026 and Chapter 239 of the 1968 Kentucky Acts, the University of Louisville shall be maintained as a state institution

effective July 1, 1970, subject to its qualification to receive the benefits of such status in the manner set forth in subsection (3) of this section.

- (3) The University of Louisville, having been chartered by Chapter 137, Acts of 1845-6, approved February 7, 1846, effective in accordance with its terms on March 15, 1846; having become subject to the laws of the Commonwealth generally applicable to corporations of the same category according to the import of subsection seventeen of Section 59 of the present Constitution of the Commonwealth; and having duly filed in the office of the Secretary of State its acceptance of the present Constitution of the Commonwealth in accordance with Section 190 thereof; may qualify to receive the benefits of its status as a state institution, as provided in KRS 164.810 to 164.870, by action of its board of trustees in adopting and causing to be filed for public record such proceedings as are required by law, amending its charter or articles of incorporation in such manner as to conform to the provisions of KRS 164.810 to 164.870.

Section 124. KRS 164.815 is amended to read as follows:

- (1) The University of Louisville shall provide:
- (a) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, associate and baccalaureate degree programs of instruction;
 - (b) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, master's-degree~~[masters-degree]~~ programs, specialist degrees above the master's-degree~~[masters-degree]~~ level, doctoral degree programs, and joint doctoral programs in cooperation with other public~~[state-supported]~~ institutions of higher education;
 - (c) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, professional degree programs including medicine, dentistry, law, engineering, and social professions.

- (2) The University of Louisville is authorized to provide programs of a community college nature in its own community comparable to those listed for the community college system as provided in this chapter.
- (3) The University of Louisville shall continue to be a principal university for the conduct of research and service programs without geographical limitation but subject to the implied limitation of KRS 164.125(2).

Section 125. KRS 164.821 is amended to read as follows:

- (1) The government of the University of Louisville is vested in a board of trustees appointed for a term set by law pursuant to Section 23 of the Constitution of Kentucky. The board shall consist of seventeen (17) members appointed by the Governor; one (1) member of the teaching faculty of the University of Louisville who shall be the chief executive of the ranking unit of faculty government; a member of the permanent staff of the University of Louisville who shall be the chief executive of the staff senate; and a student member who shall be the president of the student body during the appropriate academic year.

(a) All persons appointed after the effective date of this Act shall be required to attend and complete an orientation program prescribed by the council under Section 74 of this Act as a condition of their service.

(b) Board members may be removed by the Governor for cause, which shall include neglect of duty or malfeasance in office, after being afforded a hearing with counsel before the Council on Postsecondary Education and a finding of fact by the council.

(c) New appointees to the board shall not serve more than two (2) consecutive terms. Board members serving as of the effective date of this Act may be reappointed at the end of their existing terms and may serve two (2) additional full consecutive terms.

- (2) If the student member does not maintain his position as student body president or his status as a full-time student at any time during that academic year a special election shall be held to select a full-time student member. The student member shall serve for a term of one (1) year beginning with the first meeting of the fiscal year which contains that academic year.
- (3) The faculty member, staff member, and student body member shall cease to be eligible for membership on the board of trustees upon termination of their respective relationships with the university, and vacancies occurring for this reason shall be filled for the remainder of the respective terms in the same manner. The seventeen (17) citizen members of the board shall annually elect one (1) of their number to serve as chairperson of the board.
- (4) The gubernatorial appointments shall serve a term of six (6) years and until their successors are appointed and qualified, except the initial terms shall be as follows:
 - (a) Two (2) members shall serve one (1) year terms;
 - (b) Three (3) members shall serve two (2) year terms;
 - (c) Three (3) members shall serve three (3) year terms, one (1) of whom shall be a graduate of the university, selected from a list of three (3) names submitted by the alumni of the university in the manner and according to rules prescribed by the board of trustees;
 - (d) Three (3) members shall serve four (4) year terms;
 - (e) Three (3) members shall serve five (5) year terms; and
 - (f) Three (3) members shall serve six (6) year terms, one (1) of whom shall be a graduate of the university, selected as under paragraph (c) of this subsection.
- (5) The Governor shall make his at-large appointments so as to divide the citizen representation upon the board to reflect proportional representation of the two (2) leading political parties in the Commonwealth based on the state's voter registration and shall reflect no less than proportional representation of the minority racial

composition of the Commonwealth. The membership may include one (1) graduate of the institution who resides outside the Commonwealth, but he shall not be reimbursed for out-of-state travel.

- (6) Vacancies among the citizen members of the board occurring by death, resignation, or any other cause shall be filled by appointments made by the Governor for the expiration of the term, subject to the qualifications set forth in this section.
- (7) No member of the teaching or administrative staff of the university shall be directly or indirectly interested in any contract with the university for the sale of property, materials, supplies, equipment, or services, with the exception of compensation to the faculty, staff and student members.

Section 126. KRS 164.830 is amended to read as follows:

- (1) The board of trustees of the University of Louisville shall constitute a body corporate, with the usual corporate powers, and shall possess all the authorities, immunities, rights, privileges, and franchises usually attaching to the governing bodies of Kentucky public higher educational institutions. Powers of the board shall include the following:
 - (a) Appointment of a president, all faculty members, and other personnel and determination of the compensation, duties, and official relations of each. No relative of a board of trustee member shall be employed by the university.
 - (b) Suspension or removal of the president, officers, faculty, agents, or other personnel that it is authorized to appoint, except that no president, professor, or teacher shall be removed except for incompetence, neglect of or refusal to perform his duty, or for immoral conduct and that ~~the~~^{such} removal shall be made in accordance with procedures established by law for state institutions.
 - (c) Election of a vice chairperson and ~~any~~^{such} other officers as it deems wise, including the annual election of a ~~five (5)~~^{six (6)} member executive committee which shall have the powers that the board delegates to it and shall

operate under ~~the~~^[such] rules ~~as~~ the board shall establish under its authority to make ~~such~~ bylaws, rules, and regulations consistent with this chapter. **The committee shall have one (1) member representing the students, faculty, and nonteaching personnel with the group alternating each year. The initial appointment to the executive committee after the effective date of this Act shall be a faculty member, to be followed by a student and a nonteaching personnel, respectively.**

- (d) Receipt, retention, and administration, on behalf of the university, subject to the conditions attached, all revenues accruing from endowments, appropriations, allotments, grants or bequests, and all types of property.
- (e) Requirement of ~~such~~ reports from the president, officers, faculty, and employees as it deems necessary and proper from time to time.
- (f) Granting degrees to graduates of the university, prescription of conditions upon which postgraduate honors may be obtained, and conferment of honorary degrees.

(g) The board shall periodically evaluate the institution's progress in implementing its missions, goals, and objectives to conform to the strategic agenda. Officers and officials shall be held accountable for the status of the institution's progress.

- (2) The provisions of KRS 164.030, 164.200, and 164.410, shall be applicable to the University of Louisville except where inconsistent with the purposes of KRS 164.810 to 164.870.

Section 127. KRS 164.915 is amended to read as follows:

The~~[By July 1, 1991, the]~~ Colleges of Medicine at the University of Kentucky and the University of Louisville shall submit to the Council on **Postsecondary**~~[Higher]~~ Education a joint plan which defines an optional course of medical education for family practice and general practice physicians in a period of six (6) years following completion of secondary

school. Family practice residency programs shall be completed in the two (2) years subsequent to the completion of medical education.

Section 128. KRS 164.927 is amended to read as follows:

The University of Kentucky and the University of Louisville, and their affiliated programs are hereby authorized to increase the number of residency positions for medical school graduates in primary care disciplines from the fiscal 1976 level by a total of seventy-six (76) additional positions during the 1977-78 biennium. These new positions shall be established in the following manner:

- (1) For the fiscal year 1977 there shall be established twenty-eight (28) new positions; for fiscal year 1978 there shall be forty-eight (48) new positions.
- (2) To provide adequate faculty supervision for these new residency positions, one (1) faculty position (1 FTE) is hereby authorized for each additional four (4) new residency positions established under the provisions of KRS 164.925 to 164.933.
- (3) The number of the residency positions to be established at the University of Kentucky and at the University of Louisville shall be determined by the Council on Postsecondary~~Higher~~ Education, using the policies and procedures for determining the allocation of these new residency positions as provided in KRS 164.929.

Section 129. KRS 164.929 is amended to read as follows:

- (1) All new residency positions shall be sponsored by the University of Kentucky or the University of Louisville. The residency positions created by KRS 164.927 shall be served in sites approved by the appropriate specialty board for certification and by the Council on Postsecondary~~Higher~~ Education.
- (2) Funding priority shall be given to programs in which all or a portion of the residency occurs in sites away from both the University of Kentucky and the University of Louisville.

- (3) Each individual serving a residency under KRS 164.927 shall, within the total period of residency, undertake a minimum of three (3) months education in a community facility in Kentucky outside the counties of Fayette and Jefferson, or in any institution serving a medically underserved community as designated by the United States Department of Health, Education and Welfare, subject to the approval of the certifying board in each specialty, provided however that not more than twenty-five percent (25%) of the individuals from each university funded under this section shall be permitted to satisfy the three (3) month requirement in a medically underserved area in the counties of Fayette and Jefferson.
- (4) The University of Kentucky and the University of Louisville shall recommend policies and procedures for determining the allocation of new residency positions for approval by the Council on Postsecondary~~Higher~~ Education using the following criteria:
- (a) The available or expected number and types of qualified faculty necessary for the proper degree of supervision and teaching;
 - (b) The scope and volume of patient care;
 - (c) The amount of available physical facilities;
 - (d) The current number and types of residency positions offered at each university;
 - (e) Regional needs for the manpower trained under the provisions of KRS 164.927 to 164.933;
 - (f) The extent of involvement in education in primary care in ambulatory care settings; and
 - (g) Any other criteria which may be developed by the University of Kentucky and the University of Louisville and accepted by the Council on Postsecondary~~Higher~~ Education.

Section 130. KRS 164.933 is amended to read as follows:

The Council on Postsecondary~~[Higher]~~ Education shall coordinate the activities of the participating institutions, as described in KRS 164.925 to 164.931, to insure a comprehensive program for training individuals for the delivery of primary care in the Commonwealth.

Section 131. KRS 164.937 is amended to read as follows:

The University of Kentucky shall develop a Center of Excellence for Rural Health Care to collect and maintain statistical and other information relating to health manpower needs, health care delivery research, health policy, and health problems unique to rural populations and shall:

- (1) Coordinate clinical rotations for health science students;
- (2) Maintain the rural health science library;
- (3) Establish a family practice residency program at a regional public medical center with decentralized clinical practice sites;
- (4) Develop an accelerated program to enable registered nurses with associate degrees to pursue a master's-degree~~[masters-degree]~~ in nursing in locations on and off affiliated college campuses;
- (5) Coordinate the placement of emergency medicine clinical residents in rural hospitals;
- (6) Implement the provisions of KRS 164.935;
- (7) Maintain clinical training sites for students in the health professions;
- (8) Establish and coordinate associate degree and bachelor degree programs for the education of physical therapists in a rural area;
- (9) Establish and coordinate associate degree and bachelor degree programs in laboratory technology in a rural area; and
- (10) Provide continuing education for health care professionals.

The University of Kentucky shall report to the Council on Postsecondary~~[Higher]~~ Education and the Legislative Research Commission a detailed, audited statement of

expenditures for each program function in the Center of Excellence for Rural Health Care by September 1 of each year which enumerates expenditures for the preceding fiscal year.

Section 132. KRS 164.947 is amended to read as follows:

- (1) The Council on Postsecondary~~[Higher]~~ Education by regulation shall adopt standards and procedures for the licensing of colleges to ensure that the programs of preparation are comparable to the generally accepted standards of collegiate instruction with respect to faculty, curriculum, facilities, and student cost and that there is full disclosure with respect to the philosophy and purposes of the institutions and their capacity to fulfill these objectives.
- (2) Nothing contained in KRS 164.945 to 164.947 is intended in any way nor shall be construed to regulate the stated purpose of a nonpublic college or to restrict religious instruction or training in a nonpublic college.
- (3) All colleges as defined in KRS 164.945~~[herein]~~ shall be required to hold a license issued by the executive director of the Council on Higher Education or his successor, under the provisions of KRS 164.945 to 164.947 and under the regulations of the Council on Higher Education, or its successor. Within ninety (90) days of July 13, 1990, all colleges shall be required to hold licenses.
- (4) The designated use of the title "college" or "university" in combination with any series of letters, numbers, or words shall be restricted to the institutions licensed under KRS 164.945 to 164.947 except that new branches, divisions, or additions to existing institutions shall be licensed.

Section 133. KRS 164.981 is amended to read as follows:

As used in KRS 164.981 to 164.9819:

- (1) "Autism" means a developmental disability significantly affecting verbal and nonverbal communication and social interaction, generally evident before age three (3), that adversely affects educational performance. Characteristics of autism include:

- (a) Irregularity and impairment in communication;
- (b) Engagement in repetitive activity and stereotyped movement;
- (c) Resistance to environmental change or change in daily routine; and
- (d) Unusual responses to sensory experience.

The term does not include children with characteristics of an emotional-behavioral disability as defined in KRS 157.200;

- (2) "Council" means the Council on Postsecondary~~Higher~~ Education in Kentucky;
- (3) "Center" means the autism training center;
- (4) "Client" means a person with the primary diagnosis of autism or autistic-like behavior; and
- (5) "Expenses" means those reasonable and customary expenditures related to training and treatment of eligible clients as defined in administrative regulations promulgated by the council pursuant to KRS 13A.

Section 134. KRS 164.9811 is amended to read as follows:

- (1) The Council on Postsecondary~~Higher~~ Education in Kentucky is authorized to operate a state autism training center, including:
 - (a) The acquisition by purchase, lease, gift, or otherwise of necessary lands;
 - (b) The construction of necessary buildings;
 - (c) The expansion, remodeling, altering, or equipping of necessary buildings; and
 - (d) The making of contracts by the council or its designee with any nonprofit institution, or any state, county, or local agency for the equipment, expenses, compensation of personnel, operation, and maintenance of any facility of an agency or institution used for the purposes of KRS 164.981 to 164.9819.
- (2) The council shall select and contract with a public institution of higher education to carry out the provisions of KRS 164.981 to 164.9819.

Section 135. KRS 164A.050 is amended to read as follows:

- (1) There is hereby created and established an independent de jure municipal corporation and political subdivision of the Commonwealth of Kentucky which shall be a body corporate and politic to be known and identified as the Kentucky Higher Education Student Loan Corporation.
- (2) The Kentucky Higher Education Student Loan Corporation is created and established as an independent de jure municipal corporation and political subdivision of the Commonwealth of Kentucky to perform essential governmental and public functions and purposes in improving and otherwise promoting the educational opportunities of the citizens and inhabitants of the Commonwealth of Kentucky and other qualified students by a program of financing, making, and purchasing of insured student loans.
- (3) The corporation shall be governed by a board of directors consisting of seven (7) members, four (4) of whom shall be chosen from the general public residing in the Commonwealth of Kentucky and three (3) of whom shall be the chairman of the Council on Postsecondary~~Higher~~ Education, the secretary of the Finance and Administration Cabinet, and the chairman of the Kentucky Higher Education Assistance Authority.
- (4) The Governor shall appoint the four (4) directors from the general public to take office and to exercise all powers thereof immediately. Of the new members of the corporation so appointed, two (2) shall continue in office for a term of four (4) years, and two (2) shall continue in office for a term of three (3) years. All succeeding terms shall be for a period of four (4) years each. Each director shall serve for the appointed term and until a successor has been appointed and has duly qualified.
- (5) In the event of a vacancy, the Governor may appoint a replacement director who shall hold office during the remainder of the term so vacated.

- (6) The Governor may remove any director from the general public in case of incompetency, neglect of duties, gross immorality, or malfeasance in office; and may thereupon declare such office vacant and may appoint a person to fill such vacancy as provided in other cases of vacancy.
- (7) The board shall elect from its voting membership a chairman, secretary, and treasurer. The executive director of the Kentucky Higher Education Assistance Authority shall serve as executive director of the corporation.
- (8) The executive director shall administer, manage, and direct the affairs and business of the corporation, subject to the policies, control, and direction of the board of directors of the corporation. The secretary of the corporation shall keep a record of the proceedings of the corporation and shall be custodian of all books, documents, and papers filed with the corporation, the minute book or journal of the corporation, and its official seal. The secretary may copy all minutes and other records and documents of the corporation and give certificates under the official seal of the corporation to the effect that such copies are true copies and all persons dealing with the corporation may rely upon such certificates.
- (9) A majority of the board of directors of the corporation shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes notwithstanding the existence of any vacancies in respect of the board of directors.
- (10) Official actions may be taken by the corporation at meetings duly called by the chairman upon three (3) days' written notice to each director or upon the concurrence of at least a majority of the directors.
- (11) Directors shall receive no compensation for their services but shall be entitled to payment of any reasonable and necessary expense actually incurred in discharging their duties under this chapter.

- (12) The Kentucky Higher Education Assistance Authority, the "guarantee agency", shall provide technical, clerical, and administrative assistance to the corporation, together with necessary office space and personnel, and shall assist the corporation in all ways by the performance of any and all actions which may be useful or beneficial to the corporation in the performance of its public functions as an independent de jure municipal corporation and political subdivision of the Commonwealth of Kentucky charged with the responsibility of financing, making, and purchasing of insured student loans. The corporation shall enter into such contracts with the guarantee agency as shall be proper and appropriate in respect of such services which may include, but not by way of limitation, servicing and collection of insured student loans.

Section 136. KRS 164A.550 is amended to read as follows:

As used in KRS 164A.555 to 164A.630 unless the context otherwise requires:

- (1) "Governing board" means the board of trustees or board of regents constituting the corporate bodies established by KRS 164.160 and 164.310 for the purpose of governing universities and colleges *and technical institutions*.
- (2) "Institutions" means all public supported *postsecondary educational* institutions ~~of higher education~~ in Kentucky recognized in KRS 164.100, 164.290, *Section 111 of this Act*, or 164.810(1)(a).
- (3) "Affiliated corporation" means a corporate entity which is not a public agency and which is organized pursuant to the provisions of KRS Chapter 273 over which an institution exercises effective control, by means of appointments to its board of directors, and which could not exist or effectively operate in the absence of substantial assistance from an institution.
- (4) "Depository bank" means any bank so designated by the Treasurer of the Commonwealth as appropriate for receiving public moneys.

Section 137. KRS 164A.560 is amended to read as follows:

- (1) The governing boards of the postsecondary educational~~[public]~~ institutions~~[-of higher education]~~ electing to perform in accordance with KRS 164A.555 to 164A.630 regarding the acquisition of funds, accounting, purchasing, capital construction and affiliated corporations shall do so by regulation. The responsibility for this election is vested with the governing boards, any other statute to the contrary notwithstanding. The governing board may delegate these responsibilities by regulation to appropriate officials of the institution. The anticipated investment earnings which have been credited to the general fund and the anticipated investment earnings on funds in the capital construction account, excluding revenue bonds, for fiscal years 1982-83 and 1983-84 may be deducted from the respective institution's trust and agency funds on deposit prior to the issuance of a check or transfer to the governing board.
- (2) The governing boards of institutions may elect to receive, deposit, collect, retain, invest, disburse, and account for all funds received or due from any source including, but not limited to, state and federal appropriations for the support or maintenance of the general operations or special purpose activities of such institutions. In the event of such election by the governing board:
- (a) The treasurer of the institution~~[university]~~ shall deposit on a timely basis all tuition fees, fees for room and board, incidental fees, contributions, gifts, donations, devises, state and federal appropriations, moneys received from sales and services, admittance fees, and all other moneys received from any source, in a depository bank or banks designated by the governing board.
- (b) The governing board shall promulgate rules and regulations limiting disbursements to the amounts and for the purposes for which state appropriations have been made, or for which other moneys have been received. All disbursements shall be recorded in a system of accounts as set forth in KRS 164A.555 to 164A.630. The treasurer of each institution shall

prescribe forms to be used with the system of accounts, and no treasurer shall approve any disbursement document unless he determines that the disbursement is to satisfy a liability of the institution incurred for authorized purposes and that the disbursement is to be made from the unexpended balance of a proper allotment.

Section 138. KRS 164A.565 is amended to read as follows:

- (1) The governing board of each *postsecondary educational institution*~~[university]~~ making the election authorized in KRS 164A.560 shall as a condition of such election install an accrual basis accounting system conforming with generally accepted accounting principles and procedures established for colleges and universities by the National Association of College and University Business Officers and the American Institute of Certified Public Accountants. The accounting system shall include but not be limited to the following fund structure:
 - (a) An operating fund group (unrestricted current funds), consisting of all moneys not otherwise restricted, available for general operations, including state appropriations, federal funds, and unrestricted institutional receipts. Separate accounting fund groups may be established for auxiliary enterprises, athletics, hospitals, and other similar operations;
 - (b) A restricted fund group consisting of appropriations and other receipts restricted as to purpose which shall not be included in the operating fund;
 - (c) A loan fund group consisting of gifts, grants, and other funds provided and available for loans to students;
 - (d) An endowment fund group consisting of funds, the principal of which is not currently expendable;
 - (e) An agency fund group consisting of resources held by the institutions as custodian or fiscal agent for individual students, faculty, staff members and organizations;

- (f) A plant fund group consisting of:
 - 1. Unexpended plant funds to be used for the acquisition of long lived assets for institutional purposes (capital construction funds);
 - 2. Funds for renewal, maintenance, and replacement of institutional buildings, equipment and other properties; and
 - 3. Funds set aside for debt service charges and retirement of indebtedness on institutional plant.
- (2) A record of each general fund appropriation shall be maintained so as to identify the institutional budgets to which such funds are allotted. Any uncommitted state general funds remaining after the close of business on the last day of the fiscal year shall lapse and be returned to the Treasury of the Commonwealth. Each appropriation shall be used for the intended purpose and where questions of intent arise subject to the provisions of KRS 45.750 and 45.800 in the case of capital construction projects and major items of equipment as defined by these sections, the decision of the secretary of finance and administration, based upon budget work papers, shall be final.
- (3) A separate account showing sources of revenue and all expenditures shall be maintained for each capital construction project. At the end of each fiscal year, a report containing a listing of all capital construction projects, with sources of funds, expenditures and current status for each, shall be submitted to the Capital Projects and Bond Oversight Committee.
- (4) Within thirty (30) days after July 15, 1982, the secretary of the Finance and Administration Cabinet shall submit to the Capital Projects and Bond Oversight Committee a complete record of all funds and project records transferred to institutions under the provisions of KRS 164A.555 to 164A.630.
- (5) Within thirty (30) days after July 15, 1982, the governing boards shall submit to the Capital Projects and Bond Oversight Committee a report containing a complete list

of capital construction projects and unexpended plant funds in existence on July 15, 1982. The source of funds, expenditures and current status of each project shall be shown.

- (6) State general funds appropriated by the General Assembly for capital construction projects and equipment purchases as defined in KRS 45.750 through 45.800 shall not lapse at the end of a fiscal year. They shall be carried forward until the project is completed. Any such unexpended funds remaining after acceptance of the project as complete shall be returned to a surplus account of the capital construction fund for investment until appropriated and allotted as provided in KRS 45.750 through 45.800.
- (7) Long lived assets of the institution, including land, buildings, and capital equipment shall be accounted for in the plant fund group.
- (8) The governing boards of each institution shall make an annual report of the financial activity to the Council on Postsecondary~~Higher~~ Education. The report shall meet the requirements of the council's system of uniform financial reporting for institutions of higher education.

Section 139. KRS 164A.570 is amended to read as follows:

The governing board of any postsecondary educational institution~~university~~ making the election prescribed in KRS 164A.560 shall engage a qualified firm of certified public accountants experienced in the auditing of institutions to conduct an annual examination of the institution's financial statements in accordance with generally accepted auditing standards for the purpose of submitting an independent opinion, and preparing a report of findings and recommendations concerning internal accounting controls and procedures, and compliance with KRS 164A.555 to 164A.630. The secretary of the Finance and Administration Cabinet may prescribe the minimum scope of any such audit. The opinion, with the findings and recommendations, shall be forwarded to the Governor, the secretary of the Finance and Administration Cabinet, the Auditor of Public Accounts, the

director of the Legislative Research Commission, the president~~[Executive Director]~~ of the Council on Postsecondary~~[Higher]~~ Education, and members of the governing board.

Section 140. KRS 164A.575 is amended to read as follows:

- (1) The governing boards of each institution may elect to purchase interest in real property, contractual services, rentals of all types, supplies, materials, equipment, printing, and services, except that competitive bids may not be required for:
 - (a) Contractual services where no competition exists~~[, such as telephone service, electrical energy, and other public utility services];~~
 - (b) Food, clothing, equipment, supplies, or other materials to be used in laboratory and experimental studies;
 - (c) Instructional materials available from only one (1) source;
 - (d) Where rates are fixed by law or ordinance;
 - (e) Library books;
 - (f) Commercial items that are purchased for resale;
 - (g) Professional, technical, scientific, or artistic services, but contracts shall be submitted in accordance with KRS 45A.690 to 45A.725;
 - (h) All other commodities, equipment, and services which, in the reasonable discretion of the board, are available from only one (1) source; and
 - (i) Interests in real property.
- (2) Nothing in this section shall deprive the boards from negotiating with vendors who maintain a general service administration price agreement with the United States of America or any agency thereof, provided, however, that no contract executed under this provision shall authorize a price higher than is contained in the contract between general service administration and the vendor affected.
- (3) The governing board shall require the institution to take and maintain inventories of plant and equipment.

- (4) The governing board shall establish procedures to identify items of common general usage among all departments to foster volume purchasing. It shall establish and enforce schedules for purchasing supplies, materials, and equipment.
- (5) The governing board shall have power to salvage, to exchange, and to condemn supplies, equipment, and real property.
- (6) Upon the approval of the secretary of the Finance and Administration Cabinet, the governing board may purchase or otherwise acquire all real property determined to be needed for the institution's use. The amount paid shall not exceed the appraised value as determined by a qualified appraiser or the value set by the eminent domain procedure. **Any real property acquired under this section shall be in name of the Commonwealth for the use and benefit of the institution.**
- (7) The governing board shall sell or otherwise dispose of all real or personal property of the institution which is not needed or has become unsuitable for public use, or would be more suitable consistent with the public interest for some other use, as determined by the board. The determination of the board shall be set forth in an order, and shall be reached only after review of a written request by the institution desiring to dispose of the property. Such request shall describe the property and state the reasons why the institution believes disposal should be effected. All instruments required by law to be recorded which convey any interest in any such real property so disposed of shall be executed and signed by the appropriate officer of the board. Unless the board deems it in the best interest of the institution to proceed otherwise, all such real or personal property shall be sold either by invitation of sealed bids or by public auction; provided, however, that the selling price of any interest in real property shall not be less than the appraised value thereof as determined by the Finance and Administration Cabinet or the Transportation Cabinet for such requirements of that department.

- (8) Real property or any interest therein may, subject to the provisions of KRS Chapter 45A, be purchased, leased, or otherwise acquired from any officer or employee of any board of the institution, based upon a written application by the grantor or lessor~~lessee~~ approved by the board, that the employee has not either himself or through any other person influenced or attempted to influence either the board requesting the purchase of the property. In any case in which such an acquisition is consummated, the said request and finding shall be recorded and kept by the Secretary of State along with the other documents recorded pursuant to the provisions of KRS Chapter 56.
- (9) For capital construction projects, the bidding may be on a total design-bid basis, a package system commonly referred to as "turnkey," or construction management, whichever in the judgment of the board offers the lowest real cost to the taxpayer. Bids shall be reviewed by the institution's engineering staff to assure quality and value, and compliance with bid procedures. All specifications shall be written to promote competition.
- (10) The governing board shall attempt in every practicable way to insure the institution's supplying its real needs at the lowest possible cost. To accomplish this the board may enter into cooperative agreements with other public or private institutions of education or health care.
- (11) The governing board shall have control and supervision over all purchases of energy consuming equipment, supplies, and related equipment purchased or acquired by the institution, and shall designate by regulation the manner in which an energy consuming item will be purchased so as to promote energy conservation and acquisition of energy efficient products.
- (12) The governing board may negotiate directly for the purchase of contractual services, supplies, materials, or equipment in bona fide emergencies regardless of estimated costs. The existence of the emergency must be fully explained, in writing, by the

vice president responsible for business affairs and such explanation must be approved by the university president. The letter and approval shall be filed with the record of all such purchases. Where practical, standard specifications shall be followed in making emergency purchases. A good faith effort shall be made to effect a competitively established price for emergency purchases.

(13) The acquisition and disposition of real property for the University of Kentucky Community College System and capital construction projects under KRS 45.750(1)(f) on real property for the use of the University of Kentucky Community College System shall be approved by the Kentucky Community and Technical College System board of regents, which shall transmit the action to the University of Kentucky board of trustees for approval.

Section 141. KRS 165A.320 is amended to read as follows:

KRS 165A.310 to 165A.410 shall not apply to any institution offering a four (4) year college level course recognized by the Council on Postsecondary~~Higher~~ Education nor shall it apply to any religious or nonprofit institution exempt from taxation under the laws of this state, or which is subject to the provisions of KRS 164.945. KRS 165A.310 to 165A.410 is intended to apply to and regulate proprietary schools including but not limited to correspondence schools which are operated as or are organized for profit, whether profit is ever realized.

Section 142. KRS 168.020 is amended to read as follows:

As used in KRS 168.010 to 168.100, the following words and terms have the following meanings, unless in any instance, the context shall clearly indicate another meaning, in which event the context shall be controlling:

- (1) "Authority" means the Kentucky Authority for Educational Television;
- (2) "Board" means the Kentucky Board of Education;
- (3) "Department" means the Kentucky~~State~~ Department of Education;

- (4) "Public schools" means the state-supported schools of the elementary and secondary levels, as defined in KRS 157.320;
- (5) "Commission" means the State Property and Buildings Commission of Kentucky;
- (6) "Council" means the Council on Postsecondary~~[Higher]~~ Education in Kentucky;
- (7) "University of Kentucky" means the University of Kentucky as one (1) entity, including its present and future extensions;
- (8) "State colleges and universities" means and includes Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, Western Kentucky University, and the University of Louisville, and institutions in the Kentucky Community and Technical College System~~]; but does not include any present or future state-supported junior colleges, unless by statute the same are given representation on the council];~~
- (9) "Educational television" means and includes the production of television programs, the filming or taping thereof, the purchase or lease of filmed or taped programs produced by others, and the transmission or relaying of them for utilization:
- (a) Which may be used in aid of education in the public schools and public~~[state-supported]~~ institutions of higher education; and
 - (b) For limited and incidental use in furtherance of other proper public functions;
- (10) "Television facilities" means and includes sites, buildings, structures, machinery, equipment, and installations, each with necessary or appropriate appurtenances, used or useful in the furtherance of educational television;
- (11) "Related functions" or "related services" means and includes the use of facilities operated or leased by the authority, or which may be added or connected to such facilities as permitted by applicable statutes, and to prepare, transmit, or enable the exchange of nontelevision programs, services, or functions for and among the public schools, public~~[state-supported]~~ institutions of higher education, and other state agencies:

- (a) In aid of education; and
 - (b) For use in other proper public functions; provided, however, that such related functions or related services may include, but are not limited to, the following examples: computer-assisted instruction, data for teaching or administrative purposes, and educational noncommercial radio;
- (12) "Related facilities" means and includes sites, buildings, structures, machinery, equipment, and installations, each with necessary or appropriate appurtenances, used or useful in the furtherance of related functions or services.

Section 143. KRS 168.040 is amended to read as follows:

- (1) The authority shall consist of nine (9) members, as follows:

The chief state school officer, ex officio, who shall initially serve as temporary chairman and shall call and preside over the organizational meeting or meetings until the members of the authority shall elect a chairman from among their number; a member of the staff or personnel of the department elected by the board upon recommendation of the chief state school officer as being qualified to serve as liaison and coordinator between the authority and the department on matters of curriculum, and his term shall be the same as that of the chief state school officer by whom he is recommended, but terminable by the board in the event he is transferred to other duties in the department, and automatically terminated in the event of his severance from the department for any reason; a representative of the University of Kentucky and a representative of the state universities to be elected by the Council on Postsecondary~~Higher~~ Education; **and** five (5) additional members appointed by the Governor who need possess no special or prescribed qualifications except that they shall be citizens of Kentucky.

- (2) Effective at 11:59 p.m. on June 30, 1994, all terms of gubernatorial appointees to the authority shall expire. Effective July 1, 1994, five (5) appointees nominated

pursuant to KRS 164.005 and appointed by the Governor shall become members of the authority.

Section 144. KRS 194.150 is amended to read as follows:

Whenever federal programs require a particular citizens' council within or attached to the cabinet to include state officials as voting members, the secretary shall, for the specific purposes of those federal programs, be authorized to vote in those council meetings and shall further be authorized to call upon either the secretary of the Finance and Administration Cabinet, or the chief state school officer, or the secretary of the Justice Cabinet, or the secretary for natural resources and environmental protection, or the secretary of the Cabinet for Economic Development, or the ***president***~~[executive director]~~ of the Council on ***Postsecondary***~~[Higher]~~ Education, or the secretary of the Public Protection and Regulation Cabinet, or the secretary of the Labor Cabinet or any combination of the above as may be appropriate, to be voting members of expanded citizens' councils for the purposes of these federal programs. The secretary shall exercise this prerogative only when the federal programs specifically require that state officials be voting members of the citizens' councils.

Section 145. KRS 314.142 is amended to read as follows:

- (1) The Kentucky Board of Nursing shall promulgate administrative regulations pursuant to KRS Chapter 13A to create a Sexual Assault Nurse Examiner Program. These administrative regulations shall address, at a minimum:
 - (a) Educational requirements for sexual assault nurse examiners and statewide standards for provision of the education;
 - (b) The application process through which registered nurses who submit documentation of required education and clinical experience and who remit the designated application fee may apply to the board to be credentialed as a "Sexual Assault Nurse Examiner";

- (c) Continuing education requirements for maintenance of the sexual assault nurse examiner credential; and
 - (d) Methods of monitoring overall program implementation.
- (2) For the purpose of providing recommendations to the Kentucky Board of Nursing on the development and implementation of the Sexual Assault Nurse Examiner Program, there is hereby created a fourteen (14) member Sexual Assault Nurse Examiner Advisory Council. The following members shall serve on the council by virtue of their office: the executive director of the Kentucky Board of Nursing or the executive director's designee; the executive director of the Kentucky Hospital Association or the executive director's designee; the state medical examiner or the examiner's designee; the secretary of the Cabinet for Human Resources or the secretary's designee; the president of the Statewide Association of Rape Crisis Centers or the president's designee; the commissioner of the Department for Health Services of the Cabinet for Human Resources or the commissioner's designee; the chair of the Council on Postsecondary~~Higher~~ Education or the chair's designee; the director of the Victim's Advocacy Division of the Office of the Attorney General or the director's designee; the director of the Prosecutors Advisory Council of the Office of the Attorney General or the director's designee; and the director of the Kentucky State Police Crime Lab or the director's designee. Two (2) members shall be registered nurses with forensic experience appointed by the Governor from a list of three (3) names recommended by the Kentucky Nurses Association. Two (2) members with a demonstrated interest and experience in victims' services shall be appointed by the Governor to serve as at-large members. Of the at-large members, one (1) shall be appointed from a list of three (3) names recommended by the Kentucky Board of Nursing and one (1) from a list of three (3) names recommended by the Cabinet for Human Resources.

- (3) Members shall serve at the pleasure of the appointing authority but shall not serve longer than four (4) years without reappointment.
- (4) The chair of the advisory council shall be elected by a majority vote of council members.
- (5) Each member of the council may be reimbursed for necessary expenses incurred in attending its meetings from funds available through the collection of fees required under subsection (1) of this section.

Section 146. KRS 332.110 is amended to read as follows:

- (1) This chapter shall not apply to any school or educational institution which offers to full-time, regularly enrolled students as a part of its curriculum a course in driving instruction nor to automobile dealers and their salesmen who give instruction without charge to purchasers of motor vehicles nor to employers who give instruction without charge to their employees.
- (2) This chapter shall not apply to any college within the **Kentucky Community and Technical College System**~~[University of Kentucky community college system]~~ which offers to part-time students a course in drivers instruction where there is no school licensed pursuant to this chapter in the county.

Section 147. KRS 343.020 is amended to read as follows:

- (1) The Governor shall appoint an Apprenticeship and Training Council composed of three (3) representatives from employer organizations, and three (3) from employee organizations, who shall serve for a term of three (3) years and until their successors are appointed and qualified. The commissioner of workplace standards and the **chancellor for the Technical Institutions' Branch in the Kentucky Community and Technical College System**~~[state official designated by the State Board for Adult and Technical Education as being in charge of trade and industrial education]~~ shall be ex officio members of the council. The chairman shall be elected by vote of the Apprenticeship and Training Council. The regular members of the council shall

each have one (1) vote. In the event of a tie vote among the regular members, the commissioner of workplace standards shall have the right to cast the tie-breaking vote. Each member of the council shall receive his actual and necessary expenses incurred in attending its meetings. The council shall meet at the call of the commissioner and shall aid him in formulating policies for the effective administration of this chapter. The commissioner with the aid of the council shall have the authority to make and revise such rules and regulations as he may deem appropriate to carry out the provisions and purposes of this chapter.

- (2) The council shall be attached to the Labor Cabinet for administrative purposes.

Section 148. KRS 367.660 is amended to read as follows:

The following solicitations are exempt from the provisions of KRS 367.650 to 367.670:

- (1) Solicitations by an organization of contributions from its members and their families only, if membership is not included in a solicitation to avoid the provisions of KRS 367.650 to 367.670, is not granted upon the basis of contributions alone, and is within the exception of KRS 367.650(3).
- (2) Solicitations by a religious organization for funds for religious purposes such as maintenance of a house of worship, conduct of services, and propagation of its faith and tenets as distinguished from other charitable and civic purposes employed by nonreligious organizations.
- (3) Solicitations by a publicly-owned or nonprofit privately-endowed educational institution regulated by the Kentucky Board of Education, the Council on Postsecondary~~Higher~~ Education, or an equivalent public authority of the jurisdiction where the institution is located, from the alumni, faculty members, student body of the institution and their families, and from corporations, for the continuance of an established educational program.

- (4) Local solicitations by a student group or parent-teacher association for its campus or group connected activities with the approval of the administration of the educational institution.

Section 149. KRS 11A.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

- (1) "Business" means any corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock company, receivership, trust, or any legal entity through which business is conducted for profit;
- (2) "Commission" means the Executive Branch Ethics Commission;
- (3) "Compensation" means any money, thing of value, or economic benefit conferred on, or received by, any person in return for services rendered, or to be rendered, by himself or another;
- (4) "Family" means spouse and children, as well as a person who is related to a public servant as any of the following, whether by blood or adoption: parent, brother, sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister;
- (5) "Gift" means a payment, loan, subscription, advance, deposit of money, services, or anything of value, unless consideration of equal or greater value is received;
- (6) "Income" means any money or thing of value received or to be received as a claim on future services, whether in the form of a fee, salary, expense allowance, forbearance, forgiveness, interest, dividend, royalty, rent, capital gain, or any other form of compensation or any combination thereof;
- (7) "Officer" means all major management personnel in the executive branch of state government, including the secretary of the cabinet, the Governor's chief executive officers, cabinet secretaries, deputy cabinet secretaries, general counsels,

commissioners, deputy commissioners, principal assistants, division directors, members and full-time chief administrative officers of the Parole Board, Board of Tax Appeals, Board of Claims, Kentucky Retirement Systems board of trustees, Public Service Commission, Worker's Compensation Board and its administrative law judges, the Occupational Safety and Health Review Commission, the Kentucky Board of Education, the State Board for Adult and Technical Education, *the Council on Postsecondary Education*, and any other management personnel with procurement authority;

- (8) "Official duty" means any responsibility imposed on a public servant by virtue of his position in the state service;
- (9) "Public servant" means:
- (a) The Governor;
 - (b) The Lieutenant Governor;
 - (c) The Secretary of State;
 - (d) The Attorney General;
 - (e) The Treasurer;
 - (f) The Commissioner of Agriculture;
 - (g) The Superintendent of Public Instruction;
 - (h) The Auditor of Public Accounts;
 - (i) Each Railroad Commissioner; and
 - (j) All employees in the executive branch including officers as defined in subsection (7) of this section and merit employees;
- (10) "State agency" means every state office, department, division, board, commission, institution, public corporation, and authority within the executive branch;
- (11) "Lobbyist" means any person employed as a legislative agent or legislative counsel to promote, oppose, or act with reference to any legislation which affects, or may affect, private pecuniary interests, as distinct from those of the whole people;

- (12) "Lobbyist's principal" means the entity in whose behalf the lobbyist promotes, opposes, or acts with reference to legislative action; and
- (13) "Candidate" means those persons who have officially filed candidacy papers or who have been nominated by their political party pursuant to KRS 118.105, 118.115, 118.325, or 118.760 for any of the offices enumerated in subsections (9)(a) to (i) of this section.

SECTION 150. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) There is created in the Department of Adult Education and Literacy of the Workforce Development Cabinet, a special fund to be known as the adult education and literacy initiative fund, which shall consist of moneys appropriated by the General Assembly, gifts, grants, other sources of funding, public and private, and interest accrued by the fund. This fund shall not lapse at the end of a fiscal year but shall be carried forward to be used only for the purposes specified in this section.

(2) The purpose of the adult education and literacy initiative fund shall be to provide incentive grants to qualified providers to develop innovative approaches to address problems of adult education and literacy in Kentucky, to develop cost-effective delivery systems for adult education and literacy, and to research the effectiveness of different models for providing adult education and literacy programming. Criteria for the incentive grants and the process by which they are awarded shall be developed by the Department for Adult Education and Literacy with the advice of the State Advisory Council for Adult Education and Literacy. The State Board for Adult and Technical Education shall approve the grants to be funded based on the recommendations of the Department for Adult Education and Literacy.

Section 151. The following KRS sections are repealed:

151B.160 Buildings for state vocational schools.

164.575 Definition for KRS 164.575 to 164.600.

164.582 Definition for KRS 164.583.

186.1865 Special Kentucky Tech license plates.

Section 152. The term of any member of a board of trustees or board of regents for a state university that is due to expire by July 1, 1997, shall be extended until July 31, 1997.

Section 153. The terms of the existing members of the Council on Higher Education shall terminate as of the effective date of this Act, but they shall continue to serve until the membership of the Council on Postsecondary Education created by Section 73 of this Act is appointed by the Governor. All appropriations, records, resources, and other materials of the Council on Higher Education are transferred to its successor agency, the Council on Postsecondary Education as of the effective date of this Act.

Section 154. Whereas it is critical that the Kentucky Community and Technical College System be established in an orderly process with the delegation of management responsibilities of the University of Kentucky Community College System to the Kentucky Community and Technical College System board of regents taking place as of the date of the affirmative completion of the regional accrediting agency's substantive change process but not later than July 1, 1998, and that the Kentucky Tech institutions be transferred by July 1, 1998, there is hereby established a statewide transition team to be composed of the current Chancellor of the University of Kentucky Community College, the Commissioner for the Department for Technical Education, a representative of the finance and personnel offices for each system, a representative from the Governor's Office for Policy and Management, and the Governor's Office, and to be headed by the State Budget Director. The transition team shall be appointed by the Governor within one month of the effective date of this Act. Planning and policy development for the use of all appropriations for the 1996-98 biennium related to operations, management, and support

of the Kentucky Tech System, vocational-technical funds administered by the Cabinet for Workforce development, operations, management, and support of the University of Kentucky Community College System, and other funds designated for these purposes, and transfer of the personnel and funds to the new systems shall be administered by the State Budget Director, utilizing the appropriate transition staff. All such policy direction shall be communicated to the Legislative Research Commission, the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Education. Moreover, it is the intent of the General Assembly that all personnel and resources within the agencies described in this section identified by the State Budget Director as being necessary to assist in carrying out the provisions of this section shall be made available to the Governor's Office for Policy and Management by the chief administrators of each agency. The purpose of this provision is to provide policy transition for the purpose of implementing the provisions of the Kentucky Postsecondary Education Improvement Act of 1997. This authority shall continue only until such time as the first president of the Kentucky Community and Technical College System is employed by the board of regents for the Kentucky Community and Technical College System.

Section 155. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 156. Whereas it is critical that specific personnel, board, and council appointments be made by July 1, 1997, 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.