

1 AN ACT relating to the state employee merit system.

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

3 ➔Section 1. KRS 15A.072 is amended to read as follows:

- 4 (1) Effective May 1, 2017, contract employees of Eastern Kentucky University who are  
5 engaged in providing instructional and support services to the mission of the  
6 Department of Criminal Justice Training shall be transferred to the Department of  
7 Criminal Justice Training within the Justice and Public Safety Cabinet along with  
8 the funding associated with those employees. The Personnel Cabinet shall assist in  
9 implementing the transfer of employees.
- 10 (2) Employees transferred pursuant to subsection (1) of this section shall retain the  
11 following:
- 12 (a) All salaries and leave time balances accumulated as of the transfer date;
  - 13 (b) The date of initial contract employment with the Eastern Kentucky University  
14 for purposes of determining leave time accumulation; and
  - 15 (c) The date of initial participation in a state-administered retirement system if the  
16 employee has participated or is participating in the Kentucky Employees  
17 Retirement System or the Kentucky Teacher's Retirement System for the  
18 purpose of calculating retirement benefits. However, nothing in this paragraph  
19 shall be construed to provide additional service credit for an employee prior to  
20 the transfer date other than what has already been credited to the appropriate  
21 retirement system, and any months of service accrued while employed by  
22 Eastern Kentucky University shall not count towards ~~classified or~~  
23 ~~unclassified~~ service **under KRS Chapter 18A**~~[as defined in KRS 18A.005].~~
- 24 (3) As of May 1, 2017, employees transferred pursuant to subsection (1) of this section  
25 shall participate in the Kentucky Employees Retirement System as nonhazardous  
26 members pursuant to KRS 61.510 to 61.705.
- 27 (4) Employees transferred to the Department of Criminal Justice Training pursuant to

1 this section shall be eligible to participate in the state-sponsored life and health  
2 insurance benefit programs administered by the Personnel Cabinet in accordance  
3 with KRS Chapter 18A. Employees shall be eligible for coverage under the life and  
4 health insurance programs effective May 1, 2017, and shall not be subject to any  
5 waiting period that may be otherwise applicable to participation in these programs.

6 ➔Section 2. KRS 18A.010 is amended to read as follows:

7 (1)~~The general purpose of KRS 18A.005 to 18A.200 is to establish for the state a~~  
8 ~~system of personnel administration based on merit principles and scientific methods~~  
9 ~~governing the recruitment, examination, appointment, promotion, transfer, lay off,~~  
10 ~~removal, discipline, and welfare of its classified employees and other incidents of~~  
11 ~~state employment. All appointments and promotions to positions in the state~~  
12 ~~classified service shall be made solely on the basis of merit and fitness, to be~~  
13 ~~ascertained by competitive examination, except as hereinafter specified. The~~  
14 ~~General Assembly finds that this chapter is necessary in order to improve the~~  
15 ~~morale and motivation of state employees and to gain the maximum utilization of~~  
16 ~~human resources in order to provide better service to the citizens of this~~  
17 ~~Commonwealth.~~

18 (2)~~]~~ The total number of permanent full-time personnel employed in agencies of the  
19 executive branch shall not exceed thirty-three thousand (33,000).

20 (2)~~(3)~~ The provisions of subsection (1)~~(2)~~ of this section do not apply to teachers,  
21 career guidance coaches and counselors, or school administrators employed in state-  
22 operated area technology centers, or employees of the General Assembly, the  
23 Legislative Research Commission, the Kentucky Higher Education Assistance  
24 Authority, the Kentucky Higher Education Student Loan Corporation, or the Court  
25 of Justice.

26 (3)~~(4)~~ As used in this section, "career guidance coach" has the same meaning as in  
27 KRS 158.810.

1           ➔Section 3. KRS 18A.005 is amended to read as follows:

2       As used in this chapter, unless the context indicates otherwise:

- 3       (1) "Appointing authority" means the agency head or any person whom he *or she* has  
4       authorized by law to designate to act on behalf of the agency with respect to  
5       employee appointments, position establishments, payroll documents, register  
6       requests, waiver requests, requests for certification, or other position actions.  
7       *This*~~[Such]~~ designation shall be in writing and signed by both the agency head and  
8       his *or her* designee. Prior to the exercise of appointing authority, ~~*this*~~~~[such]~~  
9       designation shall be filed with the secretary;
- 10      (2) "Base salary or wages" means the compensation to which an employee is entitled  
11      under the salary schedules adopted pursuant to the provisions of KRS 18A.030 and  
12      18A.110. Base salary or wages shall be adjusted as provided under the provisions of  
13      KRS 18A.355 and 48.130;
- 14      ~~(3) "Board" means the Personnel Board created by KRS 18A.045;~~
- 15      ~~(4) "Career employee" shall mean a state employee with sixteen (16) or more years of~~  
16      ~~permanent full-time state service, or the part-time employment equivalent of at least~~  
17      ~~sixteen (16) years of full-time state service. The service may have been in the~~  
18      ~~classified service, the unclassified service, or a combination thereof;~~
- 19      ~~(5) "Certification" means the referral of the name of one (1) or more qualified~~  
20      ~~prospective employees by the secretary on request of an appointing officer for~~  
21      ~~consideration in filling a position in the classified service;~~
- 22      ~~(6)~~ "Class" means a group of positions sufficiently similar as to duties performed, scope  
23      of discretion and responsibility, minimum requirements of training, experience, or  
24      skill, and ~~[such]~~ other characteristics that the same title, the same tests of fitness,  
25      and the same schedule of compensation have been or may be applied to each  
26      position in the group;
- 27      ~~(4)~~~~(7)~~ "Classified employee" means an employee appointed to a position in the

- 1       ~~classified service whose appointment and continued employment are subject to the~~  
2       ~~classified service provisions of this chapter;~~
- 3       (8) ~~"Classified position" means a position in the executive branch of state government~~  
4       ~~that is not exempt from the classified service under KRS Chapter 16, KRS 18A.115,~~  
5       ~~KRS Chapter 151B, or any other provision of law;~~
- 6       (9) ~~"Classified service" includes all the employment subject to the terms of this chapter~~  
7       ~~except for those positions expressly cited in KRS 18A.115; a "classified position" is~~  
8       ~~a position in the classified service;~~
- 9       (10) "Secretary" means the secretary of the Personnel Cabinet as provided for in KRS  
10       18A.015;
- 11       (5)(11) ~~"Demotion" means a change in the rank of an employee from a position in one~~  
12       ~~(1) class to a position in another class having a lower minimum salary range and~~  
13       ~~less discretion or responsibility;~~
- 14       (12) "Cabinet" means the Personnel Cabinet provided for in KRS 18A.015, unless the  
15       context indicates otherwise;
- 16       (6)(13) ~~"Eligible" refers to a person who has made a passing score on any~~  
17       ~~examination required under KRS 18A.010 to 18A.200 or who has qualified to be~~  
18       ~~placed on a register;~~
- 19       (14) "Employee" or "state employee" means a person regularly appointed to a position  
20       in the state service for which he or she is compensated on a full-time, part-time, or  
21       interim basis;
- 22       (7)(15) "Federally funded time-limited employee" means an employee ~~in the~~  
23       ~~unclassified service,] appointed to a position that is funded one hundred percent~~  
24       (100%) by a federal grant or grants. An employee appointed to a federally funded  
25       time-limited position shall be required to meet the minimum requirements for the  
26       classification in which he or she is hired and ~~subject to the provisions of KRS~~  
27       ~~18A.113,] shall serve at the pleasure of the appointing authority during a period of~~

1 time that shall not exceed the life of the federal grant that funds the position. A  
2 federally funded time-limited employee who has been aggrieved by notice of  
3 disciplinary action or termination, other than an action based on expiration of the  
4 federal grant funding, may petition the appointing authority of the agency for the  
5 opportunity to be heard by the appointing authority or his *or her* designee prior to  
6 the effective date of the disciplinary action or termination. The decision of the  
7 appointing authority shall be final~~—except as provided by KRS 18A.095(14) and~~  
8 ~~18A.140. A federally funded time-limited employee shall not have the right of~~  
9 ~~appeal to the Personnel Board except as provided by KRS 18A.095(14) and~~  
10 ~~18A.140];~~

11 ~~(8)~~~~(16)~~ "Federally funded position" means a full-time or a part-time position in which  
12 the ~~unclassified~~ employee is eligible for *state employee* benefits~~—at the same level~~  
13 ~~as a classified employee in a permanent position];~~

14 ~~(9)~~~~(17)~~ "Full-time employee" means an employee in a full-time position;

15 ~~(10)~~~~(18)~~ "Full-time position" means a position, other than an interim position,  
16 requiring an employee to work at least thirty-seven and one-half (37.5) hours in a  
17 work week, except for the following:

- 18 (a) Positions in the state parks, where the work assigned is dependent upon  
19 fluctuations in tourism, may be assigned work hours from twenty-five (25)  
20 hours per week during the off seasons and remain in full-time positions; and  
21 (b) Positions in health care facilities, which regularly involve three (3)  
22 consecutive days of twelve (12) hour shifts to cover weekends, shall be  
23 considered full-time;

24 ~~(11)~~~~(19)~~ "Initial probation" means the period of service following initial appointment  
25 to any position under KRS 18A.010 to 18A.200 which requires special observation  
26 and evaluation of an employee's work and which must be passed successfully~~—~~  
27 ~~before status may be conferred as provided in KRS 18A.110 and by the provisions~~

1 ~~of this chapter~~. If the appointee is granted leave in excess of twenty (20)  
2 consecutive work days during this period, his or her initial probation shall be  
3 extended for the same length of time as the granted leave to cover the~~[such]~~  
4 absence;

5 (12)~~[(20)]~~ "Interim employee" means an ~~[unclassified]~~ employee ~~[without status]~~ who  
6 has been appointed to an interim position that shall be less than nine (9) months  
7 duration;

8 (13)~~[(21)]~~ "Interim position" means a position established to address a one-time or  
9 recurring need of less than nine (9) months duration~~[and exempt from the classified~~  
10 ~~service under KRS 18A.115]~~;

11 (14)~~[(22)]~~ "Part-time employee" means an employee in a part-time position;

12 (15)~~[(23)]~~ "Part-time position" means a position, other than an interim position,  
13 requiring an employee to work less than one hundred (100) hours per month;

14 (16)~~[(24)]~~ ~~"Penalization" means demotion, dismissal, suspension, fines, and other~~  
15 ~~disciplinary actions; involuntary transfers; salary adjustments; any action that~~  
16 ~~increases or diminishes the level, rank, discretion, or responsibility of an employee~~  
17 ~~without proper cause or authority, including a reclassification or reallocation to a~~  
18 ~~lower grade or rate of pay; and the abridgment or denial of other rights granted to~~  
19 ~~state employees;~~

20 ~~(25)]~~ "Position" means an office or employment in an agency (whether part-time, full-  
21 time, or interim, occupied, or vacant) involving duties requiring the services of one  
22 (1) person;

23 (17)~~[(26)]~~ "Promotion" means a change of rank of an employee from a position in one  
24 (1) class to a position in another class having a higher minimum salary or carrying a  
25 greater scope of discretion or responsibility;

26 (18)~~[(27)]~~ "Promotional probation" means the period of service, consistent with the  
27 length of the initial probationary period, following the promotion of an employee~~[~~

1       ~~with status~~ which must be successfully completed in order for the employee to  
2       retain the position to which he or she has been promoted. If the employee is granted  
3       leave in excess of twenty (20) consecutive work days during this period, his or her  
4       promotional probation shall be extended for the same length of time as the granted  
5       leave to cover such absence;

6       ~~[(28) "Qualifying" means the selection method type which results when the knowledge,~~  
7       ~~skills, and abilities necessary for a job classification cannot be accurately measured~~  
8       ~~by written examination;]~~

9       (19)~~[(29)]~~ "Reallocation" means the correction of the classification of an existing  
10       position by placement of the position into the classification that is appropriate for  
11       the duties the employee has been and shall continue to perform;

12       (20)~~[(30)]~~ "Reclassification" shall mean the change in the classification of an employee  
13       when a material and permanent change in the duties or responsibilities of that  
14       employee has been assigned in writing by the appointing authority;

15       (21)~~[(31)]~~ "Reemployment" shall mean the rehiring of an employee with status who has  
16       been laid-off;

17       ~~(32) "Reemployment register" means the separate list of names of persons who have~~  
18       ~~been separated from state service by reason of lay-off. Reemployment registers shall~~  
19       ~~be used as provided by the provisions of KRS 18A.110, 18A.130, and 18A.135;~~

20       ~~(33) "Register" means any official list of eligibles for a particular class and, except as~~  
21       ~~provided in this chapter, placed in rank order according to the examination scores~~  
22       ~~maintained for use in making original appointments or promotions to positions in~~  
23       ~~the classified service;~~

24       ~~(34)~~ "Reinstatement" means the privilege of restoration of an employee who has resigned  
25       in good standing at the option of the appointing authority~~, or who has been ordered~~  
26       ~~reinstated by the board or a court to a position in his former class, or to a position of~~  
27       ~~like status and pay];~~

1 ~~(22)~~~~[(35)]~~ "Reversion" means either the returning of a status employee to his or her last  
2 position held in the classified service, if vacant, or the returning of a status  
3 employee to a vacant position in the same or similar job classification as his or her  
4 last position held in the classified service. Reversion occurs after a career employee  
5 is terminated other than for cause from the unclassified service or after a status  
6 employee fails to successfully complete promotional probation. Reversion after  
7 unsuccessful completion of promotional probation, or in the case of a career  
8 employee after termination from the unclassified service, may only be appealed to  
9 the Personnel Board under KRS 18A.095(12);

10 ~~(36)~~ "Seniority" means the total number of months of state service; ***and***

11 ~~(23)~~~~[(37)]~~ "Status" means the acquisition of tenure with all rights and privileges granted  
12 by the provisions of this chapter after satisfactory completion of the initial  
13 probationary period by an employee in the classified service; and

14 ~~(38)~~ "Transfer" means a movement of any employee from one (1) position to another of  
15 the same grade having the same salary ranges, the same level of responsibility~~]~~  
16 ~~within the classified service],~~ and the same salary received immediately prior to  
17 transfer.

18 ➔Section 4. KRS 18A.020 is amended to read as follows:

19 (1) The records of the cabinet shall be public records and shall be open to public  
20 inspection, as provided in KRS 61.870 to 61.884.

21 (2) (a) A personnel file shall be maintained by the cabinet and the appointing  
22 authority for each employee. The file maintained by the cabinet shall be the  
23 official personnel file for the employee. Upon transfer, the personnel file  
24 maintained by the appointing authority from which the employee transfers  
25 shall be forwarded to the new appointing authority;

26 (b) Each file shall include, but not be limited to, for each employee, his name,  
27 address, title of positions held, classification, rates of compensation, all



1 changes in status including evaluations, promotions, demotions, lay-offs,  
2 transfers, disciplinary actions, commendations, awards, and preliminary and  
3 other supporting documentation for each action. Each file shall contain the  
4 complete record and supporting documentation for each personnel action};

5 ~~(c) Whenever an employee is reprimanded for misconduct, other infraction, or~~  
6 ~~failure to perform his duties in a proper or adequate manner, the supervising~~  
7 ~~employee taking such action shall document such action in detail, and shall~~  
8 ~~provide the employee with a copy of such documentation. The supervising~~  
9 ~~employee shall inform the employee that he has the right to prepare a written~~  
10 ~~response to the action taken after he has reviewed the written documentation~~  
11 ~~prepared by the supervising employee. Such response shall be attached to the~~  
12 ~~documentation prepared by the supervising employee. The supervising~~  
13 ~~employee shall place a copy of the documentation and response provided for~~  
14 ~~herein in the employee's personnel file and shall transmit a copy to the cabinet~~  
15 ~~to be placed in the official personnel file of the employee. The supervising~~  
16 ~~employee shall notify the employee that copies of the documentation and the~~  
17 ~~response provided for herein have been placed in his personnel files}.~~

18 (3) Upon written request, an employee shall have the right to examine his or her  
19 personnel file. An employee may comment in writing on any item in his or her file.  
20 These~~Such~~ comments shall be made a part of his or her file and shall be attached  
21 to the specific record or document to which they pertain.

22 ~~(4) Upon written request a state employee, an applicant for employment, and an eligible~~  
23 ~~on a register shall have the right to inspect and to copy any record and preliminary~~  
24 ~~documentation and other supporting documentation that relates to him, except that~~  
25 ~~an applicant, an eligible, or a state employee shall not have the right to inspect or to~~  
26 ~~copy any examination materials.~~

27 ~~(5)~~ No public agency, as defined by KRS 61.870, and no officer or employee shall

1 deny, abridge, or impede the exercise of the rights granted in any manner by this  
2 section and by KRS 61.878.

3 ➔Section 5. KRS 18A.025 is amended to read as follows:

4 (1) The Governor shall appoint the secretary of personnel as provided in KRS 18A.015,  
5 who shall be considered an employee of the state. The secretary shall be a graduate  
6 of an accredited college or university and have at least five (5) years' experience in  
7 personnel administration or in related fields, ~~have known sympathies with the merit~~  
8 ~~principle in government and shall be dedicated to the preservation of this principle.~~  
9 Additional education may be substituted for the required experience and additional  
10 experience may be substituted for the required education.

11 (2) The secretary of the Personnel Cabinet or the secretary's designee, shall be  
12 responsible for the coordination of the state's affirmative action plan, established by  
13 KRS 18A.138.

14 (3) There is established within the Personnel Cabinet the following offices,  
15 departments, and divisions, each of which shall be headed by either a commissioner,  
16 executive director, or division director appointed by the secretary, subject to the  
17 prior approval of the Governor pursuant to KRS 12.040 or 12.050, depending on the  
18 level of the appointment, except that the Kentucky Employees Deferred  
19 Compensation Authority shall be headed by an executive director who shall be  
20 appointed by the authority's board of directors:

21 (a) Office of the Secretary, which shall be responsible for communication with  
22 state employees about personnel and other relevant issues and for the  
23 administration and coordination of the following:

- 24 1. Office of Employee Relations, composed of the following programs:
- 25 a. Workers' Compensation Program pursuant to KRS 18A.375;
  - 26 b. Sick leave Sharing Program, pursuant to KRS 18A.197;
  - 27 c. Annual Leave Sharing Program, pursuant to KRS 18A.203;

- 1                   d.    Health and Safety Program;
- 2                   e.    Employee Assistance Program;
- 3                   f.    Employee Incentive Programs, pursuant to KRS 18A.202; and
- 4                   g.    Employee Mediation Program;
- 5           2.    Office of Administrative Services, which shall be responsible for the
- 6                   Personnel Cabinet's administrative functions, composed of the following
- 7                   programs:
- 8                   a.    Division of Technology Services;
- 9                   b.    Division of Human Resources; and
- 10                  c.    Division of Financial Services;
- 11           3.    Office of Legal Services, which shall provide legal services to the
- 12                   Personnel Cabinet and to executive branch agencies and their
- 13                   representatives upon request;
- 14           4.    Office of Diversity, Equality, and Training, which shall coordinate and
- 15                   implement diversity initiatives for state agencies, the affirmative action
- 16                   plan established by KRS 18A.138, the state Equal Employment
- 17                   Opportunity Program, and the Minority Management Trainee Program;
- 18           5.    Governmental Services Center, which shall be responsible for employee
- 19                   and managerial training and organizational development;
- 20           6.    Kentucky Public Employees Deferred Compensation Authority, which
- 21                   shall maintain a deferred compensation plan for state employees; and
- 22           7.    Office of Public Affairs, which shall assist in all aspects of developing
- 23                   and executing the strategic direction of the cabinet;
- 24   (b)   Department of Human Resources Administration, which shall be composed of
- 25           the:
- 26           1.    Division of Employee Management, which shall be responsible for
- 27                   payroll, records, classification, and compensation. The division shall

- 1 also be responsible for implementing lay-off plans~~[mandated by KRS~~  
 2 ~~18A.113 to 118A.1132]~~ and shall monitor and assist state agencies in  
 3 complying with the provisions of the federal Fair Labor Standards Act.  
 4 The division shall:
- 5 a. Maintain the central personnel files mandated by KRS 18A.020  
 6 and process personnel documents and position actions;
  - 7 b. Operate and maintain a uniform payroll system and certify payrolls  
 8 as required by KRS 18A.125;
  - 9 c. Maintain plans of classification and compensation for state service  
 10 and review and evaluate the plans; and
  - 11 d. Coordinate and implement the employee performance evaluation  
 12 systems throughout state government; and
- 13 2. Division of Career Opportunities, which shall be responsible for  
 14 employment counseling, applicant processing,~~[employment register,]~~  
 15 and staffing analysis functions. The division shall:
- 16 a. Operate a centralized applicant and employee counseling program;
  - 17 **and**
  - 18 b.~~[Operate, coordinate, and construct the examination program for~~  
 19 ~~state employment;~~
  - 20 c.~~Prepare registers of candidate employment; and~~
  - 21 d.] Coordinate outreach programs, such as recruitment and the  
 22 Administrative Intern Program; and
- 23 (c) Department of Employee Insurance, which shall be responsible for the:
- 24 1. Health Insurance Program, pursuant to KRS 18A.225;
  - 25 2. Flexible Benefit Plan, pursuant to KRS 18A.227;
  - 26 3. Division of Insurance Administration, which shall be responsible for  
 27 enrollment and service functions;

1           4. Division of Financial and Data Services, which shall be responsible for  
2           fiscal and data analysis functions; and

3           5. Life Insurance Program pursuant to KRS 18A.205 to 18A.220.

4 (4) The cabinet shall include principal assistants appointed by the secretary, pursuant to  
5 KRS 12.050 when required~~[or 18A.115(1)(g) and (h)]~~, as necessary for the  
6 development and implementation of policy. The secretary may employ, pursuant to  
7 the provisions of this chapter, personnel necessary to execute the functions and  
8 duties of the department.

9           ➔Section 6. KRS 18A.030 is amended to read as follows:

10 (1) The secretary shall be the executive and administrative head of the cabinet and shall  
11 supervise and control all examinations and work of the cabinet.~~[He shall advise the~~  
12 ~~board on matters pertaining to the classified service of this state.]~~ Within the  
13 limitations of the budget, the secretary shall appoint and supervise the staff needed  
14 in the cabinet to carry out the purposes of KRS 18A.005 to 18A.200~~[except~~  
15 ~~employees of the board who shall be appointed as provided in KRS 18A.090].~~

16 (2) Subject to the provisions of this chapter and KRS Chapter 13A, the secretary shall,  
17 with the aid of his or her staff:

18 (a)~~[Attend all meetings of the board;~~

19 (b)~~]~~ As provided by this chapter, promulgate comprehensive administrative  
20 regulations consistent with the provisions of KRS Chapters 13A and 18A, and  
21 with federal standards for the administration of a personnel system in the  
22 agencies of the state government receiving federal grants;

23 (b)~~(e)]~~ Establish general procedures for personnel recruitment, for certification,  
24 and for improving the efficiency of employed personnel;

25 (c)~~(d)]~~ ~~Appoint the examiners and technicians necessary for the conduct of the~~  
26 ~~personnel program, whether on a permanent or temporary basis;~~

27 (e)~~]~~ Prepare and maintain a record of all employees, showing for each employee

1 his ***or her*** name, address, title of position held, rate of compensation, changes  
2 in ~~status,~~ compensation~~,~~ or title, transfer, and to make the data and the  
3 class specifications for all positions available to the press and public;

4 ~~(d)(f) — Prepare, in accordance with the provisions of KRS 18A.005 to 18A.200~~  
5 ~~and the administrative regulations adopted thereunder, examinations, eligible~~  
6 ~~lists, and ratings of candidates for appointment;~~

7 ~~(g)~~ Make certification for appointment or promotion ***of state employees*** ~~within~~  
8 ~~the [classified] service~~, in accordance with the provisions of KRS 18A.005 to  
9 18A.200;

10 ~~(e)(h)~~ Make investigations concerning all matters touching the enforcement  
11 and effect of the provisions of KRS 18A.005 to 18A.200 and ***promulgate***  
12 ***related*** administrative regulations ~~prescribed thereunder~~;

13 ~~(f)(i)~~ Prepare, in cooperation with appointing authorities and others, programs  
14 for employee training, safety, morale, work motivation, health, counseling,  
15 and welfare, and exercise leadership in the development of effective personnel  
16 administration within the several departments of the Commonwealth, and  
17 make available the facilities of the department to this end;

18 ~~(g)(j) — Provide personnel services to unclassified employees in agreement with~~  
19 ~~the agencies involved not otherwise provided for in KRS 18A.005 to~~  
20 ~~18A.200;~~

21 ~~(k)~~ Present, in accordance with the provisions of KRS Chapter 48, budget  
22 requests for the support of the personnel system created by KRS 18A.005 to  
23 18A.200~~, excluding the board, which shall present its own budget estimates~~;

24 ~~(h)(4)~~ Make a report and submit the same to ~~the board,~~ the Legislative  
25 Research Commission~~,~~ and the Governor not later than October first of each  
26 year; ***and***

27 ~~(i)(m) — Propose selection method changes for any classification to the Personnel~~

1           ~~Board with documentation justifying the need for the selection method~~  
 2           ~~change. The Personnel Board shall, at its next regularly scheduled monthly~~  
 3           ~~meeting, review and comment on any proposed selection method change. A~~  
 4           ~~classification shall not have its selection method changed without review and~~  
 5           ~~comment by the Personnel Board; and~~

6           ~~(n)}~~ Discharge the other duties imposed upon him ***or her*** by KRS 18A.005 to  
 7           18A.200.

8           (3) The secretary on behalf of the cabinet may join or subscribe to any association or  
 9           service having as its purpose the interchange of information relating to the  
 10          improvement of the public service and especially improvement of personnel  
 11          administration.

12          (4) The secretary shall keep records relative to employee turnover and report to the  
 13          ~~{board, the }Governor{,}~~ and the Legislative Research Commission quarterly. The  
 14          report shall reflect employee turnover rates by cabinet, department, bureau, division,  
 15          and section. If any cabinet, department, bureau, division, or section has a turnover  
 16          rate of fifteen percent (15%) or more in any twelve (12) month period, the secretary  
 17          shall conduct an investigation into the reasons for the turnover and report the  
 18          findings to the ~~{board, the }Governor{,}~~ and the Legislative Research Commission.

19          (5) The secretary shall provide to each new state employee and to each existing state  
 20          employee~~{, classified or otherwise,}~~ on an annual basis an informational pamphlet  
 21          about human immunodeficiency virus infection and acquired immunodeficiency  
 22          syndrome. The pamphlet shall be approved by the Cabinet for Health and Family  
 23          Services and shall contain information about the nature and extent of these diseases,  
 24          methods of transmission, preventive measures, and referral services.

25          (6) The secretary shall establish and maintain a list of all filled positions ***classified as***  
 26          ***division directors and above***~~{exempted from classified service under KRS~~  
 27          ~~18A.115(1) (e), (g), (h), (i), (k), (t), (w), (aa), and (ab)}~~. The list shall include the

1 following information for each filled position:

- 2 (a) The name of the agency where the position is assigned;
- 3 ~~(b) The statutory authority for the unclassified status of the position;~~
- 4 ~~(c)~~ The title of the position;
- 5 ~~(c)~~~~(d)~~ The pay grade of the position;
- 6 ~~(d)~~~~(e)~~ The annual salary of the employee in the position; and
- 7 ~~(e)~~~~(f)~~ The work county of the employee in the position.

8 (7) Beginning September 1, 2010, and every six (6) months thereafter, the secretary  
9 shall provide the Governor and the Legislative Research Commission with a copy  
10 of the list described in subsection (6) of this section, and shall indicate on the list  
11 any position that has been added to the list since the last submission.

12 (8) The secretary shall perform organizational analysis and review.

13 ➔Section 7. KRS 18A.035 is amended to read as follows:

14 (1) The secretary may from time to time designate in writing an employee of the cabinet  
15 to act for him or her in case of his or her absence or inability from any cause to  
16 discharge the powers and duties of his or her position. In this case, the powers and  
17 duties of the secretary shall devolve upon his or her designee.

18 ~~(2) The secretary may request appropriate persons, including officers and employees in  
19 the state service, to assist in the preparation and rating of tests. Department  
20 heads shall cooperate to the fullest extent possible in making the services of  
21 their employees available for such work.~~

22 ~~(3)~~ (a) The secretary may enter into written agreements with an appointing authority  
23 which would provide for the delegation of his or her authority and power to  
24 the appointing authority. The secretary is prohibited from delegating any  
25 powers or authority pertaining to disciplinary actions, lay-offs, or registers.

26 (b) All written agreements delegating the secretary's power and authority as  
27 provided in paragraph (a) of this subsection shall be specific in nature and



1 renewed annually.

2 ~~[(c) A copy of the written agreements shall be forwarded to the Personnel Board.]~~

3 ~~(3)~~~~[(4)]~~ The secretary shall serve ex officio as a member of the board of trustees of the  
4 Kentucky Employees Retirement System.

5 ➔Section 8. KRS 18A.040 is amended to read as follows:

6 The ~~[board and the]~~secretary shall see that rules, ***administrative*** regulations, and  
7 practices meeting federal merit system standards shall, where such standards apply as a  
8 prerequisite for federal grants-in-aid, be in effect continuously, notwithstanding any other  
9 provision of KRS 18A.005 to 18A.200.

10 ➔Section 9. KRS 18A.110 is amended to read as follows:

11 (1) The secretary shall promulgate comprehensive administrative regulations for the  
12 ***state employees***~~[classified service]~~ governing:

13 ~~(a) [Applications and examinations;~~

14 ~~(b) Certification and selection of eligibles;~~

15 ~~(c) ]Classification and compensation plans;~~

16 ***(b) Disciplinary actions;***~~[(d) Incentive programs;~~

17 ~~(e)]~~***(c)*** Lay-offs;

18 ***(d)***~~[(f) Registers;~~

19 ~~(g) ]Types of appointments;~~

20 ***(e)***~~[(h)]~~ Attendance; hours of work; compensatory time; annual, court, military,  
21 sick, voting, and special leaves of absence, provided that the secretary shall  
22 not promulgate administrative regulations that would reduce the rate at which  
23 employees may accumulate leave time below the rate effective on December  
24 10, 1985; and

25 ***(f)***~~[(i)]~~ Employee evaluations.

26 ~~(2) [The secretary shall promulgate comprehensive administrative regulations for the~~  
27 ~~unclassified service.]~~

- 1 ~~(3) — (a)~~ Except as provided by KRS 18A.355, the secretary shall not promulgate  
2 administrative regulations that would reduce an employee's salary~~;~~ and
- 3 ~~(b) — As provided by KRS 18A.0751(4)(e), the secretary may submit a proposed~~  
4 ~~administrative regulation providing for an initial probationary period in excess~~  
5 ~~of six (6) months to the board for its approval].~~
- 6 ~~(3)~~~~(4)~~ The secretary may promulgate administrative regulations to implement state  
7 government's affirmative action plan under KRS 18A.138.
- 8 ~~(4)~~~~(5)~~ (a) The administrative regulations shall comply with the provisions of this  
9 chapter and KRS Chapter 13A, and shall have the force and effect of law after  
10 compliance with the provisions of KRS Chapters 13A and 18A and the  
11 procedures adopted~~[thereunder]~~;
- 12 (b) Administrative regulations promulgated by the secretary shall not expand or  
13 restrict rights granted to, or duties imposed upon, employees and  
14 administrative bodies by the provisions of this chapter; and
- 15 (c) No administrative body other than the Personnel Cabinet shall promulgate  
16 administrative regulations governing the subject matters specified in this  
17 section.
- 18 ~~[(6) Prior to filing an administrative regulation with the Legislative Research~~  
19 ~~Commission, the secretary shall submit the administrative regulation to the board~~  
20 ~~for review.~~
- 21 ~~(a) — The board shall review the administrative regulation proposed by the secretary~~  
22 ~~not less than twenty (20) days after its submission to it;~~
- 23 ~~(b) — Not less than five (5) days after its review, the board shall submit its~~  
24 ~~recommendations in writing to the secretary;~~
- 25 ~~(c) — The secretary shall review the recommendations of the board and may revise~~  
26 ~~the proposed administrative regulation if he deems it necessary; and~~
- 27 ~~(d) — After the secretary has completed the review provided for in this section, he~~

1           ~~may file the proposed administrative regulation with the Legislative Research~~  
 2           ~~Commission pursuant to the provisions of KRS Chapter 13A.~~]

3    ~~(5)~~~~(7)~~ The administrative regulations shall provide:

- 4           (a) For the preparation, maintenance, and revision of a position classification plan  
 5           for all state employment positions~~[in the classified service]~~, based upon  
 6           similarity of duties performed and responsibilities assumed, so that the same  
 7           qualifications may reasonably be required for, and the same schedule of pay  
 8           may be equitably applied to, all positions in the same class. The secretary shall  
 9           allocate the position of every employee ~~[in the classified service]~~ to one (1) of  
 10          the classes in the plan. The secretary shall reallocate existing positions, after  
 11          consultation with appointing authorities, when it is determined that they are  
 12          incorrectly allocated, and there has been no substantial change in duties from  
 13          those in effect when such positions were last classified. The occupant of a  
 14          position being reallocated shall continue to serve in the reallocated position  
 15          with no reduction in salary;
- 16          (b) For a pay plan for all employees~~[in the classified service]~~, after consultation  
 17          with appointing authorities and the state budget director. The plan shall take  
 18          into account the following~~[such factors as]~~:
- 19           1. The relative levels of duties and responsibilities of various classes of  
 20           positions;
  - 21           2. Rates paid for comparable positions elsewhere taking into consideration  
 22           the effect of seniority on these~~[such]~~ rates; and
  - 23           3. The state's financial resources.
- 24          Amendments to the pay plan shall be made in the same manner. Each  
 25          employee shall be paid at one (1) of the rates set forth in the pay plan for the  
 26          class of position in which he or she is employed, provided that the full amount  
 27          of the annual increment provided~~[for]~~ by the provisions of KRS 18A.355, and

1 the full amount of an increment due to a promotion, salary adjustment,  
2 reclassification, or reallocation, shall be added to an employee's base salary or  
3 wages;

4 ~~(c) For open competitive examinations to test the relative fitness of applicants for  
5 the respective positions. The examinations shall be announced publicly and  
6 applications accepted at least ten (10) days prior to certification of a register,  
7 and may be advertised through the press, radio, and other media. The secretary  
8 shall continue to receive applications and examine candidates on a continuous  
9 basis long enough to assure a sufficient number of eligibles to meet the needs  
10 of the service. Except as provided by this chapter, he shall add the names of  
11 successful candidates to existing eligible lists in accordance with their  
12 respective ratings. The secretary shall be free to use any investigation of  
13 education and experience and any test of capacity, knowledge, manual skill,  
14 character, personal traits, or physical fitness, which in his judgment, serves the  
15 need to discover the relative fitness of applicants;~~

16 ~~(d) As provided by this chapter, for the establishment of eligible lists for  
17 appointment, upon which lists shall be placed the names of successful  
18 candidates in the order of their relative excellence in the respective  
19 examinations. Except as provided by this chapter, an eligible's score shall  
20 expire automatically one (1) year from the date of testing, unless the life of the  
21 score is extended by action of the secretary for a period not to exceed one (1)  
22 additional year. Except for those individuals exercising reemployment rights,  
23 all eligibles may be removed from the register when a new examination is  
24 established;~~

25 ~~(e) For the rejection of candidates or eligibles who fail to comply with reasonable  
26 requirements of the secretary in regard to such factors as age, physical  
27 condition, training, and experience, or who have attempted any deception or~~

1 fraud in connection with an examination;

2 ~~(f) Except as provided by this chapter, for the appointment of a person whose~~  
 3 ~~score is included in the five (5) highest scores earned on the examination;~~

4 ~~(g) For annual, sick, and special leaves of absence, with or without pay, or~~  
 5 ~~reduced pay[, after approval by the Governor as provided by KRS~~  
 6 ~~18A.155(1)(d)];~~

7 ~~(d)(h) For lay-offs[, in accordance with the provisions of KRS 18A.113,~~  
 8 ~~18A.1131, and 18A.1132,] by reasons of lack of work, abolishment of a~~  
 9 ~~position, a material change in duties or organization, or a lack of funds;~~

10 ~~(e)(i) For the development and operation of programs to improve the work~~  
 11 ~~effectiveness of employees[ in the state service], including training, whether~~  
 12 ~~in-service or compensated educational leave, safety, health, welfare,~~  
 13 ~~counseling, recreation, employee relations, and employee mobility[ without~~  
 14 ~~written examination];~~

15 ~~(f)(j) For a uniform system of annual employee evaluation[ for classified~~  
 16 ~~employees, with status], that shall be considered in determining eligibility for~~  
 17 ~~discretionary salary advancements, promotions, and disciplinary actions. The~~  
 18 ~~administrative regulations shall:~~

- 19 1. Require the secretary to determine the appropriate number of job
- 20 categories to be evaluated and a method for rating each category;
- 21 2. Provide for periodic informal reviews during the evaluation period
- 22 which shall be documented on the evaluation form and pertinent
- 23 comments by either the employee or supervisor may be included;
- 24 3. Establish a procedure for internal dispute resolution with respect to the
- 25 final evaluation rating;
- 26 4. ~~Permit a classified employee, with status, who receives either of the two~~  
 27 ~~(2) lowest possible evaluation ratings to appeal to the Personnel Board~~

1           ~~for review after exhausting the internal dispute resolution procedure.~~  
2           ~~The final evaluation shall not include supervisor comments on ratings~~  
3           ~~other than the lowest two (2) ratings;~~

4           ~~5.7~~ Require that an employee who receives the highest possible rating shall  
5           receive the equivalent of two (2) workdays, not to exceed sixteen (16)  
6           hours, credited to his or her annual leave balance. An employee who  
7           receives the second highest possible rating shall receive the equivalent  
8           of one (1) workday, not to exceed eight (8) hours, credited to his or her  
9           annual leave balance; and

10          ~~5.16.7~~ Require that an employee who receives the lowest possible evaluation  
11          rating shall either be demoted to a position commensurate with the  
12          employee's skills and abilities or be terminated; and

13          ~~(g)(4)~~ For other administrative regulations not inconsistent with this chapter  
14          and KRS Chapter 13A, as may be proper and necessary for its enforcement.

15          ~~(6)(8)~~ For any individual hired or elected to office before January 1, 2015, and paid  
16          through the Kentucky Human Resources Information System, the Personnel Cabinet  
17          shall not require payroll payments to be made by direct deposit or require the  
18          individual to use a Web-based program to access his or her salary statement.

19          ~~(7)(9)~~ To the extent that KRS 16.010 to 16.199 and administrative regulations  
20          promulgated by the commissioner of the Department of Kentucky State Police  
21          under authority granted in KRS Chapter 16 conflict with this section or any  
22          administrative regulation promulgated by the secretary pursuant to authority granted  
23          in this section, the provisions of KRS Chapter 16 shall prevail.

24          ➔Section 10. KRS 18A.111 is amended to read as follows:

25          (1) Except when appointed to a job classification with an initial probationary period in  
26          excess of six (6) months, and except as provided in KRS 18A.005 and this section,  
27          an employee shall serve a six (6) months probationary period when he or she is

1 initially appointed~~[ to the classified service. An employee may be separated from~~  
2 ~~his position, reduced in class or rank, or replaced on the eligible list during this~~  
3 ~~initial probationary period and shall not have a right to appeal, except as provided~~  
4 ~~by KRS 18A.095. The employee may be placed on an eligible list but shall not be~~  
5 ~~certified to the agency from which he was separated unless that agency so requests.~~  
6 ~~Unless the appointing authority notifies the employee prior to the end of the initial~~  
7 ~~probationary period that he is separated, the employee shall be deemed to have~~  
8 ~~served satisfactorily and shall acquire status in the classified service].~~

9 ~~(2) [ An employee who satisfactorily completes the initial probationary period for the~~  
10 ~~position to which he was initially appointed to the classified service shall be granted~~  
11 ~~status and may not be demoted, disciplined, dismissed, or otherwise penalized,~~  
12 ~~except as provided by the provisions of this chapter.~~

13 ~~(3) An employee ordered reinstated by the board shall not be required to serve a~~  
14 ~~probationary period unless the board rules otherwise.~~

15 ~~(4) An employee [with status, ]who has been promoted[, ] shall serve a promotional~~  
16 ~~probationary period of six (6) months, except for those employees granted leave in~~  
17 ~~excess of twenty (20) consecutive work days during this period. Such probationary~~  
18 ~~periods shall be extended as prescribed in KRS 18A.005[. During this period, he~~  
19 ~~shall retain the rights and privileges granted by the provisions of this chapter to~~  
20 ~~status employees.~~

21 ~~(5) An employee with status may request that he be reverted to a position in his former~~  
22 ~~class at any time during the promotional probationary period.~~

23 ~~(6) A laid-off employee who accepts a bona fide written offer of appointment to a~~  
24 ~~position shall not be required to serve an initial probationary period. He shall be an~~  
25 ~~employee with status and shall have all rights and privileges granted employees~~  
26 ~~with status under the provisions of this chapter.~~

27 ~~(7) A former unclassified employee under KRS 18A.115(1)(d), (e), (f), (g), (h), or (i)~~

1 shall ~~serve an initial probationary period of twelve (12) months if the employee is~~  
 2 ~~appointed to a position in the classified service, unless that employee had previously~~  
 3 ~~had status in the classified service or had been separated from his or her previous~~  
 4 ~~unclassified position for at least one hundred eighty (180) days prior to the effective~~  
 5 ~~date of his or her appointment to the classified service.~~

6 ~~(8) Notification to an employee on initial or promotional probation of the reason the~~  
 7 ~~probationary employment has been terminated by the appointing authority shall not~~  
 8 ~~confer a right to appeal to the board].~~

9 ➔ Section 11. KRS 18A.115 is amended to read as follows:

10 (1) ~~[The classified service to which ]~~KRS 18A.005 to 18A.200 shall ***not*** apply ***to***~~shall~~  
 11 ~~comprise all positions in the state service now existing or hereafter established,~~  
 12 ~~except] the following:~~

13 (a) The General Assembly and employees of the General Assembly, including the  
 14 employees of the Legislative Research Commission;

15 (b) Officers elected by popular vote and persons appointed to fill vacancies in  
 16 elective offices;

17 (c) Members of boards and commissions;

18 ~~(d)[ Officers and employees on the staff of the Governor, the Lieutenant Governor,~~  
 19 ~~the Office of the Secretary of the Governor's Cabinet, and the Office of~~  
 20 ~~Program Administration;~~

21 ~~(e) Cabinet secretaries, commissioners, office heads, and the administrative heads~~  
 22 ~~of all boards and commissions, including the executive director of Kentucky~~  
 23 ~~Educational Television and the executive director and deputy executive~~  
 24 ~~director of the Education Professional Standards Board;~~

25 ~~(f)]~~ Employees of Kentucky Educational Television who have been determined to  
 26 be exempt from ***state***~~[classified]~~ service by the Kentucky Authority for  
 27 Educational Television, which shall have sole authority over such exempt



1 employees for employment, dismissal, and setting of compensation, up to the  
2 maximum established for the executive director and his principal assistants;

3 ~~(e)~~~~(g)~~— One ~~(1)~~ principal assistant or deputy for each person exempted under  
4 subsection ~~(1)(e)~~ of this section;

5 ~~(h)~~— One ~~(1)~~ additional principal assistant or deputy as may be necessary for  
6 making and carrying out policy for each person exempted under subsection  
7 ~~(1)(e)~~ of this section in those instances in which the nature of the functions,  
8 size, or complexity of the unit involved are such that the secretary approves  
9 such an addition on petition of the relevant cabinet secretary or department  
10 head and such other principal assistants, deputies, or other major assistants as  
11 may be necessary for making and carrying out policy for each person  
12 exempted under subsection ~~(1)(e)~~ of this section in those instances in which  
13 the nature of the functions, size, or complexity of the unit involved are such  
14 that the board may approve such an addition or additions on petition of the  
15 department head approved by the secretary. Effective August 1, 2010:

16 1.— All positions approved under this paragraph prior to August 1, 2010,  
17 shall be abolished effective December 31, 2010, unless reapproved  
18 under subparagraph 2. of this paragraph; and

19 2.— A position approved under this paragraph on or after August 1, 2010,  
20 shall be approved for a period of five ~~(5)~~ years, after which time the  
21 position shall be abolished unless reapproved under this subparagraph  
22 for an additional five ~~(5)~~ year period;

23 ~~(i)~~— Division directors subject to the provisions of KRS 18A.170. Division  
24 directors in the classified service as of January 1, 1980, shall remain in the  
25 classified service;

26 ~~(j)~~ Physicians employed as such;

27 ~~(f)~~~~(k)~~— One ~~(1)~~ private secretary for each person exempted under subsection

- 1           ~~(1)(e), (g), and (h) of this section;~~
- 2           ~~(4)~~ The judicial department, referees, receivers, jurors, and notaries public;
- 3           ~~(g)~~~~(m)~~ Officers and members of the staffs of state universities and colleges and
- 4           student employees of ~~these~~~~such~~ institutions; officers and employees of the
- 5           Teachers' Retirement System; and officers, teachers, and employees of local
- 6           boards of education;
- 7           ~~(h)~~~~(n)~~ Patients or inmates employed in state institutions;
- 8           ~~(i)~~~~(o)~~ Persons employed in a professional or scientific capacity to make or
- 9           conduct a temporary or special inquiry, investigation, or examination on
- 10          behalf of the General Assembly, or a committee of the General
- 11          Assembly~~thereof~~, or by authority of the Governor, and persons employed by
- 12          state agencies for a specified, limited period to provide professional, technical,
- 13          scientific, or artistic services under the provisions of KRS 45A.690 to
- 14          45A.725;
- 15          ~~(j)~~~~(p)~~ — Interim employees;
- 16          ~~(q)~~ Officers and members of the state militia;
- 17          ~~(k)~~~~(r)~~ Department of Kentucky State Police troopers;
- 18          ~~(L)~~~~(s)~~ University or college engineering students or other students employed
- 19          part-time or part-year by the state through special personnel recruitment
- 20          programs; provided that while so employed such aides shall be under contract
- 21          to work full-time for the state after graduation for a period of time approved
- 22          by the commissioner or shall be participants in a cooperative education
- 23          program approved by the commissioner;
- 24          ~~(m)~~~~(t)~~ Superintendents of state mental institutions, including heads of centers
- 25          for individuals with an intellectual disability, and penal and correctional
- 26          institutions as referred to in KRS 196.180(2);
- 27          ~~(n)~~~~(u)~~ Staff members of the Kentucky Historical Society, if they are hired in

- 1           accordance with KRS 171.311;
- 2           ~~(o)~~~~(v)~~ County and Commonwealth's attorneys and their respective appointees;
- 3           ~~(p)~~~~(w)~~ Chief district engineers and the state highway engineer;
- 4           ~~(x)~~ Veterinarians employed as such by the Kentucky Horse Racing Commission;
- 5           ~~(q)~~~~(y)~~ Employees of the Kentucky Peace Corps; **and**
- 6           ~~(r)~~~~(z)~~ Employees of the Council on Postsecondary Education;
- 7           ~~(aa)~~ Executive director of the Commonwealth Office of Technology;
- 8           ~~(ab)~~ Employees of the Kentucky Commission on Community Volunteerism and
- 9           Service;
- 10          ~~(ae)~~ Persons employed in certified teaching positions at the Kentucky School for
- 11          the Blind and the Kentucky School for the Deaf; ~~and~~
- 12          ~~(ad)~~ Federally funded time limited employees as defined in KRS 18A.005].
- 13       (2) Nothing in KRS 18A.005 to 18A.200 is intended, or shall be construed, to alter or
- 14       amend the provisions of KRS 150.022 and 150.061.
- 15       ~~{(3) Nothing in KRS 18A.005 to 18A.200 is intended or shall be construed to affect any~~
- 16       ~~nonmanagement, nonpolicy-making position which must be included in the~~
- 17       ~~classified service as a prerequisite to the grant of federal funds to a state agency.~~
- 18       ~~(4) Career employees within the classified service promoted to positions exempted~~
- 19       ~~from classified service shall, upon termination of their employment in the exempted~~
- 20       ~~service, revert to a position in that class in the agency from which they were~~
- 21       ~~terminated if a vacancy in that class exists. If no such vacancy exists, they shall be~~
- 22       ~~considered for employment in any vacant position for which they were qualified~~
- 23       ~~pursuant to KRS 18A.130 and 18A.135.~~
- 24       ~~(5) Nothing in KRS 18A.005 to 18A.200 shall be construed as precluding appointing~~
- 25       ~~officers from filling unclassified positions in the manner in which positions in the~~
- 26       ~~classified service are filled except as otherwise provided in KRS 18A.005 to~~
- 27       ~~18A.200.~~

1 ~~(6) The positions of employees who are transferred, effective July 1, 1998, from the~~  
2 ~~Cabinet for Workforce Development to the Kentucky Community and Technical~~  
3 ~~College System shall be abolished and the employees' names removed from the~~  
4 ~~roster of state employees. Employees that are transferred, effective July 1, 1998, to~~  
5 ~~the Kentucky Community and Technical College System under KRS Chapter 164~~  
6 ~~shall have the same benefits and rights as they had under KRS Chapter 18A and~~  
7 ~~have under KRS 164.5805; however, they shall have no guaranteed reemployment~~  
8 ~~rights in the KRS Chapter 151B or KRS Chapter 18A personnel systems. An~~  
9 ~~employee who seeks reemployment in a state position under KRS Chapter 151B or~~  
10 ~~KRS Chapter 18A shall have years of service in the Kentucky Community and~~  
11 ~~Technical College System counted towards years of experience for calculating~~  
12 ~~benefits and compensation.~~

13 ~~(7) On August 15, 2000, all certified and equivalent personnel, all unclassified~~  
14 ~~personnel, and all certified and equivalent and unclassified vacant positions in the~~  
15 ~~Department for Adult Education and Literacy shall be transferred from the~~  
16 ~~personnel system under KRS Chapter 151B to the personnel system under KRS~~  
17 ~~Chapter 18A. The positions shall be deleted from the KRS Chapter 151B personnel~~  
18 ~~system. All records shall be transferred including accumulated annual leave, sick~~  
19 ~~leave, compensatory time, and service credit for each affected employee. The~~  
20 ~~personnel officers who administer the personnel systems under KRS Chapter 151B~~  
21 ~~and KRS Chapter 18A shall exercise the necessary administrative procedures to~~  
22 ~~effect the change in personnel authority. No certified or equivalent employee in the~~  
23 ~~Department for Adult Education and Literacy shall suffer any penalty in the~~  
24 ~~transfer.~~

25 ~~(8) On August 15, 2000, secretaries and assistants attached to policymaking positions~~  
26 ~~in the Department for Technical Education and the Department for Adult Education~~  
27 ~~and Literacy shall be transferred from the personnel system under KRS Chapter~~

1       ~~151B to the personnel system under KRS Chapter 18A. The positions shall be~~  
2       ~~deleted from the KRS Chapter 151B system. All records shall be transferred~~  
3       ~~including accumulated annual leave, sick leave, compensatory time, and service~~  
4       ~~credit for each affected employee. No employee shall suffer any penalty in the~~  
5       ~~transfer.~~

6       ~~(9) On May 1, 2017, all contract employees of Eastern Kentucky University who are~~  
7       ~~engaged in providing instructional and support services to the Department of~~  
8       ~~Criminal Justice Training shall be transferred to the personnel system under KRS~~  
9       ~~Chapter 18A. All records shall be transferred, including accumulated annual leave,~~  
10       ~~sick leave, compensatory time, and service credit for each affected employee. The~~  
11       ~~personnel officers who administer the personnel systems for Eastern Kentucky~~  
12       ~~University and under KRS Chapter 18A shall exercise the necessary administrative~~  
13       ~~procedures to effect the change in personnel authority. No employee shall suffer any~~  
14       ~~penalty in the transfer.]~~

15       ➔ Section 12. KRS 18A.125 is amended to read as follows:

16       (1) No disbursing or auditing officer of the Commonwealth shall make or approve or  
17       take any part in making or approving any payment for personal service to any  
18       person holding a position in the state~~[classified or unclassified]~~ service unless the  
19       payroll voucher or account of the~~[such]~~ pay bears the certification of the secretary,  
20       or of his or her authorized agent, that the persons named ~~[therein]~~ have been  
21       appointed and employed in accordance with the provisions of KRS 18A.005 to  
22       18A.200 and the rules, administrative regulations, and orders thereunder. The  
23       secretary may for proper cause or upon order of the board withhold certification  
24       from an entire payroll or from any specific item or items thereon. The secretary  
25       may, however, provide that certification of payrolls may be made once every six (6)  
26       months~~[, and such certification shall remain in effect except in the case of any~~  
27       ~~officer or employee whose status has changed after the last certification of his~~

1        ~~payroll. In the latter case no voucher for payment of salary to such employee shall~~  
 2        ~~be issued or payment of salary made without the further certification of the~~  
 3        ~~secretary].~~

4        (2) Any citizen, including public officers, may maintain a suit to restrain a disbursing  
 5        officer from making any payment in contravention of any provision of KRS  
 6        18A.005 to 18A.200, or of any rule, administrative regulation or order thereunder.  
 7        Any sum paid contrary to any provision of KRS 18A.005 to 18A.200 or of any rule,  
 8        administrative regulation, or order thereunder may be recovered in an action  
 9        maintained by any citizen, from any officer who made, approved, or authorized such  
 10       payment or who signed or countersigned a voucher, payroll check or warrant for  
 11       such payment, or from the sureties on the official bond of any such officer. All  
 12       moneys recovered in any such action shall be paid into the Treasury.

13       (3) Any person appointed or employed in contravention of any provision of KRS  
 14       18A.005 to 18A.200 or of any rule, administrative regulation, or order thereunder,  
 15       who performs service for which he is not paid, may maintain an action against the  
 16       officer or officers, employee or employees, who purported so to appoint or employ  
 17       him or her, to recover the agreed pay for such services, or the reasonable value  
 18       thereof if no pay was agreed upon. No such officer or employee shall be reimbursed  
 19       by the Commonwealth at any time for any sum paid to such person on account of  
 20       such services.

21       (4) If the secretary wrongfully withholds certification of the payroll voucher or account  
 22       of any employee, ~~the~~<sub>[such]</sub> employee may maintain a proceeding in the Circuit  
 23       Court in the county in which he or she resides to compel the secretary to certify  
 24       ~~the~~<sub>[such]</sub> payroll voucher or account.

25       ➔Section 13. KRS 18A.140 is amended to read as follows:

26       (1) No employee~~[person]~~ shall be appointed or promoted to, or demoted or dismissed  
 27       from, any state employment position~~[ in the classified service]~~, or in any way

1 favored or discriminated against with respect to employment ~~in the classified~~  
2 ~~services~~ because of his ***or her*** political or religious opinions, affiliations, ethnic  
3 origin, sex, race or disability. No person over the age of forty (40) shall be  
4 discriminated against because of age.

5 (2) No person shall use or promise to use, directly or indirectly, any official authority or  
6 influence, whether possessed or anticipated, to secure or attempt to secure for any  
7 person an appointment or advantage in appointment to a position in the classified  
8 service, or an increase in pay or other advantage in employment in any such  
9 position, for the purpose of influencing the vote or political action of any person.

10 (3) ***Neither a state employee nor the*** ~~No employee in the classified service or member~~  
11 ~~of the board or its executive director or~~ secretary shall, directly or indirectly, pay or  
12 promise to pay any assessment for political purposes, or solicit or take any part in  
13 soliciting for any political party, or solicit or take any part in soliciting any political  
14 assessment, subscription, contribution, or service. No person shall solicit any  
15 political assessment, subscription, contribution, or service of any ***state*** employee ~~in~~  
16 ~~the classified service~~.

17 (4) No employee in ***a position lower than the classification of director*** ~~the classified~~  
18 ~~service or member of the board or its executive director~~ shall be a member of any  
19 national, state, or local committee of a political party, or an officer or member of a  
20 committee of a partisan political club, or a candidate for nomination or election to  
21 any paid partisan public office, or shall take part in the management or affairs of  
22 any political party or in any political campaign, except to exercise his ***or her*** right as  
23 a citizen privately to express his ***or her*** opinion and to cast his ***or her*** vote. Officers  
24 or ***state*** employees ~~of the classified service~~ may be candidates for and occupy an  
25 elected office if the election is on a nonpartisan basis, the officers or employees  
26 have complied with the requirements of KRS 61.080, and the duties of the elective  
27 office do not interfere with, or create any conflicts of interest with, the state duties

1 of the officers or state employees~~[ in the classified service]~~. A state~~[An]~~ employee  
 2 shall give notice to his or her appointing authority of his or her intent to run for  
 3 elective office upon filing to run for the office.

4 ➔Section 14. KRS 18A.145 is amended to read as follows:

5 (1) No person shall make any false statement~~[, certificate, mark, rating, or report]~~ with  
 6 regard to any ~~[test, certification, or ]~~appointment made under any provision of KRS  
 7 18A.005 to 18A.200 or in any manner commit or attempt to commit any fraud  
 8 preventing the impartial execution of KRS 18A.005 to 18A.200 and the rules,  
 9 administrative regulations or orders thereunder.

10 (2) No person shall, directly or indirectly, give, render, pay, offer, solicit, or accept any  
 11 money, service, or other valuable consideration for or on account of any  
 12 appointment, proposed appointment, promotion, or proposed promotion to, or any  
 13 advantage in, a state employment~~[a]~~ position~~[ in the classified service]~~.

14 ~~(3) [ No employee of the cabinet, examiner, or other person shall defeat, deceive, or  
 15 obstruct any person in his right to examination, eligibility, certification, or  
 16 appointment under KRS 18A.005 to 18A.200, or furnish to any person any special  
 17 or secret information for the purpose of affecting the rights or prospects of any  
 18 person with respect to employment in the classified service.~~

19 ~~(4)~~ No person shall make any false statement, record, or report regarding hours, days, or  
 20 other time worked by any state employee. No person shall falsely prepare any  
 21 payroll document or record relating to the pay for any state employee.

22 ➔Section 15. KRS 18A.146 is amended to read as follows:

23 (1) As used in this section, "state employee" means a person regularly appointed to a  
 24 position in the state service~~[, whether classified or unclassified,]~~ for which he or she  
 25 is compensated on a full-time or part-time basis.

26 (2) ~~[Subject to the provisions of KRS 18A.095, ]~~Any state employee who is convicted  
 27 of a felony may be subject to any disciplinary action deemed appropriate, including



1 dismissal from the state service.

2 ➔Section 16. KRS 18A.185 is amended to read as follows:

3 For the purpose of any administrative regulation issued under KRS 18A.110 ~~or~~  
4 ~~18A.155~~ governing entitlement to annual leave days, sick leave days or the accumulation  
5 of such leave days, any period of service as an elected state official, including but not  
6 limited to service in the General Assembly, by any officer or state employee to whom the  
7 administrative~~[such]~~ regulation applies shall be considered to have been full-time  
8 employment in the state employment service.

9 ➔Section 17. KRS 18A.195 is amended to read as follows:

10 (1) A state employee who is authorized to work one (1) or more hours in excess of the  
11 prescribed hours of duty shall be granted compensatory leave on an hour-for-hour  
12 basis. Upon the written request of an employee who is not exempt from the  
13 provisions of the Federal Fair Labor Standards Act, 29 U.S.C. sec. 201 et seq., an  
14 appointing authority may grant compensatory time, in lieu of overtime pay, at the  
15 rate of one and one-half (1.5) hours for each hour the employee is authorized to  
16 work in excess of forty (40) hours in a work week. An employee who is transferred  
17 or otherwise changed from the jurisdiction of one agency to another shall retain his  
18 or her compensatory leave in the receiving agency.

19 (2) A state~~[An]~~ employee~~[in a position listed in KRS 18A.115(1)(d), (e), (f), (g), (h),~~  
20 ~~(i), or (k)]~~ shall not be eligible to receive any level of block payment for  
21 compensatory leave hours, except as provided in subsection (3) of this section.

22 (3) Any state employee who leaves state service shall be paid for the balance of unused  
23 compensatory time not to exceed two hundred forty (240) hours.

24 ➔Section 18. KRS 18A.201 is amended to read as follows:

25 Beginning on July 12, 2006, the requirement of two (2) years of experience related to one  
26 (1) or more transportation engineering programs for the job classification of  
27 Transportation Engineering Assistant I shall not apply as an experience requirement for

1 the classification. Any applicant who has obtained a high school diploma or received a  
2 High School Equivalency Diploma shall be deemed to have met the educational  
3 requirements necessary for the Transportation Engineering Assistant I classification ~~and~~  
4 ~~shall be allowed to take the relevant written examination for the classification.~~

5 ➔Section 19. KRS 18A.202 is amended to read as follows:

6 (1) The secretary is authorized to install and implement through promulgation of~~[by]~~  
7 administrative regulation work-related incentive programs for state employees.  
8 Such programs may include, but need not be limited to, an employee suggestion  
9 system whereby employees~~[ in the classified service]~~ including~~[and]~~ employees  
10 falling under KRS Chapter 16, may be recognized and rewarded for submitting  
11 suggestions that result in the improvement of state service or in the realization of  
12 financial savings by the state. Such programs may provide that when a state~~[an]~~  
13 employee suggestion has been adopted and resulted in a financial savings to the  
14 state, the state employee who submitted the suggestion may be compensated for his  
15 or her service through a cash bonus in an amount to the lesser of ten percent (10%)  
16 of the amount saved or two thousand five hundred dollars (\$2,500).

17 (2) Nothing in this section shall be construed to allow KRS Chapter 16 employees to  
18 collect any fees or rewards for performance of acts in the line of duty as prohibited  
19 in KRS 16.110.

20 ➔Section 20. KRS 18A.355 is amended to read as follows:

21 (1) An annual increment of not less than five percent (5%) of the base salary or wages  
22 of each state employee shall be granted to each employee on his or her anniversary  
23 date. The employee's base salary or wages shall be increased by the amount of the  
24 annual increment. When any increment due to a promotion, reallocation,  
25 reclassification or salary adjustment is granted an employee, the employee's base  
26 salary or wages shall be increased by the amount of such increment.~~[An employee's~~  
27 ~~base salary or wages shall not be increased by the amount of lump sum payment~~

1 ~~awarded under KRS 18A.110(7)(j).]~~

2 (2) The branch budget recommendation submitted to the General Assembly under KRS  
3 Chapter 48 shall include a request for the amount of the annual increment expressed  
4 as a percentage of each employee's base salary or wages and a request for the total  
5 appropriation needed to fund the annual increment. The annual increment shall be  
6 uniform for all employees. The financial plan enacted under the provisions of KRS  
7 48.300 shall contain the annual increment expressed as a percentage of each  
8 employee's base salary or wages, and the total appropriation needed to fund the  
9 annual increment.

10 (3) The budget reduction plan submitted and enacted under the provisions of KRS  
11 Chapter 48 shall provide that a reduction of the annual increment granted under this  
12 section shall be made only after other cost savings measures~~[, as provided by KRS~~  
13 ~~18A.1132,]~~ are taken. Any such reduction shall be uniform for all state employees  
14 and shall comply with the provisions of this chapter and KRS Chapter 48.

15 ➔Section 21. KRS 18A.990 is amended to read as follows:

16 (1) Any person who willfully violates any provision of KRS 18A.005 to 18A.200 or of  
17 the administrative regulations~~[rules]~~ shall be guilty of a misdemeanor, and shall  
18 upon conviction be punished therefor with a sentence of from thirty (30) days to a  
19 maximum of six (6) months in jail.

20 (2) Any person who is convicted of a misdemeanor under KRS 18A.005 to 18A.200  
21 shall, for a period of five (5) years, be ineligible for appointment to or employment  
22 in a position by the Commonwealth, and if he or she is an officer or employee of  
23 the Commonwealth, shall forfeit his or her office or position.

24 ~~[(3) Any officer or employee of the classified service who willfully violates any of the~~  
25 ~~provisions of KRS 18A.140 shall forfeit his office or position, and for one (1) year~~  
26 ~~shall be ineligible for any office or position in the Commonwealth's service.~~  
27 ~~Violation of KRS 18A.140 shall constitute a misdemeanor subject to a sentence of~~

1 ~~from thirty (30) days to a maximum of six (6) months in jail.]~~

2 ➔Section 22. KRS 41.060 is amended to read as follows:

3 The Treasurer shall appoint an assistant and may remove him or her at the pleasure of the  
4 Treasurer. The assistant may perform any of the duties of the Treasurer, excepting the  
5 signing of checks, and shall perform the duties of clerk. If the Treasurer is disabled by  
6 sickness, or if he or she absents himself or herself from the seat of government, he or she  
7 shall notify the Governor in writing of the facts, and recommend his assistant or some  
8 other person to discharge the duties of the office during his or her sickness or absence. If  
9 the Governor approves the recommendation he or she shall enter his or her approval on  
10 the executive journal, after which the assistant or other person may perform all the duties  
11 of the Treasurer until he or she is restored to health or returns to the seat of government.  
12 The Treasurer and his or her sureties shall be responsible on his bond for all the acts and  
13 omissions of the assistant. The salary of the assistant shall be fixed by the Treasurer,  
14 subject to the provisions of KRS 12.050, 12.060, 18A.020, ~~{18A.095 to }~~18A.110,  
15 ~~{18A.120 to 18A.165, 18A.180 }~~and 18A.185.

16 ➔Section 23. KRS 42.035 is amended to read as follows:

17 (1) The Finance and Administration Cabinet shall be responsible for the management,  
18 maintenance, and operation, including the purchase for all purposes of all food and  
19 related supplies, of the Executive Mansion, and further including the reasonable and  
20 necessary expenses of the chief executive while traveling on business of the  
21 Commonwealth outside of the state. Such personnel, including domestic and  
22 household servants, as are necessary for the operation and maintenance of the  
23 Executive Mansion shall be employed by the Finance and Administration Cabinet.  
24 The provisions of KRS Chapter 42 shall apply to all purchases made for the  
25 maintenance and operation of the mansion. None of the provisions of KRS 18A.110  
26 ~~{and 18A.155 }~~shall apply to personnel employed for the maintenance and operation  
27 of the mansion.

1 (2) A reasonable amount shall be deducted from the salary or other allowance of the  
2 Governor for the consumption by the Governor and his or her family of such food  
3 and supplies.

4 (3) A reasonable amount shall be deducted from the salaries of personnel employed in  
5 operational and maintenance functions, including domestic and household servants,  
6 for the consumption by such personnel of such food and supplies.

7 (4) The Finance and Administration Cabinet shall maintain such records relative to the  
8 management, maintenance, and operation of the Governor's Mansion and travel  
9 expenses of the chief executive as may be dictated by sound accounting practices.

10 ➔Section 24. KRS 42.037 is amended to read as follows:

11 (1) The Finance and Administration Cabinet shall be responsible for the management,  
12 maintenance, and operation, including the purchase for all purposes of all food and  
13 related supplies, of the Old Governor's Mansion. Such personnel, including  
14 domestic and household servants, as are necessary for the operation and  
15 maintenance of the Old Governor's Mansion shall be employed by the Finance and  
16 Administration Cabinet. The provisions of this chapter shall apply to all purchases  
17 made for the maintenance and operation of the Old Governor's Mansion. None of  
18 the provisions of KRS 18A.110 ~~and 18A.155~~ shall apply to the personnel  
19 employed for the maintenance and operation of the Old Governor's Mansion.

20 (2) A reasonable amount shall be deducted from the salary or other allowance of the  
21 Lieutenant Governor for the consumption by the Lieutenant Governor and his  
22 family of such food and supplies.

23 (3) A reasonable amount shall be deducted from the salaries of personnel employed in  
24 operational and maintenance functions, including domestic and household servants,  
25 for the consumption by such personnel of such food and supplies.

26 (4) The Finance and Administration Cabinet shall maintain such records relative to the  
27 management, maintenance, and operation of the Lieutenant Governor's mansion as

1           may be dictated by sound accounting practices.

2           ➔Section 25. KRS 48.130 is amended to read as follows:

- 3       (1) The General Assembly shall include in each enacted branch budget bill a budget  
4       reduction plan for a revenue shortfall in the general fund or road fund of five  
5       percent (5%) or less. The budget reduction plan shall direct how budget reductions  
6       shall be implemented if there is a revenue shortfall of five percent (5%) or less.
- 7       (2) A lay-off of state employees in the executive branch under the budget reduction  
8       plan enacted by the General Assembly shall comply with the administrative  
9       regulations promulgated under Section 9 of this Act~~provisions of KRS~~  
10      ~~18A.1132~~.
- 11      (3) Any revenue shortfall in the general fund or road fund of greater than five percent  
12      (5%) shall require action by the General Assembly.
- 13      (4) Upon the issuance of an official revenue estimate by the consensus forecasting  
14      group reflecting a revenue shortfall in the general fund or road fund, or upon the  
15      existence of an actual revenue shortfall in the general fund or road fund at the close  
16      of a fiscal year as determined by the Office of State Budget Director, the Office of  
17      State Budget Director shall notify all branches of government. If the revenue  
18      shortfall is five percent (5%) or less, the following actions shall be taken:
- 19      (a) The unappropriated balance of funds in the surplus accounts of the general  
20      fund or road fund shall first be used to meet the shortfalls in those respective  
21      funds; and
- 22      (b) If the amounts described in paragraph (a) of this subsection are insufficient to  
23      address the revenue shortfall, the enacted budget reduction plan included in  
24      each branch budget bill shall be implemented.
- 25      (5) The budget reduction plan for each branch of government may provide that the  
26      annual increment granted state employees under KRS 18A.355 shall be reduced as  
27      provided by KRS 18A.355. Any reduction of the annual increment shall be uniform

1 for all employees.

2 (6) No budget reduction action shall be taken by any branch head in excess of the actual  
3 or projected deficit.

4 (7) If general fund or road fund tax receipts increase over the revenues estimated in the  
5 official revenue estimate that resulted in reductions, then services may be restored  
6 in the reverse order of the reduced services.

7 ➔Section 26. KRS 61.569 is amended to read as follows:

8 (1) A reinstated employee who has been ordered reinstated ~~[by the Personnel Board~~  
9 ~~under authority of KRS 18A.095 or ]~~by court order or by order of the Human Rights  
10 Commission shall tender to the system the member contribution he or she would  
11 have paid on the creditable compensation he or she would have earned~~[as defined~~  
12 ~~under KRS 18A.105]~~ had he or she not been dismissed. The employer shall pay the  
13 employer contributions ~~[as defined under KRS 18A.105]~~ on the member's creditable  
14 compensation.

15 (2) No service credit shall be allowed for any time that the member contributions are  
16 not paid.

17 ➔Section 27. KRS 61.637 is amended to read as follows:

18 (1) A retired member who is receiving monthly retirement payments under any of the  
19 provisions of KRS 61.510 to 61.705 and 78.510 to 78.852 and who is reemployed  
20 as an employee by a participating agency prior to August 1, 1998, shall have his or  
21 her retirement payments suspended for the duration of reemployment. Monthly  
22 payments shall not be suspended for a retired member who is reemployed if he  
23 anticipates that he or she will receive less than the maximum permissible earnings  
24 as provided by the Federal Social Security Act in compensation as a result of  
25 reemployment during the calendar year. The payments shall be suspended at the  
26 beginning of the month in which the reemployment occurs.

27 (2) Employer and employee contributions shall be made as provided in KRS 61.510 to

1       61.705 and 78.510 to 78.852 on the compensation paid during reemployment,  
2       except where monthly payments were not suspended as provided in subsection (1)  
3       of this section or would not increase the retired member's last monthly retirement  
4       allowance by at least one dollar (\$1), and the member shall be credited with  
5       additional service credit.

6       (3) In the month following the termination of reemployment, retirement allowance  
7       payments shall be reinstated under the plan under which the member was receiving  
8       payments prior to reemployment.

9       (4) (a) Notwithstanding the provisions of this section, the payments suspended in  
10       accordance with subsection (1) of this section shall be paid retroactively to the  
11       retired member, or his or her estate, if he or she does not receive more than  
12       the maximum permissible earnings as provided by the Federal Social Security  
13       Act in compensation from participating agencies during any calendar year of  
14       reemployment.

15       (b) If the retired member is paid suspended payments retroactively in accordance  
16       with this section, employee contributions deducted during his or her period of  
17       reemployment, if any, shall be refunded to the retired employee, and no  
18       service credit shall be earned for the period of reemployment.

19       (c) If the retired member is not eligible to be paid suspended payments for his or  
20       her period of reemployment as an employee, his or her retirement allowance  
21       shall be recomputed under the plan under which the member was receiving  
22       payments prior to reemployment as follows:

23       1. The retired member's final compensation shall be recomputed using  
24       creditable compensation for his or her period of reemployment;  
25       however, the final compensation resulting from the recalculation shall  
26       not be less than that of the member when his or her retirement  
27       allowance was last determined;



- 1           2. If the retired member initially retired on or subsequent to his or her  
2           normal retirement date, his or her retirement allowance shall be  
3           recomputed by using the formula in KRS 61.595(1);
- 4           3. If the retired member initially retired prior to his or her normal  
5           retirement date, his or her retirement allowance shall be recomputed  
6           using the formula in KRS 61.595(2), except that the member's age used  
7           in computing benefits shall be his or her age at the time of his or her  
8           initial retirement increased by the number of months of service credit  
9           earned for service performed during reemployment;
- 10          4. The retirement allowance payments resulting from the recomputation  
11          under this subsection shall be payable in the month following the  
12          termination of reemployment in lieu of payments under subparagraph 3.  
13          The member shall not receive less in benefits as a result of the  
14          recomputation than he or she was receiving prior to reemployment or  
15          would receive as determined under KRS 61.691; and
- 16          5. Any retired member who was reemployed prior to March 26, 1974, shall  
17          begin making contributions to the system in accordance with the  
18          provisions of this section on the first day of the month following March  
19          26, 1974.
- 20 (5) A retired member, or his or her estate, shall pay to the retirement fund the total  
21          amount of payments which are not suspended in accordance with subsection (1) of  
22          this section if the member received more than the maximum permissible earnings as  
23          provided by the Federal Social Security Act in compensation from participating  
24          agencies during any calendar year of reemployment, except the retired member or  
25          his or her estate may repay the lesser of the total amount of payments which were  
26          not suspended or fifty cents (\$0.50) of each dollar earned over the maximum  
27          permissible earnings during reemployment if under age sixty-five (65), or one dollar

- 1 (\$1) for every three dollars (\$3) earned if over age sixty-five (65).
- 2 (6) (a) "Reemployment" or "reinstatement" as used in this section shall not include a  
3 retired member who has been ordered reinstated by the Personnel Board **prior**  
4 **to the effective date of this Act**~~[under authority of KRS 18A.095].~~
- 5 (b) A retired member who has been ordered reinstated by the Personnel Board  
6 **prior to the effective date of this Act**~~[under authority of KRS 18A.095]~~ or by  
7 court order or by order of the Human Rights Commission and accepts  
8 employment by an agency participating in the Kentucky Employees  
9 Retirement System or County Employees Retirement System shall void his **or**  
10 **her** retirement by reimbursing the system in the full amount of his **or her**  
11 retirement allowance payments received.
- 12 (7) (a) Effective August 1, 1998, the provisions of subsections (1) to (4) of this  
13 section shall no longer apply to a retired member who is reemployed in a  
14 position covered by the same retirement system from which the member  
15 retired. Reemployed retired members shall be treated as new members upon  
16 reemployment. Any retired member whose reemployment date preceded  
17 August 1, 1998, who does not elect, within sixty (60) days of notification by  
18 the retirement systems, to remain under the provisions of subsections (1) to  
19 (4) of this section shall be deemed to have elected to participate under this  
20 subsection.
- 21 (b) A retired member whose disability retirement was discontinued pursuant to  
22 KRS 61.615 and who is reemployed in one (1) of the systems administered by  
23 the Kentucky Retirement Systems prior to his or her normal retirement date  
24 shall have his or her accounts combined upon termination for determining  
25 eligibility for benefits. If the member is eligible for retirement, the member's  
26 service and creditable compensation earned as a result of his or her  
27 reemployment shall be used in the calculation of benefits, except that the

1 member's final compensation shall not be less than the final compensation last  
2 used in determining his or her retirement allowance. The member shall not  
3 change beneficiary or payment option designations. This provision shall apply  
4 to members reemployed on or after August 1, 1998.

5 (8) A retired member or his or her employer shall notify the retirement system if he or  
6 she has accepted employment or is serving as a volunteer with an employer that  
7 participates in the retirement system from which the member retired. The retired  
8 member and the participating employer shall submit the information required or  
9 requested by the systems to confirm the individual's employment or volunteer  
10 status.

11 (9) If the retired member is under a contract, the member shall submit a copy of that  
12 contract to the retirement system, and the retirement system shall determine if the  
13 member is an independent contractor for purposes of retirement benefits. The  
14 retired member and the participating employer shall submit the information required  
15 or requested by the systems to confirm the individual's employment or volunteer  
16 status.

17 (10) If a member is receiving a retirement allowance, or has filed the forms required for  
18 a retirement allowance, and is employed within one (1) month of the member's  
19 initial retirement date in a position that is required to participate in the same  
20 retirement system from which the member retired, the member's retirement shall be  
21 voided and the member shall repay to the retirement system all benefits received.  
22 The member shall contribute to the member account established for him or her  
23 prior to his or her voided retirement. The retirement allowance for which the  
24 member shall be eligible upon retirement shall be determined by total service and  
25 creditable compensation.

26 (11) (a) If a member of the Kentucky Employees Retirement System retires from a  
27 department which participates in more than one (1) retirement system and is

1 reemployed within one (1) month of his or her initial retirement date by the  
2 same department in a position participating in another retirement system, the  
3 retired member's retirement allowance shall be suspended for the first month  
4 of his or her retirement and the member shall repay to the retirement system  
5 all benefits received for the month.

6 (b) A retired member of the County Employees Retirement System who after  
7 initial retirement is hired by the county from which the member retired shall  
8 be considered to have been hired by the same employer.

9 (12) (a) If a hazardous member who retired prior to age fifty-five (55), or a  
10 nonhazardous member who retired prior to age sixty-five (65), is reemployed  
11 within six (6) months of the member's termination by the same employer, the  
12 member shall obtain from his or her previous and current employers a copy of  
13 the job description established by the employers for the position and a  
14 statement of the duties performed by the member for the position from which  
15 he or she retired and for the position in which he or she has been reemployed.

16 (b) The job descriptions and statements of duties shall be filed with the retirement  
17 office.

18 (13) If the retirement system determines that the retired member has been employed in a  
19 position with the same principal duties as the position from which the member  
20 retired:

21 (a) The member's retirement allowance shall be suspended during the period that  
22 begins on the month in which the member is reemployed and ends six (6)  
23 months after the member's termination;

24 (b) The retired member shall repay to the retirement system all benefits paid from  
25 systems administered by Kentucky Retirement Systems under reciprocity,  
26 including medical insurance benefits, that the member received after  
27 reemployment began;

- 1 (c) Upon termination, or subsequent to expiration of the six (6) month period  
2 from the date of termination, the retired member's retirement allowance based  
3 on his or her initial retirement account shall no longer be suspended and the  
4 member shall receive the amount to which he or she is entitled, including an  
5 increase as provided by KRS 61.691;
- 6 (d) Except as provided in subsection (7) of this section, if the position in which a  
7 retired member is employed after initial retirement is a regular full-time  
8 position, the retired member shall contribute to a second member account  
9 established for him or her in the retirement system. Service credit gained after  
10 the member's date of reemployment shall be credited to the second member  
11 account; and
- 12 (e) Upon termination, the retired member shall be entitled to benefits payable  
13 from his or her second retirement account.
- 14 (14) (a) If the retirement system determines that the retired member has not been  
15 reemployed in a position with the same principal duties as the position from  
16 which he or she retired, the retired member shall continue to receive his or  
17 her retirement allowance.
- 18 (b) If the position is a regular full-time position, the member shall contribute to a  
19 second member account in the retirement system.
- 20 (15) (a) If a retired member is reemployed at least one (1) month after initial  
21 retirement in a different position, or at least six (6) months after initial  
22 retirement in the same position, and prior to normal retirement age, the retired  
23 member shall contribute to a second member account in the retirement system  
24 and continue to receive a retirement allowance from the first member account.
- 25 (b) Service credit gained after reemployment shall be credited to the second  
26 member account. Upon termination, the retired member shall be entitled to  
27 benefits payable from the second member account.

1 (16) A retired member who is reemployed and contributing to a second member account  
2 shall not be eligible to purchase service credit under any of the provisions of KRS  
3 16.505 to 16.652, 61.510 to 61.705, or 78.510 to 78.852 which he or she was  
4 eligible to purchase prior to his or her initial retirement.

5 (17) Notwithstanding any provision of subsections (1) to (7)(a) and (10) to (15) of this  
6 section, the following shall apply to retired members who are reemployed by an  
7 agency participating in one (1) of the systems administered by Kentucky Retirement  
8 Systems on or after September 1, 2008:

9 (a) Except as provided by paragraphs (c) and (d) of this subsection, if a member is  
10 receiving a retirement allowance from one (1) of the systems administered by  
11 Kentucky Retirement Systems, or has filed the forms required to receive a  
12 retirement allowance from one (1) of the systems administered by Kentucky  
13 Retirement Systems, and is employed in a regular full-time position required  
14 to participate in one (1) of the systems administered by Kentucky Retirement  
15 Systems or is employed in a position that is not considered regular full-time  
16 with an agency participating in one (1) of the systems administered by  
17 Kentucky Retirement Systems within three (3) months following the member's  
18 initial retirement date, the member's retirement shall be voided, and the  
19 member shall repay to the retirement system all benefits received, including  
20 any health insurance benefits. If the member is returning to work in a regular  
21 full-time position required to participate in one (1) of the systems  
22 administered by Kentucky Retirement Systems:

- 23 1. The member shall contribute to a member account established for him or  
24 her in one (1) of the systems administered by Kentucky Retirement  
25 Systems, and employer contributions shall be paid on behalf of the  
26 member by the participating employer; and  
27 2. Upon subsequent retirement, the member shall be eligible for a

1 retirement allowance based upon total service and creditable  
2 compensation, including any additional service or creditable  
3 compensation earned after his or her initial retirement was voided;

4 (b) Except as provided by paragraphs (c) and (d) of this subsection, if a member is  
5 receiving a retirement allowance from one (1) of the systems administered by  
6 Kentucky Retirement Systems and is employed in a regular full-time position  
7 required to participate in one (1) of the systems administered by Kentucky  
8 Retirement Systems after a three (3) month period following the member's  
9 initial retirement date, the member may continue to receive his or her  
10 retirement allowance during the period of reemployment subject to the  
11 following provisions:

12 1. Both the employee and participating agency shall certify in writing on a  
13 form prescribed by the board that no prearranged agreement existed  
14 between the employee and agency prior to the employee's retirement for  
15 the employee to return to work with the participating agency. If an  
16 elected official is reelected to a new term of office in the same position  
17 and retires following the election but prior to taking the new term of  
18 office, he or she shall be deemed by the system as having a prearranged  
19 agreement under the provisions of this subparagraph and shall have his  
20 or her retirement voided. If the participating agency or employer fail to  
21 complete the certification, the member's retirement shall be voided and  
22 the provisions of paragraph (a) of this subsection shall apply to the  
23 member and the employer;

24 2. Notwithstanding any other provision of KRS Chapter 16, 61, or 78 to  
25 the contrary, the member shall not contribute to the systems and shall  
26 not earn any additional benefits for any work performed during the  
27 period of reemployment;

- 1           3. Except as provided by KRS 70.291 to 70.293 and 95.022, the employer  
2           shall pay employer contributions as specified by KRS 61.565 and 61.702  
3           on all creditable compensation earned by the employee during the period  
4           of reemployment. The additional contributions paid shall be used to  
5           reduce the unfunded actuarial liability of the systems; and
- 6           4. Except as provided by KRS 70.291 to 70.293 and 95.022, the employer  
7           shall be required to reimburse the systems for the cost of the health  
8           insurance premium paid by the systems to provide coverage for the  
9           retiree, not to exceed the cost of the single premium. Effective July 1,  
10          2015, local school boards shall not be required to pay the reimbursement  
11          required by this subparagraph for retirees employed by the board for  
12          eighty (80) days or less during the fiscal year;
- 13          (c) If a member is receiving a retirement allowance from the State Police  
14          Retirement System or from hazardous duty retirement coverage with the  
15          Kentucky Employees Retirement System or the County Employees Retirement  
16          System, or has filed the forms required to receive a retirement allowance from  
17          the State Police Retirement System or from hazardous duty retirement  
18          coverage with the Kentucky Employees Retirement System or the County  
19          Employees Retirement System, and is employed in a regular full-time position  
20          required to participate in the State Police Retirement System or in a hazardous  
21          duty position with the Kentucky Employees Retirement System or the County  
22          Employees Retirement System within one (1) month following the member's  
23          initial retirement date, the member's retirement shall be voided, and the  
24          member shall repay to the retirement system all benefits received, including  
25          any health insurance benefits. If the member is returning to work in a regular  
26          full-time position required to participate in one (1) of the systems  
27          administered by Kentucky Retirement Systems:



- 1           1.    The member shall contribute to a member account established for him or  
2                    her in one (1) of the systems administered by Kentucky Retirement  
3                    Systems, and employer contributions shall be paid on behalf of the  
4                    member by the participating employer; and
- 5           2.    Upon subsequent retirement, the member shall be eligible for a  
6                    retirement allowance based upon total service and creditable  
7                    compensation, including any additional service or creditable  
8                    compensation earned after his or her initial retirement was voided;
- 9           (d)  If a member is receiving a retirement allowance from the State Police  
10                   Retirement System or from hazardous duty retirement coverage with the  
11                   Kentucky Employees Retirement System or the County Employees Retirement  
12                   System and is employed in a regular full-time position required to participate  
13                   in the State Police Retirement System or in a hazardous duty position with the  
14                   Kentucky Employees Retirement System or the County Employees Retirement  
15                   System after a one (1) month period following the member's initial retirement  
16                   date, the member may continue to receive his or her retirement allowance  
17                   during the period of reemployment subject to the following provisions:
  - 18                   1.    Both the employee and participating agency shall certify in writing on a  
19                            form prescribed by the board that no prearranged agreement existed  
20                            between the employee and agency prior to the employee's retirement for  
21                            the employee to return to work with the participating agency. If an  
22                            elected official is reelected to a new term of office in the same position  
23                            and retires following the election but prior to taking the new term of  
24                            office, he or she shall be deemed by the system as having a prearranged  
25                            agreement under the provisions of this subparagraph and shall have his  
26                            or her retirement voided. If the participating agency or employer fail to  
27                            complete the certification, the member's retirement shall be voided and

- 1           the provisions of paragraph (c) of this subsection shall apply to the  
2           member and the employer;
- 3           2. Notwithstanding any other provision of KRS Chapter 16, 61, or 78 to  
4           the contrary, the member shall not contribute to the systems and shall  
5           not earn any additional benefits for any work performed during the  
6           period of reemployment;
- 7           3. Except as provided by KRS 70.291 to 70.293 and 95.022, the employer  
8           shall pay employer contributions as specified by KRS 61.565 and 61.702  
9           on all creditable compensation earned by the employee during the period  
10          of reemployment. The additional contributions paid shall be used to  
11          reduce the unfunded actuarial liability of the systems; and
- 12          4. Except as provided by KRS 70.291 to 70.293 and 95.022, the employer  
13          shall be required to reimburse the systems for the cost of the health  
14          insurance premium paid by the systems to provide coverage for the  
15          retiree, not to exceed the cost of the single premium;
- 16          (e) Notwithstanding paragraphs (a) to (d) of this subsection, a retired member  
17          who qualifies as a volunteer for an employer participating in one (1) of the  
18          systems administered by Kentucky Retirement Systems and who is receiving  
19          reimbursement of actual expenses, a nominal fee for his or her volunteer  
20          services, or both, shall not be considered an employee of the participating  
21          employer and shall not be subject to paragraphs (a) to (d) of this subsection if:
- 22                  1. Prior to the retired member's most recent retirement date, he or she did  
23                  not receive creditable compensation from the participating employer in  
24                  which the retired member is performing volunteer services;
- 25                  2. Any reimbursement or nominal fee received prior to the retired  
26                  member's most recent retirement date has not been credited as creditable  
27                  compensation to the member's account or utilized in the calculation of

- 1                   the retired member's benefits;
- 2           3.   The retired member has not purchased or received service credit under
- 3                   any of the provisions of KRS 61.510 to 61.705 or 78.510 to 78.852 for
- 4                   service with the participating employer for which the retired member is
- 5                   performing volunteer services; and
- 6           4.   Other than the status of volunteer, the retired member does not become
- 7                   an employee, leased employee, or independent contractor of the
- 8                   employer for which he or she is performing volunteer services for a
- 9                   period of at least twenty-four (24) months following the retired
- 10                  member's most recent retirement date.

11           If a retired member, who provided volunteer services with a participating

12                  employer under this paragraph violates any provision of this paragraph, then

13                  he or she shall be deemed an employee of the participating employer as of the

14                  date he or she began providing volunteer services and both the retired member

15                  and the participating employer shall be subject to paragraphs (a) to (d) of this

16                  subsection for the period of volunteer service; and

17           (f)   Notwithstanding any provision of this section, any mayor or member of a city

18                  legislative body who has not participated in the County Employees Retirement

19                  System prior to retirement, but who is otherwise eligible to retire from the

20                  Kentucky Employees Retirement System or the State Police Retirement

21                  System, shall not be:

- 22                  1.   Required to resign from his or her position as mayor or as a member of
- 23                          the city legislative body in order to begin drawing benefits from the
- 24                          Kentucky Employees Retirement System or the State Police Retirement
- 25                          System; or
- 26                  2.   Subject to any provision of this section as it relates solely to his or her
- 27                          service as a mayor or member of the city legislative body.

1       ➔Section 28. KRS 64.640 is amended to read as follows:

2       (1) Except as otherwise provided in subsection (2) of this section, and excepting  
3       officers elected by popular vote, employees of the General Assembly, including  
4       employees of the Legislative Research Commission, members of boards and  
5       commissions, ~~those~~ officers and employees of Kentucky Educational Television~~]~~  
6       ~~exempt from classified service as provided in KRS 18A.115]~~, presidents and  
7       employees of the state universities and the state colleges, officers employed by the  
8       Department of Kentucky State Police under KRS Chapter 16, and persons employed  
9       by the commissioner of parks on a temporary basis under KRS 148.026, the  
10       Personnel Cabinet shall prepare schedules of compensation, payable out of the State  
11       Treasury, with a minimum salary rate, and other salary rates as are deemed  
12       necessary or advisable, for the office or position of employment of every state  
13       officer and employee, including specifically the offices and positions of  
14       employment in every constitutional administrative department, statutory  
15       administrative department, independent agency, board, commission, or other unit of  
16       state government. The language of any statute empowering a board, commission,  
17       authority, or other administrative body for which the Personnel Cabinet provides  
18       personnel and payroll services, except for any board governing any of the Kentucky  
19       Retirement Systems, the Kentucky Higher Education Assistance Authority, the  
20       Kentucky Authority for Educational Television, or the Council on Postsecondary  
21       Education, to establish, set, or approve the salaries of its administrative head and  
22       other employees to the contrary notwithstanding, the establishment or setting of  
23       salaries for administrative heads or other employees shall be subject to the approval  
24       of the secretary of the Personnel Cabinet. The schedules and rates shall be based  
25       upon studies of the duties and responsibilities of the offices and positions and upon  
26       a comparison with rates being paid for similar or comparable services elsewhere,  
27       and in the preparation of such schedules, the Personnel Cabinet shall ascertain and

1 record the duties, responsibilities, and authority pertaining to the various offices and  
2 positions in the state service, and classify such positions in the manner provided in  
3 KRS~~[ 18A.030, 18A.035,]~~ 18A.110~~[, 18A.130, 18A.135, and 18A.150 to 18A.160]~~.

4 No such schedule shall become effective until it has been approved by the Governor  
5 by executive order.

6 (2) The Governor shall set the compensation payable out of the State Treasury to each  
7 officer or position in the state employment service, which officer or position heads  
8 a statutory administrative department, independent agency, or other unit of state  
9 government, except for those excluded under subsection (1) of this section. Such  
10 compensation shall be based upon studies of the duties and responsibilities and  
11 classification of the positions by the Governor and upon a comparison with  
12 compensation being paid for similar or comparable services elsewhere, provided,  
13 however, such compensation shall not exceed the total taxable compensation of the  
14 Governor derived from state sources, the provisions of KRS 64.660 to the contrary  
15 notwithstanding. For the purposes of this section, the total taxable compensation of  
16 the Governor from state sources shall include the amount provided for  
17 compensation to the Governor under KRS 64.480 and any benefits or discretionary  
18 spending accounts that are imputed as taxable income for federal tax purposes.

19 (3) The compensation payable out of the State Treasury to officers and employees  
20 subordinate to any office or position covered by subsection (2) of this section shall  
21 not exceed the maximum rate established pursuant to subsection (2) of this section  
22 for such office or position, except with respect to physicians as provided in KRS  
23 64.655 and employees of the Public Service Commission of Kentucky whose  
24 compensation shall be fixed, within constitutional limits, by the Personnel Cabinet  
25 with the approval of the Governor as provided in subsection (1) of this section.

26 (4) Nothing in this section shall preclude the allowance of maintenance to officers and  
27 employees of the state.

1       ➔Section 29. KRS 132.370 is amended to read as follows:

- 2       (1) There shall be a property valuation administrator in each county in lieu of a county  
3       assessor. Property valuation administrators shall be state officials and all deputies  
4       and assistants of their offices shall be ~~unclassified~~ state employees.
- 5       (2) Property valuation administrators shall be elected in the year in which county  
6       elections are held and shall enter upon the discharge of the duties of their office on  
7       the first Monday in December after their election and continue in office for a period  
8       of four (4) years, and until the election and qualification of their successors.  
9       Property valuation administrators shall possess the qualifications required by  
10      Section 100 of the Constitution and by KRS 132.380 and shall be eligible for  
11      reelection.
- 12      (3) The property valuation administrators and all deputies and assistants of their offices  
13      who qualify as full-time employees shall be eligible for participation in the  
14      provisions of KRS 18A.205, 18A.230 to 18A.355, and 61.510 to 61.705.
- 15      (4) A property valuation administrator may be removed from office by the Circuit  
16      Court of his or her county, upon petition of any taxpayer, or by the commissioner of  
17      revenue for willful disobedience of any just or legal order of the department, or for  
18      misfeasance or malfeasance in office or willful neglect in the discharge of his or her  
19      official duties, including but not limited to intentional underassessment or  
20      overassessment of properties and chronic underassessment of properties. For  
21      purposes of this section and KRS 133.250, "chronic underassessment" means a  
22      widespread pattern and practice of assessing properties at levels substantially below  
23      fair market value which persists for a period of two (2) or more years as disclosed  
24      by randomly selected sample appraisals conducted under the provisions of KRS  
25      133.250, special audits conducted pursuant to KRS 133.250, or other means.
- 26      (5) If the commissioner determines that a property valuation administrator should be  
27      removed from office, the property valuation administrator shall be notified in

1 writing, and the notice of intent to remove shall state the specific reasons for  
2 removal. The notice shall also advise the property valuation administrator of his or  
3 her right to a preremoval conference and an administrative hearing.

4 (6) A property valuation administrator may request a preremoval conference to appear  
5 with or without counsel before the commissioner or his or her designee to answer  
6 the charges against him or her. The preremoval conference shall be requested in  
7 writing within six (6) working days of the date on which the notice of intent to  
8 remove is received, and a preremoval conference shall be scheduled within seven  
9 (7) working days of the date on which the request is received. The commissioner or  
10 his or her designee shall render a decision within five (5) working days of the  
11 conclusion of the preremoval conference. Failure of a property valuation  
12 administrator to request a preremoval hearing shall not waive his or her right to  
13 contest his or her removal through an administrative hearing.

14 (7) If an action to remove a property valuation administrator is initiated by the  
15 commissioner of revenue, the property valuation administrator shall have the right  
16 to appeal and upon appeal an administrative hearing shall be conducted in  
17 accordance with KRS Chapter 13B. Appeal of the final order of the commissioner  
18 of revenue may be filed in a Circuit Court of an adjacent judicial circuit in  
19 accordance with KRS Chapter 13B, notwithstanding the provisions of KRS Chapter  
20 18A.

21 (8) If a property valuation administrator is removed from office as provided in  
22 subsections (4) to (7) of this section, he or she shall be ineligible to serve in the  
23 office at any future date and shall forfeit any and all certification from the  
24 Department of Revenue pertaining to the office.

25 (9) Notwithstanding the provisions of KRS 18A.110~~(4)~~~~(5)~~(c), the department shall  
26 promulgate administrative regulations allowing property valuation administrators  
27 and their deputies to receive lump-sum payments for accrued annual leave and

1           compensatory time when separated from employment because of termination by the  
2           employer, resignation, retirement, or death.

3           ➔Section 30. KRS 156.808 is amended to read as follows:

4       (1) The Kentucky Board of Education shall promulgate, by administrative regulations,  
5           personnel policies and procedures for all full-time and part-time unclassified  
6           employees, certified and equivalent staff, including administrative, teaching, and  
7           supervisory staff in the Office of Career and Technical Education central office and  
8           state-operated vocational facilities. All other staff shall remain under the authority  
9           of the Kentucky Personnel Cabinet and KRS Chapter 18A. Employees who transfer  
10          to or from the KRS Chapter 18A personnel system shall transfer accrued annual,  
11          compensatory, and sick leave.

12       (2) As provided in KRS 156.800 to 156.860, the Kentucky Board of Education shall  
13          promulgate administrative regulations for the administration of a personnel system  
14          in the Office of Career and Technical Education which are consistent with the  
15          provisions of KRS 156.800 to 156.860 and with federal standards for state  
16          government agencies receiving federal grants.

17       (3) The Kentucky Board of Education shall promulgate administrative regulations for  
18          full-time and part-time certified and equivalent staff governing:

19           (a) Establishment and abolishment of positions, including a prohibition against  
20           eliminating funding for or abolishment of a teaching position at a state-  
21           operated secondary area vocational education and technology center during a  
22           school year in which students are enrolled in the program;

23           (b) Applications;

24           (c) Classification and compensation plans;

25           (d) Incentive programs;

26           (e) Selection of employees;

27           (f) Types of appointments;



- 1 (g) Attendance, including hours of work, compensatory time, and annual, court,  
2 military, sick, voting, and special leaves of absence;
- 3 (h) Preparation, maintenance, and revision of a position classification plan and an  
4 equitable salary schedule for certified and equivalent staff based on  
5 qualifications, experience, and responsibilities;
- 6 (i) Extent and duration of the state-operated area vocational education and  
7 technology centers' school term, use of school days, and extended  
8 employment;
- 9 (j) Employee evaluations;
- 10 (k) Programs to improve the work effectiveness of employees including staff  
11 development;
- 12 (l) Demotion;
- 13 (m) Dismissal;
- 14 (n) Lay-offs;
- 15 (o) Suspensions and other disciplinary measures;
- 16 (p) Probationary periods, limited employment status, and continuing employment  
17 status;
- 18 (q) Promotion;
- 19 (r) Transfer;
- 20 (s) Appeals; and
- 21 (t) Employee grievances and complaints.
- 22 (4) (a) Administrative regulations promulgated by the Kentucky Board of Education  
23 shall comply with the provisions of KRS 156.800 to 156.860 and KRS  
24 Chapter 13A and shall have the force and effect of law.
- 25 (b) Administrative regulations promulgated by the Kentucky Board of Education  
26 shall not expand or restrict rights granted to, or duties imposed upon,  
27 employees and administrative bodies by the provisions of KRS 156.800 to

1 156.860.

2 (c) No administrative body other than the Kentucky Board of Education shall  
3 promulgate administrative regulations governing the subject matters specified  
4 in this section.

5 (d) Policies and procedures for the implementation of administrative regulations  
6 shall be developed by the Department of Education.

7 (5) The commissioner of education shall be the appointing authority with respect to all  
8 personnel actions for the Office of Career and Technical Education. The  
9 commissioner may authorize a designee to act on behalf of the agency with respect  
10 to employee appointments, position establishments, payroll documents,  
11 reemployment lists, waiver requests, or other position actions. Any personnel  
12 designation shall be in writing. Authority to employ personnel may be delegated to  
13 the vocational school management by the commissioner. Any recommendation for  
14 employment from the local level shall be based on guidelines promulgated by the  
15 commissioner of education and shall be contingent upon confirmation by the  
16 commissioner of education.

17 (6) The Kentucky Board of Education shall promulgate other administrative regulations  
18 to govern proceedings which relate to certified and equivalent employees and which  
19 shall provide for:

20 (a) The procedures to be utilized by the Kentucky Technical Education Personnel  
21 Board in the conduct of hearings, consistent with KRS Chapter 13B;

22 (b) Discharge, as provided by this section;

23 (c) Imposition, as a disciplinary measure, of a suspension from service without  
24 pay for up to thirty (30) working days and, in accordance with the provisions  
25 of KRS 156.820, for the manner of notification of the employee of the  
26 discipline and right of appeal;

27 (d) Promotions which shall give appropriate consideration to the applicant's

- 1            qualifications, record of performance, and conduct;
- 2            (e) Supplementary information for the salary schedule for certified and equivalent  
3            staff including teachers, counselors, administrators, managers, and educational  
4            consultants in state-operated vocational technical facilities, field offices, and  
5            central office in the Office of Career and Technical Education that shall  
6            provide uniformity, recognition of education, teaching, and supervisory  
7            experience and use as a base the average salary paid to beginning classroom  
8            teachers by all public schools in the state for personnel with comparable  
9            qualifications and experience. Indexes may be incorporated in the  
10           compensation plan for administrative responsibilities. The salary schedule  
11           shall be computed annually, and shall be submitted to and approved by the  
12           Governor;
- 13           (f) Reemployment of laid-off employees in accordance with the provisions of  
14           KRS 156.800 to 156.860;
- 15           (g) Establishment of a plan for resolving employee grievances and complaints.  
16           The plan shall not restrict rights granted employees by the provisions of KRS  
17           156.800 to 156.860; and
- 18           (h) Any other administrative regulations not inconsistent with this chapter and  
19           KRS Chapter 13A proper and necessary for its enforcement.
- 20           (7) The Department of Education shall make investigations, either on petition of a  
21           citizen, taxpayer, interested party, or as deemed necessary by the commissioner,  
22           concerning the enforcement and effect of KRS 156.808, 156.810, 156.812, 156.814,  
23           156.816, 156.818, 156.820, 156.822, 156.824, 156.826, 156.828, 156.830, 156.832,  
24           156.834, 156.836 , and 156.838, shall require observance of the provisions and the  
25           administrative regulations promulgated pursuant to the provisions of KRS 156.800  
26           to 156.860 and KRS Chapter 13A, and shall make investigation as requested by the  
27           General Assembly or the Governor and to report thereon.

- 1 (8) The Kentucky Board of Education shall promulgate administrative regulations,  
2 pursuant to KRS Chapter 13A, for an appeal system for aggrieved certified or  
3 equivalent employees.
- 4 (9) The Kentucky Technical Education Personnel Board shall hear appeals from  
5 applicants for positions or from certified, equivalent, and unclassified employees  
6 who have been dismissed, demoted, suspended, or otherwise penalized for cause.  
7 ~~[Effective August 15, 2000, appeals from assistants and secretaries in the Office of~~  
8 ~~Career and Technical Education attached to policymaking positions shall be~~  
9 ~~governed by KRS 18A.095. The State Personnel Board, established in KRS~~  
10 ~~18A.045, shall hear appeals that are pending as of August 15, 2000, from assistants~~  
11 ~~and secretaries attached to policymaking positions in the Office of Career and~~  
12 ~~Technical Education.]~~
- 13 (10) The Kentucky Technical Education Personnel Board may, any statute to the  
14 contrary notwithstanding, delegate the conduct of the hearing and the rendition of a  
15 recommended order to the full board, to a panel of the board, or to a hearing officer,  
16 relative to any hearing appeal, or decision, judicial or quasi-judicial in nature, which  
17 the board is empowered or directed, by KRS 156.800 to 156.860 or any other  
18 chapter, to conduct, hear, or make; provided, however, that the full board as  
19 provided by statute, makes the final order, based upon the evidence submitted.
- 20 (11) The Kentucky Board of Education shall promulgate administrative regulations,  
21 pursuant to KRS Chapter 13A, governing the unclassified service including the  
22 preparation and maintenance of a salary schedule and other administrative  
23 regulations authorized by KRS 156.800 to 156.860.
- 24 (12) The annual percentage salary increment for all certified and equivalent employees  
25 subject to the personnel system established under KRS 156.800 to 156.860 shall be  
26 at least equal to that funded and provided for other elementary and secondary  
27 teachers.

1 (13) The positions of employees who are transferred, effective July 1, 1998, from the  
2 former Cabinet for Workforce Development to the Kentucky Community and  
3 Technical College System shall be abolished and the employees' names removed  
4 from the roster of state employees. Employees who are transferred, effective July 1,  
5 1998, to the Kentucky Community and Technical College System under KRS  
6 Chapter 164 shall have the same benefits and rights as they had under KRS Chapter  
7 18A and have under KRS 164.5805; however, they shall have no guaranteed  
8 reemployment rights in KRS 156.800 to 156.860 ~~for KRS Chapter 18A~~ personnel  
9 systems. An employee who seeks reemployment in a state position under KRS  
10 156.800 to 156.860 ~~for KRS Chapter 18A~~ shall have years of service in the  
11 Kentucky Community and Technical College System counted toward years of  
12 experience for calculating benefits and compensation.

13 ➔Section 31. KRS 163.032 is amended to read as follows:

14 (1) The Kentucky Department of Education, with assistance from the Kentucky  
15 Personnel Cabinet, shall adopt a salary schedule for teachers in the Kentucky  
16 School for the Deaf and the Kentucky School for the Blind. The salary schedule  
17 shall be the same as salary schedules in effect in local school districts in counties  
18 containing a city of the first class and shall conform to the requirements for a single  
19 salary schedule as defined in KRS 157.320, except the salary schedule shall not  
20 limit the number of years of experience for a certified employee who transfers to the  
21 school.

22 (2) (a) Certified teachers in the Kentucky School for the Deaf and the Kentucky  
23 School for the Blind shall have the same statutory employment status and  
24 benefits as certified teachers in the public schools.

25 (b) If a teacher qualifies for and requests a tribunal under KRS 161.790, the  
26 Attorney General shall appoint the members.

27 (3) Once a teacher has been selected for hiring at the Kentucky School for the Blind or

1 the Kentucky School for the Deaf, the Department of Education and the Personnel  
2 Cabinet shall complete the hiring process within two (2) weeks.

3 (4) A certified teacher employed at one (1) of the schools on July 12, 2006, whose job  
4 description does not include outreach responsibilities shall not be involuntarily  
5 assigned to work on a permanent basis outside the county in which the employing  
6 school is located.

7 (5) Nothing in KRS 18A.115 or 163.032 shall result in a loss of any leave accrued by a  
8 certified teacher employed prior to July 12, 2006, by one (1) of the schools. Accrued  
9 leave may be taken in accordance with the policy of the school.

10 (6) The Kentucky Department of Education, with assistance from the Kentucky  
11 Personnel Cabinet, shall adopt a salary schedule for administrators for the Kentucky  
12 School for the Deaf and the Kentucky School for the Blind. In considering the rate  
13 of pay and the requirements of KRS 18A.110~~(5)~~~~(7)~~(b), the department and the  
14 cabinet shall consider rates that are based upon the duties and responsibilities of the  
15 positions and that are competitive with rates for similar or comparable services in  
16 Kentucky school districts. The salary schedule, which shall be computed prior to  
17 September 1 of each year, shall be based on two hundred sixty (260) days per year.

18 ➔Section 32. KRS 174.020 is amended to read as follows:

19 ~~{(1)}~~The Transportation Cabinet shall consist of the following major organizational  
20 units:

21 ~~(1)~~~~{(a)}~~ The Office of the Secretary, which shall include~~{,}~~ but not be limited to:

22 ~~(a)~~~~{1-}~~ The secretary to be appointed by the Governor under KRS 12.255; and

23 ~~(b)~~~~{2-}~~ The deputy secretary appointed under KRS 12.040;

24 ~~(2)~~~~{(b)}~~ The Department of Highways, headed by a commissioner, appointed by the  
25 Governor under KRS 12.040;

26 ~~(3)~~~~{(e)}~~ The Department of Vehicle Regulation, headed by a commissioner, appointed  
27 by the Governor under KRS 12.040. The Motor Vehicle Commission established in

1 KRS 190.058 shall be attached to the Department of Vehicle Regulation for  
2 administrative purposes;

3 ~~(4)(d)~~ The Department of Rural and Municipal Aid, headed by a commissioner  
4 appointed by the Governor under KRS 12.040;

5 ~~(5)(e)~~ The Department of Aviation, headed by a commissioner appointed by the  
6 Governor under KRS 12.040. The Kentucky Airport Zoning Commission  
7 established by KRS 183.861 shall be attached to the Department of Aviation for  
8 administrative purposes;

9 ~~(6)(f)~~ The Office of Support Services, headed by an executive director appointed  
10 under KRS 12.040;

11 ~~(7)(g)~~ The Office of Transportation Delivery, headed by an executive director  
12 appointed under KRS 12.040;

13 ~~(8)(h)~~ The Office of Audits, headed by an executive director appointed under KRS  
14 12.040;

15 ~~(9)(i)~~ The Office of Human Resource Management, headed by an executive director  
16 appointed under KRS 12.040;

17 ~~(10)(j)~~ The Office of Information Technology, headed by an executive director  
18 appointed under KRS 12.040;

19 ~~(11)(k)~~ The Office of Legal Services, headed by an executive director appointed under  
20 KRS 12.040;

21 ~~(12)(l)~~ The following offices, which shall be attached to the Office of the Secretary:

22 ~~(a)(1)~~ The Office of Public Affairs, headed by an executive director appointed  
23 under KRS 12.040;

24 ~~(b)(2)~~ The Office of Budget and Fiscal Management, headed by an executive  
25 director appointed under KRS 12.040;

26 ~~(c)(3)~~ The Office for Civil Rights and Small Business Development, headed by  
27 an executive director appointed under KRS 12.040; and

1        ~~(d)~~<sup>[4.]</sup> The Office of Inspector General, headed by an executive director  
2            appointed under KRS 12.040;

3        ~~(13)~~<sup>[(m)]</sup> The following offices, which shall be attached to the Department of  
4            Highways:

5        ~~(a)~~<sup>[1.]</sup> The Office of Project Development, headed by an executive director  
6            appointed under KRS 12.040, who shall be a registered professional engineer  
7            under KRS Chapter 322, and who shall be known as the deputy state highway  
8            engineer for project development;

9        ~~(b)~~<sup>[2.]</sup> The Office of Project Delivery and Preservation, headed by an executive  
10           director appointed under KRS 12.040, who shall be a registered professional  
11           engineer under KRS Chapter 322, and who shall be known as the deputy state  
12           highway engineer for project delivery and preservation;

13       ~~(c)~~<sup>[3.]</sup> The Office of Highway Safety, headed by an executive director  
14           appointed under KRS 12.040; and

15       ~~(d)~~<sup>[4.]</sup> Highway District Offices One through Twelve, each district office to be  
16           headed by an executive director, also known as the chief district engineer,  
17           appointed under KRS 12.040, who shall be a registered professional engineer  
18           under KRS Chapter 322; and

19       ~~(14)~~<sup>[(n)]</sup> The following offices, which shall be attached to the Department of Rural and  
20           Municipal Aid:

21       ~~(a)~~<sup>[1.]</sup> Office of Local Programs, headed by an executive director appointed  
22           under KRS 12.040; and

23       ~~(b)~~<sup>[2.]</sup> Office of Rural and Secondary Roads, headed by an executive director  
24           appointed under KRS 12.040.

25       ~~[(2) The position of director in the Division of Environmental Analysis is a policy-~~  
26           ~~making position under KRS 18A.175.]~~

27       ➔Section 33. KRS 278.050 is amended to read as follows:



1 (1) The Public Service Commission shall consist of three (3) members appointed by the  
 2 Governor with the advice and consent of the Senate. If the Senate is not in session  
 3 when a term expires or a vacancy occurs, the Governor shall make the appointment  
 4 to take effect at once, subject to the approval of the Senate when convened.  
 5 Appointments to the Public Service Commission made more than ninety (90) days  
 6 prior to a regular session of the General Assembly shall be subject to confirmation  
 7 by the Joint Interim Committee on Energy. Each of the three (3) members of the  
 8 commission shall be appointed on or before the first day of July, 1982, for staggered  
 9 terms as follows: one (1) shall serve until the first day of July, 1983, one (1) until  
 10 the first day of July, 1984, and one (1) until the first day of July, 1985, and  
 11 thereafter for a term of four (4) years and until a successor is appointed and  
 12 qualified. Each member of the commission shall be a full-time state employee as  
 13 defined in KRS 18A.005~~[(17)]~~.

14 (2) The Governor shall appoint one (1) of the commissioners on the commission to act  
 15 as chair~~chairman~~ thereof and the chair~~chairman~~ shall be the chief executive  
 16 officer of the commission. The Governor shall designate one (1) of the  
 17 commissioners on the commission to serve as vice chair~~chairman~~ thereof and act  
 18 for the chair~~chairman~~ in the latter's absence.

19 (3) Vacancies for unexpired terms shall be filled in the same manner as original  
 20 appointments, but the appointee shall hold office only to the end of the unexpired  
 21 term.

22 ➔Section 34. The following KRS sections are repealed:

23 18A.032 Applicants to and eligibles for the classified service -- Examination --  
 24 Placement on and removal from registers -- Certification for employment.

25 18A.037 New system of job classification and compensation.

26 18A.045 Creation of Personnel Board -- Membership -- Prohibited Acts.

27 18A.050 Personnel Board -- Grandfather clause -- Composition -- Terms -- Automatic

- 1            termination.
- 2    18A.0551 Personnel Board elections -- Procedures.
- 3    18A.060 Vacancies of elected board members to be filled by board.
- 4    18A.065 Oaths, testimony, and production of records.
- 5    18A.070 Personnel board -- Organization -- Meeting notices required -- Records to be  
6            public.
- 7    18A.075 Duties of Personnel Board.
- 8    18A.0751 Personnel Board -- Regulatory authority.
- 9    18A.080 Personnel Board -- Compensation -- Attendance.
- 10   18A.085 Removal of board members by Governor -- Appeal.
- 11   18A.090 Personnel Board to hire full-time staff -- General counsel may be designated  
12            assistant attorney general.
- 13   18A.095 Rights of executive branch employees.
- 14   18A.100 Appeal of final order of the Personnel Board.
- 15   18A.105 Compensation, retirement system contributions of employee ordered reinstated  
16            without loss of pay.
- 17   18A.113 Lay-off rules -- General.
- 18   18A.1131 Lay-off rules applicable to classified employees only.
- 19   18A.1132 Lay-off rules applicable to both classified and unclassified employees.
- 20   18A.120 Basis for hiring for classified service -- Exception -- Credit for sick leave.
- 21   18A.130 Reemployment of career employee terminated on or after January 1, 1980.
- 22   18A.135 Reemployment of career employees.
- 23   18A.150 Preference points for active or honorably or generally discharged members of  
24            the active military, military reserves, or National Guard -- Conditions under which  
25            spouses, surviving spouses, and dependent parents may receive preference points --  
26            Identification on register certificate -- Required interviews.
- 27   18A.155 Rules for unclassified employees.

- 1 18A.160 Use of public buildings, property, and facilities.
- 2 18A.165 Administration of KRS 18A.005 to 18A.200.
- 3 18A.170 Certification of division directors who do not make policy.
- 4 18A.175 Evaluation of duties of division directors or heads -- Procedure when duties
- 5 have become policy making.
- 6 18A.180 Extension of system to other governmental units.