

THE EXECUTIVE BRANCH OF KENTUCKY STATE GOVERNMENT

REVISED BY
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FOREWORD

In 1990, the Legislative Research Commission published Informational Bulletin No. 171, *The Executive Branch of Kentucky State Government*, at the request of the Commission on Kentucky's Government. The informational bulletin provides a description of the departments, agencies, boards, and commissions of the executive branch of Kentucky state government, statutory citations, organizational charts, and historical notes. It was revised in 1992, 1994, 1997, 1999, and 2001.

This 2002 revision of *The Executive Branch of Kentucky State Government* incorporates legislation enacted by the General Assembly through the 2002 Regular Session and executive orders on reorganization issued by the Governor after the 2001 revision through July 31, 2002.

This edition of Informational Bulletin No. 171 was revised by Gregory A. Freedman of the Legislative Research Commission staff.

Robert Sherman
Director

The Capitol
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CONTENTS

FOREWORD.....	i
GOVERNORS OF THE COMMONWEALTH.....	xi
2002 ORGANIZATIONAL CHART.....	xiii
I. INTRODUCTION	1
II.CONSTITUTIONAL DEPARTMENTS HEADED BY ELECTED OFFICERS.....	11
Executive Office of the Governor.....	11
Office of the Lieutenant Governor.....	21
Department of State	23
Secretary of State.....	23
Division of Corporate Filings and Corporate Records.....	23
General Administration and Support Office.....	23
State Board of Elections.....	24
Registry of Election Finance.....	24
Department of Law	26
Attorney General.....	26
Divisions.....	28
Department of the Treasury	31
State Treasurer	31
Divisions	32
Department of Agriculture.....	33
Office of the Commissioner	34
Deputy Commissioner.....	34
Office for Agricultural Marketing and Product Promotion.....	34
Office of State Veterinarian	35
Office for Consumer and Public Service	35
Office for Environmental Outreach	35
Office for Strategic Planning and Administration.....	36
Office of Agritourism.....	36
Boards Attached to the Department.....	37
Auditor of Public Accounts	39
Office of State Auditor.....	40
Office of Planning and Management	40
Office of Quality Assurance and Consultation	41
Division of Financial Audit	41
Division of Performance Audit.....	41
Division of Examination and Information Technology.....	41
III. NON-CABINET DEPARTMENTS HEADED BY APPOINTED OFFICERS	43

Kentucky Commission on Human Rights.....	43
Kentucky Commission on Women	45
Council on Postsecondary Education.....	46
Department for Local Government	50
Office of the Commissioner.....	51
Divisions	51
Administrative Bodies Attached to the Department	52
Department of Military Affairs	54
Adjutant General.....	54
Division of Emergency Management.....	54
Office of Management and Administration	55
Office of Kentucky Community Crisis Response.....	56
Office for Security Coordination.....	56
Other Administrative Units of the Department.....	56
Department of Veterans' Affairs.	57
Kentucky Commission on Military Affairs.....	58
Governor's Office for Technology	59
Commission on Small Business Advocacy.....	61
Education Professional Standards Board.....	62
IV. PROGRAM CABINETS HEADED BY APPOINTED OFFICERS.....	63
Personnel Cabinet..	65
Office of the Secretary.....	66
Office of Administrative and Legal Services.....	66
Office of Public Employees Health Insurance	66
Kentucky Public Employees Deferred Compensation Authority.....	66
Department for Personnel Administration.....	67
Department for Employee Relations.....	67
Personnel Board.....	68
Kentucky Group Health Insurance Board	68
Executive Branch Compensation Advisory Council	68
Finance and Administration Cabinet	69
Office of the Secretary	69
Office of Management and Budget.....	70
Office of Financial Management	70
Office of the Controller.....	71
Department for Administration.....	72
Department for Facilities Management.....	73
Kentucky Asset/Liability Commission.....	75
Office of Governmental Services Center	75
Kentucky Higher Education Assistance Authority	76
Kentucky Higher Education Student Loan Corporation.....	77
State Property and Buildings Commission	78
Kentucky Housing Corporation	78
County Officials Compensation Board.....	79

Public Officials Compensation Commission	79
Kentucky Retirement Systems	80
State Investment Commission.....	80
Kentucky Savings Bond Authority	81
Kentucky Private Activity Bond Allocation Committee	81
Office of Capital Plaza Operations	82
Kentucky Turnpike Authority	82
Local Correctional Facilities Construction Authority.....	83
Personnel Steering Committee.....	84
Central State Hospital Recovery Authority.....	84
Kentucky Lottery Corporation.....	84
Eastern Kentucky Exposition Center Corporation.....	85
Red Fox Tri-County Cooperative Development Corporation.....	85
Agricultural Diversification and Development Council.....	85
Kentucky Tobacco Research Board	85
Kentucky Settlement Trust Corporation.....	86
Charitable Asset Administration Board	86
Kentucky River Authority.....	86
Nursing Workforce Foundation.....	87
Boards and Commissions.....	87
Revenue Cabinet	92
Office of the Secretary	92
Department of Tax Administration.....	93
Department of Property Valuation.....	93
Department of Information Technology	93
Department of Law.....	94
Education, Arts, and Humanities Cabinet.....	95
Office of the Secretary	95
Department for Libraries and Archives.....	96
State Advisory Council on Libraries.....	97
Teachers Retirement System.....	97
School Facilities Construction Commission.....	97
Kentucky Educational Television	98
Kentucky Geographic Education Board.....	98
Kentucky Heritage Council.....	99
Kentucky Historical Society	99
Kentucky Natural History Museum Board.....	100
Commission for the Deaf and Hard of Hearing	101
Kentucky Arts Council.....	101
Kentucky Center for the Arts	101
Superintendent of Public Instruction.....	102
The Department of Education.....	104
Cabinet for Health Services	108
Office of the Secretary	109
Office of Minority Health	109

Office of the General Counsel	110
Department for Public Health	110
Department for Medicaid Services	111
Department for Mental Health and Mental Retardation Services.....	112
Office of Certificate of Need	114
Office of the Inspector General.....	115
Office of Women's Physical and Mental Health.....	116
Commission for Children with Special Health Care Needs.....	116
Office of Aging Services.....	117
Office of Alzheimer's Disease and Related Disorders	117
Institute for Aging.....	117
Malt Beverage Educational Corporation.....	117
Public Health Services Advisory Council.....	118
Kentucky Traumatic Brain Injury Trust Fund Board.....	118
Kentucky Spinal Cord and Head Injury Research Board.....	118
Kentucky Commission on Services and Supports for Individuals with Mental Retardation and Other Developmental Disabilities	118
Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnoses	119
Kentucky Commission on Services and Supports for Individuals with Mental Retardation and Other Developmental Disabilities.....	119
Kentucky Board of Family Health Care Providers	120
Cabinet for Families and Children	121
Office of the Secretary	122
Kentucky Commission on Community Volunteerism and Service	122
Office of Program Support.....	122
Office of the General Counsel	123
Office of Performance Enhancement.....	123
Office of Human Resource Management.....	123
Office of Ombudsman.....	123
Department for Disability Determination Services.....	124
Department for Community Based Services.....	124
Office of Family Resource and Youth Services Centers.....	126
Kentucky Commission on Human Services Collaboration.....	126
Council for Families and Children.....	127
Kentucky Commission on Elder Abuse.....	127
Cabinet for Workforce Development.....	128
Office of the Secretary	128
Department for Training and Reemployment	130
Department for Adult Education and Literacy.....	130
Department for Technical Education	130
Department of Vocational Rehabilitation	132
Department for the Blind	132
Department for Employment Services.....	133

Kentucky Occupational Information Coordinating Committee	134
Kentucky Assistive Technology Loan Corporation	134
Labor Cabinet.....	135
Office of the Secretary	135
Office of Administrative Services.....	135
Office of Labor-Management Relations and Mediation	135
Office of Information Technology	135
Office of General Counsel	136
Uninsured Employers Fund	136
Department of Workplace Standards	136
Department of Workers' Claims.....	137
Guaranty Funds.....	138
Workers' Compensation Board	139
Workers' Compensation Funding Commission	139
Kentucky Employers' Mutual Insurance Authority.....	140
Kentucky Occupational Safety and Health Review Commission.....	140
Kentucky Labor-Management Advisory Council	140
Prevailing Wage Review Board.....	141
Kentucky Occupational Safety and Health Standards Board.....	141
Apprenticeship and Training Council	141
State Labor Relations Board	141
Kentucky Employees Insurance Association	142
Workers' Compensation Advisory Council.....	142
Cabinet for Economic Development.....	143
Kentucky Economic Development Partnership	143
Office of the Secretary	144
Department of Administration and Support.....	144
Department of Community Development.....	145
Department of Financial Incentives	146
Department for Business Development	148
Office of the Commissioner for the New Economy.....	148
Kentucky Forest Products Council	149
Tourism Development Cabinet.....	150
Office of the Secretary	150
Office of General Counsel	150
Office of Administrative Services.....	150
Department of Travel.....	151
Department of Parks	151
Department of Fish and Wildlife Resources.....	154
Kentucky Horse Park Commission	155
State Fair Board	155
Appalachian/Kentucky Artisans Gateway Center Authority.....	156
Transportation and Tourism Interagency Committee	156
Tourism Development Finance Authority	157
Transportation Cabinet.....	158

Office of the Secretary	159
Office of Inspector General.....	159
Office of General Counsel and Legislative Affairs.....	159
Office of Public Affairs.....	160
Office of Minority Affairs.....	160
Office of Policy and Budget.....	160
Office of Transportation Delivery.....	160
Office of Technology	160
Office of Quality	160
Department of Administrative Services.....	161
Department of Human Resources Management.....	161
Department of Fiscal Management	161
Department of Rural and Municipal Aid	162
Department of Vehicle Regulation	163
Department of Highways	164
Kentucky Motor Carrier Advisory Committee	166
Kentucky Bicycle and Bikeway Commission.....	166
Transportation and Tourism Interagency Committee.....	166
Motorcycle Safety Education Advisory Commission.....	166
Natural Resources & Environmental Protection Cabinet	167
General Administration and Support.....	169
Office of the Secretary	169
Office of Inspector General.....	169
Office of Information Services.....	169
Office of Administrative Hearings.....	170
Office of Legal Services.....	170
Office of Financial Management.....	170
Division of Administrative Services.....	170
Department for Environmental Protection.....	171
Department for Natural Resources.....	172
Department for Surface Mining Reclamation and Enforcement.....	173
Environmental Quality Commission.....	175
Kentucky State Nature Preserves Commission.....	175
Kentucky Heritage Land Conservation Fund.....	177
Kentucky Water Well Certification Board.....	177
Kentucky Geological Survey.....	177
Justice Cabinet	178
Office of the Secretary	178
Department of Criminal Justice Training	180
Department of Juvenile Justice	181
Department of State Police	183
Department of Corrections.....	183
Cabinet for Public Protection and Regulation	186
Office of the Secretary	186
Public Service Commission	187

Department of Insurance.....	190
Department of Housing, Buildings, and Construction.....	192
Department of Financial Institutions.....	194
Department of Mines and Minerals	195
Department of Public Advocacy.....	196
Department of Alcoholic Beverage Control	197
Kentucky Racing Commission.....	198
Board of Claims	199
Crime Victim Compensation Board.....	200
Kentucky Board of Tax Appeals.....	200
Department of Charitable Gaming.....	200
APPENDICES.....	203
1. Statutes on Executive Branch Structure.....	205
2. Kentucky Executive Branch Organizational Charts, 1973-2001	221
INDEX.....	241

GOVERNORS OF THE COMMONWEALTH OF KENTUCKY

Isaac Shelby	1792-1796	James Garrard	1796-1804
Christopher Greenup	1804-1808	Charles Scott	1808-1812
Isaac Shelby	1812-1816	George Madison	1816
Gabriel Slaughter	1816-1820	John Adair	1820-1824
Joseph Desha	1824-1828	Thomas Metcalfe	1828-1832
John Breathitt	1832-1834	James Morehead	1834-1836
James Clark	1836-1839	Charles Wickliffe	1839-1840
Robert Letcher	1840-1844	William Owsley	1844-1848
John J. Crittenden	1848-1850	John L. Helm	1850-1851
Lazarus Powell	1851-1855	Charles Morehead	1855-1859
Beriah Magoffin	1859-1862	James Robinson	1862-1863
Thomas Bramlette	1863-1867	John L. Helm	1867
John Stevenson	1867-1871	Preston Leslie	1871-1875
James McCreary	1875-1879	Luke Blackburn	1879-1883
J. Proctor Knott	1883-1887	Simon B. Buckner	1887-1891
John Y. Brown	1891-1895	William Bradley	1895-1899
William Taylor	1899-1900	William Goebel	1900
J.C.W. Beckham	1900-1907	A.E. Wilson	1907-1911
James McCreary	1911-1915	A.O. Stanley	1915-1919
James Black	1919	Edwin P. Morrow	1919-1923
William Fields	1923-1927	Flem D. Sampson	1927-1931
Ruby Laffoon	1931-1935	A.B. Chandler	1935-1939
Keen Johnson	1939-1943	Simeon Willis	1943-1947
Earle Clements	1947-1950	Lawrence Wetherby	1950-1955
A.B. Chandler	1955-1959	Bert Combs	1959-1963
Edward Breathitt	1963-1967	Louie Nunn	1967-1971
Wendell Ford	1971-1974	Julian Carroll	1974-1979
John Y. Brown, Jr.	1979-1983	Martha Collins	1983-1987
Wallace Wilkinson	1987-1991	Brereton Jones	1991-1995
Paul Patton	1995-		

EXECUTIVE BRANCH



CHAPTER I

INTRODUCTION

The Executive Branch of Kentucky state government includes all the cabinets, departments, boards, and commissions that report to the Governor. For purposes of this publication, it also includes the constitutional agencies. In addition to the Governor and Lieutenant Governor, the Constitution of Kentucky requires the election of the following executive officers: Attorney General, Auditor of Public Accounts, Commissioner of Agriculture, Secretary of State, and Treasurer. It also provides for an Adjutant General. On November 7, 2000 voters approved a Constitutional amendment to abolish the Railroad Commission.

The administrative structure of Kentucky's Executive Branch of state government has been subject to two major reorganizations during this century, in 1936 and 1973. There was a reorganization in 1934, however, the new departments were headed by elected officials or commissions. Before 1934, the Executive Branch evolved through the adoption of four state constitutions and consisted largely of boards and commissions created by the General Assembly. The 1936 Reorganization structured the Executive Branch under ten statutory departments. From 1944 to 1960, there were fourteen departments created. Since 1973, when the program cabinet system was adopted, the number of program cabinets have grown from six to fourteen cabinets in 2002.

Executive Branch Before 1934

The first Governor of Kentucky, Isaac Shelby, was chosen by electors of the Senate in 1792. The second Constitution of Kentucky was adopted in 1799 and it provided for popular election of the Governor and a Lieutenant Governor. The first Governor elected by popular vote was James Garrard in 1800. The third Constitution was adopted in 1850 and the fourth and current Constitution was adopted in 1891.

- 1792 First Governor
- 1800 First Governor Elected By Popular Vote
First Lieutenant Governor
- 1851 First elected Attorney General
First elected State Treasurer
First elected Auditor of Public Accounts
First elected Superintendent of Public Instruction
- 1891 First elected Secretary of State
First elected Commissioner of Agriculture

The Constitution of Kentucky designates the Governor as the chief executive of state government, but the Constitution is vague as to how the Governor is to function in that role. It is the General Assembly that is authorized under the Constitution to enact legislation giving the Governor administrative powers necessary to administer state

government. The General Assembly defined the powers for the first time in the 1936 Reorganization Act. Prior to that time, the Executive Branch consisted of various boards, commissions, and independent agencies that were not organized in a systematic plan.

- 1833 State Librarian
- 1836 Board of Internal Improvements
- 1838 State Board of Education
 - Common School Fund
 - Superintendent of Public Instruction Appointed by Governor
 - System of Common Schools
- 1870 Bureau of Insurance (in Office of Auditor)
- 1876 Bureau of Agriculture, Horticulture, and Statistics
- 1878 State Board of Health
- 1884 Department of Mines
- 1898 State Board of Penitentiary Commissioners
- 1902 Labor Inspector
- 1906 Fire Marshal of Kentucky (Deputy Insurance Commissioner)
 - State Racing Commission
 - State Board of Agriculture, Forestry, and Immigration
 - State Board of Control of Charitable Institutions
- 1910 Live Stock Sanitary Board
 - Library Commission
- 1912 Department of Public Roads
 - Department of Banking
 - Game and Fish Commission
 - State Board of Forestry
 - State Board of Agriculture
- 1916 State Tax Commission
 - Workmen's Compensation Board
- 1918 Budget Appropriation Commission (state's first budget system)
 - State Textbook Commission
 - Vocational Education Board
 - Commissioner of Geology and Forestry
 - State Board of Control
- 1920 State Board of Charities and Corrections
 - Educational Commission
- 1922 Department of State Roads
 - State Highway Commission
- 1924 State Park Commission
- 1926 State Highway Department (Dept. of State Roads and Dept. of Public Roads merged)
 - Department of Motor Transportation
 - Purchasing Commission
 - Securities Department

State Bank Examiners
Commissioner of Pardons
Budget Commission
State Budget Officer
1932 Department of Public Welfare
Department of Military Affairs

Overview of the Executive Branch Structure from 1934 to 2001

In 1934, there were sixty-nine statutory boards, offices, agencies, and commissions in addition to the constitutional offices. Governor Ruby Laffoon, who served during the first two years of the New Deal from 1931 to 1935, proposed and the General Assembly enacted in 1934 the Administrative Reorganization Act. The Executive Branch was organized under seventeen administrative departments and seven independent agencies. The Act also created the Executive Cabinet. The 1934 Reorganization has not been considered a true reorganization because most of the major departments were headed by commissions or elected officials, rather than a single person appointed by the Governor. The Department of Public Property, for example, consisted of the Governor, who acted as chairman, the Auditor, the Treasurer, the Secretary of State, the Attorney General and four other persons. The Department of Finance and Budgetary Control consisted of the Governor, Chairman of the State Tax Commission, and the Secretary of the Executive Cabinet.

The Reorganization of 1936

The Reorganization Act of 1936 was enacted at an Extraordinary Session of the General Assembly, called by Governor A.B. Chandler in February, 1936. In his proclamation the Governor stated that it was essential that the multiplicity of scattered boards, commissions, departments, and other agencies of state government be brought together into a systematic, orderly plan. The Reorganization Act of 1936 largely abolished boards and commissions, except those having quasi-legislative and quasi-judicial functions. Offices and agencies abolished were:

State Athletic Board of Control
Budget Commission
George Rogers Clark Memorial Commission
Board of Trustees of Kentucky Confederate Home
State Live Stock Sanitary Board of Kentucky
My Old Kentucky Home Commission
Armory Commission of Kentucky
Commissioners of the Perryville Battlefield
Board of Visitors for Kentucky School for the Blind
State Planning Board
State Inspector and Examiner

Department of Banks and Securities
State Highway Commission
Board of Welfare
The Executive Cabinet (created in 1934).

More than fifty administrative agencies were consolidated by the 1936 reorganization under ten statutory departments. Those departments were:

Department of Finance

Divisions: budget, accounts and control, purchases and public properties, and personnel efficiency.

Department of Revenue

Divisions: general taxation, motor vehicles, local finance, and research and statistics.

Kentucky Tax Commission

Department of Highways

Divisions: construction, records, equipment, maintenance, and highway patrol
State Highway Commission

Department of Health

Functions: food and drug control, sanitation and vital statistics, appointment and control of the County Board of Health, prevention and control of communicable diseases, and licensing and regulation of the practice of the professions and occupations for the protection of public health.

Department of Welfare

Divisions: public assistance, child welfare, mental hygiene, and corrections.
Laboratory of criminal identification and statistics.

Department of Industrial Relations

Functions: reduce health and accident hazards in industry, accumulate and publish industrial statistics, promote friendly relationships between employers and employees, and develop better living conditions for employees.

Workmen's Compensation Board

Chief Labor Inspector

Department of Business Regulation

Divisions: motor transportation, alcoholic control, banking, securities, insurance, and professional regulation (licensing boards).

Department of Conservation

Divisions: game and fish, parks, forestry, publicity, and archaeology.
Kentucky Progress Commission

Department of Library and Archives

Divisions: library extension, and legislative and law library.
Kentucky Historical Society

Department of Mines and Minerals

Division of Geology
Chief Inspector of Mines
Bureau of Mineral and Topographical Survey

The 1936 Reorganization Act also gave the Governor statutory administrative powers that had been lacking, which are discussed below under authority of the General Assembly. The Act also created the Governor's General Cabinet, which consisted of the Governor, heads of the ten statutory departments, Auditor, Secretary of State, Attorney General, State Treasurer, Commissioner of Agriculture, Superintendent of Public Instruction, and Adjutant General. Functions previously performed by the State Planning Board were transferred to the Cabinet. The 1936 statute is codified as KRS 11.060. The current statute lists members of the Cabinet as heads of the constitutional and statutory administrative departments and Program Cabinet Secretaries.

The Years Between Reorganizations

Between 1944 and 1960, as demands for new services grew, fourteen departments were created within the Executive Branch. Those departments were:

Department of Aeronautics (1948)
Department of Alcoholic Beverage Control (1944)
Department of Banking (1946)
Department of Fish and Wildlife Resources (1944)
Department of Economic Security (1948)
Department of Economic Development (1956)
Department of Insurance (1950)
Department of Motor Transportation (1950)
Department of Mental Health (1952)
Department of Personnel (1956)
Department of Public Relations (1956)
Department of Public Safety (1956)
Department of Child Welfare (1960)
Department of Parks (1960)

By 1960, two of the ten departments established in 1936 no longer existed. In 1954, the Department of Library and Archives was abolished and in 1960 the Department of Business Regulation was eliminated. In 1962, the Department of Libraries was established, the Department of Public Relations was renamed the Department of Public

Information, the Department of Economic Development was renamed the Department of Commerce, and the Department of Welfare was abolished and replaced by the Department of Corrections. In 1964, the Department of Conservation was renamed the Department of Natural Resources. The Commission on Women was created in 1970.

Reorganization of 1973

The multiplicity of scattered boards, commissions, departments, and other agencies that confronted Governor Chandler in 1936 was matched by others facing Governor Ford in 1972. Thirty-six years after the 1936 reorganization, there were more than 60 departments and administrative agencies and 210 boards, commissions, and committees reporting to the Governor. State revenue collections increased from \$11.5 million in 1936 to \$845 million in 1971. The expansion of public services and governmental programs led to duplication of services and inefficiency in operations.

On November 28, 1972, Governor Ford issued the Governor's Reorganization Report No. 1, which set a framework of government that would be manageable, responsive, accountable, and flexible. The Executive Branch was to be organized, as of January 1, 1973, into six Program Cabinets: Consumer Protection and Regulation, Development, Education and the Arts, Human Resources, Safety and Justice, and Transportation. It also called for consolidation of functions of the Department of Finance and the Kentucky Program Development Office in the new Executive Department of Finance and Administration. In Reorganization Report No. 2, issued on January 3, 1973, the Department of Environmental Protection, which was created by the 1972 General Assembly effective January 1, 1973, was merged by Executive Order 73-1 with the Department of Natural Resources to create the Department for Natural Resources and Environmental Protection.

During 1973, the Department of Transportation was created in March, the Cabinet for Human Resources became the Department of Human Resources in August, and the Department of Justice was created in September. By October, 1973 there were three program cabinets (Development, Education and the Arts, and Consumer Protection and Regulation) and four additional departments (Human Resources, Justice, Natural Resources and Environmental Protection, and Transportation).

Reorganization after 1973

In 1978, a fifth department (Energy) was added. In 1982, the five departments received cabinet status, as did the Finance and Administration Department, the Bureau of Corrections, and the Department of Revenue. In 1984, the Labor Cabinet and Tourism Cabinet were added, to create a system of thirteen program cabinets. In 1989 the Energy Cabinet was abolished, in 1990 the Workforce Development Cabinet was created, in 1992 the Corrections Cabinet was merged into the Justice Cabinet, and in 1994 the Education and Humanities Cabinet was renamed as the Education, Arts, and Humanities Cabinet. In 1995, Executive Order 95-19, issued on December 13, 1995, elevated the Department of Personnel to cabinet status. Upon expiration of the order, Executive Order 96-909 was issued on July 11, 1996, to create the Personnel Cabinet and this was confirmed by 1998 SB 139. Executive Order 95-77, issued on December 28, 1995, renamed the Tourism Cabinet the Tourism Development Cabinet. Upon expiration of EO 95-77 it was

confirmed by Executive Order 96-1332, issued on October 1, 1996, and confirmed by 1998 HB 341. Executive Order 95-79, issued on December 28, 1995, abolished the Cabinet for Human Resources and created the Cabinet for Health Services and the Cabinet for Families and Children. Upon expiration of the order, Executive Order 96-862 was issued on July 2, 1996, and later confirmed by 1998 HB 132.

Kentucky's Executive Branch Structure in 2002

The Executive Branch of Kentucky state government is structured on a program cabinet system consisting of fourteen Program Cabinets, each headed by a Secretary, who is appointed by the Governor. The program Cabinets are listed in KRS 12.250 and the agencies within each cabinet are designated in KRS 12.020. Each Secretary acts as the chairman of the related cabinet, is a member of the Governor's Cabinet, and serves as the Governor's liaison for providing direction and coordination of the various departments, boards and commissions. The General Assembly established the authority, powers, and duties of the Secretaries in KRS 12.270.

The Governor's General Cabinet is described in KRS 11.060. It is composed of the heads of the constitutional and statutory administrative departments and Program Cabinet Secretaries. The Governor serves as chairman of the General Cabinet, which is attached to the Office of the Governor and is not a separate department or agency.

The Governor's Executive Cabinet, as provided in KRS 11.065, lists as members thirteen of the Secretaries of the Program Cabinets (Workforce Development is not included), the Secretary of the Governor's Executive Cabinet, the State Budget Director, the Governor's Chief of Staff, and the Lieutenant Governor. Although the statute does not list the newly created Chief Information Officer, KRS 61.936 provides that the Chief Information Officer shall "serve in the Governor's Executive Cabinet." The Cabinet meets not less than once every two months. It is a part of the Office of the Governor and is not a separate department or agency. The members of the Cabinet are major assistants to the Governor in the administration of the state government and assist the Governor in the proper operation of his office and perform such other duties as the Governor may require of them.

The Secretary to the Governor's Executive Cabinet is an agency of state government created under KRS 11.040. The Secretary is appointed by the Governor and is responsible for implementing all policies of the Governor, coordinating all activities of the Governor's Executive Cabinet, and advising and consulting with the Governor on all policy matters affecting the state.

Ten administrative bodies, under KRS 12.020, are listed as departments not attached to a Cabinet but headed by appointed officers. They are: Council on Postsecondary Education, Department of Military Affairs, Department for Local Government, Kentucky Commission on Human Rights, Kentucky Commission on Women, Department of Veterans' Affairs, the Kentucky Commission on Military Affairs, Governor's Office for Technology, the Commission on Small Business Advocacy, and the Education Professional Standards Board.

Executive Branch Structure and the

Authority of the General Assembly

The Office of Governor was unknown to common law and was created by state constitutions. The Court of Appeals of Kentucky in *Royster v. Brock*, 79 SW2d 707 (1935) stated at page 709 that the Governor has only such powers as the Constitution and Statutes, enacted pursuant thereto, vest in him, and those powers must be exercised in the manner and within the limitation therein prescribed. At the time of this decision the General Assembly had not enacted significant legislation on the Governor's powers to administer state government.

One year after *Royster*, the 1936 Reorganization Act was enacted, giving the Governor for the first time statutory powers to effectively act as administrative head of state government. The Act authorized the Governor to appoint heads of departments to serve at the pleasure of the Governor. It also empowered the Governor to authorize a department head to establish an additional division or divisions, or to divide or combine existing divisions, or to change the name of a division, or transfer functions and staff from one division to another within a department. At least nine of the current statutes in KRS Chapter 12 on administrative organization of the Executive Branch originated with the 1936 Reorganization Act: KRS 12.040, 12.050, 12.060, 12.070, 12.080, 12.090, 12.100, 12.110, and 12.120. Some of the administrative powers of the Governor authorized by the General Assembly are:

- KRS 12.029 authorizes the Governor to appoint advisory or study committees on reorganization.
- KRS 12.040 authorizes heads of departments to have control of their departments, to be appointed by the Governor for terms up to 4 years, maintain an organization capable of attachment of related administrative bodies, provide facilities and functions to carry out duties, and exercise supervision over agency personnel.
- KRS 12.050 authorizes the appointment of deputy heads of departments and directors of divisions and institutions.
- KRS 12.060 authorizes heads of departments, with approval of the Secretary of the Personnel Cabinet, to establish subordinate positions and to abolish unnecessary offices and positions, transfer employees, and change duties, titles and compensation of existing offices and positions.
- KRS 12.070 provides the requirements for appointment to administrative boards and commissions.
- KRS 12.080 authorizes the Governor, with approval of his Executive Cabinet, to prescribe general rules of conduct for administrative departments, and authorizes heads of departments to prescribe rules not inconsistent with the rules prescribed by the Governor.

- KRS 12.090 directs agencies to cooperate with each other.
- KRS 12.100 authorizes the Governor, with the advice of his Executive Cabinet, to resolve conflicts between agencies.
- KRS 12.110 requires the Governor to submit to LRC annual reports of the finances and operations of the state. The head of each statutory department is required to submit an annual report to the Governor and special reports upon request. Copies of annual reports are required to be sent to LRC for use by members of the General Assembly.
- KRS 12.120 authorizes the heads of departments to administer oaths and examine witnesses.
- KRS 12.130 directs the Governor to require each agency to keep a systematized plan of filing, bookkeeping and accounting.

Also codified in KRS Chapter 12 are powers granted the Governor by the General Assembly to reorganize the Executive Branch between legislative sessions. Courts have held that reorganization of the Executive Branch of state government is legislative in nature. The Supreme Court of Kentucky in *Brown v. Barkley*, 628 SW2d 616 (1982) stated at page 623 that "when the General Assembly has placed a function, power or duty in one place there is no authority in the Governor to move it elsewhere unless the General Assembly gives him that authority." In *LRC v. Brown*, 664 SW2d 907 (1984), the Court at page 930 held that:

Even though the Governor has the supreme executive power of the Commonwealth (KY. Const. Sec. 69), he cannot transfer the functions of an existing, legislatively-created executive agency or department to another without legislative authority.

The Court went on to say at page 931 that the Governor has no inherent power to reorganize and that reorganization is legislative in nature.

The General Assembly, recognizing that changes in state government organizational structure may need to be made during the interim between legislative sessions, enacted procedures in 1962, codified in KRS Chapter 12, to enable the Governor to temporarily effect a change in the structure of the Executive Branch. The authority granted to the Governor does not extend to reorganization of an organizational unit or administrative body headed by an elected state executive officer, unless that officer has made a request in writing. An elected state executive officer, other than the Governor, and the Kentucky Economic Development Partnership may also temporarily effect a change in organizational structure, but only as to an organizational unit or administrative body that the officer or Partnership heads. A temporary reorganization is effected by filing an executive order with LRC and the Secretary of State. The temporary

reorganization plan terminates 90 days after sine die adjournment of the next regular session of the General Assembly unless otherwise specified by the General Assembly. If the Executive Branch intends to make its reorganization continue after the session of the General Assembly, legislation must be introduced at the General Assembly session to confirm the plan. If the General Assembly fails to enact the plan, the previous organizational structure is reinstated upon termination of the temporary plan and the plan may not be effected prior to the next succeeding Session of the General Assembly.

Contents of this Publication

This publication describes the constitutional offices, cabinets, departments, boards, and commissions that make up the Executive Branch of Kentucky state government as of the date of publication. The various administrative bodies are grouped into three categories: (1) constitutional departments, headed by elected officers; (2) non-cabinet departments, headed by appointed officers; and (3) program cabinets, headed by appointed officers. This publication also contains relevant statutory provisions and organizational charts from 1973 to 2002.

CHAPTER II

CONSTITUTIONAL DEPARTMENTS HEADED BY ELECTED OFFICERS

The Governor, Lieutenant Governor, Treasurer, Auditor, Commissioner of Agriculture, Secretary of State, and the Attorney General are provided for in the Constitution of Kentucky. The three-member Railroad Commission was abolished when voters approved a Constitutional amendment on November 7, 2000. The seven constitutional officers are described in this chapter. All of the constitutional officers are elected, must be at least thirty years of age, and, since ratification by the voters of an amendment to the Constitution of Kentucky on November 3, 1992, may succeed themselves in office but are ineligible for re-election for the succeeding four years after expiration of any second consecutive term.

EXECUTIVE OFFICE OF THE GOVERNOR

The Office of Governor has existed in Kentucky since the Commonwealth's first (1792) constitution. Initially filled by indirect election for a four-year term, the office of Governor in Kentucky has been filled by direct election since 1799. The term has remained four years. From 1799 to 1992, the Constitution of Kentucky prohibited the Governor from serving two consecutive terms. However, ratification of a 1992 amendment allows the person elected as Governor in 1995 and subsequent years to run for re-election for a second consecutive term. The amendment also requires the Governor and Lieutenant Governor to run jointly for election on a slate. Prior to the 1992 constitutional amendment, Governor James Garrard (1796-1804) was the only Governor to have served consecutive terms. Isaac Shelby (1792-1796 and 1812-1816) and James McCreary (1875-1879 and 1911-1915) served two full terms. A. B. "Happy" Chandler (1935-1939 and 1955-1959) resigned before the end of his first term and was elected later and served a full term. John Helm, J.C.W. Beckham, Keen Johnson, and Lawrence Wetherby were Lieutenant Governors who succeeded to the Office of Governor upon the death or resignation of the Governor and later were each elected Governor. During the term of Governor Earle Clements the Legislative Research Commission was created in 1948 and the Governor was the ex officio chair of the Commission which hired a director who managed the research staff of the state legislature. During the second term of Governor A. B. "Happy" Chandler, the Governor was removed and replaced by the

On May 17, 1792, Isaac Shelby was elected as Kentucky's first Governor by electors, who met in Lexington. Born in Maryland, Shelby moved to Kentucky in 1782. He was a war hero in the American Revolution, which helped him become a leader in Kentucky politics. He served as chairman of the committee of the whole in the first convention.

He served a second term as Governor when he was elected by the people in 1812. After his term ended in 1816, he returned to his farm in Lincoln County, where he died and was buried in 1826.

Lieutenant Governor as ex officio chair of the Legislative Research Commission on July 1, 1956.

The Governor is vested with the supreme executive power of the Commonwealth, with the duty to take care that the laws be faithfully executed (Sec. 69 and 81, Const.). His major constitutional powers are to appoint persons to fill vacancies in many state and local offices; remit fines and forfeitures; commute sentences, grant reprieves and pardons; require information from officers of the executive branch; convene extraordinary sessions of the General Assembly and determine its agenda; and to veto legislation, including items within appropriations bills.

The Executive Office of the Governor includes: (1) the Governor's Office, (2) the Office of the Secretary of the Cabinet (KRS 11.040); (3) the Office of State Budget Director (KRS 11.068); (4) the State Planning Committee and State Planning Fund (KRS 147.070-147.120); (5) the Governor's Executive Cabinet (KRS 11.065); (6) the Governor's General Cabinet (KRS 11.060); and (7) the Governor's Financial Policy Council (KRS 147B.100).

Governor's Office

The Office includes the Chief of Staff, administrative assistants, General Counsel, Press Secretary, legislative and public liaisons, and support staff. Its principal responsibilities are policy development and leadership, including ombudsman activities and ceremonial functions, as well as policy formulation. The Governor, as chief administrator, ensures that state government provides needed services to the state's citizens at minimum cost to the taxpayers.

The **Governor's Office for a Drug-Free Kentucky** was created by Executive Order 90-518, issued on June 5, 1990. The Office coordinates the efforts of governmental agencies to control alcohol and drug abuse. The Governor's Commission for a Drug-Free Kentucky and the Champions Against Drugs Program are attached to the Office.

The **Governor's Office of Child Abuse and Domestic Violence Services** was created as the office of Sexual Abuse and Domestic Violence Services by Executive Order 96-423, issued on April 5, 1996. The Office was renamed by Executive Order 96-1620, issued on December 11, 1996, to sufficiently emphasize the work of the office in the area of child abuse. The Executive Orders were confirmed by 1998 SB 264 and the law is codified as KRS 12.350. The Office is headed by an Executive Director appointed by the Governor, and the First Lady of the Commonwealth serves as a special advisor to the Office. Duties and responsibilities of the Office include coordinating functions to ensure no services of state government are duplicative in the areas of child sexual abuse, domestic violence, and rape/sexual assault; drafting legislation and advising the Governor on the impact of proposed legislation; providing training and consultation to programs provided or funded by the state which provide services to child sexual abuse, rape/sexual assault, domestic violence and other victims of crime; developing standards of care for victim and offender services; providing consultation on development of budgets for relevant programs funded by the state; designing and implementing research programs pertaining to quality of victim-related services; making recommendations on improvement and expansion of victim services; and undertaking new and progressive

initiatives to improve and enhance the delivery of services to victims of child sexual abuse, domestic violence, and rape/sexual assault. The **Governor's Council on Domestic Violence and Sexual Assault** was created in 2000 to plan legal, protection, and support services related to domestic violence and sexual assault and to increase the awareness regarding the prevalence and impact of these crimes. Duties of the council include promoting coordination among agencies and officials responsible for addressing domestic violence and sexual assault, facilitating the development of local domestic violence councils and sexual assault response teams, and determining the availability of services for victims, offenders, and children who witness domestic violence or sexual assault. The Council was directed to create a **Sexual Assault Response Team Advisory Committee** in 2002 (KRS 403.707) The Committee is co-chaired by the Executive Director of the Kentucky Association of Sexual Assault Programs and the Commissioner of the Kentucky State Police. Duties of the Committee include advising the Kentucky Board of Nursing on the Sexual Assault Nurse Examiner Program under KRS 314.142, advising the chief medical examiner in development of a statewide sexual assault protocol, and making recommendations to the Governor's Council on Domestic Violence and Sexual Assault to promote a multidisciplinary response to sexual assault.

The **Governor's Higher Education Nominating Committee** was established in 1992 (KRS Chapter 164) and the Governor's office staff provides it with support services. The seven-member Committee is appointed by the Governor. The Committee nominates three persons from which the Governor selects one for each gubernatorial appointment to a university governing board and to the Council on Postsecondary Education, and, since 1994, to the Kentucky Authority for Educational Television, the Kentucky Higher Education Assistance Authority, and the Kentucky Higher Education Student Loan Corporation.

The **Executive Branch Ethics Commission** was attached to the Office of the Governor for administrative purposes in 1994. Senate Bill 63 enacted by the 1992 General Assembly abolished the Financial Disclosure Review Commission, which was created on March 4, 1975 by Executive Order 75-211, and created the Executive Branch Ethics Commission. The Commission is composed of five members appointed by the Governor and is authorized to employ an executive director and other employees. The Commission investigates alleged violations of the ethics law in KRS Chapter 11A. The Commission has the power to issue subpoenas, and the Kentucky Rules of Civil Procedure and the Rules of Evidence apply to all Commission adjudicatory hearings. The Commission may issue advisory opinions, promulgate administrative regulations, publish a manual of guidelines, and provide a continuing program of education, assistance, and information to public servants. The Commission issues a biennial written report by December 1 of each odd-numbered year.

The **Kentucky Agriculture Resources Development Authority** was created in 1994 and is attached to the Office of the Governor, pursuant to KRS 11.170. The twenty-seven members serve to unify the efforts of agricultural groups working on behalf of farmers and agribusiness. Their duties include advising the Governor and other state officials on economic development initiatives to improve the farm economy, developing market potentials, and working with the executive and legislative branches of government on legislation, policies, and programs with specific emphasis on increasing farm income

and strengthening rural communities. The Authority meets at least four times each calendar year.

The **Office of Coal Marketing and Export** was created by the 1998 General Assembly with enactment of SB 159, which amended KRS 154.12-250. The office carries out the purposes of the Coal Council. The **Kentucky Coal Council** was named the Coal Marketing and Export Council until renamed by Executive Order 98-1049, effective July 15, 1998, which was confirmed by 2000 House Bill 97. The Coal Marketing and Export Council was removed from the Economic Development Cabinet by enactment of 1996 House Bill 54 and Executive Order 96-921, issued on July 15, 1996. The fourteen-member Council consists of the Secretary of the Governor's Executive Cabinet, the Secretary of the Transportation Cabinet, the Deputy Secretary of the Natural Resources and Environmental Protection Cabinet, the Executive Director of the Council, a representative of the Alliance of Kentucky Coal (appointed by the Governor), and nine citizen members appointed by the Governor for terms of four years. The Council makes recommendations on promotion of Kentucky coal, coordination of coal research and marketing programs, identification of coal market developments, advice to coal operators and other industries seeking to enter or expand markets.

The Coal Marketing and Export Council evolved from state government organizational changes in the area of energy. In 1975, the Department of Energy (Development Cabinet) and the Kentucky Center for Energy Research were established. In 1978, they were combined to create the Kentucky Department of Energy. In 1982, the Energy Cabinet was established. The Cabinet was abolished by Executive Order 89-396, issued on April 25, 1989, and the Governor's Office for Coal and Energy Policy was created. That Executive Order also abolished the Kentucky Coal Research Board, the Energy Research Board, the Advisory Council on Energy and Natural Resources, and the Chemical/Energy Park Authority. The Kentucky Coal Authority was created in 1990. Executive Order 92-387, dated April 17, 1992 abolished the Governor's Office for Coal and Energy Policy, the Kentucky Coal Authority, and the Kentucky Export Council and created the Coal Marketing and Export Council in the Economic Development Cabinet.

The **Kentucky Appalachian Commission** was created by Executive Order 95-1122 to develop a comprehensive plan for the Appalachian region of Kentucky in the context of development planning for the Commonwealth as a whole, to unify resources to achieve sustainable economic development and an improved quality of life in the region. (The Appalachian Regional Development Act of 1965, approved by Congress on March 9, 1965, created the Appalachian Regional Commission.) Executive Order 96-903, issued on July 11, 1996, established the membership of the Commission and attached it to the Governor's Office. These Executive Orders were confirmed by 1998 SB 197, now codified as KRS 11.180 to 184. The Governor serves as Chairperson of the 48-member Commission and appoints an Executive Director, Advisory Council and Working Team Liaison, and Administrative Secretary. The Commission's duties include reviewing strategic planning recommendations from government agencies, the private sector, and the Commission's working teams, participating in the development of the Kentucky Appalachian Development Plan, providing leadership in promoting projects and activities that create opportunities for self-sustaining economic development and improve the

quality of life for citizens of Eastern Kentucky, holding hearings and conducting seminars, and advising the Governor.

The **Governor's Commission on Sports, Physical Activity, and Wellness** was created by Executive Order 97-932, issued on July 25, 1997, and confirmed by 1998 HB 375 and codified as KRS 11.190. The Commission consists of 18 members. The Commission meets at least four times each year. The Commission promotes and sponsors the Olympic-style Bluegrass State Games, serves as a resource to the Governor and the General Assembly on issues regarding sports, physical activity and wellness, supports missions of the National Association of Governors' Councils on Physical Fitness and Sports and the President's Council on Physical Fitness and Sports, solicits grants, encourages intergenerational activities in strengthening the family unit, and establishes a fundraising subcommittee.

The **Kentucky Agency For Substance Abuse Policy** was created with enactment of 2000 Senate Bill 315 (KRS 12.330) and is headed by an executive director. The agency administers an endowment from interest generated through funds appropriated or gifts, donations, or funds received from any source. The **Kentucky Agency For Substance Abuse Policy Board** consists of 18 members appointed by the Governor for four-year terms. The board oversees deposits and expenditures from the endowment, receives reports from the executive director, and performs other duties. The agency, among other things, develops a strategic plan to reduce the prevalence of smoking and drug and alcohol abuse among the youth and adult population in Kentucky, monitors the data and issues related to youth alcohol and tobacco access, and identifies existing resources in each community that advocate or implement programs for smoking cessation or prevention, or drug and alcohol abuse prevention, education, or treatment. The agency establishes in each county a local tobacco addiction and alcohol and substance abuse advisory and coordination board to assist in planning, overseeing, and coordinating the implementation of local programs. A single board may be established for multiple counties.

The **Agricultural Development Board** was created by 2000 House Bill 611 and consists of 15 members (KRS 248.707). The Board, among other things, administers the Agricultural Development Fund, develops criteria for eligibility for and disbursement of funds, completes a comprehensive plan, and hires a director. Each county establishes an agricultural development council that devises a plan for the county that identifies programs best suited for the agricultural development of the county and submits the plan to the Agricultural Development Board. Programs to be developed by the Board include a farm market development and infrastructure program, an agricultural entrepreneurship program, an environmental stewardship program, and a rural water line extension program.

The **Kentucky Infrastructure Authority** was created by HB 217, passed by the 1988 General Assembly (KRS 224A.030). 2000 Senate Bill 409 and Executive Order 2000-1062 transferred the Authority from the Finance and Administration Cabinet to the Office of the Governor. The Authority, composed of nine members, assimilates the Kentucky Pollution Abatement Authority and the Water Resources Finance Authority. The Authority provides assistance to other governmental agencies for public service projects that enhance economic development, such as:

- wastewater treatment works;
- distribution facilities;
- water treatment works;
- water resource projects;
- solid waste management facilities; and
- gas or electric utilities.

The Authority may enter into assistance agreements between the Authority and a governmental agency, subject to prior review by the legislative Capital Construction and Equipment Purchase Oversight Committee. The nature of the assistance could be a lease, loan, grant, or purchase obligation.

Each area development district must establish 2020 water management areas (KRS 151.601). Each county must establish a 2020 water management council which, by July 1, 2001, must develop a plan consistent with the county long-range water supply plan and the water supply planning process. The plan must include a water needs forecast for the county and a strategy for delivering potable water as needed into the underserved and unserved areas of the county. The Authority may disapprove and direct redevelopment of a plan.

The Authority administers an Infrastructure Revolving Fund, which contains the 2020 water service account to assist in making potable water available to all Kentuckians by the year 2020. The fund is dedicated solely to providing financial assistance to governmental agencies, and investor-owned water systems, for the construction or acquisition of infrastructure projects. The Authority advises governmental agencies of the availability of the infrastructure revolving fund and how moneys may be obtained from the fund.

Governor's Executive Cabinet

The Secretary of the Executive Cabinet, the State Budget Director, the Governor's Chief of Staff, the Lieutenant Governor, and the secretaries of the Justice Cabinet, the Education, Arts, and Humanities Cabinet, the Natural Resources and Environmental Protection Cabinet, the Transportation Cabinet, the Cabinet for Economic Development, the Public Protection and Regulation Cabinet, the Cabinet for Families and Children, the Cabinet for Health Services, the Finance and Administration Cabinet, the Revenue Cabinet, the Tourism Development Cabinet, the Labor Cabinet, and the Personnel Cabinet constitute the Governor's Executive Cabinet (KRS 11.065). According to KRS 61.936, the Chief Information Officer also serves in the Governor's Executive Cabinet. The Cabinet must meet at least once each two months and members are major assistants to the Governor in the administration of state government.

Secretary to the Governor's Executive Cabinet

The position was created by Executive Order 80-1018 (November 25, 1980) and was expanded to an Office, a separate agency of state government, in 1983 (Executive Order 81-953). The duties of the Office are "implementing all policies of the Governor,

coordinating all activities of the Governor's Executive Cabinet, and advising and consulting with the Governor on policy matters" (KRS 11.040). The Secretary serves as vice chair of the Coal Marketing and Export Council and a member of the Kentucky Private Bond Allocation Committee (KRS 103.286). The **Small Coal Operators Advisory Council** reports directly to the Secretary. The fifteen-member Council advises on matters affecting coal production and utilization, including coal market development, transportation, and storage problems (KRS 350.260).

Office of State Budget Director

The Office of State Budget Director, formerly known as the Office of the Special Assistant to the Governor for Budget and Management, is attached for administrative purposes to the Office of the Governor (KRS 11.068). The State Budget Director is appointed by the Governor and serves in that capacity and as secretary of the State Planning Committee. Duties of the Office include preparing, administering, and evaluating the executive budget; continuous evaluation of statewide management and administrative procedures and practices; revenue estimating and economic analysis, and staff planning functions of the State Planning Committee and evaluation of statewide management and administrative practices and procedures.

Governor's Office for Policy and Management. Until 1983, the Office was in the Finance and Administration Cabinet. It has the duties of assisting the Governor in executive budget preparation and execution and in oversight of state agencies' expenditures, activities and performance. It is headed by the State Budget Director.

Governor's Office for Policy Research. The Office for Program Administration was transferred to the Executive Office of the Governor from the Finance and Administration Cabinet in 1983 but was renamed by Executive Order 99-1439 and confirmed by 2000 House Bill 374. The Office assists the State Budget Director in providing policy research data, information, and analysis to the Governor on public policy issues that impact the Commonwealth.

Governor's Office for Economic Analysis. The Office was created by Executive Order 99-1439 and confirmed by 2000 House Bill 374. Economic analysis duties of the former Office of Financial Management and Economic Analysis in the Finance and Administration Cabinet were transferred to the new office. The Office carries out revenue estimating and economic analysis functions. It performs the tax administrative function of using tax data to provide the Revenue Cabinet with studies, projections, statistical analyses, and other information to assist the cabinet.

The **Kentucky Innovation Commission** was created by 2000 House Bill 572 and receives support staff from the Office of State Budget Director (KRS 164.6015). The fifteen-member Commission promotes the cooperation of private and public entities that advance the knowledge-based economy in Kentucky through technological innovation and knowledge transfer. The Commission operates as a common strategic umbrella to advocate for the use of federal, state, local government, and private sector funds to create research and development projects, modernize manufacturing facilities, and promote knowledge-based, technology sectors and companies in Kentucky.

Governor's General Cabinet

The Cabinet includes the Governor (chairman), program cabinet secretaries, and the heads of all constitutional and statutory administrative departments. It is not a separate agency and is to meet on call of the Governor.

State Planning Committee

The Committee consists of the members of the Governor's Executive Cabinet and others whom the Governor may designate. The Governor chairs the Committee and the Secretary of the Cabinet for Economic Development serves as vice-chair. The Committee's principal function is long-term planning relating to development. Staff support is provided by the Office for Policy and Management.

Governor's Financial Policy Council

The Council was created in 1985, replacing the Council of Economic Advisors. The Council consists of the Secretary of the Finance and Administration Cabinet, the Secretary of the Revenue Cabinet, the State Budget Director, and four at-large gubernatorial appointees with experience or academic training in business, financial management or public policy. The Council is to review and advise on revenue estimates, expenditure patterns, the impact of federal policies on the state's finances and economy, and infrastructure and capital investment needs, and to provide financial analyses on request.

Kentucky Commission for Families and Children

Executive Order 94-812 created the Kentucky Commission for Families and Children, comprised of thirteen members appointed for terms of four years. The Commission is responsible for planning, implementation, and direction of a family-oriented system of community supports and services moving from crisis to prevention and promoting wellness. The Commission is to cooperate and collaborate with, and supplement the work of the Interagency Task Force on Family Resource and Youth Services Centers (See Cabinet For Families and Children in this report) until the Task Force sunsets. By July 1, 1995 the Commission shall conduct a strategic planning process and prepare a statewide plan for establishment of a system and timeline for full implementation of a comprehensive, family-focused, standards-oriented, and consumer-driven system for funding and delivering services to children and families. The Commission is staffed by the Family Resource and Youth Service Centers Branch of the Cabinet for Families and Children.

Office of Early Childhood Development

The Office of Early Childhood Development was created by Executive Order 99-1513 effective March 17, 1999, and confirmed by 2000 House Bill 240. The Office is

headed by an executive director appointed by the Governor to serve at the pleasure of the Governor (KRS 12.401). Duties of the Office include providing assistance to the Governor's Early Childhood Task Force, creating a strategic plan to design Kentucky's early childhood development efforts toward assisting families and enhancing opportunities for young children to succeed, creating the beginning of a seamless system for youth that will assist them from birth until they begin their careers, and undertaking new and progressive initiatives to improve and enhance the delivery of services affecting early childhood development. The Office of Early Childhood Development provides staff and administrative support to the Early Childhood Development Authority, the Early Childhood Business Council, the Early Childhood Professional Development Council, and the Kentucky Early Intervention System Interagency Coordinating Council.

The **Early Childhood Development Authority** consists of 17 members. The authority develops a state plan on a biennial basis that identifies early childhood development funding priorities. The authority must expire when funds are no longer designated to the Commonwealth from the master settlement agreement between tobacco manufacturers and the states or when funds are no longer designated to the early childhood development fund. The authority establishes a program of monetary incentives including but not limited to an increased child-care subsidy and a one-time merit achievement award for child-care centers and certified family child-care homes. The authority develops a voluntary quality-based graduated child-care rating system for licensed child-care and certified child-care homes. The **Kentucky Early Intervention System Interagency Coordinating Council** was created in 1994 and its twenty-five members are appointed by the Governor to terms of three years. The council was transferred in 2000 from the Cabinet for Health Services to the Early Childhood Development Authority. The council advises and assists the authority in development and implementation of a statewide system of early intervention services for all infants and toddlers with disabilities and their families, resolves disputes, provides appropriate services for children from birth to five years of age, promotes interagency agreements, and identifies sources of fiscal and other support services. An intervention committee is established in each of the fifteen area development districts (KRS 200.650-676).

The **Early Childhood Business Council** consists of 15 members appointed by the Governor for two-year terms. The function of the council is to involve the corporate community, county judge/executives, and mayors in supporting issues of importance to working families with young children in Kentucky, and to collect and disseminate information about the various ways business and local government can become involved in supporting early childhood.

The **Early Childhood Professional Development Council** is composed of 15 members appointed by the Governor for terms of 4 years. The council, in collaboration with the Council on Postsecondary Education, works with existing entities to develop an early child care and education credential system to facilitate the attraction and retention of persons who provide early child-care and education services, and works to develop a seamless system of professional development beginning with entry level employment in early child care and education and proceeding through a master's degree-level program.

OFFICE OF THE LIEUTENANT GOVERNOR

The second, third, and present Kentucky constitutions have provided for a Lieutenant Governor, elected by popular vote for a term of four years. From 1799 to 1992 the Constitution of Kentucky prohibited the Lieutenant Governor, as it did the Governor, from serving two consecutive terms. However, ratification of a 1992 amendment requires the Governor and Lieutenant Governor to run jointly as a slate beginning with the 1995 election and authorizes them to run for re-election for a second consecutive term (Sec. 70 and 82, Const.).

Prior to the 1992 amendment, the constitutional duties of the Office of the Lieutenant Governor were to preside as President of the Senate (Sec. 83, Const.) and to act as Governor (Sec. 84, Const.) when the Governor is absent from the state, resigns, dies in office, is impeached, or for any other reason is unable to discharge the duties of the office of Governor. The 1992 amendment repealed Section 83, which removed the Lieutenant Governor's duty to preside as President of the Senate. The amendment also changed Section 84 so that the Lieutenant Governor no longer assumes the power of Governor while the Governor is absent from the state. Section 84 as amended provides that if the Governor is impeached and removed from office, dies, refuses to qualify, resigns, certifies that he or she is unable to discharge his or her duties, or is unable to discharge the duties of the office, the Lieutenant Governor shall exercise the power and authority of Governor until another Governor is elected or until the Governor is able to discharge his or her duties. The Attorney General is authorized to petition the Supreme Court of Kentucky to have the Governor declared disabled if the Governor is unable to discharge his or her duties due to physical or mental incapacitation. If the Supreme Court certifies such disability, the Lieutenant Governor shall assume the duties of the Governor.

Historically, Kentucky Governors have assigned various duties to the Lieutenant Governor, the scope of the responsibilities varying according to the relationship between the two officeholders. The General Assembly has by statute (KRS 11.400) assigned additional duties to the Lieutenant Governor. The current statutory duties are: to serve as vice-chairman of the state Property and Buildings Commission (KRS 56.450), the Kentucky Turnpike Authority (KRS 175.430), and the County Debt Commission (KRS 66.300); to serve as a member of the Kentucky Council on Agriculture (KRS 247.417), the Kentucky Housing Corporation (KRS 198A.030), the Appalachian Development Council (KRS 154.33-020), the Southern Growth Policies Board (KRS 147.585), the Breaks Interstate Park Commission (KRS 148.225), the Falls of the Ohio Interstate Park Commission (KRS 148.242), the Tennessee-Tombigbee Waterway Development Authority (KRS 182.305), the Interstate Water Sanitation Board (KRS 224.18-710), and

In 1800, Alexander Scott Bullitt was elected as Kentucky's first Lieutenant Governor. The first Constitution (1792) did not provide for a Lieutenant Governor.

In 1783, he purchased 1000 acres of land around Louisville and named it Oxmoor. He was a Jefferson County delegate to the 1792 Constitutional Convention and served in the first state Senate until 1799. He was president of the convention that framed the second (1799) Constitution.

the Mining Council (KRS 350.310); and to appoint one member of the Public Officials Compensation Commission (KRS 64.742). In addition, the Lieutenant Governor is required to serve on the Governor's Executive Cabinet (KRS 11.065), on the Kentucky Commission on Women (KRS 344.510), and as ex officio member of the board of directors of the Kentucky Agricultural Finance Corporation (KRS 247.944).

The Lieutenant Governor is prohibited from practicing law during the term of office (KRS 11.120). The Old Governor's Mansion is provided for use as a residence by the Lieutenant Governor and a reasonable amount is deducted from the salary or other allowance of the Lieutenant Governor for consumption by the Lieutenant Governor and family of food and supplies (KRS 42.037). The Finance and Administration Cabinet is authorized to purchase a passenger motor vehicle for the use of the Lieutenant Governor (KRS 44.045) and the Lieutenant Governor is permitted to use one state-owned motor vehicle on which it is not necessary to have the state seal nor the words "For Official Use Only" (KRS 186.065).

DEPARTMENT OF STATE

The Department of State is primarily a record keeping agency headed by the Secretary of State. The department is organized into two divisions: Corporate Filings and Corporate Records, and General Administration and Support Office. In accordance with KRS 12.020, the State Board of Elections and the Registry of Election Finance are attached to the Department.

Secretary of State

The Secretary of State is an elected constitutional state officer entrusted with filing, maintaining and preserving important state documents and public records, such as books, records, deeds, maps and other official papers, and recording the official acts of the Governor and reporting them to the General Assembly. The Secretary of State keeps the Seal of the Commonwealth (KRS 14.030) and affixes it to all communications and commissions issued in the name of the state. The approved official drawings of the state flag are permanently retained in the files of the office of the Secretary of State (KRS 2.030). The Secretary of State is also designated as the state's agent for service of process under the Long Arm statute for nonresidents and for foreign corporations. The Secretary of State determines whether a runoff primary election is necessary for either or both parties (Sec. 91, Const., KRS 14.030, 14.040, 14.050, 117.275, 271A.565, 454.210). The Secretary of State is a member of the State Board of Elections (KRS 117.015) and the County Debt Commission (KRS 66.300).

In 1792 James Brown was appointed by Governor Isaac Shelby as Kentucky's first Secretary of State. Mr. Brown was a brother-in-law of Henry Clay. He later moved to Louisiana and was twice elected to Congress.

In 1891, John Headley became the first elected Secretary of State.

Division of Corporate Filings and Corporate Records

The Division of Corporations and Corporate Records is responsible for the administration of incorporation of businesses, both domestic and foreign, profit and nonprofit, including the administration of documents of merger, dissolution, name changes and certain stock matters.

General Administration and Support Office

The General Administration and Support Office is responsible for central policy research, planning and implementation, implements election laws pertaining to the Secretary of State, administers Kentucky's Notary Public and Uniform Commercial Code laws, laws pertaining to the service of summonses and complaints and laws pertaining to trademarks and service marks. The Office also includes the **Land Commission Office**, which is responsible for recording deeds and titles to state-owned properties and other original land grants and survey documents, and arrest warrants, and issues commissions,

pardons, commutations and extraditions. The Register of the Land Office was a constitutional office until abolished by an amendment to the Constitution of Kentucky in 1992.

State Board of Elections

The State Board of Elections was statutorily created in 1972 to administer the election laws of the state and supervise the registration and purgation of voters (KRS 117.015). All forms pertaining to voter registration are prescribed and furnished by the Board (KRS 116.155) and the Board establishes a voter registration purge program (KRS 116.112). The Board consists of the Secretary of State and six bipartisan members appointed by the Governor for staggered four-year terms. The Secretary of State serves as chairman of the board and the chief election official for the Commonwealth. The Attorney General, the Secretary of State, and the State Board of Elections, by mutual agreement, may petition Franklin Circuit Court to declare an election crisis exists in a county and to authorize the Board to manage the election (KRS 117.022). The Board appoints an executive director who serves as chief administrative officer for the board. The Board employs a staff, including legal counsel and a training officer, to provide assistance to the county clerks and county boards of elections in their training of precinct election officers (KRS 117.025). The Board's staff is organized into two divisions (KRS Chapters 116 and 117)

The **General Administration Division** is responsible for canvassing returns, certifying election results, maintaining the statewide list of registered voters, issuing certifications of nomination and election, producing precinct rosters, examining and approving voting machines, remitting to the counties the state's share of voter registration and election expenses, conducting a nonpartisan voter education program and training county clerks and other local officials in election duties.

The **Computer Support Division** performs all necessary automated data processing functions.

Registry of Election Finance

The Registry of Election Finance was created by statute in 1966 as an independent state agency to administer the statutes pertaining to political campaign and election financing (KRS 121.110). In 1992 the General Assembly enacted the Public Financing Campaign Act and transferred the agency from the Public Protection and Regulation Cabinet to the Department of State.

The seven members of the Registry are appointed, subject to Senate confirmation, by the Governor, Auditor of Public Accounts, Attorney General, and Secretary of State in a bipartisan or nonpartisan manner for staggered four-year terms (KRS 121.110). The Registry is subdivided organizationally into a Division of Public Financing and Administration and a Division of Compliance and Audits.

The Registry may appoint an executive director, legal counsel, an accountant, and other employees. The Registry may require submission of written reports, administer oaths, subpoena persons and documents, initiate and defend civil actions, render advisory

opinions, and petition courts to issue orders to comply with an order or subpoena of the Registry (KRS 121.120). The Registry must conduct a public hearing within three days after a report submitted to the Registry by a campaign committee of a slate of candidates indicates that the slate has, or may have, received contributions or made expenditures in excess of the expenditure limit.

The duties of the Registry include developing forms for required campaign financial reports; publishing a manual for candidates, slates of candidates, and committees, describing campaign finance law requirements; preparing and publishing various reports pertaining to receipts and expenditures in campaigns; reviewing financial reports filed by candidates, slates of candidates and committees, for legal compliance; registering committees with the Registry; conducting random audits of receipts and expenditures of local and district campaigns; auditing receipts and expenditures of campaigns for all statewide offices; initiating investigations of possible infractions of campaign finance laws; and referring violations of election laws to the Attorney General or local prosecutor for civil and criminal prosecution, while reserving the right to petition the court to enable the Registry's attorney to prosecute if the Attorney General or local prosecutor does not proceed with the prosecution in a timely manner (KRS 15.243, 119.305, and 121.110 to 121.180).

The Public Financing Campaign Act of 1992 provided that all policy and enforcement decisions concerning the regulation of campaign finance are the ultimate responsibility of the Registry. The Act created an election campaign fund in the State Treasury from which funds may be paid only upon warrants issued by the Registry. The Registry distributes transfers for the matching of qualifying contributions to the qualifying slate of candidates for Governor and Lieutenant Governor and reports to the General Assembly within three months following an election for Governor and Lieutenant Governor the total amount of transfers paid from the fund. The Registry preserves all bills and accounts for six years and conducts an audit of contributions to and campaign expenditures by any campaign committee of any slate of candidates.

DEPARTMENT OF LAW

KRS Chapter 15 establishes the Department of Law. KRS 15.010 designates the Attorney General as the head of the Department, which operates through ten divisions and two offices.

Attorney General

The elective office of Attorney General is established by the Constitution of Kentucky. Sections 91 and 93 of the Constitution provide that the duties of the Attorney General, as well as other constitutional officers, shall be those prescribed by law. Other sections of the Kentucky Constitution which pertain to the Attorney General include: Section 84 (Petition court to have Governor declared disabled), Section 87 (Service as acting Governor), Section 92 (Qualifications), Section 95 (Time of election), and Section 96 (Compensation).

KRS Chapter 15 provides with specificity the duties of the Attorney General and the functions of the Department of Law. KRS 15.020 establishes the following duties of the Attorney General:

- Act as the chief law officer of the Commonwealth, and the agencies and political subdivisions thereof;
- Act as the legal adviser of all state officers and governmental agencies and furnish opinions upon request pertaining to their official duties;
- Prepare drafts of written instruments for public use;
- Exercise all common law duties of the Office of Attorney General as may be modified by statutory law;
- Appear for the Commonwealth in all cases in the Supreme Court or Court of Appeals of interest to the Commonwealth, and commence all actions or enter his appearance in all cases, hearings, and proceedings in and before all other courts, tribunals, or commissions in or out of the state; and
- Attend to all litigation and legal business in or out of the state required of him by law, or in which the Commonwealth has an interest, and any litigation or

In 1792, George Nicholas was appointed by Governor Isaac Shelby as Kentucky's first Attorney General. Mr. Nicholas was a member of the 1792 Constitutional Convention. Later, he became the first law professor at Transylvania University. Nicholas County and Nicholasville are named after him.

In 1851, James Harlan became the first Attorney General elected by the people. Later he was appointed by President Lincoln as U.S. District Attorney of Kentucky. His son, John Marshall Harlan, became a member of the U.S. Supreme Court.

legal business that any state officer or agency may have in connection with, or growing out of, his or its official duties, except where it is made the duty of the commonwealth's attorney or county attorney to represent the Commonwealth.

A number of additional statutes within KRS Chapter 15 pertain to the duties of the Attorney General. KRS 15.025 describes the duty and guidelines of providing opinions of the Attorney General; KRS 15.060 requires collection and recovery of money due the Commonwealth; KRS 15.090 allows prosecution by the Attorney General of an appeal in any case if demanded by the interests of the Commonwealth; KRS 15.105 allows appointment of assistant attorneys general for the Transportation Cabinet, the Finance and Administration Cabinet, the Revenue Cabinet, and for the Railroad Commission (the Railroad Commission when voters approved a constitutional amendment on November 7, 2000); KRS 15.190 to 15.210 describe the authority of the Attorney General to participate in criminal proceedings; KRS 15.225 authorizes the Attorney General to investigate county financial administration; KRS 15.255 empowers the Attorney General to prevent or remedy damage to the environment and to develop guidelines related to the proper investigation of sexual misconduct by professionals which may be adopted by professional licensure boards; and KRS 15.717 and 15.718 require the Attorney General to develop a prosecutor's manual on prosecution of domestic violence related crime and training courses for prosecutors of domestic violence related crimes. 2000 House Bill 540 transferred the Criminal Justice Statistical Analysis Center in the office of the Attorney General to the Justice Cabinet.

The Attorney General is assigned additional duties throughout the statutes. The General Assembly has directed the Attorney General to appoint a member to the Registry of Election Finance (KRS 121.110) and has designated the Attorney General as a member on the following boards and commissions:

Governor's Advisory Committee on Intergovernmental Relations(KRS 8.030)
Criminal Justice Council(KRS 15A.040)
Kentucky Community Crisis Response Board(KRS 36.255)
Kentucky Emergency Response Commission(KRS 39E.030)
State Property and Buildings Commission(KRS 56.450)
Kentucky Asset/Liability Commission(KRS 56.861)
County Debt Commission(KRS 66.300)
Kentucky Commission on Military Affairs(KRS 154.12-203)
State Committee for School District Audits(KRS 156.265)
Teacher's Retirement System board of trustees(KRS 161.370)
State Archives and Records Commission(KRS 171.420)
Turnpike Authority of Kentucky(KRS 175.430)
Kentucky State Corrections Commission(KRS 196.081)
Kentucky Housing Corporation(KRS 198A.030)
Kentucky Board of Housing, Buildings and Construction(KRS 198B.020)
Malt Beverage Educational Corporation(KRS 211.285)
Kentucky Health and Geriatric Authority(KRS 216.803)

Substance Abuse and Pregnancy Work Group(KRS 222.021)
Charitable Gaming Advisory Commission(KRS 238.520)
Kentucky Tobacco Settlement Trust Corporation (KRS 248.480)
Kentucky Grain Insurance Corporation(KRS 251.620)
Sexual Assault Nurse Examiner Advisory Council(KRS 314.142)
Consumer's Advisory Council(KRS 367.130)
Child Support Guidelines Commission(KRS 403.213)
Governor's Council on Domestic Violence and Sexual Assault(KRS 403.700)
Kentucky Multidisciplinary Commission on Child Sexual Abuse(KRS 431.650)

Divisions

The **Administrative Services Division** provides all the necessary administrative and management support for the Office of the Attorney General.

The **Civil and Environmental Law Division** acts as counsel to the Commonwealth's boards and agencies, prepares Attorney General's Opinions, responds to Open Records requests and represents state officials, elected prosecutors and the judiciary in legal proceedings. This Division now includes the Asbestos Litigation Branch, which is handling the state's lawsuit against asbestos manufacturers. The Uninsured Employers Fund Division has been downgraded to a Branch and placed in this Division. It acts as the legal representative of the Uninsured Employers Fund in all proceedings to enforce workers' compensation claims against or for the Fund. While responsibility for the administration of the Fund and the conservation of its assets is in the Attorney Generals Office, the Secretary of Labor is designated as the custodian of the Fund.

The **Criminal Appellate Division** represents the citizens of Kentucky and the victims of crime in all criminal appeals and other post-conviction proceedings in state and federal courts. The Division advises elected prosecutors on legal issues, assists in prosecutor training, reviews the merits of appeals, or requests for certification of the law by prosecutors and participates in amicus curiae efforts by other states.

The Consumer Protection Act, KRS 367.110 to 367.300, mandates that the **Consumer Protection Division** enforce the provisions of the Act that prohibit unfair, false, misleading, and deceptive acts or practices. The Division investigates consumer matters, mediates consumer complaints, and promotes consumer education. The Division also serves as the staff to the Governor's Consumer Advisory Council, and operates the Cemeteries and Funeral Homes Program, codified as KRS 367.932 to 367.991. Any person may apply to the division to have his or her residential telephone number listed on a zero call list so the person will not receive telephone solicitations(KRS 367.46994).

The **Special Investigations Division** investigates certain specialized, primarily white-collar, criminal activity. The Welfare Fraud Sections investigate fraud in the Food Stamp, Aid for Families with Dependent Children, and Medical Assistance programs. The Investigation/Enforcement Section investigates illegal drug transactions, with special emphasis on the illegal diversion of legally manufactured drugs. This section is also responsible for investigating election law violations under the provisions of the 1988 election reform legislation.

The **Special Prosecutions Division** prosecutes criminal cases pursuant to KRS 15.190 to 15.240 and KRS 15.715. The Special Prosecutions Division assists local prosecutors in complex or sensitive cases, handles cases in which the local prosecutor disqualifies himself, and prosecutes thefts from the Commonwealth by employees or elected officials. This Division will prosecute election law violations under the 1988 election reform legislation.

The **Prosecutors Advisory Council Services Division** performs staff services for the Prosecutors Advisory Council (KRS 15.705). The Council is charged with preparation and oversight of the budget of the Unified Prosecutorial System and its continuing legal education and program development. The Council has the power to issue subpoenas to require attendance of witnesses or production of records, books, papers, and documents as it deems necessary for investigation of any matter that it is authorized to consider. The Council was charged in 1994 with collection of data on sexual offenses involving minors (KRS 15.706). The Council may receive funds to assist Commonwealth's and county attorneys in providing crime victim assistance or in criminal prosecution (KRS 15.708).

The **Office of Rate Intervention** operates under the authority of KRS 367.150(8) and is the only state government entity charged solely with the protection of consumers' interests before rate-making bodies, such as the Public Service Commission. In 1996, persons designated by the Attorney General as health insurance consumer intervenors were authorized by KRS 367.160(3) to intervene in health insurance rate hearings.

The **Victims Advocacy Division** operates the Victims Advocacy program and provides support services to every victim of crime whose case is handled by the Attorney General's Office. The Division assists local prosecutors who wish to establish victims' programs, provides staff support to the Child Sexual Abuse and Exploitation Prevention Board (KRS 15.900) and to the Child Victims' Trust Fund , and provides external monitoring services to the Children's Residential Services program in the Cabinet for Families and Children .

The **Medicaid Fraud and Abuse Control Division** was created August 1, 1986, as a result of Executive Order AG 86-001. The Division investigates and prosecutes cases of Medicaid provider fraud pursuant to KRS 194.500 to 194.900 and KRS Chapter 205. The Division also investigates and refers for prosecution, or prosecutes, cases of abuse, exploitation, and neglect of elderly persons, pursuant to KRS 209.020 and 209.990.

The **Office of Senior Protection** was created by Executive Order 98-03, effective July 16, 1998. The Office coordinates with government agencies that provide services to senior citizens, identifies programs and services which protect senior citizens from economic or physical crime, conducts seminars and provides workshops, and reports annually to the Attorney General, the Governor, and the General Assembly. The **Senior Protection Advisory Council** consists of 20 members and advises the Attorney General on issues to enhance and improve services to promote the protection of senior citizens.

The **Division of Administrative Hearings** was created by the 1994 General Assembly in KRS 15.111. The Division employs a pool of hearing officers for assignment to individual agencies, at their request, for conduct of administrative hearings. It provides training for hearing officers and establishes a clearinghouse for complaints about the administrative hearing process.

The **Financial Integrity Division** was created by Executive Order 98-04 effective October 1, 1998, and confirmed by 2000 House Bill 160. The Division investigates illegal redemption of food stamp benefits, verifies eligibility of food stamp program applicants as to past criminal history, investigates illegal distribution of counterfeit merchandise, and investigates the use of personal identification by persons for the purpose of theft or fraud.

The **Child Support Enforcement Commission** was created by the 1988 General Assembly in KRS 15.290, to make recommendations related to administrative procedures, prosecution, judicial procedures, legislation, and other matters pertaining to the state's child support enforcement program.

The **Kentucky Multidisciplinary Commission on Child Sexual Abuse** is attached to the Office of the Attorney General for administrative purposes only (KRS 431.670). Created in 1994, the Commission consists of 16 members (KRS 431.650) including the commissioners of Education, Department for Social Services, Department for Mental Health and Mental Retardation Services, and State Police. The Commission's duties include preparing and issuing a model protocol for local multidisciplinary teams regarding investigation and prosecution of child sexual abuse and the role of children's advocacy centers on multidisciplinary teams, receiving data on child sexual abuse cases collected by the Prosecutors Advisory Council, and making recommendations in state programs, legislation, regulations, and policies.

DEPARTMENT OF THE TREASURY

KRS Chapter 41 establishes the Department of the Treasury. KRS 41.020 designates the State Treasurer as the head of the department. KRS Chapter 41 outlines the department's responsibilities and delineates methods for deposits, withdrawals, and disbursements of state funds. KRS Chapter 41 further states the qualifications and administrative responsibilities required of state depositories. KRS Chapter 45 outlines the Treasury Department's role in budget and financial administration. Other statutes list administrative responsibilities for regulation of state and local funds and outline additional responsibilities of the State Treasurer.

The Department of the Treasury is the chief clearinghouse for state government revenues. The Department records, verifies and pays all federal, state, and local withholding taxes for state employees. It records, monitors, and reconciles all transactions in the state's depository and checking accounts.

State Treasurer

The elective office of the State Treasurer is established by the Constitution of Kentucky. The General Assembly has designated the State Treasurer as a member of the following statutory boards and commissions:

- State Investment Commission, Vice Chair (KRS 42.500)
- Kentucky Asset/Liability Commission (KRS 56.861)
- County Debt Commission (KRS 66.300)
- Board of Directors of the Kentucky Lottery Corporation (KRS 154A.030)
- Board of Trustees of the Teachers' Retirement System (KRS 161.250)
- Kentucky Higher Education Assistance Authority (KRS 164.746)
- Commonwealth Postsecondary Education Prepaid Tuition Trust Fund Board of Directors (KRS 164A.703)
- Board of Directors and Treasurer of the Kentucky Grain Insurance Corporation (KRS 251.620)
- Kentucky Savings Bond Authority, commissioner (KRS 293.040)

The first Constitution of Kentucky (1792) provided for a Treasurer to be appointed annually by the General Assembly. The second Constitution (1799) added that the Governor could appoint the Treasurer while the General Assembly was in recess. The third Constitution (1850) called for the election of the Treasurer for a term of 2 years. The current Constitution (1891) established a 4-year term. The first elected Treasurer (in 1851) was R.C. Wintersmith.

Divisions

The **Division of General Administration and Support** is headed by a division director and is responsible for the general administrative and support activities of the department. The Division is responsible for information storage and retrieval, information systems and technology, and administrative services. The Division issues over 7 million checks each year, reconciles various state bank accounts, administers and records court-ordered withholdings, and produces wire transfers for state government.

The **Division of Disbursement and Accounting** is headed by a division director. The Division receives all funds of the Commonwealth including fees, grants, taxes, federal funds, and fees from officials in counties with populations in excess of 75,000, and fees from various boards and commissions. The Division receives, balances, and deposits all withholdings and all U.S. Savings Bond deductions from state agency payrolls. A computer analysis is maintained on daily receipts and disbursements which are subsequently submitted to the Finance and Administration Cabinet for accounting posting.

The **Division of Unclaimed Property** was created by Executive Order 99-01 dated December 15, 1999, and confirmed by 2000 House Bill 372. Legislation enacted in 1994 transferred from the Revenue Cabinet to the Department of the Treasury the responsibility for unclaimed and abandoned properties (KRS Chapter 393). The Division receives unclaimed and abandoned properties and reports of such properties as required by law.

The **Tuition Account Office** administers the **Commonwealth Postsecondary Education Prepaid Tuition Trust Fund**, which is governed by a Board of Directors (KRS 164A.700 to 164A.709). The fund was created in 2000 to provide affordable access to participating institutions for the qualified beneficiaries and to provide students and their parents economic protection against rising tuition costs.

DEPARTMENT OF AGRICULTURE

The Department of Agriculture is under the direction of the elected Commissioner of Agriculture, Labor and Statistics, as provided in the Kentucky Constitution (Const., Sec. 91). Section 93 of the Constitution provides that the Commissioner's duties and responsibilities shall be established by law. The General Assembly has set forth the major portions of the Commissioner's duties in KRS Chapters 246, 247, 251, 252, 257, 258, 260, and 261. The basic purpose of the Department, as set forth in the statutes, is to serve farmers, agribusiness, and consumers, which includes regulatory services. The Department has regional offices in Paducah, Owensboro, and Florence.

In 1994, the Commissioner was charged with implementing and administering an **inspection and testing program for motor fuels** (KRS 363.900). In 1996, the **linked deposit program** was established in the Department for low cost loans to agribusinesses (KRS 41.606). (See State Investment Commission for a description of the program.) In 2000, SB 139 was enacted to amend KRS 438.355 to transfer to the Department of Alcohol Beverage Control certain enforcement duties pertaining to the Tobacco Sales to Minors Law and to direct the Department to carry out the provisions of the Tobacco Sales to Minors Law as they relate to educating the public and sellers of tobacco products about provisions and penalties of the Tobacco Sales to Minors Law. The Department of Agriculture and the Department of Alcohol Beverage Control carry out annually-conducted random inspections of retail establishments where tobacco products are sold.

The organization of the Department is established in KRS 246.030. Executive Order 93-01E was confirmed by the 1994 General Assembly. It renamed the Office of Market Services as the Office of Agri-Markets and abolished the Division of Market Development. It renamed the Division of Consumer Safety as the Division of Environmental Advocacy and abolished the State and Federal Meat Laboratory Division. It also renamed the Division of Animal Health and Administrative Records in the Office of State Veterinarian as the Division of Animal Health and Information Systems. However, in 1996, legislation (HB 538) was enacted that renamed the Office of Agri-Markets as the Office for Agricultural Marketing and Product Promotion, that renamed the Office of Agri-Business Standards as the Office for Consumer and Public Service, that renamed the Office of Environmental Advocacy as the Office for Environmental Outreach, and created the Office for Strategic Planning and Administration.

The **Agriculture Promotion Fund** (KRS 246.010) was created in 2000 as a separate trust and agency account in the State Treasury to be administered by the Department of Agriculture. The moneys deposited in the fund are used to purchase

The Depression of 1873 lasted six years and tobacco prices fell. In 1876, the Bureau of Agriculture, Horticulture, and Statistics was created. It was headed by a Commissioner, appointed by the Governor and paid \$2,000 per year.

In the 1880's, farm profits fell and farmers felt railroad rates were too high. In 1889, the statewide Farmers Alliance was created. The 1891 Constitution made the Commissioner of Agriculture, Labor and Statistics a constitutional officer.

materials to promote agriculture in the Commonwealth. Moneys received from the sale of promotional materials are deposited in the fund. The fund may receive state appropriations, gifts, grants, and federal funds.

Office of the Commissioner

The Office carries out the fiscal, personnel, legal, and communication responsibilities of the Department through the Division of Administrative Services, Division of Communications, and General Counsel.

Deputy Commissioner

The Deputy Commissioner functions as the chief of staff and is responsible for the day-to-day operations of the Department.

Office for Agricultural Marketing and Product Promotion

The Office develops and manages programs which promote Kentucky-produced agricultural products. This includes grading and inspection of specific products and commodities, reporting market news, promoting and developing markets for Kentucky products, assisting in setting up cooperatives, acting as mediator or arbitrator between producers and distributors, promoting the sale of Kentucky-grown products locally and in domestic and international markets, encouraging the development of a market for commercial production of earthworms, developing opportunities for the diversification of Kentucky agriculture, including additional crops and enterprises for Kentucky tobacco growers, and establishing an organic agricultural product certification program. (KRS 260.030) The Office consists of the following divisions:

The **Division of Market Research**, formerly the Division of Market Services, helps farmers, agribusiness, and agricultural associations secure and develop long-term international markets for Kentucky agricultural products.

The **Division of Dairy Marketing and Promotion**, formerly the Value-Added Development Division, which succeeded the Division of Livestock and Agricultural Services, provides a livestock grading service and agricultural marketing news.

The **Division of Show and Fair Promotion** promotes the state's livestock industry through shows and sales of purebred dairy and beef cattle, and financially aids local agricultural fairs. The **Fair Council** advises the Commissioner on matters pertaining to the Department's fair program(KRS 247.220).

Three new divisions were added in 1997. They are: **Division of Value-Added Horticulture and Promotion, Division of Secondary Wood Promotion, and the Division of Value-Added Livestock, Poultry and Forage Promotion.**

The Grape Industry Advisory Committee was created in 1990 and renamed the **Kentucky Grape and Wine Council** in 2000. The Council promotes and facilitates the development of a grape, grape products, and wine industry in Kentucky(KRS 260.165 to 260.168). The Council may contract with others to conduct research and may publish and provide information to wholesalers and retailers on proper methods of handling and

selling grapes, grape products, and wine. The Council also provides to the general public information on grapes, grape products, and wine and designs and implements activities such as industry promotion programs and education programs.

Office of State Veterinarian

The Office prevents, controls, and eradicates communicable diseases in livestock, regulates all disease policies, and investigates all disease outbreaks. Prior to 1996, it consisted of the Division of Animal Health and Information Systems and the Division of Animal Health Field Enforcement. In 1996, the two divisions were merged into the Division of Animal Health.

The **Division of Animal Health** keeps livestock certification records and prevents, controls, and eradicates livestock diseases, such as brucellosis, tuberculosis, equine infectious anemia, contagious equine metritis, equine viral arteritis, and pseudorabies.

Office for Consumer and Public Service

The Office is headed by an executive director appointed by the Commissioner. The Office conducts the hay grading program, certifies all sales made by solid weight or liquid volume, licenses all egg wholesalers, and inspects all amusement rides operating within the Commonwealth. It also is responsible for distribution of commodity foods on behalf of the U.S. Department of Agriculture. The Office consists of two divisions.

The **Division of Regulation and Inspection** assures correct weight and measure in commercial activities, such as gasoline pumps, tobacco warehouses, fruit and vegetable scales, and agricultural livestock. The division inspects grain storage establishments, administers the grain insurance program, under the direction of the Kentucky Grain Insurance Corporation, and carries out the hay-grading program to promote the sale of Kentucky hay.

The **Division of Food Distribution** is headed by a director appointed by the Commissioner. The director is responsible for administering the provisions of KRS Chapter 251. The Division distributes U.S. Department of Agriculture surplus food to schools, charitable institutions, child care centers, and summer camps. Executive Order 96-1438, issued on October 24, 1996, transferred Emergency Food Assistance Program from the Cabinet for Families and Children to the Division of Food Distribution. This transfer was confirmed by 1998 HB 351 and made permanent.

Office for Environmental Outreach

The Office is headed by an executive director appointed by the Commissioner. The Office is responsible for conducting various pest and noxious weed control programs, enforcing federal/state laws and regulations pertaining to the control of pesticide use and application, and providing an avenue of discussion and negotiation between regulator and persons being regulated. The Office consists of three divisions.

The **Division of Pests and Weeds**, formerly the Division of Pest and Noxious Weeds, assists in attempting to control pests and noxious weeds, such as mosquitoes, blackbirds, thistles, and Johnson grass, which are detrimental to rural and urban dwellers and to the production of crops and livestock.

The **Division of Pesticides** registers and regulates the sale and use of all pesticides, including the registration of pesticide products, licensing of pest control operators and commercial applicators, and the certification of farmers to use restricted-use pesticides.

The **Division of Agriculture and Environmental Education** was created in 1996 to direct the educational activities of the Department. The nonprofit corporation, Kentucky Agriculture and Environment in the Classroom, conducts workshops for educators to equip them with resources necessary to enhance classroom instruction, involve community leaders and facilitate student interaction in the field of agriculture and the environment.

Office for Strategic Planning and Administration

The Office was created in 1996 and is responsible for personnel functions, financial operations, public relations, and technology systems. It consists of four divisions.

The **Division of Fiscal and Intergovernmental Management** deals with budget preparation and administration and is responsible for all purchasing, accounts, and inventory.

The **Division of Information Technology** ensures that all computer systems are running smoothly and efficiently.

The **Division of Personnel and Staff Development** is responsible for all employee relations, including hiring and orientation of new employees. It oversees the payroll, EEO, ADA, and Title VI functions. Training and staff development is also housed in this division.

The **Division of Public Relations and Communications** is responsible for informing the media and the public of the Department's activities in promoting the Department's many functions. It coordinates all printing and communications for the Department, including designing and publishing a quarterly newspaper, brochures, livestock rule books, and directories.

Office of Agritourism

The Department of Agriculture in conjunction with the Tourism Development Cabinet was directed in 2000 to create the Office of Agritourism(KRS 247.800). The Office promotes agritourism in Kentucky and assists in sustaining the viability and growth of the agritourism industry in Kentucky. Agritourism includes the act of visiting a working-farm or any agricultural, horticultural, or agribusiness operation for the purpose of enjoyment, education, or active involvement in the activities of the farm or operation. The **Agritourism Advisory Council** reviews and makes recommendations on a statewide master plan (KRS 247.804 to 247.808).

Boards Attached to the Department

The **State Board of Agriculture** (KRS 246.120) reviews and approves many of the major actions of the Department, especially in livestock sanitation and referenda for promotional assessments on several agricultural commodities. In 1994, the membership of the Board was increased from 9 to 14.

The **Kentucky Council on Agriculture** (KRS 247.410) counsels with the Commissioner of Agriculture to develop and promote statewide agriculture and agribusiness. The Council consists of the Commissioner of Agriculture, who serves as chair, the Lieutenant Governor, the Secretary of the Cabinet for Economic Development, and 18 citizen members appointed by the Commissioner. The Council includes an agricultural export authority (KRS 247.421).

The **Kentucky Agriculture Finance Corporation**, created by the 1984 General Assembly with the enactment of KRS 247.940 to 247.978, is a de jure municipal corporation and political subdivision of the Commonwealth, created for the purpose of performing essential public functions and purposes in improving and promoting the health, welfare and prosperity of the people of the Commonwealth through the stimulation of existing agricultural enterprises and the promotion of new agricultural ventures. The board of directors, consisting of eleven members appointed by the Governor, employs an executive director to administer, manage, and direct the affairs and business of the Corporation, subject to the policies, control and direction of the board. The Corporation may issue bonds and notes and may make loans to qualified applicants. In 1996, the Corporation was attached to the Department of Agriculture for administrative purposes only.

The **Animal Control Advisory Board**, created by the 1998 General Assembly, is directed by KRS 258.117 to make recommendations to the Commissioner relating to evaluating applications for and reviewing disbursements from the Animal Control and Care Fund, establishing shelter standards, creating training programs, and other duties relating to animal control and care. The 12-member board is appointed by the Governor for terms of four years. The **Animal Control and Care Fund** is created in the State Treasury. Fifty percent of the moneys in the fund are distributed to counties and fifty percent of the moneys are transferred annually to the Department. The **Animal Shelter Trust Fund** is established in the State Treasury. Fifty percent of the moneys in the fund are transferred annually to the Animal Control and Care Fund and fifty percent of the moneys remain in the fund to accrue interest.

The **Animal Diagnostic Laboratory Advisory Committee** was created by Executive Order 78-289 and attached to the former Council on Higher Education (now the Council on Postsecondary Education). Executive Order 97-1374, issued on October 17, 1997, and confirmed by 1998 HB 346, attached the Committee to the Department of Agriculture. The Committee assures that universities cooperate with the Department of Agriculture in meeting diagnostic needs of the livestock industry, advises universities as to the services needed by the Department to meet state and federal requirements for disease diagnosis and control, and advises the Department, General Assembly, and the Council on Postsecondary Education on coordination of activities and programs carried out by laboratories, to avoid duplication, and advises regarding the need for funds to

operate the laboratories. The 12-member Committee consists of three farmers, three representatives of veterinarians, an official from Murray State University and the University of Kentucky, two state legislators, the State Veterinarian, and the Commissioner of Agriculture.

The **Purchase of Agricultural Conservation Easement (PACE) Corporation** was created in 1994 and governed by an 11-member board of directors to oversee all issues involving purchases of agricultural conservation easements (KRS 262.906). The PACE Board, among other things, implements a PACE program and establishes fair, equitable, objective, nondiscriminatory procedures for determining easement purchase priorities. The PACE Board approves the use of moneys in the **Agricultural Enhancement Fund** for acquisition of agricultural conservation easements on eligible lands and the acquisition of options to purchase easements (KRS 262.920).

The **Kentucky Industrial Hemp Commission** was created in 2001 and consists of at least seventeen members who elect a member to serve as chair (KRS 260.850-260.869). The Commission meets at least quarterly to develop recommendations on industrial hemp legislation by December 15 of each year and report to the Governor and General Assembly on hemp policies and practices that will result in proper legal growing, management, use, and marketing of the state's potential industrial hemp industry. The Commission monitors the research and development of industrial hemp in the United States and the Kentucky industrial hemp research program. The **Industrial Hemp Program Fund** is established in the State Treasury to provide funds to offset the costs of the industrial hemp program and the Commission.

AUDITOR OF PUBLIC ACCOUNTS

The Office of Auditor of Public Accounts was first created as a constitutional office by Section 25 of the 1850 Constitution of Kentucky. That document, Kentucky's third constitution, provided for the election of an Auditor, whose duties, along with those of the Treasurer, would be prescribed by statute. The same provision appears in Sections 91 and 93 of the current Constitution, which was adopted in 1891. Section 91 also outlines the qualifications for election to the Office. Under Section 95, the Auditor, along with other constitutional officers, is elected on the first Tuesday after the first Monday in November, every four years. Section 96 provides that the Auditor is to be paid by salary.

In response to the constitutional mandate that the legislature prescribe the duties of the Office, the General Assembly has enacted KRS Chapter 43. The major duties of the Auditor as provided in KRS 43.050 include:

- Annual audit of the accounts of all state agencies and all private and semi-private agencies receiving state aid or handling state funds;
- Audit and verification of all state monies handled by local officials for or on behalf of the state, when demanded in writing by LRC, the Secretary of Finance and Administration, or the Governor. Such audit may be conducted whether or not it is demanded;
- Periodical audit of all asylums, prisons, institutions for the mentally ill, and eleemosynary institutions, and public works owned or operated by the state or in which the state has a financial interest or legal power;
- Annual audit of the Finance and Administration Cabinet, the State Treasurer, and the chief state school officer;
- Periodic audit of all state revenue collections, and, if it is determined that collections are not being made appropriately, a report to the appropriate authority;
- Special audits and investigations, as per the Governor's instructions;
- Investigation of the means of accounting and controlling all state property and verification of the existence and condition of property in custody of any state agency;

The first elected Auditor was Thomas Scudder Page, who served two terms from 1851 to 1859. Born in New York City, Page came to Kentucky in 1817 and was appointed auditor by Governor Clark (1836 to 1839).

Page was charged with embezzling \$88,927 when he served as elected auditor. The state sued and the case was settled in 1867 by special act of the legislature, when Page agreed to pay half the judgment.

- Audit of the statements of financial conditions of the state government as they relate to the budget process, and supplying of the audit and comments to the General Assembly;
- Reporting to the Governor, LRC, and the Secretary of Finance and Administration any unauthorized, illegal or unsafe use of state funds or any improper practice of financial administration. Also, the Auditor is to report any obstruction encountered by his staff in the audit/investigation process;
- Assisting LRC at legislative hearings and in preparation of reports to be given to the General Assembly; and
- Keeping accounts of the cost of his own operations and each audit or investigation. Recording of outstanding warrants at the end of each calendar month.

The Auditor may investigate all state and county officials authorized to handle state monies or who manage or control state property or who make estimates or records which are used as a basis for disbursement of state funds. The Auditor must audit the accounts of the State Treasurer and the Finance and Administration Cabinet not less than once each month (KRS 43.060). Also, the Auditor must conduct an annual audit of each county's budget and the books, accounts, and papers of all county clerks and sheriffs, and may audit the books of other county officials (KRS 43.070, 43.071, and 43.075).

Executive Order APA-97-01 issued by the Auditor on May 16, 1997 abolished the offices of administrative services and program services and the divisions of county audits and state audit and reorganized the Office of the State Auditor of Public Accounts into three offices and three divisions.

Office of the State Auditor

The Office provides general policy direction, management, and oversight for the office. It includes the Assistant State Auditor and the General Counsel. KRS 43.200 establishes a **scholarship program** in the Auditor's Office for economically disadvantaged students who plan to major in accounting at a Kentucky university or college. The Auditor may select up to 4 students each year.

Office of Planning and Management

The Office is headed by an Executive Director. The duties of the Office include fiscal matters, personnel matters, and the production, retention, distribution, and disposition of records and reports of the Auditor of Public Accounts.

Office of Quality Assurance and Consultation

The Office is headed by an Executive Director. The Office is responsible for development of audit procedures, audit quality control, internal training, and external training.

Division of Financial Audit

The Division is headed by a Division Director. The Division is responsible for financial audits of state agency transactions, county officials, and special districts.

Division of Performance Audit

The Division is headed by a Division Director. The Division is responsible for performance audits and performance investigations.

Division of Examination and Information Technology

The Division is headed by a Division Director. The Division is responsible for internal technology systems, information system audits, responding to citizens' complaints, and analysis of investments.

CHAPTER III

NON-CABINET DEPARTMENTS HEADED BY APPOINTED OFFICERS

Nine departments are listed under KRS 12.020 as departments headed by appointed officers but not attached to a Program Cabinet. They are: Commission on Human Rights, Commission on Women, Council on Postsecondary Education, Department for Local Government, Department of Military Affairs, Department of Veterans' Affairs, the Kentucky Commission on Military Affairs, the Governor's Office for Technology, and the Commission on Small Business Advocacy.

KENTUCKY COMMISSION ON HUMAN RIGHTS

The Commission was created in 1960 as an administrative body attached to the Governor's Office, with its eleven members appointed by the Governor for three-year terms (KRS 344.150). In 1994 it was authorized to maintain an office in Louisville, rather than Frankfort, and received an appropriation for a Northern Kentucky field office. It continues its original persuasive/educational responsibility, encouraging fair treatment and understanding of minorities through its research, publication of reports, cooperating with public and private organizations to discourage discrimination and making recommendations on eliminating discrimination. The Commission also educates those public and private persons and entities subject to various federal and state civil rights laws and assists them in complying with the law, and serves to inform individuals of their rights under those laws.

Along with its staff of attorneys, hearing examiners, an executive director and support staff, the Commission enforces the Kentucky Civil Rights Act (KRS Chapter 344), which prohibits discrimination on the basis of race, color, national origin, sex, religion or age in public accommodations, and which prohibits employment and housing discrimination. The Commission receives, initiates, investigates, seeks to conciliate, holds hearings on and decides complaints alleging violations of the Act. It also assists the Federal Equal Employment Opportunity Commission (EEOC) in achieving the purposes of the Federal Civil Rights Act of 1964. The Commission and circuit courts are alternative forums for claims brought under KRS Chapter 344. However, the Commission's orders on claims filed with it may be appealed to the courts. It is also empowered to create local or statewide advisory agencies and promulgate rules and regulations to effectuate the purposes of KRS Chapter 344.

The Commission is divided into four service units, according to the 1998-2000 Executive Budget. **General Administration and Support** is responsible for personnel and fiscal activities and liaison with the Governor's Office and the General Assembly. The **Enforcement Branch** consists of two sections: **Employment and Housing**. These two sections process complaints in the areas of employment, housing, public accommodations and credit. The **Research and Information Branch** provides technical assistance and education throughout the Commonwealth to local citizen groups, employers, public accommodations staff, educational institutions, local human rights commissions, and government officials. The staff conducts workshops on sexual

harassment, the Kentucky Civil Rights Act, cultural diversity, and the Americans with Disabilities Act. The **Legal Services Branch** provides legal advice in case of inquiries, sworn complaints, and file closures. It also takes depositions, prepares legal briefs, and files appeals.

KENTUCKY COMMISSION ON WOMEN

Since its creation in 1970, the Commission's placement has changed several times, but its placement during most of its existence has been under the Governor's Office. Since 1984 it has remained under the Cabinet for General Government as an administrative body attached to the Governor's Office. Its membership consists of the spouse of the Governor (Executive Order 98-1377 issued October 14, 1998, and confirmed by 2000 House Bill 78 until December 9, 2003), Lieutenant Governor, and not more than an additional twenty-four members, including a chairman, all appointed by the Governor and serving terms of four years. The Governor appoints an executive director to serve as administrative head of the Commission (KRS 344.510).

The Commission's original function remains unchanged to conduct research and programs to educate the public on problems of and matters pertaining to women, serve in an advisory capacity for the Governor and for state and local government agencies, cooperate with federal and other state governments in programs concerning women, and encourage and advise the private sector in the establishment of local volunteer community improvement programs for women. The Commission meets at least twice a year and must submit an annual report to the Governor before June 30, summarizing its activities and making any recommendations it deems appropriate (KRS 344.510-344.530).

COUNCIL ON POSTSECONDARY EDUCATION

The Council on Higher Education was created in 1934, but it lacked broad coordinating authority until 1966, when it was empowered by KRS Chapter 164 to determine the overall needs of higher education, develop comprehensive plans, review the public institutions' funding requests, and approve professional schools. The 1992 General Assembly repealed KRS 164.010, which established the membership of the Council, and enacted a new law on appointment of members to the Council, as well as all university governing boards. In May, 1997, during the 1997 First Extraordinary Session, called by the Governor to reform higher education, the Council was abolished and the Council on Postsecondary Education was created (KRS 164.011). Executive Order 2000-8 issued on January 4, 2000, and confirmed by 2000 Senate Bill 233 removed the Commission on Community Volunteerism and Service from the Council and moved it to the Cabinet for Families and Children.

The Council on Postsecondary Education consists of the Commissioner of Education, a faculty member, a student member, and thirteen citizen members appointed by the Governor and confirmed by the Senate and the House of Representatives. The **Governor's Postsecondary Education Nominating Committee** submits to the Governor nominations for the citizen members positions. The Committee consists of seven members, representing each Supreme Court District, appointed by the Governor with consent of the Senate and the House of Representatives (KRS 164.005). The president or chief executive officer of each four-year institution and the president of the Kentucky Community and Technical College System serve on an Advisory Conference for the Council (KRS 164.021).

The Chair of the Council serves as Chair of the **Strategic Committee on Postsecondary Education**, created at the 1997 First Extraordinary Session of the General Assembly. Among other things, the Committee receives reports from the Council on development and implementation of the long-term strategic agenda, advises the Council on general budget parameters regarding development of the postsecondary budget for the next fiscal biennium, reviews biennial budget requests from the Council, receives accountability reports and budget information from the Council, and serves as a search committee for initial appointment to the position of President of the Council on Postsecondary Education.

The **President** of the Council is selected by the Council members and serves as the primary advocate for postsecondary education and advisor to the Governor and the General Assembly on matters of postsecondary education in Kentucky. The President serves a term not to exceed five years, which is renewable at the pleasure of the Council, and determines staffing positions and organizational structure. The President is responsible for the day-to-day operation of Council, submits annual reports on the strategic implementation plan of the strategic agenda, carries out policy and program directives of the Council, prepares and submits to the Council for its approval the proposed budget of the Council, and performs all duties and responsibilities assigned by state law.

The Council on Postsecondary Education, as provided in KRS 164.020, is to: develop, implement, and revise the strategic agenda; review, revise, and approve the

missions of the state's universities and the Kentucky Community and Technical College System; ensure an integrated system of postsecondary education; research the overall needs of postsecondary and adult education; develop plans that may be required by federal law; determine tuition and approve minimum qualifications for admission to the state postsecondary educational system; devise, establish, and review policies to be used in making recommendations to the Governor in developing recommendations to the General Assembly for appropriations to the universities, the Kentucky Community and Technical College System, and to support strategies for persons to maintain necessary levels of literacy throughout their lifetimes; lead and provide staff support for the biennial budget process; review and approve capital construction projects; require reports from the executive office of each institution; develop a university track program within the Community and Technical College System; define and approve the offering of all postsecondary education technical, associate, baccalaureate, graduate, and professional degree, certificate, or diploma programs in the public postsecondary education institutions; eliminate existing programs or make changes in existing programs at the institutions; review proposals and make recommendations to the Governor regarding the establishment of new public community colleges, technical institutions, and new four-year colleges; ensure the coordination, transferability, and connectivity of technology among institutions, including development and implementation of a technology plan as a component of the strategic agenda; develop a financial reporting procedure to be used by institutions to ensure uniformity of financial information; employ consultants; prepare by January 31 each year an annual status report on postsecondary education; ensure the system does not unnecessarily duplicate programs; develop a statewide policy to promote employee and faculty development in all postsecondary institutions through the waiver of tuition for college credit coursework in the public postsecondary education system; and establish a statewide mission for adult education and develop a twenty year strategy, in partnership with the Department for Adult Education and Literacy for raising the knowledge and skills of the state's adult population. Executive Order 97-1072 dated August 20, 1997 was confirmed by 1998 HB 451. The order designates the Council as the state agency with responsibility to direct and annually report on equal opportunities in postsecondary education and requires the Council to establish the *Committee on Equal Opportunities in Postsecondary Education*. The Council administers the **Kentucky Educational Excellence Scholarship Program** which was created as the *Commonwealth Merit Scholarship Trust Fund* (KRS 164.7877) with enactment of 1998 SB 21. The name was changed by Executive Order 98-1592 issued on December 3, 1998 and confirmed by 2000 House Bill 93.

Pursuant to House Bill 1, enacted at the 1997 First Extraordinary Session of the General Assembly, effective July 1, 1998, the **Kentucky Community and Technical College System** became the legal successor to the postsecondary Kentucky Tech institutions and corresponding administrative units in the Cabinet for Workforce Development. The system is composed of the 13 University of Kentucky community colleges and 25 postsecondary technical schools. The President of the system is selected by the board of regents of the system. The President must report to the University of Kentucky board of trustees, the Council on Postsecondary Education, and the Strategic Committee on Postsecondary Education by January 1 of each odd-numbered year on the

condition and operation of the system. The report must include any outcome data required by the Council on Postsecondary Education. The board of the Kentucky Community and Technical College System was required to be appointed by July 31, 1997 and consists of eight members appointed by the Governor, two members of the teaching faculty, two members of the nonteaching personnel, and two members of the student body (KRS 164.321). After initial staggered terms, new appointees serve terms of two years. Duties of the board of regents include development of guidelines for preparation of biennial budget requests by administrators of the Technical Institutions' Branch and the University of Kentucky Community College system, adoption of a biennial budget request by each branch of the Kentucky Community and Technical College System, and adoption of an allocation process for distributing funds appropriated to the Technical Institutions' Branch and the University of Kentucky Community College System (KRS 164.350). Executive Order 98-1591 issued on December 2, 1998 and confirmed by 2000 House Bill 40, attached to the Kentucky Community and Technical College System a nominating commission for each community college board of directors to provide nominees from which members for each board are named (KRS 164.600 and 164.602). The **Commission on Fire Protection Personnel Standards and Education** was removed from the Fire Marshal's Office in the Department of Housing, Buildings and Construction and attached to the Kentucky Community and Technical College System (KRS 75.400 and 95A.020) in 2000. Executive Order 2000-988 effective July 14, 2000 and confirmed by 2001 SB 63, transferred existing personnel and records from the Department of Housing, Buildings and Construction to the Chancellor's Office of the Kentucky Community and Technical College System.

In 1996, the Council was authorized to operate a **State Autism Training Center** (KRS 164.981). The center provides individual and direct family assistance in the home, community, and school. Professional training programs, technical assistance, and public education programs are provided. The Council contracts with a public institution of higher education to operate the center and appoint a citizens advisory board to advise the center director.

The **Kentucky Research and Development Voucher Program** was created in 2000 to provide vouchers to small and medium-size, Kentucky-based companies to undertake research and development and work in partnership with universities in the Commonwealth (KRS 164.6021). The maximum amount of voucher funds awarded to a qualified company cannot exceed \$100,000 each year for two years. The qualified company must match the project award by a one-to-one dollar ratio for each year of the project.

The **Kentucky Rural Innovation Program** was created in 2000 to provide vouchers to rural Kentucky-based, small companies to undertake research, development, and entrepreneurial innovation work in partnership with Kentucky postsecondary institutions, the Small Business Development Center Network in Kentucky, and other entities in research and development work (KRS 164.6029).

The **Kentucky Commercialization Fund Program** was created in 2000 to provide seed funding for the development of promising technologies emerging from Kentucky's universities (KRS 164.6037). The maximum amount of funding for a project award cannot exceed \$75,000 each year up to three years.

The Council was directed by legislation enacted in 2000 to create **nonprofit regional technology corporations** to act as intermediary organizations delivering services and providing resources to knowledge-based clusters primarily in rural areas of Kentucky (KRS 164.6043). A cluster is geographically bound concentration of similar, related, or complementary businesses with active channels for business transactions, communications, and dialogue that share specialized infrastructure, labor markets, and services, and that are faced with common opportunities and threats.

The Council develops a process to solicit, review, and select a proposal for the development and implementation of the computer website-based **Kentucky Early Mathematics Testing Program**, which is created to lower the number of high school graduates in Kentucky who require remediation in mathematics upon enrollment in postsecondary education institutions (KRS 158.803).

The **Governance Board of the Lung Cancer Research Project** is a research consortium between the University of Kentucky and the University of Louisville and is attached to the Council for administrative purposes (KRS 164.476). The Lung Cancer Research Fund receives funds from the Kentucky Health Care Improvement Fund. Beginning July 1, 2000, twenty-five percent of the proceeds from the tobacco settlement agreement are deposited in the fund (KRS 194A.055). The Project develops and oversees implementation of a twenty year strategic plan that utilizes the resources of the University of Louisville and the University of Kentucky. The Project develops an expertise in lung cancer research with an immediate focus on early detection and epidemiology with the ultimate goal of eradication of lung cancer, establishes a statewide clinical trial network to make university-based clinical trials available to the community physician, leverages resources to certify that cancer program at the two universities by the National Cancer Institute as a cancer center, and undertakes initiatives consistent with the strategic plan.

Effective August 1, 2002, the Council administers a competitive grant program to enable the establishment of P-16 Councils which may be called Councils of Partners. A **P-16 Council or Council of Partners** is a local or state council composed of educators from public and private preschools, elementary, secondary, and postsecondary education institutions, local board of education members, and may include community and business representatives that have voluntarily organized themselves for the purpose of improving the alignment and quality of the education continuum from pre-school through postsecondary education as well as student achievement at all levels (KRS 164.001). Each local council promotes the preparation and development of teachers, the alignment of competency standards, and the elimination of barriers that impede student transition from preschool through baccalaureate programs (KRS 164.033).

DEPARTMENT FOR LOCAL GOVERNMENT

The predecessor to the Department for Local Government dates to 1963, when the Kentucky Area Program Office was created by Executive Order to act as a liaison between local, state, and federal units in the area of development planning. In 1965, KAPO became the Kentucky Area Development Office, by Executive Order. Three years later KADO was joined by the Office for Urban Affairs, the Office of Economic Opportunity, the Division of Community Planning and Development and the Outdoor Recreation Program, to form the Kentucky Program Development Office. The Kentucky Program Development Office was given statutory life by the 1970 Kentucky General Assembly (Acts 1970, ch. 66, sec. 1) to act as a liaison with state and federal agencies, assume many of the then-existing duties of various state planning entities, and provide liaison between state government and local governments and Area Development Districts. The KPDO was repealed in 1974 (*1974 Acts*, ch. 74, Art. II, sec. 12) and placed within the Executive Department for Finance and Administration for administrative purposes.

Executive Order 75-114 (February 1, 1975) established the Office of State Planning. Executive Order 75-197 (February 26, 1975) created the Office for Local Government within the Executive Department for Finance and Administration. On July 1, 1976, Executive Order 76-639 detached the Office for Local Government from the Executive Department for Finance and Administration and created the Department for Local Government. In 1982 the Department of Local Government, by Executive Order, was organized under the Office of the Governor as an independent agency of the Commonwealth. This Executive Order was confirmed by the 1982 General Assembly. On June 11, 1996, Executive Order 96-737 changed the name of the Department to the Department *for* Local Government. The Order was confirmed by 1998 SB 178.

Executive Order 97-1391 issued on October 31, 1997 and confirmed by 1998 SB 154, reorganized the Department by creating four new divisions and abolishing the divisions of county and municipal accounting, administrative services, community programs, and development finance.

The Department for Local Government coordinates for the Governor the state's responsibility for certain federal programs, provides technical assistance to units of local government, exercises functions of the state local finance officer, and requires reports of local governments (KRS 147A.021). Also, the Department manages the **Local Government Parks and Recreation Facilities Fund** (KRS 147A.028), promulgates regulations specifying terms and appointments for **Area Development District** board members (KRS 147A.060), applies and receives funds for the **Gas System Restoration Project Account** (KRS 147A.200), administers and operates state **outdoor recreation programs** and provides developmental planning and the administration of the United States Bureau of Outdoor Recreation Funds (KRS 148.022). In 1994, the Department was charged with fixing the annual rate of compensation to which Commonwealth's attorneys and county attorneys are entitled, pursuant to the increase or decrease in the CPI (KRS 15.755), with maintaining a list of cities and counties that have adopted a **code of ethics**, and notifying state agencies of cities and counties that do not adopt a code and comply with the statutory requirements (KRS 65.003).

Office of the Commissioner

The Department for Local Government is headed by a Commissioner, pursuant to KRS 147A.002. The **Commissioner's Office** establishes and maintains a liaison with state and federal agencies which deal with the Commonwealth's local governments and fifteen Area Development Districts. The Commissioner's Office is also responsible for the **Flood Control Match Program**, a two-year-old initiative to ensure that matching funds required by the U.S. Corps of Engineers are available for vital projects. A principal assistant serves as the **State Local Finance Officer** and the **State Local Debt Officer** within the Department and coordinates for the Governor the state's responsibility for general revenue sharing for local government, provides technical assistance to units of local government on fiscal management and purchases, and conducts training programs to instruct county and other local officials on collection, expenditure and management of public moneys (KRS 147A.020). The position of **General Counsel** was created by 1999 Executive Order 99-1199 dated August 30, 1999, and confirmed by 2000 House Bill 109.

The **Water Resource Development Commission** was attached to the Department pursuant to Executive Order 96-1339, issued on October 3, 1996 and confirmed by 1998 HB 347, and was attached to the Office of the Commissioner by Executive Order 97-1391, issued on October 21, 1997 (KRS 147A.011). The Commission is headed by an Executive Director appointed by the Governor and is chaired by the Commissioner of the Department for Local Government. The thirteen-member Commission is responsible for requesting and receiving information from all branches of state and local government to prepare a complete inventory of all existing water plants and their financial condition. 2000 Senate Bill 409 transferred to the Kentucky Infrastructure Authority the responsibility for development of a strategic plan for the development of water systems designed to ensure that every Kentucky household has access to potable water by the year 2020.

Divisions

The **Division of Support Services** is responsible for personnel administration, payroll, purchasing, financial management and budget preparation for the agency. It provides information technology support to the Department and local government units and provides technical assistance to the Local Government Law Center.

The **Division of Financial Services** is responsible for technical assistance on local fiscal matters. It manages and distributes the Local Government Economic Assistance Fund, the Local Government Economic Development Fund, and the County and Municipal Road Aid Program. Among its statutory duties are calculation of the maximum compensation for elected officials, collection of annual audits and financial statements from municipalities, and collection and compilation of uniform financial information from all cities, counties, and special taxing districts. Pursuant to Executive Order 96-1376, the duties and functions relating to the **State Local Debt Officer** and debt issuance for local entities were transferred from the Office of Controller in the Finance and Administration Cabinet to the former Division of County and Municipal

Accounting in the Department and are now housed in the Division of Financial Services. The Order was confirmed by 1998 HB 348.

The **Division of Community Development** administers the agency's grant management functions. Programs assigned to the division include: Community Block Grant-Small Cities Component, Appalachian Regional Commission, Community Rivers and Streams, the Land and Water Conservation Fund, and the Kentucky Trails Grant Program.

The **Division of Local Resources** is responsible for training programs for local governments in conjunction with the 15 Area Development Districts (ADDs). It oversees the Joint Funding Agreement, through which it distributes nearly \$4 million in state and federal funds to the ADDs to provide technical policy and planning assistance to local units of government. The Division was named the Division of Training and Area Development District Services until renamed by Executive Order 2001-609 issued on May 18, 2001, and confirmed by 2002 HB 390.

The **Division of Flood Control**, created in 1994, is headed by a director appointed by the Commissioner with approval of the Governor (KRS 147A.009). The division is responsible for providing staff to the Flood Control Advisory Commission. Created by legislative action in 1980, the sixteen-member **Flood Control Advisory Commission** consists of six elected government officials, the commissioner of the Department for Local Government, and nine persons who represent specific river basins across the Commonwealth. The Commission annually elects one of its members to serve as its chairman. For administrative purposes, in 1994 the Commission was removed from the Finance and Administration Cabinet and was attached to the Department for Local Government. KRS 151.560 establishes the Commission and sets out its framework of operation. The duties of the Commission are enumerated in KRS 151.570. The Commission's primary function is to advise the Governor and the General Assembly on questions relating to Kentucky's water resources, including flood-prevention and flood-relief programs. After each major flood, the Commission prepares a report analyzing causation, assessing assistance efforts, and recommending preventive measures.

The **Railtrail Development Office** was created by 2000 House Bill 221 to monitor proceedings of the United States Department of Transportation's Surface Transportation Board, promote and coordinate railtrail development efforts, and furnish assistance to requesting political subdivisions in applying for funds for converting railroad corridors into public use and trails (KRS 147A.250).

Administrative Bodies Attached to the Department

The **Local Government Training Advisory Council** was created in 1992 to develop and update on a biennial basis a local government training plan that quantifies the training needs of local governments, evaluates existing training programs, identifies the need to expand existing programs or create new ones, and formulates a strategy that meets the needs of local governments. The Council is composed of the presidents, or their designees, of the Kentucky Association of Counties, the County Judge/Executives Association, the Kentucky League of Cities, the chairperson of the Kentucky Urban

Affairs Council, and the Commissioner of the Department for Local Government (KRS 65.320).

The **Local Government Advisory Commission** is attached to the Department, pursuant to KRS 147A.006. The chairmen of the boards of directors of the area development districts make up the fifteen-member Commission. The Commission advises the Department on the needs of area development districts and local governments in Kentucky.

The **Appalachian Development Council** is attached to the Department pursuant to KRS 154.33-020. The 23-member Council consists of the Lieutenant Governor and 22 persons appointed by the Governor. The Council serves as an advisory body to the Department and the General Assembly "on all phases of economic development in that part of Kentucky contained within the Appalachian region as defined by the federal Appalachian Regional Development Act of 1965."

The **Kentucky Urban Affairs Council** is attached to the Department pursuant to KRS 82.025. The Council consists of the mayors of all cities of the first and second classes and urban-county governments and the designated chief executives of charter county governments that prior to merger contained a city of the second class. The Council meets at least four times each year to formulate a plan to improve urban conditions for presentation to the Governor and the General Assembly annually .

The **Gas System Restoration and Development Project Account Review Board** consists of seven members appointed by the Governor pursuant to KRS 147A.200. The board is chaired by the Commissioner of the Department for Local Government. The Department is authorized to apply for and receive federal funds to be placed in the Gas System Restoration and Development Project Account. The funds are used for gas system restoration and development projects approved by the board.

DEPARTMENT OF MILITARY AFFAIRS

The Department of Military Affairs was created in 1932 and is the official state agency for all military matters (KRS Chapters 36, 37, and 38), disaster and emergency services coordination in the Commonwealth (KRS Chapter 39), and veterans' bonuses (KRS Chapter 40). The Governor is the constitutional commander-in-chief of the forces which are on active duty in the state. The Governor appoints the **Adjutant General**, who commands the Kentucky National Guard (consisting of the Army National Guard and the Air National Guard) and directs and coordinates all programs of the Department. The Department has the responsibility for organizing, equipping, training, and housing units of the Kentucky National Guard, which may be called to duty by the Governor in the event of civil strife or disorder, or the occurrence of natural or man-made disasters. The **National Guard Tuition Award Program**, created in 1996, in the Kentucky Higher Education Assistance Authority, provides the opportunity to attend a state educational institution for enlisted members certified by the Department of Military Affairs as meeting the eligibility criteria.

Executive Order 94-731, dated August 1, 1994, reorganized the Department to enable it to be selected as a recipient for federal initiatives. The changing political and military climate of the world has caused the Department of Defense to redefine its mission and develop partnerships with individual states for domestic functions. The 1998 General Assembly enacted legislation replacing the Division of Disaster and Emergency Services with the Division of Emergency Management.

Adjutant General

Section 222 of the Constitution of Kentucky provides that the Governor must appoint an Adjutant General. The person appointed by the Governor to be Adjutant General must have at least 10 years' commissioned service in the Kentucky National Guard, have attained at least the rank of lieutenant colonel, have not separated from the Guard for more than 5 years, and have met the federal recognition requirement for his current rank. The Governor issues the Adjutant General a commission in the grade of major general (KRS 36.020). The Adjutant General is appointed by the Governor to, among other things, represent the Governor in all military matters, to be the executive head of the Department of Military Affairs, and to supervise all troops and all departments, arms and branches of the Kentucky Army and Air National Guard (KRS 36.040). The Adjutant General establishes and chairs an interagency working group comprised of state and private agencies to identify the risks and needs and assess the preparedness of the Commonwealth to respond to acts of war or terrorism (KRS 39A.287).

Division of Emergency Management

The Division was formerly the Division of Disaster and Emergency Services. 1998 HB 453 created the Division of Emergency Management as the emergency management agency of state government. The Division develops the comprehensive

emergency management program on behalf of the Governor. The **Governor's Earthquake Hazards and Safety Technical Advisory Panel** and the **Kentucky Emergency Response Commission** (KRS 39E.010) are attached to the Division. The Division develops and maintains a comprehensive, risk-based, all-hazards disaster and emergency response plan entitled "Kentucky Emergency Operations Plan," which is submitted to the Governor for approval. The Division operates and maintains the State Emergency Operations Center facility, which is the official state government 24-hour warning point, communications, and command center. The Division notifies the Governor and the Adjutant General of major emergency incidents or disaster occurrences. The duties and responsibilities of the Division are listed in KRS Chapter 39A. The **Rescue Aid Program** is administered by the Division (KRS 39F).

Office of Management and Administration

The Office of Management and Administration, formerly the Office of State Programs, is headed by an executive director appointed by the Governor upon the recommendation of the Adjutant General. The Office is responsible for state administrative and facility policy, support to all areas of the Department, and oversight of the operation of state properties for the Department. The Office consists of the following divisions:

The **Division of Administrative Services** provides personnel and financial management support services for the Department. This program provides for the administration of the Kentucky National Guard when it is activated for state service by the Governor

The **Division of Facilities Services** is responsible for the operation, maintenance, and construction planning of all facilities under the control of the Department of Military Affairs, including armories, warehouses, training sites, maintenance facilities, and the Capital City Airport.

The **Division of Air Transport** is responsible for the state's air fleet and provides for the operation of the Capital City Airport in Frankfort. Charter services for state agencies are provided through the division.

The **Bluegrass Station Division** manages, maintains, and leases the former Lexington Bluegrass Army Depot.

The **Kentucky Guard Youth Challenge Division** was created by Executive Order 98-1397, effective October 16, 1998, and confirmed by 2000 House Bill 92. The Division supports a military-based training program run under contract by the Department. The objective of the program is the creation of a wholesome and disciplined environment in which "at-risk" youth can have positive, life-changing experiences and educational opportunities leading to employment.

The **Logistics Operations Division** was created by Executive Order 2000-1628 issued on December 29, 2000 and confirmed by 2001 HB 166 to provide logistical services to federal defense agencies.

Office of Kentucky Community Crisis Response

Executive Order 97-827, issued on July 3, 1997, transferred the Office of Kentucky Community Crisis Response and the Kentucky Community Crisis Response Board from the Finance and Administration Cabinet to the Department. This was confirmed by 1998 HB 356 and codified as KRS 36.250 to 270. The **Kentucky Community Crisis Response Board** is appointed by the Governor and its duties include recruiting and training the community crisis response team, maintaining a team of volunteer members to provide crisis response services statewide, and provided technical assistance for development of local community crisis response teams.

Office for Security Coordination

The Office for Security Coordination was created by Executive Order 2001-1411 issued on November 15, 2001, and confirmed by 2002 HB 320. The Office is headed by an executive director appointed by the Governor upon recommendation of the Adjutant General (KRS 36.224). The Office coordinates a comprehensive statewide security strategy and coordinates the executive branch's efforts to secure and protect personnel, assets, and facilities with the Commonwealth.

Other Administrative Units of the Department

The **Office of the Chief of Staff for Federal Army Guard** and the **Office of the Chief of Staff for the Federal Air Guard** are federal activities under the policy direction of the Adjutant General and are staffed by federal employees.

The **Military Records and Research Library** has the responsibility of receiving, storing, and preserving all military records and historical items of Kentucky veterans and military units who served in the armed forces of the United States, including the Kentucky National Guard, from 1792 to the present. The **Unit of Civil Air Patrol** includes the Kentucky wing of the Civil Air Patrol (KRS 36.230). The unit does emergency disaster work in the state and engages in air searches and rescues. No moneys appropriated for the unit may be expended without approval of the Adjutant General. The Department administers the **Vietnam veterans' bonus**, authorized in 1988 (KRS 40.400 to 40.560), and the **veterans' bonus** authorized in 1958 (KRS 40.005 to 40.230).

DEPARTMENT OF VETERANS' AFFAIRS

The Bureau of Veterans Affairs was created in 1972. In 1974 the bureau became the Advisory Board for Veterans' Affairs and some duties were assumed by the Department for Human Resources. In 1980, the Center for Veterans' Affairs was created in the Department of Military Affairs; it assumed the duties that had been assigned to the Department for Human Resources. In 1996, with enactment of House Bill 90, the Center was merged into the newly created Department of Veterans' Affairs, and the Advisory Board for Veterans Affairs was removed from the Department of Military Affairs and attached to the Department of Veterans' Affairs. Executive Order 96-716, issued on June 5, 1996, and confirmed by 1998 SB 148, transferred personnel, records, and equipment from the Veterans Division and the Kentucky Center for Veteran Affairs in the Department of Military Affairs to the Department of Veterans' Affairs. The Department of Veterans' Affairs is headed by a Commissioner appointed by the Governor (KRS 40.300). The **Office of the Commissioner** was created by Executive Order 97-733, issued on June 13, 1997, and confirmed by 1998 HB 360. The Department provides assistance and support to the citizens of the Commonwealth who are veterans of the military services, their families, dependents, and/or survivors, in the presentation, proof, and establishment of all claims, privileges, rights and other benefits which they may have under state, federal or local law (KRS 40.310). The Department collects data and information regarding facilities and services available to veterans, their families, and dependents. The **Governor's Advisory Board for Veterans' Affairs** was created in 1974, when it assumed duties of the Bureau of Veterans' Affairs, which had been created in 1972. The Board is composed of seven members appointed by the Governor, the Executive Director of the Kentucky Commission on Military Affairs, and the Adjutant General. The Board meets at least once every two months to advise the Commissioner of the Department of Veterans' Affairs on the administration of veterans' services programs. The Commissioner advises the Governor and the General Assembly on matters relating to veterans' affairs (KRS 40.300-40.335). The **Office of Kentucky Veterans' Centers** was created by Executive Order 98-1594, issued on December 3, 1998 and confirmed by 2000 House Bill 94. The Office is headed by an executive director and is responsible for operating the Kentucky state veterans' nursing homes, a responsibility transferred to it from the Finance and Administration Cabinet. The **Kentucky Homeless Veterans Program** was created by 2000 House Bill 295 to develop a statewide network of services for treatment of addictions, services that lead to permanent housing, services that lead to employment, and concerned citizens and nonprofit agencies that provide shelter (KRS 40.340). The mission of the program is to eliminate homelessness in the veteran population of the Commonwealth. The **Veterans' Service Organization Burial Honor Guard Program** was created in 2002 to support veterans' organizations in providing well-equipped, properly trained, and certified burial honor guard (KRS 40.360 to 40.366).

KENTUCKY COMMISSION ON MILITARY AFFAIRS

Matters of military significance to Kentucky, advise the Governor and the General Assembly on all matters in which the military services and the Commonwealth have mutual interests, promote the mission needs of military entities in Kentucky, and encourage military personnel to retire and relocate in Kentucky. In 1996, the Commission was renamed the Kentucky Commission on Military Affairs, transferred from the Department of Community Development in the Economic Development Cabinet, and established as a separate administrative body of state government (KRS 154.12-203).

December 3, 1999 and confirmed by 2000 House Bill 317. The Commission consists of the Governor, Adjutant General, Attorney General, eleven cabinet secretaries, the executive director of the Kentucky Long-Term Policy Research Center, Kentucky's civilian aide to the Secretary of the United States Army, commanders of military organizations, the Commissioner of the Department of Veterans' Affairs, the executive director of the Kentucky Commission on Military Affairs, two members of the General Assembly, and five at-large members appointed by the Governor. The Commission establishes an executive committee which serves as a search committee for an executive director of the Commission. The Governor appoints the executive director upon recommendation by the executive committee and approval of the Commission. The Commission meets at least two times each year to establish goals and review recommendations of its executive committee. Any capital construction project endorsed by the Commission as preserving or creating jobs at military facilities located in Kentucky is eligible for state economic development incentives (KRS 154.12-203).

The Commission's duties include taking action to promote and optimize state and Department of Defense initiatives that will improve the military value of Kentucky's National Guard and improve the quality of life of military personnel residing in Kentucky; coordinating the state's interest in future Department of Defense base closure and restructuring activities; recommending state, federal, and local economic development projects which will promote, foster, and support economic progress through military presence in Kentucky; promoting and assisting the private sector in developing spin-off investments, employment, and educational opportunities associated with high technology programs and activities at Kentucky's military installations; recommending to the Kentucky Economic Development Partnership the long-range options and potential for the defense facilities located in Kentucky; developing strategies to encourage military personnel to retire and relocate in Kentucky and promote those leaving the military as a viable quality workforce for economic development and industrial recruitment; and allocating available grant money to qualified applicants.

GOVERNOR'S OFFICE FOR TECHNOLOGY

The Governor's Office for Technology was created in 2000 (KRS 11.505) and is headed by the **Chief Information Officer**, a position created by the General Assembly with enactment of 1998 HB 789. The Chief Information Officer is appointed by the Governor and serves in the Governor's Executive Cabinet. The Chief Information Officer reports to the Secretary of the Governor's Executive Cabinet and is the principal adviser to the Governor and the Executive Cabinet on information technology policy. Duties of the Chief Information Officer include assessing, recommending, and implementing information technology governance and organization design, to include effective information technology personnel management practices; performing as the focal point and representative for the Commonwealth in information technology and related areas with both the public and private sector; and preparing annual reports and plans on the status and result of the state's specific information technology plans and submitting the reports to the Governor and the General Assembly.

The Governor's Office for Technology consists of seven offices: Office of Geographic Information, Office of Human Resource Management and Development, Office of Administrative Services, Office of Policy and Customer Relations, Office of Infrastructure Service, Office of Consulting and Project Management, and the Office of General Counsel. Executive Order 2000-1315 effective September 16, 2000 and confirmed by 2001 HB 96, created the Office of General Counsel to advise the Chief Information Officer on the legal implications of information technology policy as it relates to government operations.

The roles and duties of the Governor's Office for Technology are established in KRS 11.507 and include providing technical support and services to all executive agencies of state government in the application of information technology, assuring compatibility and connectivity of Kentucky's information system, establishing a central statewide geographic information clearinghouse to maintain map inventories, and provide staff support and technical assistance to the Geographic Information Advisory Council, the Kentucky Information Technology Advisory Council, and the Commercial Mobile Radio Service Emergency Telecommunications Board of Kentucky.

The **Kentucky Information Technology Advisory Council** was created in 2000 (KRS 11.513) to advise the Chief Information Officer on approaches to coordinating information technology solutions among libraries, public schools, local governments, universities, and other public entities, and to provide a forum for the discussion of emerging technologies that enhance electronic accessibility to various publicly funded sources of information and services.

Executive Order 99-1359, confirmed by 2000 Senate Bill 315, abolished the Department of Information Systems in the Finance and Administration Cabinet effective October 1, 1999, and transferred its statutory duties and responsibilities to the Governor's Office for Technology. The Order also abolished the Kentucky Information Resources Management Commission, the Office for the Kentucky Information Resources Management Commission, and the Communications Advisory Council. The Office of Geographic Information Systems, the Geographic Information Advisory Council, and the

Commercial Mobile Radio Service Emergency Telecommunications Board were moved and attached to the Governor's Office for Technology.

Legislation enacted in 1998 created the **Commercial Mobile Radio Service Emergency Telecommunications Board** (CMRS Board), consisting of eight members to, among other things, review and evaluate plans submitted to it for compliance with the wireless E911 service requirements. The **Commercial Mobile Radio Service Emergency Telecommunications Fund** consists of moneys collected as the CMRS service charge levied upon CMRS connections.

The **Office of Geographic Information** was created in 1994. Duties of the Office include establishing a central statewide geographic information clearinghouse to maintain map inventories, information on current and planned geographic information systems applications, information on relevant grants, and a directory of geographic information resources available within the state or from the federal government. The Office provides staff support to the **Geographic Information Advisory Council**. The twenty-six member Council advises the Governor, the General Assembly, the Judicial Branch, and the Chief Information Officer on issues related to geographic information and geographic information systems (KRS 11.517).

The **Telehealth Board** was created by 2000 House Bill 177 (KRS 11.550) as a seven-member board. Executive Order 2000-1213 issued on September 12, 2000 and confirmed by 2001 HB 95, increased the membership of the board to nine. The board establishes telehealth training centers at the University of Kentucky, University of Louisville, the pediatric-affiliated hospitals at the University of Kentucky and the University of Louisville, and one in eastern Kentucky and one in western Kentucky. The Board develops a telehealth network of no more than 25 rural sites, and the board may identify 10 local health departments to participate in the network

COMMISSION ON SMALL BUSINESS ADVOCACY

The Commission on Small Business Advocacy was created by 2000 House Bill 588 (KRS 11.200). The 31-member Commission recommends an executive director who is appointed by the Governor.

The duties of the Commission are to coordinate and promote awareness of the Federal Small Business Regulatory Enforcement Fairness Act of 1996, develop a process to make the small business community aware of state legislation and administrative regulations, advocate for the small business sector when state legislation and administrative regulations are overly burdensome, costly, or harmful to the success and growth of the sector, and collect information and conduct research of public policies and government practices that relate to the growth of the small business community.

EDUCATION PROFESSIONAL STANDARDS BOARD

The Education Professional Standards Board was removed from the Department of Education by Executive Order 2000-851 effective July 1, 2000, and confirmed by 2001 HB 78. The Board employs an executive director who is responsible for the day-to-day operations of the board. The board is composed of seventeen members (KRS 161.028). The chief state school officer and the president of the Council on Postsecondary Education serve as ex officio voting members. The Governor appoints fifteen members who must be confirmed by the Senate and the House of Representative of the Kentucky General Assembly. The Board establishes requirements for obtaining and maintaining a teaching certificate, to evaluate college and school district programs for preparing school personnel, and to issue and revoke teaching certificates. The Board implements an alternative certification program (KRS 161.048) which is a state-approved local district training program that is an alternative to the college teacher preparation program for acquiring teacher certification. The Board administers the principal testing and internship program (KRS 161.027), and administers the adjunct instructor certificate program (KRS 161.046). The Board is responsible for issuance of emergency teaching certificates and revocation of certificates. Executive Order 2000-851 created the Division of Educator Preparation and Internship, the Division of Certification, the Division of Technology, the Division of Testing and Research, the Division of Legal Services, and the Division of Legislative and Public Relations.

CHAPTER IV

PROGRAM CABINETS HEADED BY APPOINTED OFFICERS

Effective January 1, 1973, the Executive Branch was reorganized under a Program Cabinet system which provided for six Program Cabinets: Development Cabinet, Transportation Cabinet, Education and Arts Cabinet, Human Resources Cabinet, Consumer Protection and Regulation Cabinet, and the Safety and Justice Cabinet. Only ten months later there were just three program cabinets (Development, Education and the Arts, and Consumer Protection and Regulation) and four additional departments (Human Resources, Justice, Natural Resources and Environmental Protection, and Transportation). In 1978, a fifth department (Energy) was added. In 1982, the five departments received cabinet status, as did the Finance and Administration Department, the Bureau of Corrections, and the Department of Revenue. By 1984, the Labor Cabinet and Tourism Cabinet were added, creating a system of thirteen program cabinets. In 1989 the Energy Cabinet was abolished, and in 1990 the Workforce Development Cabinet was created. In 1992, the Corrections Cabinet was abolished and its functions were transferred to the Justice Cabinet. In 1994, the Education and Humanities Cabinet was renamed the Education, Arts, and Humanities Cabinet. In 1995, Executive Order 95-19, issued on December 13, 1995, the Department of Personnel received cabinet status. After the 1996 Session of the General Assembly failed to confirm the Executive Order, on July 11, 1996, Executive Order 96-909 was issued to again create the Personnel Cabinet and the order was confirmed by 1998 SB 139. Also in 1995, Executive Order 95-77, issued on December 28, 1995, renamed the Tourism Cabinet as the Tourism Development Cabinet and upon expiration of the order E0 96-1332 was issued on October 1, 1996, and the order was confirmed by 1998 HB 341. Another change in 1995 resulted from Executive Order 95-79, issued on December 28, 1995, which abolished the Cabinet for Human Resources and created the Cabinet for Health Services and the Cabinet for Families and Children. After the 1996 General Assembly failed to confirm the Executive Order, on July 2, 1996, Executive Order 96-862 was issued to again create the two new cabinets and the order was confirmed by 1998 HB 132. In 2000, the Executive Branch remains organized under a program cabinet system, consisting of fourteen Program Cabinets.

Each Program Cabinet is headed by a Secretary, whose powers are listed in KRS 12.270. Each Secretary is a member of the Governor's Cabinet and serves as a liaison in carrying out the responsibilities for overall direction and coordination of the departments, boards, and commissions included in the related cabinet. The Secretary recommends Cabinet reorganization to the Governor, evaluates and passes upon all budget requests originated by administrative bodies in the Cabinet, and advises the Governor on appointments of heads of units and commissioners. Each Secretary is empowered to create positions and employ necessary personnel.

The agencies, boards, and commissions of the Executive Branch are placed in the following fourteen Program Cabinets:

Personnel Cabinet

Finance and Administration Cabinet
Revenue Cabinet
Education, Arts, and Humanities Cabinet
Cabinet for Families and Children
Cabinet for Health Services
Cabinet for Workforce Development
Labor Cabinet
Cabinet for Economic Development
Tourism Development Cabinet
Transportation Cabinet
Natural Resources and Environmental Protection Cabinet
Justice Cabinet
Cabinet for Public Protection and Regulation

PERSONNEL CABINET

During the First Extraordinary Session of the 1956 Kentucky General Assembly, the Division of Personnel of the Department of Finance was abolished and the Department of Personnel was created. It was headed by a Commissioner appointed by the Governor. Chief among its responsibilities then, as now, was the testing and certification of applicants for state jobs. Mr. William F. Nave was its first Commissioner.

Approximately four years later, a uniform Merit System for the Executive Department was created. It was headed by a five-member Personnel Board appointed by the Governor to four-year terms. With the passage of this legislation, the Personnel Commissioner became subservient to the Board and was inducted into the Merit System. The legislation directed the Board to appoint a committee of three to examine candidates for Commissioner and certify to the Governor, for his appointment, a list of examinees whom they found qualified. The Department, among its other duties, was directed to prepare and recommend to the Board, for its adoption and promulgation, rules and regulations governing the new merit system (*KY Acts*, 1960 Regular Session, Ch. 63, pp. 209-234).

During the 1972 Session, the law was again amended, to permit the Governor to appoint the Personnel Commissioner without input from the Personnel Board. The amendment also removed the Commissioner from the merit system. His rules and regulations still, however, had to be submitted to the Personnel Board for its promulgation (*KY Acts*, 1972, Ch. 13, Secs. 3-5, pp. 30-34).

Governor Ford's 73-74 reorganization of the Executive Department reversed the chain of command by attaching the Personnel Board to the Department of Personnel and attaching the Department to the newly created Office of the Secretary of the Governor's Executive Cabinet (*KY Acts*, 1974, Ch. 74, Art. I, Secs. 6 & 7, pp. 78-80).

During the next Regular Session of the Kentucky General Assembly, the law was changed to permit the Personnel Commissioner to prepare and submit to the Governor rules and regulations governing nonmerit employees (*KY Acts*, 1976, Ch. 86, Sec. 7, pp. 7, 8).

Governor Brown, who had a penchant for reorganization, moved the Department of Personnel twice. He first attached it to the Governor's Office, and then to the Finance and Administration Cabinet. Both Executive Orders were ratified by the General Assembly (*KY Acts*, 1980, Ch. 295, Sec. 3, p. 971; *KY Acts*, 1982, Ch. 393, Sec. 4, p. 1182).

Also, during the 1982 Session, the Merit System Law was rewritten by the General Assembly in its entirety. At this time, the Personnel Board was declared an independent agency of the Executive Department, but the procedure for preparing, proposing, adopting, and promulgating personnel rules and regulations remained intact. It was during this Session that the membership of the board was expanded to its current complement of seven members. The additional two are merit employees elected by their peers (*KY Acts*, 1982, Ch. 448, pp. 1523-1561).

An attempt in 1984 to rewrite the Merit System Law once again died in Free Conference.

During the 1986 Session, an Executive Order restoring the Department of Personnel to the Office of the Secretary of the Governor's Executive Cabinet was ratified, and the Merit System Law was amended to further strengthen the separation of the Department and the board (*KY Act*, 1986, Ch. 494, Secs. 9, 10, 13, 14, & 17, pp. 1315, 1316, & 1318-1329).

On December 13, 1995, Executive Order 95-19 created a new cabinet of state government, the Personnel Cabinet, and transferred to it all powers and responsibilities of the Department of Personnel. After the 1996 Session of the General Assembly failed to confirm the Executive Order, on July 11, 1996, Executive Order 96-909 was issued to again create the Personnel Cabinet. The Order was confirmed by 1998 SB 139.

Office of the Secretary

The Personnel Cabinet is headed by a Secretary appointed by the Governor (KRS 18A.015) and assigned all powers, duties, responsibilities, and authority of the Commissioner of Personnel under KRS Chapter 18A and other applicable statutes and administrative regulations. Executive Order 96-909 abolished the position of Commissioner of Personnel. Attached to the Office of the Secretary are the Office of Administrative and Legal Services, the Office of Public Employees Health Insurance, and the Kentucky Public Employees Deferred Compensation Authority.

The **Office of Administrative and Legal Services** is headed by a Director appointed by the Secretary with the prior approval of the Governor. The Office is responsible for providing all administrative, information systems management and legal services to the Cabinet. It includes coordination of the state's affirmative action plan, established in KRS 18A.138.

The **Office of Public Employee Health Insurance** was created by Executive Order 2000-1316 effective September 16, 2000 and confirmed by 2001 HB 97. The Office is headed by an Executive Director. The Office is responsible for administering the group health insurance program (KRS 18A.225) and the flexible benefits program (KRS 18A.227), formerly administered by the Division of Employee Benefits in the Department for Employee Relations.

The **Kentucky Public Employees Deferred Compensation Authority** was created in 1974 as the Deferred Compensation System. It was renamed the Kentucky Public Employees Deferred Compensation Authority by Executive Order 94-1235, issued on November 29, 1994 and effective January 16, 1995. That order expired in July, 1996, and Executive Order 96-909 was issued on July 11, 1996, which renamed the system in the same manner as EO 94-1235. The Authority is governed by a seven-member board of directors and is headed by an Executive Director employed by the board of directors. The duties of the Authority are to administer the Kentucky Public Employees Deferred Compensation System, in accordance with KRS 18A.230 to 18A.275. Funds are invested as deemed appropriate by the board. The State Treasurer is the custodian of the funds.

Department for Personnel Administration

The Department is headed by a Commissioner appointed by the Secretary with the approval of the Governor.

The **Division of Performance Management** is headed by a Director appointed by the Secretary with the prior written approval of the Governor. The Office is responsible for coordinating and implementing employment performance evaluation systems throughout state government.

The **Division of Employee Records** is headed by a Director appointed by the Secretary with the prior written approval of the Governor. The Division is responsible for maintaining the central personnel files (KRS 18A.020); processing personnel documents and position actions; operating and maintaining a uniform payroll system; implementing lay-off plans (KRS 18A.113); certifying payrolls (KRS 18A.125); and monitoring and assisting state agencies in complying with the provisions of the Federal Fair Labor Standards Act.

The **Division of Staffing Services** is headed by a Director appointed by the Secretary with the prior written approval of the Governor. The Division is responsible for operation of a centralized applicant and employee counseling program; operation of an examination program for state employment; preparation of registers of candidate employment; coordination of outreach programs; and construction of merit examinations.

The **Division of Classification and Compensation** is headed by a Director appointed by the Secretary with the prior written approval of the Governor. The Division is responsible for maintenance of plans of classification and compensation for the state service, as well as the review and evaluation of the plans.

Department for Employee Relations

The Department is headed by a Commissioner appointed by the Secretary with the prior written approval of the Governor.

The **Division of Employee Benefits** is headed by a Director appointed by the Secretary with the prior written approval of the Governor. The Division is responsible for administering or assisting state employees with the following benefits and programs: workers' compensation (KRS 18A.375); life insurance (KRS 18A.205); sick leave sharing program (KRS 18A.197); health and safety programs; and assessment and referral services.

The **Division of Communications and Recognition** is headed by a Director appointed by the Secretary with the prior written approval of the Governor. The Division is responsible for communicating with state employees about personnel issues, administering the employee incentive programs (KRS 18A.202), and providing dispute resolution assistance to state employees and agencies.

Personnel Board

In 1982, the Personnel Board was created and vested with the constitutional powers and responsibilities of officers of the Commonwealth. The Governor appoints five of the Board's seven members, and classified employees elect the other two members (KRS 18A.045). The duties of the Board include promulgating regulations for administration of a personnel system in the agencies of state government receiving federal grants, conducting investigations concerning the enforcement and effect of the personnel system statutes, hearing appeals from job applicants and unclassified employees who have been dismissed or demoted, advising the Governor and Commissioner about administration of the personnel system, and representing the public interest in improvement of the personnel system (KRS 18A.075).

Kentucky Group Health Insurance Board

The Kentucky Group Health Insurance Board was created by 2000 Senate Bill 288 (KRS 18A.226) and consists of thirteen members: Secretary of the Finance and Administration Cabinet, Secretary of the Personnel Cabinet, State Budget Director, Commissioner of Education, Chair of the Advisory Committee of State Health Insurance Subscribers, Commissioner of Insurance (ex officio), Auditor of Public Accounts (ex officio), Director of the Administrative Office of the Courts, a retired employee, a retired teacher, an active state employee, an active teacher, and an active classified education support employee. The board meets at least once each month to engage in analyses and research to identify the factors and parameters that affect the state group health insurance program and to develop and transmit policy recommendations by October 1 each year to the Governor, the General Assembly, and the Chief Justice of the Supreme Court.

Executive Branch Compensation Advisory Council

The Executive Branch Compensation Advisory Council was created by 2000 House Bill 728 (KRS 64.475) and consists of three members: State Budget Director (chair), Secretary of the Governor's Executive Cabinet, and Secretary of the Finance and Administration Cabinet. The Council meets on a quarterly basis to advise and make recommendations to the Secretary of the Personnel Cabinet on appropriate salaries for heads of various departments, offices, boards, and commissions in the executive branch, to advise the Secretary of the Personnel Cabinet on agency requests to establish or abolish salary schedules, and to recommend the Personnel Cabinet conduct salary surveys using the seven states contiguous to Kentucky, states in the southeastern United States, and private sector employers.

FINANCE AND ADMINISTRATION CABINET

In 1918, the Budget Appropriation Commission was created. It was replaced by the Budget Commission in 1926. That same year the Office of State Budget Officer and the State Purchasing Commission were created. In 1934, two new departments were created: the Department of Finance and Budgetary Control, which assumed the duties of the Budget Commission, and the Department of Public Property, which assumed the duties of the State Purchasing Commission. In 1936, the Department of Finance was created; it absorbed the duties of the Department of Public Property and the Department of Finance and Budgetary Control. In 1973, the Department of Finance and the Program Development Office were consolidated into the Executive Department of Finance and Administration. In 1982 the Department became the Finance and Administration Cabinet.

The Finance and Administration Cabinet is responsible for the management of the financial resources of the state. The Cabinet is involved in a wide range of activities, including the state accounting system, government printing needs, the investment of public funds, oversight of capital construction projects, managing information systems, employee training programs, and property acquisition and leasing. In 1996, the Cabinet was directed to administer an **energy efficiency program for state government buildings** (KRS 56.770) and the **water project interest rate buy down fund** (KRS 42.200) The water project fund provides financial assistance to government agencies for construction of publicly-owned water supply projects located in rural areas in the state. Within the Cabinet is the Office of the Secretary, the Office of Management and Budget, the Office of Financial Management, the Department for Administration, and the Department for Facilities Management. The offices are headed by executive directors and the departments are headed by commissioners. Aside from the offices and departments of the Cabinet, it has attached to it numerous boards, corporations, and authorities.

The Department of Information Systems was abolished by Executive Order 99-1359 effective on October 1, 1999 which was confirmed by 2000 Senate Bill 315. The statutory duties and responsibilities of the department were transferred to the Governor's Office for Technology. Executive Order 99-1359 also abolished the Kentucky Information Resources Management Commission, abolished the Communications Advisory Council, and moved to the Governor's Office for Technology the following: the Office of Geographic Information Systems, the Geographic Information Advisory Council, and the Commercial Mobile Radio Service Emergency Telecommunications Board.

Office of the Secretary

The Office of the Secretary of the Finance and Administration Cabinet is authorized by KRS 42.011. The Secretary, appointed by the Governor, is the chief financial officer of the state, and an advisor to the Governor and is responsible for the administration of the Finance and Administration Cabinet. The Office includes the Office of Legal and Legislative Services, and the Office of Equal Employment Opportunity and Contract Compliance.

The **Office of Legal and Legislative Services** was created within the Finance and Administration Cabinet in 1984 (KRS 42.014). The Office provides legal services to departments of the Finance and Administration Cabinet by representing the Secretary and Cabinet in civil litigation before the circuit and district courts of the Commonwealth, the federal courts, and state and federal appellate courts. It is also responsible for those duties and responsibilities assigned by the Secretary. The Office works closely with the General Assembly and LRC staff in the formulation of programs and policies to be administered by the Cabinet. Attorneys employed in the Office may be designated as assistant attorneys general, as provided in KRS 15.105. KRS 42.017, enacted in 1984, provides for a general counsel within the Office. The general counsel is appointed by the Governor, or the Cabinet, with the approval of the Governor, pursuant to KRS 12.210. The general counsel is to report to the Secretary through the executive director of the Office of Legal and Legislative Services. Executive Order 2001-794 issued on June 25, 2001 transferred the Office to the Office of the Secretary.

The **Office of Equal Employment Opportunity and Contract Compliance** monitors contractors' compliance with Kentucky's Equal Employment Opportunity Act of 1978, as required by KRS 45.550 to 45.640. The Act requires that contracts subject to it contain provisions that the contractor agrees not to discriminate against an employee or applicant for employment and that the contractor will take affirmative action in regard to employment, recruitment, layoff, termination, rates of pay, and training. The Office certifies to the contracting agency any unlawful practice of the contractor.

The **Administrative Policy and Audit Division**, formerly the Division of Internal Audit, was transferred to the Office of Secretary from the Office of Management and Budget by Executive Order 96-886, issued on July 9, 1996, and confirmed by 1998 SB 176. The Division is headed by a director and may conduct any internal audit, investigation, or management review in the Cabinet.

The **Office of Technology Operations** was created by Executive Order 98-1132, issued on August 21, 1998, and the Division of Information Resources was abolished. It has responsibility for cabinet-wide coordination of information technology resources.

The **Customer Resource Center** was created as an office attached to the Office of the Secretary by Executive Order 99-486, issued on April 13, 1999, and confirmed by 2000 House Bill 95. The center is responsible for establishing and operating a help desk, assessing training needs, and training development and delivery.

The **Office of Management and Budget** (KRS 42.018) manages the fiscal, personnel, and payroll functions of the Finance and Administration Cabinet. Executive Order 89-479, dated May 17, 1989, changed the name of the Office of Management Services to the Office of Management and Fiscal Affairs. In 1994, the General Assembly confirmed Executive Order 93-422, which renamed the office. Executive Order 2001-794 issued on June 25, 2001, transferred the Office to the Office of the Secretary.

Office of Financial Management

The Office of Financial Management and Economic Analysis was established in 1990 to assume the duties of the former Office of Revenue Estimating and Economic Analysis and the Office for Investment and Debt Management. It was renamed the Office

of Financial Management in 1999 by Executive Order 99-1439 and confirmed by 2000 House Bill 374. The Office of Financial Management is headed by an executive director. Within the Office are deputy executive directors for investment and debt management (KRS 42.400).

The former Office of Revenue Estimating and Economic Analysis was organized as the Division of Research and Statistics in the Department of Revenue and Taxation. The Division was renamed the Office of Revenue Estimating and Economic Analysis when the Department became the Revenue Cabinet in fiscal year 1982-83. On December 30, 1987, by Executive Order, Governor Wallace Wilkinson transferred the Office of Revenue Estimating and Economic Analysis, its function and its personnel to the Finance and Administration Cabinet. The order cited a need to merge all economic analysis and forecasting functions in Finance, leaving Revenue free to focus on its essential tax collection functions. The mission of the Office remained essentially the same. As of July 13, 1990, the Office of Revenue Estimating and Economic Analysis was merged into the newly created Office of Financial Management and Economic Analysis, with enactment of Senate Bill 112. The economic analysis functions of the office were transferred to the Governor's Office for Economic Analysis, headed by the State Budget Director, by Executive Order 99-1439 and confirmed by 2000 House Bill 374.

The former Office for Investment and Debt Management was also merged into the former Office of Financial Management and Economic Analysis on July 13, 1990, and its duties were assumed by the new office. Those duties included the analysis and management of short- and long-term cash flow requirements, the maximization of the return on state investments, the coordination and monitoring of cash needs relative to investment and debt activity, the development of a long-term debt plan, the evaluation of revenue projections relative to proposed revenue bond issues, acting as liaison with the General Assembly on investment and debt matters, utilizing tax data to provide the Revenue Cabinet with information to assist the Cabinet in performing its tax administrative functions, providing staff assistance to the State Property and Buildings Commission and the State Investment Commission, management of the Energy Assistance Trust Fund, assistance in investments of moneys within the Kentucky Educational Savings Plan Trust, which is administered and managed by the Kentucky Higher Education Assistance Authority, and giving investment advice to the Kentucky Workers' Compensation Funding Commission.

Office of the Controller

The Office of the Controller was established by Executive Order 93-142 and confirmed by the 1994 General Assembly (KRS 42.0201). The Secretary appoints the executive director of the Office, who functions as the **state controller**. The state controller serves as the Commonwealth's chief accounting officer and is responsible for all aspects of accounting policies and procedures. The state controller, executive director of the Office of Financial Management and Economic Analysis, and the state budget director develop and maintain the Commonwealth's strategic financial management program. All duties and functions relating to debt issuance for local entities were transferred from the Office to the Division of County and Municipal Accounting in the

Department for Local Government by Executive Order 96-1376 issued on October 11, 1996. The Office of the Controller consists of two divisions.

The **Division of Statewide Accounting Services**, formerly the Division of Accounts, is headed by a director and performs financial record keeping and is responsible for state government's duties and functions relating to the county fee system and debt issuance for local entities. It is also responsible for the performance of the state's unified and integrated system of accounts, fiscal reporting to branches of government, and other functions of the Cabinet.

The **Division of Social Security** is headed by a director and performs duties formerly assigned to the State Office for Social Security. In 1982, the State Office for Social Security was created and assigned functions which had been performed from 1951 to 1974 by the Division of Personnel Security in the Department of Economic Security and from 1974 to 1982 by the Department for Human Resources. The Division provides legal and technical assistance to all political subdivisions within the Commonwealth and administers Section 218 of the Social Security Act. It collects the funds, makes payments to the Internal Revenue Service for all Social Security taxes, and performs any necessary adjustments to individual employee records. The Division periodically visits each of the political subdivisions for a procedural, compliance, and fiscal audit, pursuant to KRS 61.410 to 61.500.

Department for Administration

What is currently titled the Department for Administration, was originally titled the Bureau of Administrative Services, established by EO 73-918, which was codified by the enactment of SB 112 during the 1974 Session of the General Assembly. The Bureau of Administrative Services was retitled the Department for Administration as a result of HB 657, passed during the 1982 Session of the General Assembly and codified as KRS 42.014. The duties of the Department, pursuant to KRS 42.023, include but are not limited to purchasing, store keeping, disposition of surplus property, printing, postal services and advice to state agencies. The Department is headed by a Commissioner, appointed pursuant to KRS 42.014, and has six divisions, created by KRS 42.023.

The **Division of Material and Procurement Services**, formerly the Division of Purchases, is responsible for state purchasing functions, control of personal property and disposition of surplus property, as set out in KRS Chapters 45 and 45A, except construction-related purchasing. It is the single state agency that may receive, warehouse, and distribute surplus property under the Federal Property and Administrative Services Act of 1949 and any other federal law relating to the disposal of surplus federal property to the states and political subdivisions within the states. The **Division of Printing**, as established by KRS 42.025, is responsible for the printing and duplicating needs of state agencies. The **Division of Occupations and Professions**, pursuant to KRS 42.066, is responsible for providing administrative services, technical assistance and advice to the many professional boards and commissions of the state. The **State Board for Proprietary Education** was moved from the Workforce Development Cabinet and placed within the Division of Occupations and Professions by Executive Order 2002-904 issued on July 30, 2002. The Board was established in 1976 and consists of eleven

members appointed by the Governor for terms of four years. In 1990, the State Board for Proprietary Education was moved to the Cabinet for Workforce Development from the Division of Occupations and Professions in the Finance and Administration Cabinet. The Board regulates proprietary education institutions in accordance with powers granted in KRS 165A.310 to 165A.410. The **Division of Postal Services** was created by Executive Order 93-1141 and confirmed by the 1994 General Assembly. The postal service duties and functions in the Transportation Cabinet and Cabinet for Human Resources were transferred to the new division. KRS 42.025(3) provides that the division shall operate the centralized postal services for executive branch agencies. The Office of Risk Management was created in 1990 and in 1994 it became the **Division of Risk Management** in the Department. The duties of the Division are found in KRS 42.0192 and include oversight of the **state fire and tornado insurance fund**; development and management of programs of risk assessment and insurance to protect state property not covered by the state fire and tornado insurance fund; advice to the Secretary on fiscal management of programs relating to life insurance, workers' compensation, and health care benefits for state employees; coordination of risk management programs within all state agencies; and development of financing techniques. In 1993 (Executive Order 93-422, confirmed by the 1994 General Assembly), the Creative Services Branch in the Governor's Office was moved to the Department and named the **Division of Creative Services**. The Division provides photography, multimedia, and graphic services to state government (KRS 42.024). It also must be notified of any need of a state agency for advertising, promotional, or public relations services before that agency may enter into a personal service contract for such services (KRS 45A.710). The **Division of Surplus Property** was created by Executive Order 98-1132 issued on August 21, 1998, to more efficiently manage the state's disposal of both federal and state surplus property.

Department for Facilities Management

The Bureau of Facilities Management was created in 1973 by EO 73-425 and confirmed by the 1974 General Assembly. The Bureau was created by grouping five divisions which existed prior to 1973. The 1978 General Assembly established the duties and internal organization. In 1982, the name was changed to the Department for Facilities Management. Currently, the Department is headed by a Commissioner, who is responsible to the Secretary of the Finance and Administration Cabinet (KRS 42.014) The Department is generally responsible for the management and administration of the state capital construction programs and for the maintenance and operation of state government's telecommunications systems, real property management and physical plant management. The Department is responsible for development of plans for placement of computing and communications equipment in all facilities owned or leased by state government. It also establishes policies to ensure efficient utilization of state property, ensure effective planning for state facilities, and establish priorities to allow least-cost financing of state facilities (KRS 42.027). The Department consists of the Commissioner's Office and the following six divisions: (1) Division of Engineering, (2) Division of Contracting and Administration, (3) Division of Telecommunications, (4)

Division of Building Services, (5) Division of Real Property. Each is headed by a director (KRS 42.027), and (6) Division of Mechanical Maintenance and Operations.

The **Division of Engineering** provides technical engineering assistance to state agencies, reviews design and detailed specifications, acts as liaison between the Department and other agencies on new construction projects and major maintenance projects, and monitors construction and maintenance contracts to assure compliance with plans and specifications.

The **Division of Contracting and Administration** administers the procurement process for state construction projects (excluding roads and bridges), as prescribed by the Kentucky Model Procurement Code. Included in the Division's responsibilities are the preparation of invitations to bid, the opening and evaluation of those bids, and the awarding of the contracts.

The **Division of Building Services**, formerly the division of physical plant, provides building and grounds maintenance and operations services to 70 state-owned facilities in the Frankfort area, London and Madisonville. The Division also provides and administers preventive and routine maintenance functions to accommodate state agencies.

The **Division of Real Properties** is responsible for implementing applicable statutes regarding the acquisition, leasing, inventory, and sale of real property owned or maintained by the Commonwealth, except for right-of-way acquisitions.

The **Division of Historic Properties** was created by Executive Order 92-1167 and confirmed by the 1994 General Assembly. The Division assumes the duties of the Office of Historic Properties, which was created in 1984. It is responsible for the overseeing, management, and preservation of state-owned historic properties, including, but not limited to, the Executive Mansion, Old Governor's Mansion, Vest Lindsay House, Berry Hill, State Capitol, and the Henry Clay Law Office. The Division basically performs such functions as the preservation, restoration, acquisition, inventory, storage and conservation of furnishings, donations and other aesthetic features of historic properties. It conducts an in-depth inventory of historic properties and updates insurance values, establishes a uniform record keeping system, reviews security requirements, and establishes a master plan for the continuation of services. The director of the Division serves as the State Curator and the Secretary of the **Historic Properties Advisory Commission** (KRS 11.026). The fourteen-member Commission has authority over any construction, repairs, structural restoration, or renovation of the Executive Mansion, the Old Governor's Mansion, and the New State Capitol. The Division is also represented on My Old Kentucky Home Advisory Commission (KRS 148.400), which is attached to the Department of Parks. Executive Order 90-695, issued on July 24, 1990, transferred the functions of the Tourist Information Service from the Kentucky Historical Society to the Office of Historic Properties. The Tourist Information Service provides tour guide service for the State Capitol, the Governor's Mansion, and the Old Governor's Mansion.

The **Division of Mechanical Maintenance and Operations** was created by Executive Order 97-892, issued on July 17, 1997, and confirmed by 1998 HB 357.

Kentucky Asset/Liability Commission

The Kentucky Asset/Liability Commission was created in 1997 as an independent agency of the state(KRS 56.861). The Commission is composed of the Secretary of the Finance and Administration Cabinet who serves as chair, the Attorney General, the State Treasurer, the Secretary of the Revenue Cabinet, and the State Budget Director. The Commission's duties include analysis to determine the impact of fluctuating receipts of revenues on the budget of the Commonwealth and the impact of fluctuating interest rates upon the interest-sensitive assets and interest-sensitive liabilities of the Commonwealth; reporting findings at least annually to the State Investment Commission; and issuing funding notes, project notes, and tax and revenue anticipation notes or other obligations on behalf of any state agency to fund authorized projects or to satisfy judgments. The Office of Financial Management serves as staff to the Commission.

Office of Governmental Services Center

The Office of Governmental Services Center (GSC) was created as part of the Higher Education Desegregation Plan in 1982 by Executive Order 82-688. That order established the Governmental Services Center Authority, within the Office of Governmental Services Center, to formulate policies, hire personnel and oversee operations. This Authority is composed of the President of Kentucky State University as Chairman, the Secretary of the Finance and Administration Cabinet, Commissioner of the Department of Personnel, and two members appointed by the Chairman. In 1984, legislation establishing GSC (KRS 164.357) added two additional members to the Authority, to be appointed by the Governor. The GSC is housed at Kentucky State University.

It is the responsibility of the GSC to develop, approve, and implement all training, employee development and related programs conducted for all program cabinets in the executive branch. This includes career development programs for managerial, technical and clinical employees, as well as job-related training in management, data processing, technical and clerical subjects. The GSC has no formal administrative divisions. The majority of its professional staff are involved in training and development activities.

In 1990 the GSC was authorized upon request of the Department of Local Government to develop, coordinate, implement, assist and conduct employee and management training programs, seminars, and conferences for agencies, departments, divisions, boards, and commissions of county and city government, and any other political subdivisions of the state. The political subdivision must reimburse GSC for its costs and expenses incurred in providing services. Also in 1990, GSC was authorized upon request of the Cabinet for Economic Development to develop, coordinate, implement, assist, and provide private industry with consultation, research, programs, and employee assessment services. Private industry must reimburse GSC for costs and expenses. Receipts for services rendered by GSC to local governments or private industry are deposited in the State Treasury and credited to the trust and agency fund of GSC's operating account.

Kentucky Higher Education Assistance Authority

The Kentucky Higher Education Assistance Authority was created in 1966. Pursuant to KRS 164.740 to 164.769, it provides statewide programs of financial assistance and related services to enable students to pursue postsecondary education programs. It is a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth. According to KRS 164.746, the Authority is governed by a board of directors, consisting of seven voting members, appointed by the Governor from a list submitted by the Governor's Higher Education Nominating Committee, and the President of the Council on Postsecondary Education and the Secretary of the Finance and Administration Cabinet, who serve as ex officio non-voting members. However, Executive Order 2002-849 issued on July 18, 2002, adds the eight members of the general public who serve on the board of the Kentucky Higher Education Student Loan Corporation and the president of the Association of Independent Kentucky Colleges and Universities. The Authority accomplishes its mission to improve the higher education opportunities of persons who are attending or planning to attend eligible institutions by providing a variety of scholarship, grant and work study programs; serving as Kentucky's guarantee agency for the federal Guaranteed Student Loan Program; and servicing loans owned by the Kentucky Higher Education Student Loan Corporation. In 1994, a teacher scholarship program was established to attract the most academically talented individuals to become certified Kentucky teachers and render teaching services in Kentucky schools (KRS 164.769). In 1996, legislation required that by January 1, 1997, the board of the Kentucky Higher Education Assistance Authority and the board of the Kentucky Higher Education Student Loan Corporation submit to the Governor, the Legislative Research Commission, and the Finance and Administration Cabinet a plan for the future organization and operation of the two agencies (KRS 164A.011). In addition, the Interim Joint Committee on Education and the Capital Projects and Bond Oversight Committee of the General Assembly are to study the organizational structure of the two agencies to determine whether they are appropriately structured to meet the financial assistance needs of Kentucky's students in the twenty-first century.

Executive Order 94-647, issued on July 12, 1994, created three divisions within the Authority, as follows: Information Resources and Technology, Legal Services, and Management Services. That Executive Order expired on July 15, 1996.

Executive Order 96-919, issued on July 15, 1996, reorganized the Authority into five divisions: Student Services, Information Resources and Technology, Legal Services, Loan Program Administration, and Financial Affairs.

Executive Order 98-869, issued on July 8, 1998 and confirmed by 2000 House Bill 91, reorganized the Authority into six divisions: Student and Administrative Services, Information Resources and Technology, Legal Services, Loan Policy Services, Loan Program Administration, and Financial Affairs.

The **Division of Student and Administrative Services** is headed by a Director appointed by the Executive Director. The Division is responsible for administration of the state-funded student aid programs, outreach, development and dissemination of student financial aid and planning information, personnel, and support functions, and the

Kentucky Educational Savings Plan Trust. The Trust, which was created in 1988, was transferred to the Kentucky Higher Education Assistance Authority by Executive Order 90-433, issued on May 10, 1990. The Board of Directors of the Trust was abolished by the Executive Order and the Board of Directors of the Authority assumed all of its powers, functions, and duties. The Authority's executive director became the chief administrative officer of the Trust. The Authority manages and administers the Trust as a separate and distinct educational savings program. The Trust allows citizens to invest money for future application to the payment of higher education costs (KRS 164A.300 to 164A.380).

The **Division of Information Resources and Technology** is headed by a Director appointed by the Executive Director. The Division is responsible for managing the Authority's information resources and technology.

The **Division of Legal Services** is headed by the Authority's General Counsel, who is appointed by the Executive Director. The Division is responsible for all legal matters and activities of the Authority.

The **Division of Loan Program Administration**, formerly the Division of Program Administration, is headed by a Director appointed by the Executive Director. The Division administers the Federal Family Education Loan Program and provides origination services of student loans for lenders.

The **Division of Financial Affairs**, formerly the Division of Fiscal Affairs, is headed by a Director appointed by the Executive Director.

The **Division of Loan Policy Services** is responsible for policy development and client inquiries, contract management, appeals, compliance, and market development for loans.

Legislation enacted by the 1996 General Assembly established the **National Guard Tuition Award Program** in the Authority (KRS 164.516). The program provides enlisted members of the Kentucky National Guard the opportunity to attend a state educational institution. The Department of Military Affairs determines the eligibility of members to participate in the program.

The 1998 General Assembly enacted legislation (KRS 164.7891) to establish the **Osteopathic Medicine Scholarship Program** as a special trust fund in the State Treasury, to provide eligible Kentucky students with scholarships to attend an accredited osteopathic school of medicine located in Kentucky. The Authority may award scholarships to persons to become osteopaths and practice in Kentucky. A recipient must render one year of service for each year the scholarship was awarded.

Kentucky Higher Education Student Loan Corporation

The Corporation was created in 1978 and is governed by a board of directors which, according to KRS 164A.050, consists of eleven (11) members. However, Executive Order 2002-848 issued on July 18, 2002, added eight members to the board. Six of the new members are current members of the Kentucky Higher Education Assistance Authority. Also added are the State Treasurer and the president of the Association of Independent Kentucky Colleges and Universities, who both shall serve as ex officio members. The president of the Council on Postsecondary Education was placed

on the board as an ex officio member in substitution for the chairman of the Council on Postsecondary Education. The Executive Director of the Kentucky Higher Education Assistance Authority serves as the Executive Director of the Corporation. The Corporation's statutory powers include the making, purchasing, or selling of insured student loans; procurement of insurance in respect to all student loans; and making agreements with any federal or state agency or person or corporation or association or entity to accomplish its statutory purposes. In 1996, legislation required that by January 1, 1997, the board of the Kentucky Higher Education Assistance Authority and the board of the Kentucky Higher Education Student Loan Corporation submit to the Governor, the Legislative Research Commission, and the Finance and Administration Cabinet a plan for the future organization and operation of the two agencies (KRS 164A.011). In addition, the Interim Joint Committee on Education and the Capital Projects and Bond Oversight Committee of the General Assembly are to study the organizational structure of the two agencies to determine whether they are appropriately structured to meet the financial assistance needs of Kentucky's students in the twenty-first century.

State Property and Buildings Commission

The State Property and Buildings Commission (SPBC), created by the 1949 Kentucky General Assembly, is a public body corporate, with perpetual succession and all powers granted a private corporation (KRS 56.450). The Commission is authorized to issue revenue bonds and use the proceeds from their sale for various public purposes. Its responsibility includes economic development and Kentucky Economic Development Finance Authority loan programs.

Currently all state bond issuing authorities in Kentucky issue through or report their issuance activities to the SPBC.

The Commission consists of six members, including the Governor, the Lieutenant Governor, the Attorney General, and the Secretaries of the Finance, Economic Development and Revenue Cabinets. The Governor is Chairman of the Commission.

While there exists authorization to designate a voting proxy for and by members of the Commission, only one alternate may be substituted for a member to establish a quorum of four to transact business. This creates considerable difficulty in scheduling SPBC meetings, which routinely are attended by only four members.

Kentucky Housing Corporation

The Kentucky Housing Corporation (KHC) was established as a result of the passage of HB 27 during the 1972 General Assembly. KRS Chapter 198A specifies the creation, purpose and powers of the Kentucky Housing Corporation. KRS 198A.030 provides that KHC is to be governed by a board of directors consisting of fourteen members. Six of the fourteen include the Lieutenant Governor, Secretary of Finance, Commissioner of the Department of Local Government, Secretary of Revenue, the Attorney General and the Secretary of Economic Development. The remaining eight members are appointed by the Governor.

The KHC has the power, as stated in KRS 198A.040, to provide low-cost housing to low- and moderate-income families. It can make insured construction loans to sponsors of land development and residential housing, make insured mortgage loans to sponsors of residential housing, purchase insured mortgage loans made to sponsors and to families of low and moderate income, and lease and sublease residential housing to families of low and moderate income. These are just a few of the powers of the KHC.

In 1996, the **Advisory Committee on Housing Policy** was created to develop and implement the Kentucky housing policy (KRS 198A.035). The committee meets at least quarterly and reports annually its findings to the Governor and the Interim Joint Committee on Local Government of the Kentucky General Assembly. Executive Order 98-1013, issued on July 30, 1998, and confirmed by 2000 House Bill 83, adds as a member the Secretary of the Cabinet for Health Services.

KHC has six departments within its structure. The **Home Ownership Department** oversees its funding of land development and residential housing. The **Rental Housing Department** administers 17,000 rental units for the federal government. The **Field Services Department** manages functions that specifically relate to rural, urban, senior citizens, and special needs. The **Finance and Administration Department** handles the accounting and internal auditing functions. The **Operations and Personnel Department** fulfills a support function by providing supplies and personnel to the Kentucky Housing Corporation. The **External Affairs Department** oversees matters relating to public relations, government relations and fund raising.

County Officials Compensation Board

The County Officials Compensation Board was created by statute, KRS 64.770, in 1974. The duties of the board are listed in KRS 64.780. The Board is to report to the Interim Joint Committee on Counties and Special Districts by October 1 of each odd-numbered year and to each Regular Session of the General Assembly. The report contains recommendations on the compensation of county officials and includes comment on classification for salary grades, expense accounts, minimum and maximum salaries, fee schedules and retirement. Prior to 1982, the Board was required to meet quarterly, which it did. In 1982, KRS 64.770 was changed to permit, rather than require, the Board to meet every three months.

Public Officials Compensation Commission

The Public Officials Compensation Commission was created in 1976 and consists of five members. The Commission is charged with conducting a study of the retirement benefits, per diem, mileage, travel expenses, and other allowances, reimbursements and emoluments of public officials. It files a report of recommendations with the Legislative Research Commission seventy-five days prior to each session (KRS 64.741-745).

Kentucky Retirement Systems

The Kentucky Retirement Systems, which includes the Kentucky Employees Retirement System, the County Employees Retirement System, and the State Police Retirement System, is administered by a nine-member Board of Trustees composed of: the Secretary of Personnel, five trustees elected by the members of the three Retirement Systems, two trustees appointed by the Governor, and, as of April 1, 1992, the state local finance officer. Kentucky Retirement Systems manages as a single entity but accounts separately for the funds of the Kentucky Employees Retirement System, County Employees Retirement System, and the State Police Retirement System.

The County Employees Retirement System (CERS), established by the 1958 General Assembly, pays retirement benefits for employees and elected officials of county and city government. (KRS 78.780)

The State Police Retirement System (SPRS), also created by the 1958 General Assembly, pays benefits for all full-time officers of the Kentucky State Police who are appointed pursuant to KRS 16.050 and are entitled to exercise the power of peace officers. (KRS 16.640)

Established by the 1956 General Assembly, the Kentucky Employees Retirement System (KERS) pays retirement benefits for officers and employees of the various departments and agencies of state government. (KRS 61.645). The Kentucky Employees Retirement System, as of June 30, 1998, had assets of \$11.1 billion. Executive Order 99-324 issued on March 11, 1999 and confirmed by 2000 House Bill 90 reorganized the Kentucky Employees Retirement System into the following divisions: Equity Assets, Fixed Assets, Investments, Employment Services, Retiree Services, Support Services, Membership Support, Disabilities, and Information Technology.

State Investment Commission

The State Investment Commission was created by the 1952 General Assembly as part of the Department of Treasury, but the 1982 General Assembly transferred the Commission to the Finance and Administration Cabinet. The members of the Commission are the Governor (Chairman), the State Treasurer (Vice-Chairman), the Secretary of the Finance and Administration Cabinet, and two persons appointed by the Governor. The Commission, in accordance with KRS 42.500-42.555, has the authority to invest any and all surplus funds and cash of the state in certain defined securities of certain term. The State Investment Commission may invest in **linked deposits** (KRS 41.600-41.620). The Linked Deposit Program was authorized in 1994 in the Department of the Treasury. In 1996, it was removed from Treasury and linked deposit programs were created in the Department of Agriculture to monitor link deposit loans for eligible agribusinesses, and in the Cabinet for Economic Development to monitor link deposit loans for eligible small businesses. The programs allow investment through qualified depositories to provide low cost funds for reduced rate loans of up to \$50,000 to eligible small businesses and agribusinesses. Investment money is derived from the state's unclaimed and abandoned property program. A small business employs fewer than 50 full-time employees and has annual gross earnings that do not exceed \$1,000,000. An

agribusiness has gross annual earnings that do not exceed \$1,000,000 and derives at least one-half of its annual gross income from farming and not more than \$60,000 annual net income from other sources. In 1998, KRS 41.615 was amended to provide that no eligible small business or agribusiness may have a total outstanding principal debt of more than \$100,000 in the program. An eligible lending institution that desires to receive a linked deposit investment must agree to maturity dates as set by the financial institution and borrower, up to a maximum of 5 years, and a rate of interest on the loan set at the Wall Street Journal prime rate on the first day of the month less 1 percent, with a minimum interest rate of 5%. The Investment Commission may accept or reject a linked investment, or any portion thereof. Eligible lending institutions forward to the Department of Agriculture or the Cabinet for Economic Development, as appropriate, a completed loan package for review; if found to be complete, it is forwarded to the State Investment Commission for funding.

Kentucky Savings Bond Authority

The Kentucky Savings Bond Authority, created by the 1972 General Assembly, is a body corporate and politic with corporate succession and the power to issue bonds. The purpose of the Kentucky Savings Bond Authority is to foster and provide by all reasonable means investment by the general public in general obligation or full faith and honor bonds of the Commonwealth and in revenue bonds issued by the Commonwealth or its agencies.

The Authority consists of seven members; three are ex-officio members and four are appointed by the Governor.

Kentucky Private Activity Bond Allocation Committee

The Kentucky Private Activity Bond Allocation Committee, formerly the Kentucky Industrial Development Bond Allocation Committee, was established by executive order on September 28, 1984 and given statutory recognition by the 1986 Session of the General Assembly. The Federal Deficit Reduction Act of 1984 restricted the amount of tax-free bonds that could be issued annually by a state and its local governments, and mandated the adoption of a bond allocation formula. (Kentucky's original system for bond allocation was established by the same executive order which created the allocation committee; in February 1989 the formula was adopted by regulation.) Composed of the Secretary of the Finance and Administration Cabinet, who serves as chairman, the Secretary of the Cabinet for Economic Development, the State Budget Director, State Controller, and the Secretary of the Governor's Cabinet, the Committee is charged with the responsibility for overseeing the allocation of authority to issue tax-free private activity bonds among the state and its local governments. The Committee is attached to the Finance and Administration Cabinet for administrative and staff purposes. Processing of applications for bond issuing authority is handled by the Office of Financial Management and Economic Analysis (KRS 103.286).

Office of Capital Plaza Operations

The Capital Plaza Authority was created by the 1966 General Assembly as a public corporation and instrumentality of the Commonwealth. It was renamed the Office of Capital Plaza Operations by Executive Order 97-1327, issued on October 13, 1997, and confirmed by 1998 HB 343. The Office manages the Capital Plaza Civic Center and related facilities in Frankfort. It also provides administrative support to the **Capital Development Committee**, which was created to ensure proper coordination of state government initiatives which impact the city of Frankfort and Franklin County government (KRS 45.001).

Kentucky Turnpike Authority

The Kentucky Turnpike Authority was created in 1960. As stated in KRS 175.425, the Authority was created solely to perform essential governmental functions and to serve the public purposes of constructing, acquiring, financing and operating turnpikes and other road projects for the use, safety, convenience, and general welfare of the traveling public. The Authority is composed of the Governor, Lieutenant Governor, Commissioner of Highways, State Highway Engineer, Secretary of the Cabinet for Economic Development, Secretary of Transportation, and the Attorney General.

KRS 175.450 authorizes the authority:

- (1) To construct, reconstruct, maintain, repair, operate, and regulate turnpike projects at such locations within the Commonwealth as may be determined by the Authority and the Department of Transportation and provided for in an agreement or agreements;
- (2) To acquire sites abutting on any turnpike project, as a part of such project, and to construct or contract for the construction of buildings and appurtenances for service stations, garages, restaurants and other services and to lease the same to parties other than the Department for any of such purposes (or, if leases to such parties cannot be made on acceptable terms, to operate or to lease to the department any or all of the same) in such manner and under such terms as may be provided in an agreement;
- (3) To issue turnpike revenue bonds of the Authority payable solely from the tolls, revenues, rentals and other funds pledged for their payment, for the purpose of paying all or any part of the cost of any one or more turnpike projects, and to refund any of its bonds;
- (4) To fix and revise from time to time and charge and collect tolls for transit over each turnpike project constructed by it, except to the extent that such powers are surrendered to the Department pursuant to a lease;
- (5) To combine for financing purposes any two or more turnpike projects;
- (6) To lease as lessor any turnpike project or projects to the Department as lessee, pursuant to the terms and provisions of a lease;
- (7) To establish and enforce rules and regulations for the use of any turnpike project, except during any period when such powers are provided to be exercised by the Department pursuant to a lease;

(8) Without reference to KRS Chapter 56, to acquire and hold in the name of the Authority real and personal property in the exercise of its powers and the performance of its functions and duties under KRS Chapter 175, and to dispose of the same, with the approval of the Department;

(9) To designate the locations and establish, limit and control such points of ingress to and egress from each turnpike project as the Authority and the Department may determine to be necessary or desirable to insure the proper operation and maintenance of such project, and to prohibit entrance to such project from any point or points not so designated;

(10) To make and enter into such contracts and agreements with the Department and other parties as may be necessary or incidental to the performance of its duties and the execution of its powers under KRS Chapter 175;

(11) To employ consulting engineers, attorneys, accountants, construction and financial experts, superintendents, managers, and such other employees and agents as may be necessary in the judgment of the Authority, and to fix their compensation;

(12) To receive and accept from the Commonwealth, the Department, and any federal agency, grants for or in aid of the construction of any turnpike project, and to receive and accept aid or contributions from any source of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which such grants and contributions may be made;

(13) To expend any funds provided under the authority of KRS Chapter 175 in advertising the facilities and services of a turnpike project or projects to the traveling public; and

(14) To do all acts and things necessary or convenient to carry out the powers expressly granted in KRS Chapter 175.

Local Correctional Facilities Construction Authority

The Local Correctional Facilities Construction Authority, created by enactment of KRS 441.615 in 1982, is a ten-member agency operating within the Finance and Administration Cabinet as a public corporation and governmental agency of the Commonwealth. The Secretary of Finance is the chairman of the Authority and names an employee of his Cabinet to serve as its treasurer. The Authority elects a vice-chairman and secretary from its membership. The general purpose of the Authority is to provide an additional and alternative method of constructing, reconstructing, improving or repairing and financing county jails, correctional or detentional facilities, and appurtenant facilities for any county or urban-county in the Commonwealth. It has the power to issue revenue bonds and may contribute from its own funds up to ninety percent of the cost of any project that it undertakes. The Authority also may make discretionary matching-fund grants not exceeding \$50,000. The powers of the Authority are set out in KRS 441.625.

KRS 24A.175(6) designates ten dollars of the court costs in each criminal case in district courts for the benefit and use of the Authority. These funds, with the interest and income derived from their investment, constitute the major source of the Authority's ordinary revenues.

Personnel Steering Committee

The Personnel Steering Committee was created in 1994 and is attached to the Cabinet but provided assistance and support by the Department of Personnel. Its nine members are appointed by the Governor. The Committee oversees and evaluates all executive department pilot personnel programs, prepares status reports, makes recommendations to the 1996 and 1998 General Assembly, and reports at least quarterly to the Legislative Research Commission's Interim Joint Committee on Appropriations and Revenue on pilot program savings and expenditures (KRS 18A. 400-450).

Central State Hospital Recovery Authority

The Authority was created in 1994 to manage, control, and use lands of the Old Central Kentucky State Hospital in Jefferson County. The Secretary chairs the Authority's board, the Governor appoints two members, and the county judge/executive of Jefferson County appoints three members. The Authority is to be abolished six months after the date of execution of a conveyance of the hospital property by deed or lease (KRS 56.600-603).

Kentucky Lottery Corporation

(The State Lottery is not attached by statute to the Finance and Administration Cabinet but is placed under the Cabinet for purposes of this publication)

The Kentucky Lottery Corporation is an independent, de jure municipal corporation and political subdivision of the Commonwealth (KRS 154A.020). It was created by legislative enactment in 1988. The Kentucky Lottery Corporation is administered by a eight-member board of directors, seven of whom are appointed by the Governor; the eighth is the State Treasurer, who serves in an ex officio capacity. The corporation conducts and administers lottery games which will result in maximization of revenues to the Commonwealth while providing entertainment to all citizens (KRS 154A.060). The corporation develops and maintains a network of lottery retailers (KRS 154A.400) and is authorized to contract with any person or entity for the total operation and administration of the state lottery (KRS 154A.600). The Kentucky State Police may perform full criminal background investigations on all potential vendors and corporation employees (KRS 154A.650). Money received from the sale of lottery tickets is deposited into a corporate operating account. Each month the corporation transfers surplus funds to the lottery trust fund (KRS 154A.130). The Kentucky Lottery Corporation and the Cabinet for Families and Children are required to develop a system to allow the Lottery to receive a list of delinquent child support obligors from the Cabinet on a monthly basis and the Lottery must withhold delinquent amounts from prizes of winners that appear on the list (KRS 154A.060).

Eastern Kentucky Exposition Center Corporation

Executive Order 98-1020, issued on August 3, 1998 and confirmed by 2001 HB 86, created the Eastern Kentucky Exposition Center Corporation to develop, operate, and manage the Eastern Kentucky Exposition Center, funded by the 1998 General Assembly in HB 321. Executive Order 2000-874 issued on July 5, 2000 and confirmed by 2001 HB 86 reorganized the Corporation (KRS 154.40-010) to supervise the design and construction and operation of the Center, to promote the growth and development of the convention, trade, tourism, hotel, restaurant, and entertainment industry in Eastern Kentucky, Pike County, and the Commonwealth. The Corporation may levy a surcharge on tickets for functions held at the Center. A seven-member board of directors appointed by the Governor oversees the Corporation.

Red Fox Tri-County Cooperative Development Authority

The Red Fox Tri-County Cooperative Development Authority was created by Executive Order 98-1025, issued on August 3, 1998 and confirmed by 2000 Senate Bill 34, to develop and manage the Red Fox Golf Course and tourism project, as funded by 1998 HB 321. The Authority is governed by a board of directors of seven voting members and three ex officio members (KRS 154.33-600-609).

Agricultural Diversification and Development Council

The Agricultural Diversification and Development Council was created in 1998 (KRS 248.650) and consists of twelve members. The Department of Agriculture provides staff support to the Council, which is attached to the Finance and Administration Cabinet for administrative purposes. The Council distributes funds in the Agricultural Diversification and Development Fund to tobacco growers and quota owners, tobacco-growing communities, and agricultural organizations that attempt to stimulate and diversify local agricultural economies dependent on tobacco. Moneys from an increase in the cigarette tax are credited to the fund.

Kentucky Tobacco Research Board

(The Kentucky Tobacco Research Board is not attached by statute to the Finance and Administration Cabinet but is placed under the Cabinet for purposes of this publication)

The Kentucky Tobacco Research Board consists of 13 members and 1 non-voting member (KRS 248.510). The Board, among other things, reviews and authorizes tobacco research projects and programs, provides an annual report to the Governor, the General Assembly, and the Legislative Research Commission, and is authorized to employ a technical adviser. A **tobacco research-trust fund** is created in KRS 248.540 and receives tax revenues from a tax of one-half cent under KRS Chapter 255. The amount of funds received by the tobacco research-trust fund is appropriated each year to the **University of Kentucky Tobacco and Health Research Institute** to finance tobacco research projects and programs authorized by the Kentucky Tobacco Research Board (KRS 248.550). The

Board oversees the **Kentucky Tobacco Research and Development Center**, which was created in 2002 and which undertakes not only research into tobacco, but research having related or complementary interests, including but not limited to commercialization potential of tobacco and plant research, plant natural products research, and research into development of new crops based on tobacco and other plants.

Kentucky Settlement Trust Corporation

Executive Order 99-1000, issued on July 15, 1999 and confirmed by 2000 House Bill 96, created the Kentucky Settlement Trust Corporation, which has a 14-member board of directors, including the Governor, who chairs the board. The Corporation is a de jure municipal corporation and political subdivision of the state to perform essential governmental and public functions by rendering assistance in implementing the terms of the National Tobacco Growers Settlement Trust Agreement. The Corporation is directed to prepare a plan to be submitted for approval to the Trustees of the Settlement Trust which identifies those tobacco growers and tobacco quota growers who are to receive direct payment from the Trust, and which determines the amount each is to receive.

Charitable Asset Administration Board

The Charitable Asset Administration Board was created by 2000 House Bill 629 and attached to the Cabinet by Executive Order 2001-534 issued on May 1, 2001 and consists of nine members: three appointed by the Governor, three appointed by the Attorney General, and three appointed by the Auditor. The Board has full authority over the administration, control, and disbursement of any funds recovered in a legal action that requires funds to be held in trust by the Attorney General or other duly elected statewide constitutional officer or by a person or entity created by the Attorney General or the Commonwealth to administer the trust funds or assets for public purposes.

Kentucky River Authority

In 1811 the General Assembly authorized eleven persons to raise up to \$10,000 by lottery to remove all obstructions in the Kentucky River. In 1836, the Board of Internal Improvements was created by the General Assembly and appropriated funds to improve the navigation of the Kentucky River, including construction of necessary locks, dams, abutments, and piers. (The Board was abolished in 1869.)

The Kentucky River Authority was created in 1986 to protect the health and welfare of Kentucky citizens dependent upon the Kentucky River locks and dams for their source of clean water, if the U.S. Congress and the U.S. Army Corps of Engineers fail to operate and maintain the locks and dams. The twelve-member Authority consists of the Secretary of the Finance and Administration Cabinet and the Secretary of the Natural Resources and Environmental Protection Cabinet and ten persons appointed by the Governor. Prior to 2000, the Authority was attached to the Natural Resources and Environmental Protection Cabinet for administrative purposes, but was transferred to the Finance and Administration Cabinet by 2000 House Bill 543. The Authority may

construct and maintain locks and dams on the Kentucky River, acquire and lease property, and issue revenue bonds. In 1990 the Authority was charged with developing comprehensive plans for the management of the Kentucky River basin and holding hearings. The Natural Resources and Environmental Protection Cabinet reviews the draft of the water resource plan. The Authority develops a drought response plan in coordination with the Natural Resources and Environmental Protection Cabinet. The Authority is also empowered to develop a plan for protection and use of groundwater within the basin, develop recreational areas, utilize funds within the biennial executive budget for maintenance, coordinate Kentucky River basin water resources activities among state agencies, and report quarterly to the legislative Committee on Appropriations and Revenue. In 1992 the Authority was authorized to bring an action for recovery of penalties, a restraining order, or an injunction for violation of any determination, permit, administrative regulation, order, long-range water resource plan, or drought response plan of the Authority. In 1996, the Authority was authorized to collect water use fees from facilities using water from the Kentucky River, issue revenue bonds, and employ an executive director and other staff (KRS 151.700-730). In 2000, the Authority was charged with undertaking a continuing study of the water available within the Kentucky River and the water needs within the Kentucky River Basin. Beginning with the 2000-2002 biennium and each biennium thereafter, the Authority must submit to the General Assembly a six year program of preconstruction and construction activities to maintain or increase water available within the Kentucky River.

Nursing Workforce Foundation

The Nursing Workforce Foundation was created in 2002 and governed by a Board of eleven members(KRS 314.450 to 314.464). The Board is authorized to make grants available to public and private nursing education programs and employer organizations for recruitment of students. The Board administers a matching fund program under which hospitals may sponsor a professional nursing student or practical nursing student currently enrolled in an approved nursing program by contributing to the cost of the student's education and receiving a matching contribution from the Board.

Boards and Commissions

Most occupations and professions that require a state license are licensed and regulated by one of 36 boards and commissions. Kentucky is an autonomous board state, which means that these 36 agencies are not organized under an umbrella agency, but rather function as independent, autonomous units of state government.

The basic organizational structure and functions of the boards and commissions are quite similar. Licensure boards are comprised of board members appointed by the Governor, generally for four years, with staggered terms. Boards range in size from five to fifteen members, with five being the mode. All board members, except one, are required by law to be licensed in the occupation or profession being regulated. One board member, by 1974 Act, is required to be a public member with no financial interest in the

occupation or profession being regulated. Board members are customarily appointed from lists submitted by professional associations. All board members receive a per diem and actual expenses for executing their duties, with the exception of real estate commissioners, who receive an annual salary.

The purpose of licensure boards is to license and regulate the statutorily designated occupations and professions, in order to protect the public health, safety and welfare. To accomplish this, boards have two primary areas of responsibility: licensure and enforcement. The licensure function deals with entry into the profession. In broad terms, the boards determine an individual's initial fitness and competency to practice an occupation or profession. Boards process applications for licensure, check qualifications against statutory requirements, administer licensing examinations and issue and renew licenses. The enforcement function involves tasks designed to assure that licensees continue to practice competently after initial licensure. Specifically, boards administer continuing education requirements, process complaints against licensed practitioners, conduct investigations, hold hearings and take disciplinary actions against incompetent or fraudulent practitioners. Disciplinary sanctions range from reprimands to license revocations. In performing certain enforcement functions, board members function in a quasi-judicial capacity.

Licensure boards are funded differently than other state agencies. Rather than receiving General Fund appropriations, boards are permitted to put license fees and other revenues into trust and agency accounts, which are used to finance board activities. Trust and agency accounts are revolving funds and unexpended money does not lapse to the General Fund at the end of a fiscal year or biennium.

The **Division of Occupations and Professions**, under the Finance and Administration Cabinet, was created in 1974 to provide administrative services to licensure boards. The enabling legislation gave each board the discretion to utilize these services. The Division provides basic logistical support services for board meetings, regulation promulgation, test administration, licensure issuance and renewal and disciplinary hearings. Each board reimburses the Division for services rendered from license fee revenues.

The **Boards and Commissions** that license and regulate occupations and professions are as follows:

<u>BOARD/NO. OF MEMBERS</u>	<u>OCCUPATIONS/PROFESSIONS REGULATED</u>
Accountancy • 7 Members	Certified public accountants Public accountants
Alcohol and Drug Counselors • 7 Members	Alcohol and drug counselors
Architects • 8 Members	Architects

BOARD/NO. OF MEMBERS	OCCUPATIONS/PROFESSIONS REGULATED
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Art Therapists • 5 Members	Professional art therapists
Athletic Commission • 5 Members	Professional boxing and wrestling
Auctioneers • 5 Members	Apprentice auctioneers Auctioneers
Barbering • 5 Members	Barbers Apprentices Teachers of barbering Barber shops Barber schools
Chiropractic Examiners • 5 Members	Chiropractors
Counselors • 7 Members	Professional Counselors
Dentistry • 9 Members	Dentists Dental hygienists Dental laboratory technicians Dental laboratories
Dietitians and Nutritionists • 7 Members	Dietitians and nutritionists
Embalmers & Funeral Directors • 5 Members	Embalmers Funeral directors Apprentices
Professional Engineers & Land Surveyors • 9 Members	Engineers Land surveyors
Fee-Based Pastoral Counselors • 5 Members	Pastoral counselors
Professional Geologists • 5 Members	Geologists

<u>BOARD/NO. OF MEMBERS</u>	<u>OCCUPATIONS/PROFESSIONS REGULATED</u>
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Hairdressers & Cosmetologists • 5 Members	Apprentice cosmetologists Cosmetologists Manicurists Beauty salons Apprentice instructors of cosmetology Instructors of cosmetology Cosmetology schools
Hearing Instrument Specialists • 9 Members	Hearing aid dealers
Interpreters for Deaf and Hard of Hearing • 7 Members	Interpreters
Landscape Architects • 5 Members	Landscape architects
Marriage and Family Therapists • 7 Members	Marriage and family therapists
Medical Licensure • 11 Members	Physicians Osteopaths Paramedics Athletic trainers Physician assistants
Nursing • 15 Members	Registered nurses Licensed practical nurses Advanced registered nurse practitioners
Nursing Home Administrators • 9 Members	Nursing home administrators
Occupational Therapy • 7 Members	Occupational therapists
Ophthalmic Dispensers • 5 Members	Ophthalmic dispensers
Optometric Examiners • 5 Members	Optometrists

BOARD/NO. OF MEMBERS	OCCUPATIONS/PROFESSIONS REGULATED
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Pharmacy
• 6 Members

Pharmacists

Physical Therapy
• 5 Members

Physical therapists

Podiatry
• 5 Members

Podiatrists

Private Investigators
• 7 Members

Private Investigators

Psychologists
• 7 Members

Psychologists
Certified psychologists
Psychological associates

Real Estate Appraisers
• 5 Members

Real estate appraisers

Real Estate Commission
• 5 Members

Real estate brokers
Real estate sales associates

Respiratory Care
• 7 Members

Respiratory care practitioner

Social Work
• 7 Members

Social workers

Speech-Language Pathology
& Audiology
• 5 Members

Speech-language pathologists
Audiologists

Veterinarians
• 5 Members

Veterinarians
Veterinary technicians
Veterinary technologists

REVENUE CABINET

The seven-member State Tax Commission created in 1916 was comprised of four state representatives and three state senators selected by the Governor. A new three-member State Tax Commission was created in 1917 and it assumed the duties of the State Board of Valuation and Assessment and the State Board of Equalization. In 1934, the Department of Revenue and Taxation was created and the existing State Tax Commission was authorized to organize the Department. In 1936, the Department of Revenue and Taxation became the Department of Revenue and was headed by a Commissioner. The Kentucky Tax Commission was established in the Department, along with Divisions of General Taxation, Motor Vehicles, Local Finance, and Research and Statistics. The Revenue Cabinet was created by executive order effective July 1, 1982.

The Revenue Cabinet is the chief revenue collection agency for Kentucky State Government. As such it is responsible for administration of all General Fund taxes and the major Road Fund taxes and the assessment and collection of 47 separate state taxes. The Cabinet's duties include equalization of tax assessments, assessment of public utilities and public service corporations, and enforcement of revenue and tax law (KRS 131.030). The Cabinet is made up of the Office of the Secretary and four departments, the Departments of Tax Administration, Property Valuation, Information Technology, and Law.

Office of the Secretary

The Office of the Secretary of Revenue was created as part of the 1982 reorganization of the Department of Revenue. The Secretary of Revenue, assisted by a Principal Assistant and clerical personnel, is responsible for the operation of the Cabinet (KRS 131.020).

The **Office of Financial and Administrative Services** was created by Executive Order 97-715, issued on June 11, 1997. The Office is responsible for budgeting, purchasing, personnel and payroll, property and mail services, employee training and development, public information, tax forms management, and assisting property valuation administrators in budgetary and personnel matters.

The **Office of Taxpayer Ombudsman** is created in KRS 131.071 to coordinate the resolution of taxpayer complaints, make recommendations to the Cabinet on informational publications and employee education programs, make recommendations on simplification of tax laws, and report at least annually to the Secretary.

The **Office of General Counsel** was created by Executive Order 99-320, effective March 16, 1999. The Office is responsible for oversight of general legal issues in the Cabinet, such as human resource/personnel litigation, contract disputes, budgetary issues, and other general administrative issues.

Department of Tax Administration

The Department of Tax Compliance, created as the Department of Processing and Enforcement when the Department of Revenue was elevated to cabinet status, was renamed in 1994 as the Department of Compliance and Taxpayer Assistance. Executive Order 97-715, issued on June 11, 1997 and confirmed by 1998 HB 503, renamed the agency the Department of Tax Administration. The Department consolidated into one major operating unit all the functional responsibilities related to enforcing Kentucky's tax laws (except for ad valorem taxes) and processing tax information. The Department is headed by a Commissioner, who oversees the operations of three divisions, Collections, Field Operations, Compliance and Taxpayer Assistance, and Revenue Operations. The Department's duties include record keeping, providing data services, conducting audits, rendering taxpayer assistance, collecting delinquent taxes, providing word processing services, and enforcing the criminal laws involving revenue and taxation.

Department of Property Valuation

The Department of Property Valuation, called the Department of Property Taxation until renamed by Executive Order 97-715, issued on June 11, 1997 and confirmed by 1998 HB 503, is responsible for the administration and supervision of the programs and processes involved in state and local property tax assessment and equalization, and in state and local tax collection. The general authority is outlined in KRS 131.020 and 131.030; however, numerous statutes in KRS 131, 132, 133, 134, and 136 define and describe the Department's duties. These include providing administrative support, technical assistance, and supervision to 120 PVA offices and the coordination of the property tax activities of sheriffs, county clerks, and other local officials. In addition, the Department directly assesses public service companies and various other classes of property; administers the centralized Motor Vehicle Tax System (MOTAX); administers the centralized Intangible Property Tax Assessment System; administers a program to audit taxpayer compliance in listing intangible and tangible personal property; administers the mapping program; and administers programs to collect delinquent and omitted taxes.

The Department consists of three divisions and is headed by a Commissioner. The divisions are Local Valuation, State Valuation, and Technical Support.

Department of Information Technology

The Department of Information Technology was created by Executive Order 97-715, issued on June 11, 1997 and confirmed by 1998 HB 503. The Department deals with issues of physical property, budget, human resources, training, and tax return processing, as well as various facets of information availability, processing, management and other technology issues. The Department consists of two divisions: Systems Planning and Development, and Technology Infrastructure Support.

Department of Law

The former Office of General Counsel was elevated to Department status by Executive Order 97-715, issued on June 11, 1997 and confirmed by 1998 HB 503. (As noted above, on March 16, 1999 an Office of General Counsel was created and attached to the Office of the Secretary.) The Department is headed by a Commissioner. The Department is responsible for establishing tax policy, administering the legislative program, conducting tax research, and administering taxpayer protests. There are five divisions in the Department of Law: Legal Services, Tax Policy, Research, Protest Resolution, and Collections.

EDUCATION, ARTS, AND HUMANITIES CABINET

The Education and the Arts Cabinet, established by an executive order in 1973, was reorganized and renamed the Education and Humanities Cabinet in 1982, and was renamed the Education, Arts, and Humanities Cabinet in 1994.

Office of the Secretary

The Office of the Secretary was established during the 1974 reorganization of state government. The Secretary is appointed by the Governor to provide coordination and direction for the various agencies and programs which comprise the Cabinet.

The **Kentucky Environmental Education Council** was created in 1990 as an independent agency attached to the Cabinet for administrative purposes and named the Environmental Council. The Council was renamed the Kentucky Environmental Education Council by Executive Order 95-649, issued on June 21, 1995, and upon expiration of that order, by Executive Order 96-918, issued on July 15, 1996. The nine-member council is appointed by the Governor for four-year terms. The Council has several functions under KRS 157.915, including promoting environmental literacy and creating and updating annually a five-year management and operational plan on state environmental education programs.

The 1992 General Assembly refused to confirm certain provisions of Executive Order 90-727, and abolished the Governor's Office of Cultural Affairs, and transferred the Governor's School for the Arts, the Kentucky Arts Council, the Crafts Branch, and the Visual Arts Resource Program to the Office of the Secretary of the Education and Humanities Cabinet. Executive Order 94-1186 and 96-920 removed the Kentucky Arts Council from the Office of the Secretary and attached it to the Cabinet as a independent agency.

The **School for the Arts** is a summer residential program at the Kentucky Center for the Arts for artistically gifted Kentucky high school juniors and seniors. Approximately 160 students are served during the three-week program.

In 1994 the **Governor's Scholars Program** was transferred from the Governor's Office to the Office of the Secretary of the Education, Arts, and Humanities Cabinet. The program is headed by an executive director appointed by the Secretary with approval of the Governor. The program is responsible for implementing an enrichment program for academically gifted students (KRS 158.796).

The **Operations and Development Office** was created as the Office of Development by Executive Order 93-184 and confirmed by the 1994 General Assembly. The Office was renamed the Operations and Development Office by Executive Order 96-940, issued on July 16, 1996. The Office is headed by an executive director. Its duties include solicitation of resources and revenue to fund cabinet programs, identification of revenue sources within the private sector and federal government, and compilation of a list of entities that currently support cabinet programs.

The **Kentucky Foundation for the Arts** was established in 1998 (KRS 153.180) as a nonprofit foundation to enhance the stability of Kentucky's arts organizations and to

ensure Kentuckians have access to the arts through the support of an endowment fund. The Kentucky Arts Council provides staff support and facilities.

Department for Libraries and Archives

In 1833, the General Assembly created the office of State Librarian, who was elected to the position. In 1910, the five-member Library Commission was created to assist, advise, and counsel all school, state institutional, free and public libraries, and all communities on library management. The Kentucky Department of Library and Archives was created in 1936 and assumed the duties of the Library Commission. The Governor was authorized to appoint the State Librarian. In 1954, the Department was abolished. The Library Extension Division continued as an independent agency of state government. In 1962, the Division became the Department of Libraries. It was reorganized in 1973 and renamed the Kentucky Department of Libraries and Archives. In 1982 it was named the Department for Libraries and Archives. The Department for Libraries and Archives addresses the state's information and knowledge needs by initiating and directing statewide activities for library and archive development and for public records management. In 1990 it was directed to establish a central clearinghouse for information on Kentucky authors, including a statewide index of works and collections held by libraries in Kentucky. The **State Archives and Records Commission** is a seventeen-member body that advises the Department on matters relating to archives and records management, including the destruction of records (KRS 171.420). The Department's programs are administered by four divisions: Field Services, State Library Services, Public Records, and Administrative Services.

The **Field Services Division** provides support to public libraries in the forms of technical assistance, books, bookmobiles, and financial assistance. Consultation is provided in such areas as overall library planning and development, collection development, library programming (such as children, young adult, literacy, adult programming), and facilities construction and maintenance. In addition, reading materials and services are provided to the blind and physically handicapped population and to Kentucky's prisons.

The **State Library Services Division** operates the State Library. As such, the Division selects material (both print and non-print), catalogs and processes it, and provides library services for the clientele of the library: state government agencies, public libraries, other institutions, and individuals. This Division also catalogs and processes books the Department buys for county libraries. Finally, in an effort to equalize library service throughout the state, the Division promotes networking among all types of libraries, performs an interlibrary loan function for libraries, and operates four information centers for public library reference questions.

The **Public Records Division** prescribes and maintains standards and procedures for recording, managing, preserving, and reproducing state and local government records. It also provides technical assistance to state and local agencies in the areas of records management, archival management, micrographics, and documents preservation. This Division operates the State Archives, which is the central repository for permanent state and local records, and provides access to those records. It also operates the State Records

Center (a repository for state agency records), a micrographics laboratory and a documents preservation laboratory. In addition, the Division administers a grants program to local governments in records management.

The **Administrative Services Division** formulates and implements executive direction for policy, procedures, and planning for the Department. It also provides administrative support of the programs of the Department in the following areas: budgeting, fiscal management, personnel management, payroll, grants and contracts, facilitates management, systems coordination, shipping, and clerical support.

State Advisory Council on Libraries

The State Advisory Council on Libraries was created in 1976. The twenty-one members are appointed by the Governor for terms of four years. The Council is the state advisory council on libraries for the purposes of Section 3(8) of the Federal Library Services and Construction Act (KRS 173.810).

Teachers Retirement System

The Teachers Retirement System of the State of Kentucky was established as of July 1, 1940, for the purpose of providing retirement allowances for teachers, their beneficiaries and survivors (KRS 161.230).

The System is administered by a nine-member Board of Trustees, consisting of the Commissioner of Education, the State Treasurer, and seven trustees elected by the membership to serve four-year terms. By statute, four of the elected trustees must be active teachers, two must not be members of the teaching profession, and one must be an annuitant of the retirement system. The Board appoints an Executive Secretary to serve as chief administrative officer of the Board.

Benefits are financed through member contributions, corresponding contributions by the state or employer, and income accruing from the invested reserves of the System.

School Facilities Construction Commission

The Kentucky School Building Authority was established by the General Assembly in 1978 and operated until replaced by the School Facilities Construction Commission in the 1985 Special Session. In both cases, the purpose was to provide an agency which could help school districts build facilities through the sale of bonds.

As with any new major project, there were many procedures to be developed and questions to be resolved. One problem which the original School Building Authority was never able to overcome was that determination of need and allocation of funds were both handled by the same agency, thereby allowing more opportunity for political maneuvering.

In 1985, the General Assembly established the School Facilities Construction Commission (KRS 157.611) as an agency completely separate from the Department of Education. The Department of Education certifies to the School Facilities Construction Commission that a district is eligible to participate in the funding. The Commission is

responsible for issuing offers of assistance, based on the information provided by the Department and on the amount appropriated in the budget bill for that purpose.

In 1992 the **Education Technology Funding Program** was established in the School Facilities Construction Commission. The Commission assists local boards of education to issue bonds or enter into lease agreements to finance technological equipment and software, or major renovation of existing school facilities to allow use of educational technology. The Kentucky Education Technology Trust Fund was established in the Finance and Administration Cabinet.

Kentucky Educational Television

The Kentucky Educational Television (KET) Network was established by the 1962 General Assembly through KRS 168.010-168.100. Nearly fifty percent of the service is in-school instructional programming. The Public Broadcasting Service represents fifty percent of the service, including national, regional, and local programs in adult education and cultural and public affairs. Virtually all Kentucky citizens can receive the KET signal at home and 98 percent of Kentucky schools actively use KET in their classrooms.

KET is separated into three program areas. General Administration and Support ensures the operations and programs of KET meet the statutory mandates. Broadcasting and Education selects instructional and public programming for distribution by KET. Engineering operates and maintains the 15-transmitter broadcast network and a satellite delivery system. KET delivers approximately 10,000 hours of programming each year via open broadcast and satellite.

KET operations are regulated by **The Kentucky Authority for Educational Television**, a nine-member board created to prescribe and enforce regulations governing the use of educational television (KRS 168.030). Gubernatorial appointees to the Authority are made from nominations submitted to the Governor by the Governor's Higher Education Nominating Committee.

Kentucky Geographic Education Board

The Kentucky Geographic Education Board was created in 2000 to provide leadership and planning for geography education for the population of Kentucky (KRS 157.930). The 12-member board creates an annual plan to improve assessment, curriculums, outreach, and professional development related to geography education. It establishes a competitive system to award grants for geography education programs, seeks and receives private support to fund state programs, and reports annually to the Governor, the Legislative Research Commission, the Kentucky Board of Education, and the Council on Postsecondary Education.

Kentucky Heritage Council

The Kentucky Heritage Commission was founded in 1966 to meet the requirements for receiving federal funds provided under the guidelines of the National Historic Preservation Act of 1966. The Commission was abolished by Executive Order in 1981 and its duties were transferred to the Department of the Arts. In 1982, the General Assembly recreated the separate state agency, naming it the Kentucky Heritage Council (KRS 171.3801).

The Council consists of not more than sixteen members, appointed by the Governor, who have an interest in the preservation and protection of Kentucky's heritage. The Council includes a heritage division, headed by a director appointed by the Governor from a list of three nominees submitted by the Council. The director serves as the state historic preservation officer.

The Council is charged with administering a comprehensive state historic preservation program. Its duties are carried out by its staff, headed by the State Historic Preservation Officer. There are three subprograms: Site Identification and Registration, Site Protection, and Site Development. The Council administers the National Historic Preservation Program in Kentucky, distributes federal funds, and provides technical assistance to local units of government, planning agencies, state and federal agencies and local preservation agencies on all aspects of historic preservation.

The **Kentucky African-American Heritage Commission** was created by Executive Order 95-343, issued on April 7, 1995, and by Senate Bill 84, enacted by the 1996 General Assembly (KRS 171.800), and is attached to the Kentucky Heritage Council for administrative purposes. The Governor appoints seventeen members and there are three ex officio members. The Commission is dedicated to the preservation and protection of all meaningful vestiges of Kentucky's African-American heritage. The Commission advises the Secretary and agencies in the Cabinet on matters relating to African-American heritage, encourages other public and private agencies to incorporate the African-American influence when developing programs on the history and heritage of Kentucky, represents a network of groups and individuals interested or involved in promoting awareness of African-American heritage in Kentucky, and advocates preservation of sites and documents that represent and embody the African-American heritage.

The **Kentucky Military Heritage Commission** was created in 2002 as an independent agency of the Commonwealth (KRS 171.780 to 171.788). The Commission consists of the Adjutant General, Director of the Kentucky Historical Society, the state historic preservation officer, the Executive Director of the Commission on Military Affairs, and the Commissioner of the Department of Veterans' Affairs. The Commission meets not less than twice a year to consider nominations of geographic locations proposed as military heritage sites and nominations of objects as military heritage objects.

Kentucky Historical Society

The Kentucky Historical Society was created by the General Assembly in 1880. Pursuant to KRS 171.311-171.395 and, as set forth in its charter, the goal of the Kentucky

Historical Society is to collect, maintain, and preserve authentic records, information, facts, and relics connected with the history of the Commonwealth, and to promote a wider appreciation of American heritage. The Society is governed by an Executive Committee, whose members are elected by its general membership. The Society was reorganized by Executive Order 91-518, effective June 16, 1991, and confirmed by HB 139 during the 1992 Session of the General Assembly. The Collections and Preservation Division and the Resource Development Division were abolished. In 1994, the Society Services Division was replaced by the Oral History and Educational Research Division. The Society has four divisions: Research and Publications, Administration, Museum, and Oral History and Educational Research. The divisions are headed by a director appointed by the Executive Committee of the Kentucky Historical Society.

In 1994, the **Kentucky Oral History Commission** was attached to the Oral History and Educational Research Division. The Kentucky Oral History Commission traces its beginnings to the creation of the Kentucky Bicentennial Oral History Commission by Executive Order in 1976. For bookkeeping purposes, the Commission at that time was attached to the Department of Libraries and Archives. In 1979, bookkeeping and related administrative responsibilities were transferred to the Kentucky Historical Society, an action not officially taken by Executive Order until 1981. In 1982, the General Assembly clarified the independent status of the Commission, by creating a separate administrative body of state government. In 1994 the General Assembly directed the Commission to serve in an advisory capacity to oral history activities at the Kentucky Historical Society. The Commission has twelve voting members, ten members appointed by the Governor and two ex officio members, the Commissioner of the Department for Libraries and Archives and the Director of the Kentucky Historical Society. By statute, the Commission is charged with coordinating, promoting and assisting in the development of oral history programs for the state. In addition, the Commission is responsible for accumulating tape recordings and other means of preserving the history of the Commonwealth (KRS 153.380).

The **Lewis and Clark Bicentennial Commission** was created in 2002 with enactment of House Bill 737 and Senate Bill 229. The Commission consists of nineteen members. The Commission educates Kentuckians and the nation about Kentucky's important role in the Lewis and Clark expedition, assists local governments and organizations with planning and grant applications for bicentennial events and projects, plans and implements appropriate events to commemorate the bicentennial, and acts as a point of contact for national bicentennial organizations. The Commission expires on January 1, 2008.

Kentucky Natural History Museum Board

The Kentucky Natural History Museum Board was created in 2000 to establish the Kentucky Natural History Museum (KRS 146.650). The director of the Kentucky Historical Society serves as the first chair of the board. The board hires a director to administer the museum. A curation and science unit is created within the museum to collect specimens of Kentucky's extant and fossilized flora and fauna, identify and inventory significant archeological sites, collaborate with scientists in sharing data and

developing databases, cataloging and maintaining specimens and artifacts, and conduct research. An education and events unit is created within the museum to develop programs for the general public and public schools, publicize museum activities, conduct an annual symposium, and perform other functions. The exhibits and maintenance unit is created to plan, design, construct, and maintain exhibits.

Commission for the Deaf and Hard of Hearing

The Commission for the Deaf and Hearing Impaired was established in 1982 in accordance with KRS 163.500-163.520 and, in 1994, was renamed the Commission for the Deaf and Hard of Hearing.

The Commission consists of fourteen members. Seven members are appointed by the Governor. Members who are not state officials serve for a term of three years. The Commission serves in an advisory capacity to the Governor and the General Assembly concerning policy and programs to enhance the quality and coordination of services for the deaf and hearing impaired in both the public and private sectors. Additionally, the Commission oversees the provision of interpreter services to the deaf and hearing impaired. The Commission also identifies and surveys public and private agencies that provide necessary services, as well as compiling needs assessment surveys and a census of the deaf and hearing impaired population.

Kentucky Arts Council

The Kentucky Arts Council was removed from the Office of the Secretary by Executive Order 94-1186, issued on November 16, 1994, and upon the order's expiration, by Executive Order 96-920, issued on July 15, 1996 and confirmed by 1998 SB 160. It was previously transferred from the Department of the Arts to the Cabinet for Economic Development on August 7, 1990 (EO 90-727), and to the Education and Humanities Cabinet in 1992. The Council develops and promotes a state policy of support for the arts in Kentucky, pursuant to KRS 153.210 to 153.235. The Kentucky General Assembly established the Council in 1966 and the sixteen members are appointed by the Governor. The Council's major programs are: Arts and Cultural Organization Support, Community Arts Development, Arts Education, Crafts Marketing, Individual Artists Recognition and Support, Project Grants, and Folk and Traditional Arts Support. The Visual Arts Resource Program was abolished by Executive Order 96-920.

Kentucky Center for the Arts

The Kentucky Center for the Arts, which opened in November 1983, was authorized under KRS 153.400 to serve as a catalyst in the development of Louisville and Jefferson County as a major convention and entertainment center. The Center is designed to accommodate productions of the orchestra, theatre, dance, and opera. Generally, the Center concentrates on the Kentucky arts and five resident art groups. The Center hosts many national and international artists, as well as the five Louisville-based arts organizations, who perform a diverse range of programs: music, theater, dance, opera,

and Kentucky folklife. Over 400,000 persons attend events at the Center each year. The Kentucky Center for the Arts has three theatres: the 2,400-seat Robert S. Whitney Hall, the 620-seat Moritz von Bomhard Theater, and the Boyd Martin Experimental Theatre, which can accommodate 90 to 139 persons.

The **Kentucky Center for the Arts Corporation** consists of fifteen members appointed by the Governor to four-year terms (KRS 153.410). The Corporation provides all management functions for the Center, promotes the growth and development of the arts, appoints an executive director, and has exclusive control of all exhibitions, performances, and concessions in the Center for the Arts. The Corporation may take and acquire property, issue revenue bonds, levy a surcharge on tickets, establish an executive committee, sue and be sued, purchase liability insurance, and develop tourist packages (KRS 153.420). In 1994, the Center was transferred from the Finance and Administration Cabinet to the Education, Arts, and Humanities Cabinet.

Superintendent of Public Instruction

In 1838, the General Assembly enacted legislation establishing a system of common schools in Kentucky, providing a common school fund, creating a state board of education, and requiring the Governor to appoint a Superintendent of Public Instruction. The board of education was composed of the Secretary of State, the Attorney General, and the Superintendent of Public Instruction, who was designated as president of the board. The Superintendent was appointed for a term of two years. The board appointed five commissioners of common schools in each county. The commissioners examined and certified teachers. The commissioners applied to the Superintendent of Public Instruction for moneys for use by the common schools and apportioned it among school districts according to the number of children between ages seven and seventeen. The common school fund consisted of the interest upon \$850,000 of the fund set apart by the Commissioners of the Sinking Fund and other moneys appropriated for the use of common schools. In 1849, the people of Kentucky voted 74,628 to 37,746 to instruct the General Assembly to impose a tax of two cents per \$100 of property "for the purpose of establishing, more permanently, a Common School System in the State." The money was distributed in each county in proportion to the number of children between ages five and sixteen.

In 1850, Kentucky adopted its third Constitution, which was the first to provide for education. In Article XI it made the Superintendent of Public Instruction an elected constitutional officer and provided for the Common School Fund. The Fund consisted of \$1,225,068.42, for which bonds had been executed by the Board of Education, \$73,500 of stock in the Bank of Kentucky, \$51,223.29, which was the balance of interest on the school fund for 1848, and any other funds raised for education.

In 1908, the General Assembly enacted legislation requiring each county board of education to establish one or more high schools within two years, and the Educational Commission was created to investigate the whole school system. In 1918, the State Textbook Commission was created. In 1928 legislation was enacted to require that free textbooks be made available to public school students, but no funds were appropriated until 1936. In 1934, the Department of Education was established, the Superintendent of

Public Instruction was designated as head of the Department, the State Textbook Commission became a division of the Department, and the Educational Commission was abolished. In 1990, the Kentucky Education Reform Act (KERA) created the position of Commissioner of Education, effective January 1, 1991, and provided that the Superintendent of Public Instruction serve as chief state school officer until the close of business on December 31, 1990. KERA reduced the Superintendent's salary to \$3,000 per year. In 1992, KRS 156.120 was amended to provide that the duties of the Superintendent of Public Instruction are to act as a citizen advocate for elementary and secondary education and to perform duties assigned him by the Secretary of the Education, Arts, and Humanities Cabinet. The office was deemed not to require any administrative support, including space or staff. A constitutional amendment was adopted in November, 1992 that abolished the Superintendent of Public Instruction as a constitutional office.

The Department of Education

The structure of the Department of Education was significantly affected in 1990 with enactment of HB 814 and HB 940. The Workforce Development Cabinet was created in HB 814 (KRS Chapter 151B), which required the Department of Education to transfer to the new Cabinet the State Board of Adult, Vocational Education and Vocational Rehabilitation; Adult Vocational Education; Office of Vocational Rehabilitation; and Adult Basic Education programs. HB 940, the Kentucky Education Reform Act of 1990 (KERA), was enacted in response to a 1989 Kentucky Supreme Court decision that held Kentucky's system of common schools to be unconstitutional (*Rose v. Council For Better Education, Inc.*, 790 S.W.2d 186). KERA provided that positions in the Department of Education were to be abolished, that all employees were to be terminated at the close of business on June 30, 1991, and directed the new Commissioner of Education to reorganize the Department with new positions as of July 1, 1991.

On June 28, 1991, the Commissioner issued Executive Order 91-DOE-01, which reorganized the Department of Education. The Kentucky Board of Education hires the Commissioner of the Department of Education, who serves as the chief state school officer. Executive Order 98-1671 issued on December 17, 1998 and confirmed by 2000 House Bill 79 reorganized the Department of Education. Executive Order 98-1671 created a Division of Teacher Education and Certification, but that division was abolished by Executive Order 2000-851 effective July 1, 2000, which was amended by Executive Order 2000-1226 issued on September 14, 2000. Executive Order 2001-795 issued on June 25, 2001, and confirmed by 2002 SB 147 reorganized the Department as follows:

1838	System of Common Schools State Board of Education Common School Fund Joseph J. Bullock appointed as first Superintendent of Public Instruction
1849	Property Tax to Establish Permanent Common Schools System
1850	Robert J. Breckinridge becomes first elected Superintendent of Public Instruction
1876	Ky Institution for the Education of the Blind (KIEB)
1908	Educational Commission
1916	KIEB renamed the Ky School for the Blind
1918	State Textbook Commission
1928	Free Textbooks (not funded until 1936)
1934	Department of Education
1990	KERA
1991	Thomas C. Boysen appointed as first Commissioner of Education
1992	Superintendent of Public Instruction abolished as constitutional office.

- The Office of the Commissioner
- The Bureau of Operations and Support Services
 - Office of Internal Administration and Support
 - Office of Legal and Legislative Services
 - Office of Communications

Office of Results Planning
The Bureau of Learning and Results Services
Office of Special Instructional Services
Office of Leadership and School Improvement
Office of Supportive Learning Environments
Office of Assessment and Accountability
Office of Academic and Professional Development
Office of District Support Services
Office of Education Technology

The Department of Education provides assistance with curriculum design, school administration and finance, monitoring school district management, research and planning, and other services. The Commissioner established **regional service centers**, effective January 1, 1992, which are staffed by Department employees (KRS 156.017). The primary focus of the centers is professional development of employees of school districts. In 1994 the General Assembly enacted HB 499, directing the regional service centers to make technical assistance available to school districts and school councils relating to safety and prevention of abduction and kidnapping of young children, and recommended that the Department advise school-based decision making councils that training is available. A **Principals Assessment Center**, which administered the process that a principal must complete to qualify for initial or continued employment as a principal (KRS 156.105), was repealed in 1996 by House Bill 99. A **Superintendents Training Program and Assessment Center** trains superintendents in certain subjects and administers written qualifying examinations for initial or continued employment (KRS 156.111). The Department designates each school facility as a permanent, functional, or transitional center, based on certain criteria. A transitional center is one destined to be closed and is not eligible for new construction, additions, or major renovations. The Department provides assistance to the **Kentucky Early Mathematics Testing Program** (KRS 158.803).

The first **Commissioner of Education** assumed the duties as the chief state school officer on January 1, 1991. The Commissioner is the chief executive of the Department of Education and is responsible for administering, structuring, and organizing the department and its services (KRS 156.010). The Commissioner is appointed by the Kentucky Board of Education and serves at the pleasure of the Board. The first Commissioner was appointed by the former State Board for Elementary and Secondary Education after a national search was conducted by a temporary Education Management Selection Commission. The Commissioner is the executive and administrative officer of the Kentucky Board of Education; carries out all duties assigned him by law; executes, under the direction of the Board, the educational policies, orders, directives, and administrative functions of the Board; and directs the work of all persons employed in the Department of Education (KRS 156.148).

The **Kentucky Board of Education**, formerly known as the State Board for Elementary and Secondary Education, until renamed by Executive Order 95-112, issued on February 1, 1995, is appointed by the Governor and confirmed by the Senate and

House of Representatives of the General Assembly pursuant to KRS 156.029. The Board consists of eleven members. Seven members represent each of the seven Supreme Court districts and four members represent the state-at-large. The Board hires the Commissioner of Education. The Board's primary function is to adopt policies and administrative regulations, with the advice of the **Local Superintendents Advisory Council**, by which the Department of Education is governed in planning, coordinating, administering, supervising, operating, and evaluating the educational programs, services, and activities within the Department which are within the jurisdiction of the Board. The Board has the management and control of the common schools and all programs operated in the schools, including interscholastic athletics, the **Kentucky School for the Deaf**, the **Kentucky School for the Blind**, and community education programs and services (KRS 156.070). (The Kentucky Institution for the Education of the Blind was established in Louisville in 1876 and governed by a Board of Visitors. In 1916, the institute was renamed the Kentucky School for the Blind, and in 1936 the functions of the Board of Visitors were transferred to the state board of education.) The Kentucky School for the Deaf and the Kentucky School for the Blind serve as the Statewide Educational Resource Center on Deafness and as the Statewide Educational Resource Center on Blindness, respectively (KRS 167.015). The **Kentucky School for the Deaf Advisory Board** is composed of nine members appointed by the Board of Education and assists the school superintendent in conducting activities of the school (KRS 167.037). The Board of Education establishes the criteria for the **Kentucky Distinguished Educators Program** (KRS 158.782). The Board creates a nine-member advisory committee to make recommendations to the board regarding the establishment of an intensive writing component in the state program of studies for grades seven through ten and the establishment of innovative pilot writing programs in selected districts (KRS 158.770). The Board also establishes regulations concerning the **Schools to Careers** grant program, established in 1998 (KRS 158.760 and 158.7603). Regulations are promulgated by the board for the **Kentucky Special Education Mentor Program**, created in 1998 (KRS 157.197) to honor the state's most outstanding and highly skilled persons who are certified to teach or administer special education. The **Early Childhood Education Program** is developed by the board which includes basic principles of child development, early childhood education, and all other concepts that deal with generally accepted early childhood programs (KRS 157.317). The **Kentucky Early Childhood Advisory Council** advises the chief state school officer on implementation of early childhood education programs. The Board of Education develops a program of instruction relating to the flag of the United States, including etiquette and correct use and display of the flag (KRS 158.175).

The **Council for Education Technology** was established in 1992 and is attached to the Kentucky Board of Education. The eleven-member Council develops a long-range master plan for the efficient and equitable use of technology, creates and monitors a statewide network of technology services, works with private enterprise to encourage development of products designed to meet Kentucky's educational needs, recommends a policy on granting right of ways for laying of fiber optic cable, and encourages an environment receptive to technological progress in education (KRS 156.666).

The **State Advisory Committee for Educational Improvement** was created in 1978 and is composed of 18 persons appointed by the Governor to advise the Governor, the Kentucky Board of Education, and the Department on the implementation of the standards of student, program, service, and operational performance (KRS 158.680).

The **Kentucky Institute for Education Research Board** was authorized by Executive Order 92-1258 and confirmed by the General Assembly in 1994. It is composed of ten members appointed by the Governor. The Board serves as a stimulus and clearinghouse for Kentucky Education Reform Act related research projects. The Board is charged with having an in-depth evaluation conducted of the impact of KERA, making recommendations on enhancement of KERA, and preparing an annual report. The Board is authorized to hire an executive director and staff (KRS 158.683).

The **Local Superintendents Advisory Council** was created in 1994 and consists of eleven local school district superintendents appointed by the Legislative Research Commission. The Council advises the chief state school officer and the Kentucky Board of Education concerning the development of administrative regulations and education policy. The chief state school officer must submit all proposed administrative regulations and educational policies for review by the Council prior to seeking approval of the Kentucky Board of Education (KRS 156.007).

The **Council for Community Education** was created by legislation enacted in 1998(KRS 160.158). The fifteen members are appointed by the Governor. The Council advises the Commissioner of Education and the Department of Education on issues relating to community education programs and makes recommendations for funding of local community education programs.

The **Center for School Safety** was established in 1998 (KRS 158.440 to 446). The Center serves as the central point for data analysis, research, and dissemination of information about successful school safety programs, and provides technical assistance for safe schools in collaboration with the Department. The Governor appoints the members of the board of directors.

The **State Advisory Council for Gifted and Talented Education** was created in 1998 to make recommendations regarding provision of services for gifted and talented students in Kentucky's education system. The Council advises the Commissioner of Education, the Kentucky Board of Education, and the Education Professional Standards Board.

The **Early Reading Incentive Grant Steering Committee** was created in 1998 (KRS 158.794) to advise the Kentucky Board of Education and the Department of Education concerning implementation of the early reading incentive grant fund, which was created to improve the reading skills of students in the primary program.

The **Teachers' Professional Growth Fund** was created in 2000 to provide teachers with high quality professional development in content knowledge in the core disciplines of mathematics, science, language arts, and social studies (KRS 156.553). During the years 2000-2004 priority is given to middle school teachers. The fund provides money to teachers for tuition reimbursement, stipends, and reimbursement for approved professional development activities. The fund is administered by the Department of Education.

CABINET FOR HEALTH SERVICES

In 1878, the State Board of Health was created. The Board consisted of seven members, six appointed by the Governor with consent of the Senate, and the other being the Superintendent of Vital Statistics, who served as secretary to the Board. In 1906, the three-member State Board of Control of Charitable Institutions was established to manage and govern three asylums for the insane and the Feeble-Minded Institute in Frankfort. In 1918 the five-member State Board of Control was created and the State Board of Control of Charitable Institutions was abolished. In 1920, the State Board of Control was abolished and the State Board of Charities and Corrections was created. In 1932, the powers of the Board were vested in the newly created Department of Public Welfare. In 1934, the Department of Health, headed by a Commissioner, was created. In 1962, the Department of Public Welfare was abolished and its duties and functions were transferred to the Department of Corrections, Department of Health, and Department of Mental Health.

On December 22, 1972, Executive Order 72-1167 created a Cabinet for Human Resources. The Department of Health (1934), the Department of Economic Security (1948), the Department of Mental Health (1952), and the Department of Child Welfare (1960) were grouped together, along with various boards and commissions, and placed in the Cabinet. In March 1973, the Office of Secretary of the Human Resources Cabinet was created (EO 73-239). On August 29, 1973, Executive Order 73-777 reorganized the Cabinet as the Department for Human Resources. In 1982, the Department became the Cabinet for Human Resources.

In 1995, the Cabinet was organized pursuant to KRS 194.010 to 194.040 and contained the following six departments: Department for Medicaid Services, Department for Mental Health and Mental Retardation Services, Department for Social Services, Department for Health Services, Department for Social Insurance, and the Department for Employment Services. Executive Order 95-289, issued on March 22, 1995, transferred the Department for Employment Services to the Workforce Development Cabinet. The order was confirmed in 1996 by enactment of House Bill 597. Also in 1995, Executive Order 95-277, issued on March 21, 1995, created the Division of Youth Services in the Justice Cabinet, to which was transferred the functions of the Division of Youth Services in the Department for Social Services. Executive Order 96-1503, issued on November 8, 1996, abolished the Division in the Justice Cabinet and created a Department of Juvenile Justice in the Justice Cabinet.

On December 28, 1995, Executive Order 95-79 abolished the Cabinet for Human Resources and created two Cabinets: Cabinet for Health Services, and Cabinet for Families and Children. Upon expiration of the order, Executive Order 96-862 was issued on July 2, 1996, to create the Cabinet for Health Services and the Cabinet for Families and Children. 1998 HB 132 confirmed Executive Order 96-862.



The Cabinet for Health Services is the primary state agency for operating the public health, Medicaid, certificate of need and licensure, and mental health/mental retardation programs in the Commonwealth. The function of the Cabinet is to improve the health of all Kentuckians and to improve the functional capabilities and opportunities of Kentuckians with disabilities, including the delivery of population, preventive, reparative, and containment health services in a safe and effective fashion. The Cabinet accomplishes its function through direct and contract services for planning through the state health plan and departmental plans, for program operations, for program monitoring and standard setting and for program evaluation and resource management.

Legislation enacted in 2000 created new duties for the Cabinet. The Cabinet must designate one nonprofit corporation in each area development district to serve as the regional rape crisis center (KRS 211.600). The Cabinet establishes the Health Access Nurturing Development Services program as a voluntary statewide home visitation program to provide assistance to at-risk parents during the prenatal period until the child's third birthday (KRS 211.690). The Cabinet is authorized to establish an HIV and AIDS Advisory Council of no more than 30 members (KRS 214.640). The Cabinet must establish a system for reporting, by the use of a unique code, of all persons who test positive for HIV infection (KRS 214.645).

The Cabinet is headed by a Secretary appointed by the Governor.

Office of the Secretary

The Secretary exercises all authority, functions, and responsibilities previously exercised by the Secretary of the Cabinet for Human Resources relating to the administration of the public health, Medicaid, and mental health/mental retardation programs. The **Office of Minority Health** was attached to the Office of the Secretary by Executive Order 2000-1624 issued on December 29, 2000 to, among other things, serve as a repository for data on the physical and mental health of minorities. Executive Order 2002-761 issued on July 1, 2002, abolished the Office of Program Support and assigned its duties to three divisions, which are attached to the Office of the Secretary:

Division for Quality and Human Resource Management

The division is responsible for the overall quality management program, organizational development, personnel, and human resource development.

Division for Policy and Financial Management

The division is responsible for professional support to the Cabinet in the areas of budgeting, contract management, policy development and analysis, and fiscal management and operations.

Division for Technology Resources

The division is responsible for centralization and maintenance of the Cabinet's technology infrastructure and support of information management programs and initiatives within the Cabinet.

Office of the General Counsel

The Office of the General Counsel is headed by a General Counsel appointed by the Secretary with approval of the Governor. The Office provides legal advice and assistance to all units of the Cabinet.

Department for Public Health

The Department for Public Health is headed by a Commissioner who is appointed by the Secretary with approval of the Governor. The Commissioner is a duly-licensed physician and serves as chief medical officer of the state. The Department develops and operates all programs of the Cabinet that provide public health services and all programs for assessing the health status of the population for the promotion of health and the prevention of disease, injury, disability, and premature death.

The **Division of Resource Management**, formerly the division of State and Local Health Administration, is responsible for preparation of the department's budget and for financial analysis, development of uniform budgeting procedures for 55 health departments, compilation of the Medicaid preventive health services cost report for 54 health departments, preparation of Medicaid and Medicare cost reports for 16 health department home health agencies, and establishment of regulations for local fiscal operations.

The **Division of Laboratory Services** is responsible for the provision of essential examinations of clinical and environmental specimens in support of the state and local health departments and reference diagnostic testing not readily available elsewhere for hospitals and practicing physicians. It also performs tests for patients of facilities operated by the Department for Mental Health and Mental Retardation.

The **Division of Epidemiology and Health Planning** is responsible for the development and administration of departmental policies and activities in the areas of surveillance, investigation and prevention and control of chronic and communicable diseases, and in health promotion. It investigates from 2 to 20 epidemics each year and administers more than 904,000 immunizations each year to more than 380,000 persons.

The **Division of Adult and Child Health**, formerly the Division of Maternal and Child Health, took on responsibilities of the Division of Health Systems Development, abolished in 1997. The Division's programs include clinical health, drug control, emergency medical services, community health, and nutrition. The **Drug Control** program administers and enforces the Kentucky Controlled Substances Act. The Kentucky Emergency Medical Services Council was replaced in 2000 by the **Kentucky Board of Emergency Medical Services**, which was abolished and recreated in 2002 (KRS 311A.015). The Board consists of eighteen members who exercise all administrative functions of the state not regulated by the Board of Medical Licensure or the Cabinet for Health Services in the regulation of the emergency medical services system and the practice of first responders, emergency medical technicians, paramedics, ambulance services, and training institutions. Attached to the Board is the **Office of the Kentucky Board of Emergency Medical Services**, which was created by Executive Order 2000-1625 issued on December 29, 2000, and confirmed by 2001 HB 172. The

Office is headed by an Executive Director who serves at the pleasure of the Board. In 1998 there was created the **Emergency Medical Services for Children Program**, which includes the establishment of guidelines for necessary out-of-hospital medical service equipment, out-of-hospital pediatric emergency medical services, and assistance in development and provision of professional educational programs for emergency medical services personnel in emergency care of infants and children(KRS 311A.045). The Emergency Medical Services for Children Advisory Committee was repealed in 2000.

The **Division of Public Health Protection and Safety**, formerly the Division of Environmental Health and Community Safety, is responsible for administration of the environmental health and safety programs through the state agency and local health departments, including the federal and state food, drug and cosmetic acts, the food establishment acts, the hotels and food service establishments act, the food vending machines act, KRS Chapter 217C (milk and milk products), the laetrile act, the labeling hazardous substances act, the lead hazards act, the lead-based paint act, the radiation control act, the nuclear waste disposal sites act, the radiation operators act, the confinement facilities health act, the public and private water supplies act, the parks for mobile homes and recreational vehicles act, the septic tank servicing act, the on-site sewage disposal act, and other environmental health and safety acts as assigned by statute, regulation, or agreement.

The **Division of Local Health Department Operations** was created by Executive Order 97-1348, issued on October 16, 1997, and confirmed by 1998 HB 132. The Division maintains an automated patient and services reporting system that tracks approximately 4.5 million services to 725,000 patients. It operates the local health merit system, staffs a five-member merit system council, and recommends changes in the local health employee compensation and classification plan.

The **Breast Cancer Advisory Committee** develops and monitors the implementation of guidelines for access to and the quality of the services of the breast cancer screening program (KRS 214.554). The Commissioner, in consultation with the Committee, makes an annual report to the Governor, the Legislative Research Commission, and two legislative committees on the implementation and outcome from the breast cancer screening program, on the development of quality assurance guidelines for breast cancer screening, and on the funds appropriated and received and spent on breast cancer control. The executive director of the Office of Women's Physical and Mental Health was added as a member of the Committee by Executive Order 2002-25 issued on January 7, 2002.

Department for Medicaid Services

The Department for Medicaid Services is headed by a Commissioner who is appointed by the Secretary with approval of the Governor. The Department is the single state agency to administer the Title XIX of the federal Social Security Act. Executive Order 98-1673 issued on December 18, 1998 and confirmed by 2000 House Bill 84, abolished the Division of Administration and Development, the Division of Facilities and Alternative Services, and the Division of Individual and Clinic Providers and created the following 8 divisions: Division of Physical Health Programs, Children's Health Programs,

Long Term Care Programs, Behavioral Health Programs, Financial Systems, Member and Provider Services, Quality Improvement, and Management Information Systems. Executive Order 2000-1622 issued on December 29, 2000 and confirmed by 2001 HB 169 abolished Behavioral Health and created the Division of KenPAC Services. Executive Order 2001-1217 issued on September 25, 2001 and confirmed by 2002 HB 421 reorganized the Department as follows:

Office of the Commissioner
Division of Long Term Care
Division of Medicaid Mental Health and Mental Retardation
Division of Physicians and Specialty Services
Division of Medicaid Services for Maternal and Children's Health
Division of Managed Care
Division of Hospitals and Outpatient Facilities Services
Division of Program Integrity
Division of Financial Management
Division of Systems and Member Services

The Executive Order 2001-1217 abolished the divisions of physical health programs, member and provider services, management information systems, quality improvement, and KenPAC.

The eighteen-member **Advisory Council for Medical Assistance** advises the Cabinet on health and medical care services (KRS 205.540). The **Drug Management Review Advisory Board**, among other things, reviews and makes recommendations to the Commissioner on predetermined prospective drug use review standards submitted to the board by the department; it coordinates the use of utilization data to identify appropriate use of pharmaceuticals and determines the need for educational interventions (KRS 205.5631 to 5639). The **Kentucky Children's Health Insurance Program (KCHIP)** was created in 1998, with enactment of SB 128, to provide health care coverage to children through age 18 at or below two hundred percent of the federal poverty level.

Department for Mental Health and Mental Retardation Services

The Department for Mental Health and Mental Retardation Service is headed by a Commissioner who is appointed by the Secretary with approval of the Governor. The Department develops and administers programs for the prevention of mental illness, mental retardation and chemical dependence and develops and administers an array of services and support for the treatment, habilitation, and rehabilitation of persons who have a mental illness or emotional disability, who have mental retardation, or who are chemically dependent. More than 1500 inpatients are treated daily in facilities, and several thousand more are treated as outpatients in community mental health centers operated by 14 regional community mental health/mental retardation boards.

The **Developmental Disabilities Council** is attached to the Office of the Commissioner. Executive Order 71-1129 established a Developmental Disabilities Act

Planning and Advisory Council, Executive Order 78-115 reorganized the State Developmental Disabilities Planning Council, and Executive Order 79-922 appointed additional members. On November 2, 1995, Executive Order 95-1251 established the Kentucky Developmental Disabilities Council and attached it to the Office of the Commissioner of the Department for Mental Health and Mental Retardation Services. Upon expiration of that order, Executive Order 96-939 was issued on July 16, 1996, confirming EO 95-1251, which had reorganized the Council to conform to Public Law 103-230. Executive Order 98-892 was issued on July 14, 1998 and confirmed by 2000 House Bill 82, creating the Developmental Disabilities Council (KRS 194A.135). The twenty-six (26) members are appointed by the Governor and sixty percent of the members of the Council must be consumers or consumer representatives. The Council serves as advocate for individuals with developmental disabilities and conducts programs, projects, and activities which promote systemic change and capacity building. It examines at least once every three years the provision of and need for federal and state priority areas to address on a statewide and comprehensive basis, urgent needs for services, supports, and other assistance for individuals with developmental disabilities and their families. It also develops, in consultation with the Department, and implements the state plan for services required under Section 122 of Public Law 103-230.

The **Division of Administration and Financial Management** is responsible for overall administrative support to the Department, including development and promulgation of programmatic regulations, negotiations, development and monitoring of contracts, monitoring, analysis and management of the departmental budget, including preparation of the biennial budget, payment to contracting agencies, oversight of the Regional Mental Health and Mental Retardation Boards, fiscal and administrative management of state owned and operated mental health facilities and other technical assistance.

The **Division of Mental Health** assists in the development and provision of mental health services for adults and children, articulates mental health services budgetary needs and provides oversight of publicly funded mental health services to enhance access, quality of service and cost effectiveness.

The **Division of Mental Retardation** provides training and technical assistance to providers and administers contracts with providers for provision of services to individuals with mental retardation and other developmental disabilities. It consults with provider agencies and communities to meet support needs of individuals and monitors agencies for compliance with standards and individual outcomes. It is responsible for planning and oversight of activities in establishing an infrastructure for a comprehensive client support system.

The **Division of Substance Abuse** provides policy directions, program funding and monitoring for substance abuse prevention and treatment programs, including administration of the Substance Abuse Prevention and Treatment Block Grant, statewide administration of DUI education and treatment programs, and conduct of substance abuse treatment needs assessment program. It develops and supports a state prevention system, including regional prevention centers, targeted prevention programs, CHAMPIONS, and community action groups. The **Substance Abuse, Pregnancy and Women of**

Childbearing Age Work Group was created in 1992 as the Substance Abuse and Pregnancy Work Group. It is chaired by the Director of the Division of Substance Abuse and another member of the work group. The group meets at least quarterly and periodically assesses the extent of smoking abuse and alcohol and other substance dependency and abuse among Kentucky women who are pregnant and other women of childbearing age. It identifies, develops, and coordinates resources available and needed within the Commonwealth for any woman who is pregnant or of childbearing age and at risk of smoking abuse and alcohol and substance dependency or abuse. It issues an annual report to the Cabinet and the Legislative Research Commission. It is to expire on July 15, 2002 (KRS 222.021). KRS 222.211(2) requires the Cabinet for Health Services is required to comply with all policy recommendations of the **Kentucky Agency for Substance Abuse Policy** attached to the Office of the Governor.

The **State Supported Living Council** was created in 1992. The ten-member Council recommends priorities for fund allocations for supported living services for persons with disabilities and approves expenditures for individual plans for supported living services submitted by consumers and providers of supported living services to a regional community mental health-mental retardation board.

The **Advisory Committee for the Deaf and Hard-of-Hearing** was created in 1992. The sixteen-member Committee advises the Department of the need for particular services for persons who are deaf or hard-of-hearing and prepares a biennial report.

The **State Interagency Council for Services to Children with an Emotional Disability** was created in 1990 and is composed of the Commissioner of the Department of Education, the Commissioner of the Department for Mental Health and Mental Retardation Services, the Commissioner of the Department for Community-Based Services, the Commissioner of the Department for Public Health, the Commissioner of the Department for Medicaid Services, the Commissioner of the Department of Juvenile Justice, the Executive Director of the Administrative Offices of the Courts, and a parent of a child with an emotional disability, as well as an alternate to serve in absence of the parent member, appointed by the Governor (KRS 200.505). Executive Order 99-1200 issued on August 30, 1999 and confirmed by 2000 Senate Bill 24 added the Commissioner of Community-Based Services and the Commissioner of Juvenile Justice as members. The **State Family Advisory Council** (KRS 200.503(3)) submits two names of parents, from which the Governor selects the parent member (KRS 200.505). The Governor selects the chair of the Council. The purpose in creating the Council was to establish a structure for coordinated policy development, comprehensive planning, and collaborative budgeting for services for children with an emotional disability and their families. Regional interagency councils are created (KRS 200.509).

Office of Certificate of Need

Executive Order 96-862 abolished the Kentucky Health Policy Board and created the Office of Certificate of Need. The Office administers the certificate of need programs set forth in KRS Chapter 216B. It is headed by an Executive Director appointed by the Secretary with approval of the Governor. The Office approves or disapproves certificates of need for establishment of health facilities, obligation of a capital expenditure which

exceeds the minimum, substantial change in bed capacity of health facilities, substantial change in a project, acquisition of major medical equipment, alteration of a geographical area or a specific location that has been designated on a certificate of need or license, and transfer of an approved certificate of need for establishment of a new health facility or replacement of a licensed facility.

Office of the Inspector General

The Office of the Inspector General is headed by an Inspector General who is appointed by the Secretary with approval of the Governor. The Office is responsible for the conduct of audits and investigations for detecting perpetration of fraud or abuse of any program, licensing and regulatory functions, review of health facilities participating in transplant programs, and notification of prosecuting authorities of any criminal violations. Executive Order 2000-1104, effective August 16, 2000 and confirmed by 2001 SB 84, abolished the Division of Licensing and Regulation and created three divisions: long term care, licensed child care, and community health services.

The **Division of Long Term Care** is responsible for surveying to assure compliance with laws and regulations governing licensure and certification of long term care facilities. It also investigates complaints of wrongdoing involving long term care facilities.

The **Division of Licensed Child Care** is responsible for surveying child care facilities to assure compliance with laws and regulations. It also investigates complaints of wrongdoing involving child care facilities.

The **Division of Community Health Services** is responsible for surveying acute care facilities, health facilities, and other licensed or certified health services to assure compliance with laws and regulations. It also investigates complaints of wrongdoing.

The **Division of Audits** is responsible for provision of adequate and appropriate audit assistance and investigative services, to assure the most efficient use of available resources in the delivery of services to the people of Kentucky. Its duties include conducting comprehensive audits and reviews of all programs in the Cabinet, its grantees, providers, or contractors, to assure compliance with law. It also conducts special audits or investigations of financial affairs at the request of the Secretary and the Inspector General.

The **Division of Special Investigations** is responsible for carrying out surveillances and investigations related to client or provider fraud or abuse in Cabinet programs, its grantees and contractors. It monitors detection, deterrence, and prosecution of the cases and conducts special investigations requested by the Inspector General and the Secretary. The division maintains computer data bases and processing systems on investigations of suspected program fraud and abuse.

Executive Order 98-791, issued on June 24, 1998 and confirmed by 2000 House Bill 81, transferred from the Cabinet for Families and Children to the Office of Inspector General the responsibility for administration of the voluntary **certification program for assisted living facilities**. This was previously administered by the Department for Social Services (KRS 209.200).

Office of Women's Physical and Mental Health

KRS 194A.095 as enacted in 1998 required that by the year 2000 an Office of Women's Health must be created to serve as a repository for data and information affecting women's physical and mental health. The Office is directed to analyze and communicate trends in women's health issues and mental health. Its duties include planning and developing a women's health resource center within the Cabinet. Executive Order 2000-1180 issued on September 1, 2000 and confirmed by 2001 HB 124, created the Office. An Executive Director heads the Office. The Executive Director was added as a member of the Breast Cancer Advisory Committee by Executive Order 2002-25 issued on January 7, 2002.

Commission for Children with Special Health Care Needs

The Commission for Handicapped Children was created in 1960 and it was renamed the Commission for Children with Special Health Care Needs in 1994. The Commission is the official state agency charged with the statutory responsibility and authority, through KRS 200.460-200.560, to develop, implement and administer Kentucky's program of services to children with disabilities, or crippled children, or children with special health care needs under the age of twenty-one. The duties of the Commission are to prevent and/or minimize disabling conditions through early identification, diagnosis, treatment and remediation services and to maximize the capabilities of children and youth so affected. The Commission is also the statutory agency charged with the responsibility of providing a program of comprehensive care and treatment services to the hemophilia population of the state - both children and adults - and to provide them financial assistance to meet their health care needs (KRS 200.550). The nine-member **Hemophilia Advisory Committee** advises the Commission on the hemophilia treatment program (KRS 200.560). The Commission for Children With Special Health Care Needs fulfills these duties and responsibilities through a statewide network of thirteen district offices, which include a central office in Louisville. In addition to the office of the Executive Director, the Commission is organized into three divisions. The **Division of Administrative Services** is responsible for the management of the Commission budget and offices, grant administration, personnel and the operation of the statewide information system. The division arranges and oversees the screenings, evaluations, and therapies provided patients by staff health professionals and the rehabilitative medical and education services provided qualifying infants and children, and administers the Commission health service programs and initiatives. This division also manages the Kentucky High Risk Hearing Registry. Executive Order 2000-1502 issued on November 28, 2000 and confirmed by 2001 HB 89 created the Division of Medical Services and renamed the Division of Clinical Services as the Division of Care Coordination. Executive Order 2001-1322 issued on October 25, 2001 and confirmed by 2002 HB 196 abolished the Division of Medical Services and the Division of Care Coordination and created the **Division of Health and Development** and the **Division of Quality Outcomes Management**. Executive Order 2001-1322 issued on October 25, 2001 and confirmed by 2002 HB 196 transferred the **Kentucky Early Intervention**

System from the Department for Mental Health and Mental Retardation Services to the Commission. The KEIS develops and implements a statewide, coordinated, multidisciplinary interagency system of early intervention services for infants and toddlers with developmental disabilities and their families.

Office of Aging Services

Executive Order 99-80, issued on January 20, 1999, transferred responsibilities for aging services from the Cabinet for Families and Children to the newly created Office of Aging Services in the Cabinet for Health Services. The Office serves as the state unit on aging, as required by the Older Americans Act, and as liaison for the area agencies on aging for contract and service provider agreement implementation. The Office administers department grants, programs, and initiatives designed to assist older Kentuckians and administers the long-term care ombudsman program for Kentucky. Congregate meals are served at senior citizen centers in each county to persons 60 years of age and older. The Homecare program provides alternative services for frail and vulnerable adults 60 years of age and older who are physically or functionally disabled and at risk of long-term institutionalization.

Office on Alzheimer's Disease and Related Disorders

The Office oversees information and resources affecting the 60,000 Kentuckians with dementia and the caregivers and families of those persons (KRS 194A.601). The office is headed by a Director. The office enhances the quality of life for persons affected by dementia, recommends delivery of services, determines how to secure additional federal and private funding, promotes public and professional awareness and education of dementia, coordinates and oversees implementation of recommendations of the 1995 Governor's Task Force on Alzheimer's Disease and Related Disorders, and receives reports from the **Alzheimer's Disease and Related Disorders Advisory Council**. The Council is composed of at least 15 members appointed by the Governor (KRS 194A.603). The Council establishes and evaluates goals and outcomes for the office that facilitate treatment and care of persons with dementia, assists with dissemination of information, and prepares a report for submission to the office.

Institute for Aging

The Institute for Aging is composed of no more than 15 members appointed by the Governor and meets at least quarterly (KRS 194A.609). The institute advises the Secretary for Cabinet for Health Services and other state officials on policy matters relating to the development and delivery of services to the aged.

Malt Beverage Educational Corporation

The Malt Beverage Educational Corporation was created in 1998 (KRS 211.285) to receive funds from the Malt Beverage Educational Fund to fund educational programs

to deter or eliminate underage drinking. High schools can apply to the corporation for a minimum of \$500 to be given the school to support "Project Graduation" events.

Public Health Services Advisory Council

The Public Health Services Advisory Council advises the Secretary, the Commission on Public Health, and other state officials on policy matters concerning the delivery of health services, including assessment of needs, development of program alternatives, determination of priorities, allocation of resources, and evaluation of programs. (KRS 194A.090)

Kentucky Traumatic Brain Injury Trust Fund Board

The Kentucky Traumatic Brain Injury Trust Fund Board consists of nine members (KRS 211.472). The Board formulates policy and procedures for determining individual eligibility for assistance from the trust fund. The fund serves as a funding source of last resort. Expenditures on behalf of one brain injured person cannot exceed \$15,000 for a twelve month period, and the lifetime maximum is \$60,000. Covered services do not include institutionalization, hospitalization, or medications. The Board establishes a confidential medical registry for traumatic brain and spinal cord injuries occurring in Kentucky or to Kentucky residents.

Kentucky Spinal Cord and Head Injury Research Board

The Kentucky Spinal Cord and Head Injury Research Board was created in 1994 to administer the spinal cord and head injury research trust fund (KRS 211.500 to 211.504). The Board consists of seven members appointed by the Governor and meets at least twice a year. The Board authorizes and review spinal cord and head injury research projects and programs, assure that appropriated funds are not diverted to any other use, and formulates policies and procedures. The trust fund receives funds from penalties for violation of the seat belt and speeding laws and receives federal funds to supplement or match state funds.

Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnoses

The Commission was created in 2000 with enactment of House Bill 843 (KRS 210.500). The Secretary of the Cabinet for Health Services and a member of the General Assembly serve as co-chairs of the Commission. Executive Order 2002-760 issued on July 1, 2002 expanded the membership to include seven (7) representatives of executive branch agencies serving persons with mental illness or substance abuse. In addition, members representing the regional planning councils, consumers, and family members and alternates for those members were added by the executive order. The Commission meets at least quarterly and assesses the needs statewide of individuals with mental illness, alcohol and other drug abuse disorders, assesses the capabilities of the existing statewide treatment delivery system, assesses the coordination between public and private facilities, identifies funding needs, recommends comprehensive and integrated programs to provide services and preventive education, develops recommendations to decrease the incidence of multiple hospitalizations of individuals, and recommends an effective quality assurance and consumer satisfaction monitoring program. Executive Order 2002-760 directs the Commission to develop a two year work plan with specific goals to reduce the stigma associated with mental illnesses and substance abuse disorders. The Commission may establish work groups and request additional information from regional planning councils.

Kentucky Commission on Services and Supports for Individuals with Mental Retardation and Other Developmental Disabilities

The Kentucky Commission on Services and Supports for Individuals with Mental Retardation and Other Developmental Disabilities was created by the enactment of legislation by the 2000 General Assembly which became effective on April 14, 2000. The Commission consists of eleven public officials, including the secretary of the cabinet who serves as chair, and fourteen public members appointed by the Governor (KRS 210.575). Executive Order 2000-1005 issued on July 27, 2000, and confirmed by 2001 HB 125 increased the public members from twelve to fourteen. The commission meets at least quarterly to, among other things, advise the Governor and the General Assembly concerning the needs of persons with mental retardation and other developmental disabilities, to develop a statewide strategy to increase access to community-based services and supports for persons with mental retardation and other developmental disabilities, assess the need and potential utilization of specialized outpatient clinics for the medical, dental, and special therapeutic services for such persons, and evaluate the effectiveness of state agencies and public and private service providers. The commission will cease to exist on April 14, 2004, unless reauthorized by the General Assembly.

Kentucky Board of Family Health Care Providers

The Kentucky Board of Family Health Care Providers meets at least quarterly and receives staff assistance from the Cabinet (KRS 216.920). Among other things, the Board certifies new midlevel health-care practitioners, develops and administers examinations, and identifies continuing education requirements. It also approves treatment protocols and drug formularies used by licensed health care delivery networks.

CABINET FOR FAMILIES AND CHILDREN

In 1878, the State Board of Health was created. The Board consisted of seven members, six appointed by the Governor with consent of the Senate, and the other being the Superintendent of Vital Statistics, who served as secretary to the Board. In 1906, the three-member State Board of Control of Charitable Institutions was established, to manage and govern three asylums for the insane and the Feeble-Minded Institute in Frankfort. In 1918 the five-member State Board of Control was created and the State Board of Control of Charitable Institutions was abolished. In 1920, the State Board of Control was abolished and the State Board of Charities and Corrections was created. In 1932, the powers of the Board were vested in the newly created Department of Public Welfare. In 1934, the Department of Health, headed by a Commissioner, was created. In 1962, the Department of Public Welfare was abolished and its duties and functions were transferred to the Department of Corrections, Department of Health, and Department of Mental Health.

On December 22, 1972, Executive Order 72-1167 created a Cabinet for Human Resources. The Department of Health (1934), the Department of Economic Security (1948), the Department of Mental Health (1952), and the Department of Child Welfare (1960) were grouped together, along with various boards and commissions and placed in the Cabinet. In March 1973, the Office of Secretary of the Human Resources Cabinet was created (EO 73-239). On August 29, 1973, Executive Order 73-777 reorganized the Cabinet as the Department for Human Resources. In 1982, the Department became the Cabinet for Human Resources.

In 1995, the Cabinet was organized pursuant to KRS 194.010 to 194.040 and contained the following six departments: Department for Medicaid Services, Department for Mental Health and Mental Retardation Services, Department for Social Services, Department for Health Services, Department for Social Insurance, and the Department for Employment Services. Executive Order 95-289, issued on March 22, 1995, transferred the Department for Employment Services to the Workforce Development Cabinet. The order was confirmed in 1996 by enactment of House Bill 597. Also in 1995, Executive Order 95-277, issued on March 21, 1995, created the Division of Youth Services in the Justice Cabinet, to which was transferred the functions of the Division of Youth Services in the Department for Social Services. Executive Order 96-1503, issued on November 8, 1996, abolished the Division in the Justice Cabinet and created a Department of Juvenile Justice in the Justice Cabinet.

On December 28, 1995, Executive Order 95-79 abolished the Cabinet for Human Resources and created two Cabinets: the Cabinet for Health Services, and the Cabinet for Families and Children. Upon expiration of the order, Executive Order 96-862 was issued on July 2, 1996, to create the Cabinet for Health Services and the Cabinet for Families and Children. 1998 HB 132 confirmed Executive Order 96-862.

Executive Order 98-731, issued on June 16, 1998, reorganized the Cabinet by abolishing the departments for social services and social insurance and creating the Department for Community Based Services and creating new offices. Executive Order 99-1360, confirmed by 2000 Senate Bill 315, transferred the positions in the Office of Technology Services to the Governor's Office for Technology effective October 1, 1999.



The Cabinet for Families and Children is the primary state agency responsible for leadership in protecting and promoting the well being of Kentuckians through the delivery of quality human services. The Cabinet delivers social services to promote the safety and security of children and preserve their dignity. It promotes collaboration and accountability among local, public, and private programs to improve the lives of families and children. The Cabinet administers income supplement programs which protect, develop, preserve, and maintain families and children in the Commonwealth. The Cabinet is headed by a Secretary who is appointed by the Governor.

Office of the Secretary

The Secretary exercises all authority, functions, and responsibilities previously exercised by the Secretary of the Cabinet for Human Resources relating to social services and income supplement programs.

The **Kentucky Commission on Community Volunteerism and Service** was created on January 3, 1994 as the Kentucky Community Service Commission by Executive Order 94-6, confirmed in 1996 with enactment of House Bill 629, and attached to the Council on Postsecondary Education. The name was changed by Executive Order 97-1291 on October 2, 1997 and confirmed by 1998 HB 365. Executive Order 2000-8 issued on January 4, 2000, and confirmed by 2000 Senate Bill 233 moved the Commission to the Cabinet for Families and Children (KRS 156.760). The purpose of the Commission is to engage in statewide strategic planning, establish relevant policies, provide administrative oversight, and promote programs and strengthen the service ethic among the Commonwealth's citizens by facilitating the development of strategic programs that enable citizens to address serious societal problems.

Office of Program Support

The Office of Program Support is headed by an Executive Director appointed by the Secretary with approval of the Governor. The Office is responsible for providing administrative and management support, planning, and appraisal of service needs in the Cabinet. All personnel, fiscal, budgetary, and facility management functions of the Cabinet are vested in the Office. Executive Order 2001-610 issued on May 18, 2001, and confirmed by 2002 HB 84 abolished the Division of Personnel and transferred its functions to the personnel division in the Office of Human Resource Management.

The **Division of Procurement Services** was created by Executive Order 2001-610 issued on May 18, 2001, and confirmed by 2002 HB 84.

Office of the General Counsel

The Office of the General Counsel is headed by a General Counsel appointed by the Secretary with approval of the Governor. The Office provides legal advice and assistance to all units of the Cabinet. The General Counsel is the chief legal advisor to the Secretary and is directly responsible to the Secretary.

Office of Performance Enhancement

The Office of Performance Enhancement was created by Executive Order 98-731, issued on June 16, 1998 and confirmed by 2000 Senate Bill 24. It is responsible for quality assurance and performance measurements, including contract monitoring, program monitoring, and development of outcome based contracting. The Division of Outcome Based Contracts was abolished by Executive Order 2001-610 issued on May 18, 2001, and confirmed by 2002 HB 84.

The **Division of Quality Improvement** monitors services to clients and develops corrective action plans for performance improvement. It provides statistical analysis of caseload outcomes to ensure statewide accountability. The Division was formerly the Division of Quality Development until renamed by Executive Order 2001-610 issued on May 18, 2001, and confirmed by 2002 HB 84.

The **Division of Information Analysis and Reporting** was established by Executive Order 2001-610 issued on May 18, 2001, and confirmed by 2002 HB 84. The Division is responsible for all Cabinet reporting and outcome measurements.

Office of Human Resource Management

Executive Order 2001-610 issued on May 18, 2001, and confirmed by 2002 HB 84 created the Office of Human Resource Management. The Office coordinates, oversees, and executes all personnel, training, and professional development functions of the Cabinet (KRS 194B.030). The Office is headed by an executive director appointed by the Secretary with the approval of the Governor. The Office has two divisions: personnel and professional development and training.

Office of Ombudsman

Executive Order 96-862 created the Office of Advocacy and Accountability, which was renamed the Office of Ombudsman by Executive Order 96-1499. The Office of Ombudsman provides review and resolution of citizen complaints about Cabinet program or services that are not resolved through normal administrative remedies, guardianship services, contract monitoring, and professional development and staff training. The Office is headed by an Executive Director appointed by the Secretary with approval of the Governor.

Department for Disability Determination Services

The Department was created by Executive Order 99-203 issued on February 11, 1999, and confirmed by 2000 Senate Bill 24. The Department is responsible for determining eligibility for disability for citizens who file applications for disability with the Social Security Administration. It also makes determinations for citizens who apply for the Kentucky Transitional Assistance Program. The Department makes determinations on medical exemptions for participants in the Kentucky Works Program.

Department for Community Based Services

The Department for Community Based Services was created by Executive Order 98-731, issued on June 16, 1998, and confirmed by 2000 Senate Bill 24, which abolished the Department for Social Insurance and the Department for Social Services. The Department administers an array of services, including child and adult protection, permanency, and services to enhance family self-sufficiency.

The **Division of Policy Development** develops policies, state plans, and administrative regulations and coordinates legislative review, in consultation with service region directors and division directors.

The **Division of Protection and Permanency** provides technical assistance and support to 14 service regions in the area of protection and permanency, including adoption, foster care, child protection, adult protection, and family preservation.

The **Division of Family Support** provides technical assistance and support to the 14 service regions for welfare reform and moves families towards self-sufficiency, processes claims, determines program eligibility, and administers the energy program.

The **Division of Child Care** administers, coordinates, and oversees the child care system in Kentucky serving the clients of the Cabinet.

The **Division of Child Support** administers and enforces the federal and state child support enforcement program under Title IV-D of the Federal Social Security Act and the Kentucky Revised Statutes.

The **Division of Service Regions** provides an administrative structure for local authority and is divided into 14 service regions. The regions administer programs for families and children and manage fiscal and human resources needed to meet the regions' programmatic needs. The regions are responsible for direct service delivery including eligibility determinations, moving families toward self-sufficiency, providing adult and child protection and permanency, and creating safe environments and self-sustaining families.

Programs. Some of the programs administered by the Department are the following:

The **Family Child-Care Home Certification Program** was created in 1992 to establish priorities for the expenditure of Federal Child Care and Development Block Grant funds and all child-care funds administered by the Commonwealth. A certified family child-care provider must prominently display its certificate of operation. In 1998, HB 518 created the **Statewide Strategic Planning Committee for Children in Placement** to provide by July 1 each year a statewide strategic plan for the coordination and delivery of care and

services to children in placement and their families. The Committee must establish a statewide facilities and services plan that identifies the location of existing facilities and services for children in placement, identifies unmet needs, and develops strategies to meet the needs.

The **Aid to Families with Dependent Children (AFDC)** program was established by federal and state government to provide financial assistance to families to meet basic subsistence needs. Payments are made monthly, with an additional optional payment made to families which incur costs for child care due to school or job training. Program eligibility requirements are based on age, residency, lack of parental support through absence, death, or incapacity, and lack of gross income, based upon family size. Also, refugee assistance is provided to those qualifying under the Refugee Assistance Act of 1980. Administratively, the program accepts applications, determines eligibility within 30 days, processes eligibility redeterminations as needed, provides an appeals process, and provides proper and timely payments to eligible recipients. These administrative costs are on a 50/50 federal/state match ratio, except for refugee assistance, which is 100 percent federally funded.

The **Food Stamp Program** helps low-income individuals applying for assistance acquire basic nutritious foods. The amount of the coupons granted is dependent on the size of the household and the household income, as well as other eligibility requirements. Eligibility requirements are: U. S. citizenship (but includes certain legal aliens); work registration and employment and training participation for all able-bodied household members between 16 and 60 years of age; resource limitations; and income limits based upon size of household. Special requirements for aged/disabled include higher resource and income allowances.

The **Child Support Program** enforces the various federal and state statutes relating to child support enforcement. The program has as its core responsibilities the establishment of paternity, establishment and enforcement of child support obligations, location of absent partners, and collection and distribution of child support payments. In addition, program requirements have expanded to include the establishment and enforcement of medical support orders. The program has assumed important administrative responsibilities, as detailed in the Administrative Process of Child Support Act, KRS 405.400-.530. As a result of this Act, in addition to traditional judicial channels, the Cabinet may now use administrative processes to enforce child support obligations. Program services have expanded to include an in-hospital paternity establishment program, collection of spousal support, tracking of wage withholding orders, a new hire program, and driver's license suspension program. The program maintains program administration contracts with approximately 104 county officials, and program costs are shared by state, county, and federal governments. Under the current program all support payments for AFDC children are made payable to the Cabinet and either go to reimburse the federal and state governments for their shares of AFDC benefit payments or go directly to the AFDC family, which can then be removed from the welfare rolls. A portion of the federal share is directed to the counties under contract as an incentive payment for the County Attorneys' participation in the enforcement process.

The **State Supplementation Program** is authorized by KRS Chapter 205 and was federally mandated for aged, blind, or disabled persons disadvantaged by the

implementation of the federal Supplemental Security Income (SSI) program in January 1974. The State Supplementation program makes payments to selected recipients who are aged, blind, or disabled and require special living arrangements or have special needs. This assistance is for those whose SSI payment or other income is insufficient for securing care in personal care homes, family care homes, or obtaining care by a caretaker in a family setting to prevent institutionalization.

The **Energy and Weatherization Program** assists low-income households with energy-related expenses and is primarily funded through a federal block grant. Weatherization Assistance helps to reduce energy consumption and the heating bills of families whose annual income is at or below 125 percent of the federal poverty level. The Home Energy Assistance Program provides subsidies for heating assistance and assists persons experiencing a home heating emergency. Families must have incomes at or below 110 percent of the federal poverty level.

The **Commodity Program** supplements the diet of low-income persons, while also reducing the inventory of surplus food held by the federal government. The program is state administered and supervised, but it contracts with Area Development Districts (ADDs) and Community Action Agencies (CAAs) for the actual distribution of the surplus commodities. The local agencies, ADDs, and CAAs oversee the taking and processing of applications, the determination of eligibility, and the distribution of the commodities.

Office of Family Resource and Youth Services Centers

The Office of Family Resource and Youth Services Centers is responsible for the administration, management, and operations of the Family Resource and Youth Services Centers program which was established with passage of the Kentucky Education Reform Act of 1990. The Office is headed by an Executive Director appointed by the Secretary with approval of the Governor. The Cabinet formulates a five-year implementation plan establishing family resource and youth services centers designed to meet the needs of children and their families. Each center is different, based on an assessment of the needs of a local school. The centers are designed to promote local identification, coordination, and utilization of community resources to enhance students' ability to succeed in school.

Kentucky Commission on Human Services Collaboration

Executive Order 96-954, issued on July 18, 1996 and confirmed by 1998 SB 161, created the Kentucky Commission on Human Services Collaboration. The Commission serves in oversight capacity for the collaborative human services efforts of state and local governments in the coordination of family oriented systems of community support and services focusing on child protection through preventive measures and the promotion of wellness. The commission also identifies duplicative boards and commissions exercising overlapping responsibilities. The Governor designates a member of the public to serve as Chairperson for a term of two years. Originally a seventeen-member commission, Executive Order 97-96, issued on January 23, 1997, added as members the Secretary of the Kentucky Workforce Development Cabinet and the Secretary of the Justice Cabinet.

(These additions increased membership to eighteen, since the Justice Secretary was already listed as a member in EO 96-954.) The Commission ceases to exist on July 15, 2000, unless reauthorized by the General Assembly.

Council for Families and Children

Pursuant to KRS 194B.090, enacted in 1998, the Council for Families and Children is composed of no more than 21 citizens appointed by the Governor. The Council advises the Secretary, the Commissioner for Community Based Services, and other state officials on policy matters relating to human service needs.

Kentucky Commission on Elder Abuse

Executive Order 2002-786 issued on July 3, 2002, abolished the Elder Abuse Committee and created the Kentucky Commission on Elder Abuse. The Commission is composed of twenty-eight members. The duties of the Commission include developing a work plan for coordination of constituent calls with various state programs and providing public awareness resources on elder maltreatment. The Commission acts as a liaison for the Governor's Office, members of the General Assembly, and the public. The Commission is directed to develop a state coordinating council on elder maltreatment, distribute and update model protocols on elder maltreatment, recommend model curriculum and trainer requirements for elder maltreatment education, make recommendations on grant applications, make recommendations on pilot projects, and serve as a depository for information on statewide elder issues.

CABINET FOR WORKFORCE DEVELOPMENT

The Cabinet for Workforce Development was created by the General Assembly effective July 1, 1990 to consolidate and reorganize state agencies and boards to centralize and coordinate job training and adult education agencies. Adult and vocational education programs were transferred to the Cabinet from the Department of Education. Also transferred to the Cabinet were the Department of the Blind, the Kentucky Occupational Information Coordinating Committee, and the State Board of Proprietary Education. The Cabinet is headed by a Secretary. In 1993, the Cabinet was reorganized. The changes included the merger of the Office of Adult Education Services and the Kentucky Literacy Commission, to form the Department for Adult Education and Literacy. In 1995, the Department of Employment Services and the Unemployment Insurance Commission were transferred from the Human Resources Cabinet to the Workforce Development Cabinet. Executive Order 2000-990, effective July 14, 2000, and Executive Order 2001-796 issued on June 25, 2001, abolished the State Board for Adult and Technical Education and the State Advisory Council for Adult Education and Literacy. Also, Executive Order 2002-903 issued on July 30, 2002, abolished the State Board for Adult and Technical Education. 2000 House Bill 610 abolished the Kentucky Job Training Coordinating Council and the Governor's Council on Vocational Education. The Cabinet is established in KRS Chapter 151B. Executive Order 2001-796 issued on June 25, 2001, and Executive Order 2002-904 issued on July 30, 2002, transferred the State Board for Proprietary Education to the Finance and Administration Cabinet.

Office of the Secretary

The Office of the Secretary is responsible for developing and implementing statewide adult technical and educational policies and programs and overseeing the agencies within the Cabinet. Executive Order 90-604, issued on July 2, 1990, organized the Office of the Secretary into seven Offices: General Counsel, Communication Services, Development and Industry Relations, Workforce Analysis and Research, Administration and Policy Support, Training and Reemployment, and School-to-Work. Executive Order 95-289 renamed the Office for Administration and Policy Support the Office for Administrative Services and created the Office for Policy, Budget, and Personnel. The Office of Personnel Services was created and the Office for Policy, Budget and Personnel was renamed the Office for Policy and Budget by Executive Order 97-1117, issued on August 28, 1997 and confirmed by 1998 HB 364. Executive Order 2000-1623 issued on December 29, 2000 and confirmed by 2001 HB 171 abolished The Office of School-to-work and transferred the program to The Department for Technical Education. Executive Order 2001-1250 issued on October 5, 2001, and confirmed by 2002 HB 343 renamed the Office of Development and Industry Relations as the Office of Workforce Partnerships, the Office for Administrative Services as the Office of Budget and Administrative Services, the Office for Policy and Budget as the Office of Technology Services, and the Office of Personnel Services as the Office of Quality and Human Resources.

The **Office of General Counsel** provides legal services to the Cabinet and is headed by a General Counsel, who is appointed by, and reports directly to, the Secretary.

The **Office of Communication Services** provides communication and press advisory services for the Cabinet.

The **Office of Workforce Partnerships** develops industry relations through insuring that educational and training services are provided by the Cabinet for existing and new industry.

The **Office of Workforce Analysis and Research** provides data collection, analytical research, and other services to further workforce development. The Kentucky Occupational Information Coordinating Committee is attached to the Office.

The **Office of Budget and Administrative Services**, formerly the Office of Administration and Policy Support, has the following divisions: fiscal services, computer services, and facilities management. Each division is headed by a director. Also attached to the Office is the **Client Assistance Program**. The Program pursues legal, administrative, and other appropriate remedies to ensure protection of the rights of individuals with disabilities who are receiving treatment, services, or rehabilitation under the Rehabilitation Act of 1973 (KRS 151B.225).

The Office for Policy, Budget and Personnel was created by Executive Order 95-289, was renamed the Office for Policy and Budget by Executive Order 97-1117, issued on August 28, 1997 and confirmed by 1998 HB 364, and was renamed in 2001 as the **Office of Technology Services** by Executive Order 2001-1250 issued on October 5, 2001, and confirmed by 2002 HB 343. The Office is headed by an executive director. The Office provides preparation and oversight of the biennial budget, coordination and monitoring of state and federal legislative activities, technical support to departments and offices, and a variety of programmatic and financial matters.

The Office of Personnel Services was created by Executive Order 97-1117, issued on August 28, 1997 and confirmed by 1998 HB 364 and in 2001 was renamed the **Office of Quality and Human Resources** by Executive Order 2001-1250 issued on October 5, 2001, and confirmed by 2002 HB 343. The Office is responsible for personnel activities, which include processing personnel and payroll documents, providing benefit services to Cabinet employees, preparing an array of staffing reports, and monitoring compliance with statutes and regulations.

The **Foundation for Adult Education** was established in 1986 as the GED Foundation under the Department of Education. In 1990 the GED Foundation was transferred to the Cabinet for Workforce Development, under KRS 151B.130. In 1996, it was renamed the Foundation for Adult Education (1996 House Bill 603). The purpose of the Foundation is to supplement public funding for adult training, to permit expansion of existing basic skills training programs. A board of trustees, appointed by the State Board for Adult and Technical Education, governs the Foundation. It is attached to the Office of the Secretary for administrative purposes.

The **Foundation for Workforce Development** was established in 1992 to supplement funding for technical education programs, in order to expand existing skills training programs. The Foundation is funded by contributions from the private sector. It is governed by a board of trustees appointed by the Secretary. It makes an annual report to the Interim Joint Committee on Appropriations and Revenue (KRS 151B.230).

Department for Training and Reemployment

The Department for Training and Reemployment was created by Executive Order 2000-1623 issued on December 29, 2000 and confirmed by 2001 HB 171 which renamed the former Office of Training and Reemployment. It is headed by a Commissioner and is the agency solely designated to assume the role of administrative entity for Title I programs funded under the Workforce Investment Act passed by Congress on August 7, 1998 and implemented in Kentucky on July 1, 1999.

The Division of Workforce Investment is headed by a director. The division oversees administrative functions of the programmatic duties of the Department.

Department for Adult Education and Literacy

The Department for Adult Education and Literacy is headed by a Commissioner, who is appointed by the Secretary with approval of the Governor (KRS 151B.023). The Department carries out the statewide mission on adult education. It must implement the 20 year state strategy to reduce the number of adults at the lowest levels of literacy and most in need of adult education and literacy services. The Department prepares bulletins, outlines of courses, and courses of study the Commissioner deems useful in the promotion of the interests of adult education and literacy. The Department is responsible for management, control, and operation of programs and services in adult education and literacy. The Department, in consultation with the Council on Postsecondary Education, prepares a biennial budget request consistent with the statewide mission on adult education. It administers an adult education and literacy system in regions of the state (KRS 151B.410) and is the education agency solely designated for developing and approving state plans required by state or federal laws as prerequisites to receiving federal funds for adult education and literacy. The Department is composed of the Division of Program Services, the Division of Workforce Investment, and the Division of Management Services (KRS 151B. 023).

In 1993, the Governor's Commission on Literacy was abolished and its duties assumed by the Department. The Kentucky Literacy Commission, the precursor of the Governor's Commission on Literacy, was established in 1985 by executive order of the Governor. The General Assembly, in the 1985 Extraordinary Session, established the Governor's Commission on Literacy as a statutory agency within the Education and Humanities Cabinet. In 1990 the Commission was transferred to the Cabinet for Workforce Development from the Education and Humanities Cabinet.

Department for Technical Education

The Department for Technical Education is headed by a Commissioner, who is appointed by the Secretary with approval of the Governor (Executive Order 98-837 issued on July 1, 1998 and Executive Order 2001-796 issued on June 25, 2001). The Department is responsible for management, control, and operation of nondegree programs in post-secondary and vocational-technical education. The Department may exercise powers and functions relating to a Kentucky technical system of state vocational technical schools,

state-operated area vocational education centers, state technical institutes, and technology centers. The Department may provide education training programs through contracts with private business and industry. The Department submits bulletins, outlines of courses, courses of study, and its budget request to the State Board for review and approval. Executive Order 96-1112, issued on August 16, 1996, abolished the Office of Kentucky Tech System and its two divisions and created within the Department the Division of School Management and the Division of Curriculum Services. The order renamed the Division of Federal Programs and Support Services the Division of Administrative Services. Executive Order 98-1595, issued on December 3, 1998, reorganized the Department into two divisions.

The Division of School Management and the Division of Curriculum Services were abolished by Executive Order 98-1595, issued on December 3, 1998 and amended by Executive Order 99-1597 and confirmed by 2000 House Bill 242, and their duties were assumed by the newly created **Division of School Services**. The former Division of School Management provided technical assistance to improve school operating procedures and program operations in the Kentucky TECH system, which includes six regional offices, eighteen regional technology centers, one Kentucky Technical Institute, one jointly operated technology center, five health technology centers, fifty-four area technology centers, ten academic-technical schools within the state's prison system, and one technical school with a state rehabilitation facility. Services provided to the TECH schools include development and implementation of training programs, program assessment and monitoring, internship and credentialing, marketing and public relations, and coordination of printing services. *At the 1997 First Extraordinary Session of the General Assembly, held in May, 1997, House Bill 1 created the Kentucky Community and Technical College System as the legal successor to the postsecondary Kentucky Tech institutions and corresponding administrative units in the Cabinet for Workforce Development, effective July 1, 1998. A description of the Kentucky Community and Technical College System appears in this publication under the Council on Postsecondary Education.* The former Division of Curriculum Services provided leadership and administrative management of secondary and postsecondary technical training programs, maintains contact and liaison with business and industry and other state agencies, and provides leadership for program improvement activities for technical education.

The **Division of Administrative Services** provides leadership and direction in budgeting, performance funding, allocations, personnel, contracts with other agencies and businesses, process billing documents for contracts, and information systems. It fulfills responsibilities to meet the provisions of the federal Carl D. Perkins Vocational and Technology Education Act of 1990. It also serves as the state approving agency for all certificate, diploma, and degree programs, including on-the-job training and apprenticeship programs for the Veterans Administration.

The **Kentucky Technical Education Personnel Board** was created by Executive Order 2001-796 issued on June 25, 2001, and Executive Order 2002-903 issued on July 30, 2002. The Technical Education Personnel Commission was created by Executive Order 2000-990 effective July 14, 2000, but was not confirmed by the 2001 General

Assembly. The five members of the Board are appointed by the Governor. The Board conducts personnel appeals procedures.

Department of Vocational Rehabilitation

The Department of Vocational Rehabilitation (KRS 151B.185) is headed by a Commissioner and is the sole state agency with the purpose of developing and approving state plans required by state or federal laws and regulations as prerequisites to receiving federal funds for vocational rehabilitation. The Department was formerly the Office of Vocational Rehabilitation in the Department of Education. KRS 151B.185 organizes the Department into the following Divisions: Administrative Management, Program Planning and Development, Program Services, and the Carl D. Perkins Comprehensive Rehabilitation Center. Each Division is headed by a director.

The **Statewide Independent Living Council** (KRS 151B.240) is attached to the Department. Members are appointed by the Governor from names submitted by the Department that include a majority of individuals with disabilities representing geographical and disability diversity, as well as representatives from identified service providers and other entities. The Council is established to accomplish the goals enumerated in 29 U.S.C. Section 796d (Title VII, Part A, Section 705 of the Rehabilitation Act Amendments of 1998).

The **Statewide Council for Vocational Rehabilitation** (KRS 151B.245) is attached to the Department. Members are appointed by the Governor from names submitted by the Department that include a majority of individuals with disabilities not employed by the Department, as well as representatives of specified organizations, service providers, and advocacy groups. The Council is established to accomplish the goals enumerated in 29 U.S.C. Section 725 (Title I, Subtitle B, Section 126, of the Rehabilitation Act Amendments of 1998).

Department for the Blind

In 1948, the Division of Vocational Rehabilitation in the Department of Education was authorized to establish a business enterprise program for the blind. In 1956, the State Rehabilitation Agency in the Department of Education took over this program. In 1958, a Division of the Blind was created in the State Rehabilitation Agency. These functions were placed in the Bureau for the Blind when it was created within the Education and Humanities Cabinet in 1976 as a separate and specialized agency to provide rehabilitation services to the Commonwealth's blind and visually-impaired citizens (KRS 163.470). The Bureau was renamed the Department for the Blind in 1988 and in 1990 was transferred to the Cabinet for Workforce Development.

The Department provides services to approximately 1500 persons with severe visual impairments so they can receive education and specialized training services to become independent and self-sufficient.

There are three divisions within the Department for the Blind: the Division of Business Enterprise; the Division of Industries for the Blind; and the Division of Client Services, plus the Kentucky Department for the Blind State Rehabilitation Council, and

the Center for Independent Living. All are statutorily created, except for the Center for Independent Living.

The **Division of Business Enterprise** provides blind persons training and gainful employment in vending facilities on state and private properties and administers the vending facility program, which provides remunerative employment for qualified legally blind persons, in compliance with the Randolph-Sheppard Act Amendment of 1974.

The **Division of Industries for the Blind** prepares blind and visually-impaired persons for employment in private industry or a sheltered employment setting, through work evaluations and on-the-job training.

The **Division of Client Services** provides intake and rehabilitation counseling services, distributes or sells educational aids for the blind, provides mobility training, work evaluation and other services, and promotes employment of the blind in the public and private sectors.

The **Kentucky Department for the Blind State Rehabilitation Council** was established in 1993 as the Kentucky Department for the Blind Advisory Council to accomplish the purposes enumerated in Title I, Subtitle B, Section 126 of the Rehabilitation Act Amendments of 1992. Members are appointed by the Governor from recommendations submitted by the Department that include a majority of individuals who are blind or visually impaired, representing specified organizations, service providers, and advocacy groups (KRS 163.470).

The **Center for Independent Living** provides rehabilitation services to enable blind persons to live independently. The Center works primarily with blind persons who, because of age or other disabilities, will never work, and concentrates on teaching those skills necessary for daily living.

Department for Employment Services

The Department for Employment Services was transferred from the Cabinet for Human Resources to the Cabinet for Workforce Development by Executive Order 95-289, issued on March 22, 1995 and confirmed by House Bill 597 in the 1996 Session of the General Assembly. The Department for Employment Services was established by the 1938 General Assembly as the Unemployment Insurance Commission. After that it was named the Department of Economic Security and the Department of Manpower Services in the Human Resources Cabinet. The Department is headed by a Commissioner appointed by the Secretary.

The Department develops and operates employment and placement programs, including job recruitment and business liaison functions, employability development and training programs, and job counseling and placement programs of the Cabinet. The Department develops and operates all programs relating to the unemployment insurance laws of the Commonwealth, including responsibilities relating to hearing and judging unemployment insurance benefit appeals. The Automated Labor Exchange system gives job seekers access to a national database to search for jobs locally. More than 80 local Employment Services sites are located around the state. The Department consists of three divisions headed by a director appointed by the Secretary: Field Services, Unemployment

Insurance, and Administration and Financial Management. The Unemployment Commission is attached to the Department.

In 1998, legislation was enacted that created in the State Treasury a special fund known as the **Service Capacity Upgrade Fund** (KRS 341.243), to be used solely for acquisition and upgrading of the technology base, program integrity functions, and service delivery capacity in support of the programs administered by the Department. All contributory employers pay into the fund.

The **Unemployment Insurance Commission** was created by the 1938 General Assembly to administer the new unemployment insurance and employment service programs. Its administrative function was subsequently reduced to serving as an appeals board (KRS 341.115). Executive Order 95-289, issued on March 22, 1995, (and confirmed by House Bill 597 in 1996) transferred the Commission from the Cabinet for Human Resources to the Cabinet for Workforce Development. The Commission is composed of three members: one appointed by the Governor to represent labor, one appointed by the Governor to represent industry, and the Secretary for Workforce Development. The Commission reviews appeals of referees' decisions and renders decisions and orders thereon. A Commission decision may be appealed to the circuit court. The Commission is federally funded.

Kentucky Occupational Information Coordinating Committee

The Kentucky Occupational Information Coordinating Committee (KRS 151B.215) was transferred in 1990 from the Cabinet for Human Resources to the Cabinet for Workforce Development. The Committee is attached to the Office for Workforce Analysis and Research in the Office of the Secretary. The sixteen-member Committee develops a statewide policy relating to all job training, skills development, and related education programs funded or administered by a state agency. The Committee develops, gathers, and analyzes data which it uses for the enhancement of economic development endeavors and the Kentucky career information system.

Kentucky Assistive Technology Loan Corporation

The Kentucky Assistive Technology Loan Corporation was created by the 1996 General Assembly as an independent de jure municipal corporation and political subdivision of the state to perform essential governmental and public functions to improve the quality of life for disabled residents of Kentucky by providing low-interest loans to qualified borrowers for acquisition of assistive technology (KRS 151B.450-475). The Corporation is governed by a seven-member board of directors and is provided technical, clerical, and administrative support by the Cabinet for Workforce Development. The Secretary of the Cabinet for Workforce Development sits on the board and the remaining six members are appointed by the Governor.

LABOR CABINET

In 1902, the position of Labor Inspector was created in the Department of Agriculture, Labor, and Statistics. In 1916, the Workmen's Compensation Board was created and functioned as an independent board that was not attached to any department. In 1936, the Department of Industrial Relations was created. A Commissioner was appointed to head the Department and the Labor Inspector and the Workmen's Compensation Board were made part of the Department. In 1962, the General Assembly changed the name of the Department of Industrial Relations to the Department of Labor. As a result of Executive Order 83-65, and its subsequent codification by the 1984 General Assembly, the Labor Cabinet was created.

The Labor Cabinet is responsible for administering and enforcing the statutes relating to labor, wages and hours, occupational safety and health of employees, child labor and apprenticeship. The Labor Cabinet is divided into two departments: the Department of Workplace Standards and the Department of Workers' Claims. The head of each Department is a Commissioner. The Cabinet contains five Offices and various boards and commissions which are attached to it for administrative purposes.

Office of the Secretary

KRS 336.015 designates the Secretary as the head of the Labor Cabinet. The Secretary is appointed by the Governor and is authorized to appoint personnel, including an ombudsman.

Office of Administrative Services

The Office was created in 1984, is attached to the Office of the Secretary, and provides fiscal, personnel, data processing, supply and security to the Labor Cabinet.

Office of Labor-Management Relations and Mediation

The Office of Labor-Management Relations and Mediation was named the Office of Labor-Management Relations prior to issuance of Executive Order 96-885, issued on July 9, 1996. The Office is headed by an Executive Director appointed by the Secretary of Labor, with the approval of the Governor, who is responsible for coordinating staff and supply needs for the Labor-Management Advisory Council, as provided in KRS 336.164, working with labor and management across the state, and working with the Secretary to improve the relationship between labor and management within the state.

Office of Information Technology

The Office of Information Technology was created by Executive Order 2000-1504 issued on November 28, 2000 and confirmed by 2001 HB 92 to enhance technical support services. The Office is headed by an Executive Officer.

Office of General Counsel

The Office is attached to the Office of Secretary of the Labor Cabinet and provides legal representation for the Division of Occupational Safety and Health Compliance and the Division of Employment Standards and Mediation, represents the Labor Cabinet in personnel matters, provides administrative support to the State Labor Relations Board, and advises the Secretary of the Labor Cabinet.

Uninsured Employers' Fund

The Uninsured Employers' Fund was created in 1972 as part of the omnibus revision (KRS 342.760) of the workers' compensation law in the Commonwealth. The purpose of the Fund is to compensate injured or disabled employees of employers who have not satisfied the insurance or self-insurance provisions of the workers' compensation law. The Fund is administered by the Attorney General and financed through assessments on employers.

Department of Workplace Standards

The Department of Workplace Standards is one of two Departments in the Labor Cabinet and is divided into the Division of Employment Standards and Mediation; Division of Occupational Safety and Health Compliance; the Division of Education and Training for Occupational Safety and Health; and the Division of Workers' Compensation Funds.

The **Division of Employment Standards, Apprenticeship, and Training** oversees statutory programs pertaining to wages and hours, discrimination, and apprenticeship and training. Executive Order 96-885, issued on July 9, 1996, renamed the Division of Employment Standards and Mediation the Division of Employment Standards, Apprenticeship, and Training and transferred mediation functions to the Office of Labor-Management Relations and Mediation.

On behalf of the Commissioner or Secretary, the Division conducts a Wage and Hour subprogram. Pursuant to KRS 207.200, the Wage and Hour subprogram administers KRS Chapter 207 (Aid to Needy Blind-Equal Opportunities) as it pertains to prohibiting employment discrimination against the physically handicapped. Pursuant to KRS Chapters 337 (Wages and Hours) and 339 (Child Labor), the Wages and Hours subprogram administers those Chapters.

On behalf of the Commissioner, the Division's Apprenticeship subprogram administers KRS Chapter 343.

The **Division of Occupational Safety and Health Compliance** and the **Division of Education and Training for Occupational Safety and Health** constitute a program for safety and health which, pursuant to KRS 338.041, administers the compliance and educational provisions of KRS Chapter 338. Occupational Safety and Health Compliance's safety staff and industrial hygiene staff conduct inspections, investigate accidents, and look into employee complaints.

The **Division of Education and Training for Occupational Safety and Health** promotes voluntary compliance with the Kentucky Occupational Safety and Health rules

and regulations by providing training, on-site consultations, and technical assistance. The Division also coordinates federal/state grants, maintains a management information system, and collects and reports data on occupational injuries and illnesses.

The **Division of Workers' Compensation Funds** was created by Executive Order 2001-1294 issued on October 17, 2001 and confirmed by 2002 HB 488 which renamed the former Division of the Special Fund. The former Division of the Kentucky Coal Workers' Pneumoconiosis Fund was abolished and its duties assigned to the Division of Workers' Compensation Fund. The former Division of the Special Fund was transferred to the Department of Workers' Claims by enactment of legislation in 1994, but was subsequently transferred back to the Department of Workplace Standards by Executive Order 94-460, issued on May 27, 1994 and upon expiration of that order, by Executive Order 96-885 issued on July 9, 1996. The Division of Workers' Compensation Funds is responsible for the administration of the legal representation of the Special Fund and for maintenance of records regarding payment of claims by the Special Fund. The 1996 First Extraordinary Session of the General Assembly enacted legislation that provides the Special Fund will have no liability upon any claim if the injury or last exposure occurred after December 12, 1996 (KRS 342.120). The former Division of the Kentucky Coal Workers' Pneumoconiosis Fund was created by the 1996 First Extraordinary Session of the General Assembly (KRS 342.1242). The former division was abolished in 2001 and its duties transferred to the Division of Workers' Compensation Funds which assume the responsibility of assuring that liabilities incurred as a result of workers' compensation awards for coal workers' pneumoconiosis with dates of last exposure after December 12, 1996 are the financial responsibility of employers engaged in severance and processing of coal (KRS 342.1241).

Department of Workers' Claims

The Department of Workers' Claims, under the direction and control of the Commissioner, is responsible for administering and enforcing the workers' compensation program in Kentucky, including processing workers' compensation claims and providing the first step in the appellate review of contested workers' compensation claims; regulating compliance with the self-insurance and certain insurance requirements of the workers' compensation law; and ordering and enforcing rehabilitation of injured workers in the Commonwealth. The **Commissioner** is appointed by the Governor from a list of three names submitted by the Workers' Compensation Nominating Commission and must be approved by the Senate. The Commissioner must have demonstrated knowledge and experience in the area of workers' compensation, public administration, and administrative law (KRS 342.228).

The Commissioner, with the assistance of the board, trains and instructs the **administrative law judges**, assigns cases, monitors the caseloads of the judges and the Workers' Compensation Board, acts as custodian of records of the board and judges, reports annually to the Governor on the activities of the board and judges, and devotes full time to the duties of the office. The Governor appoints not more than nineteen administrative law judges. A judge must be an attorney with five years experience in

Kentucky in workers' compensation or a related field. One of the judges is appointed as chief administrative law judge and assists the Commissioner. (KRS 342.230).

The Department of Workers' Claims is organized into units with various responsibilities relating to the administration and processing of workers' compensation claims. Prior to the enactment of House Bill 1 during the 1987 Extraordinary Session of the General Assembly, this agency was administered by a Commissioner and was divided into the Division of Workers' Compensation and the Division of the Special Fund. Each Division was under the control and direction of a Director. However, the Commissioner and the Directors were under the authority of the Secretary of Labor. As a result of House Bill 1, the Department of Workers' Claims was reorganized. As a result of the reorganization, the agency was attached to the Labor Cabinet for organizational purposes only, and the restructured Workers' Compensation Board, through its Commissioner, was made totally responsible for the administration and operation of the workers' compensation program, with the exception of the Division of the Special Fund and the Uninsured Employers' Fund. The 1990 General Assembly confirmed the reorganization of the Department by Executive Order 89-727. In 1994, however, the Commissioner, rather than the Board, was charged with administering the Department. The **Office of Administrative Services** was created by Executive Order 2000-989 issued on July 25, 2000 and confirmed by 2001 SB 138. The Office is headed by an executive director appointed by the Workers' Compensation Board. The Office coordinates activities with the Office of Administrative Services in the Labor Cabinet. **The Office of General Counsel** within the Department provides legal services for the Department and is directly responsible to the Commissioner and the Workers' Compensation Board. The Department consists of the **Division of Claims Processing and Appeals**, **Division of Administrative Law Judges**, **Division of Security and Compliance** (Executive Order 96-885 issued on July 9, 1996, renamed the Division of Insurance the Division of Security and Compliance), the **Division of Information and Research** (Executive Order 94-724 and 96-885), and the **Division of Ombudsman and Workers' Compensation Specialist Services** (KRS 342.329). An Ombudsman Program was created in 1994 to respond to inquiries and complaints, advise parties of their rights, and serve as an information source for employees, employers, carriers, self-insurers, and medical, vocational, and rehabilitation personnel (KRS 342.329). The program was placed under the Division of Information and Research, but in 1996 it was established as the **Division of Ombudsman and Workers' Compensation Specialist Services**. The Division also assists workers in obtaining medical reports, job descriptions, and other materials pertinent to a claim for benefits and in preparing documents for a claim application (KRS 342.329). The Office of Fraud Prevention was created by Executive Order 96-885, but it was abolished by Executive Order 97-69, issued on January 15, 1997.

Guaranty Funds

The 1996 First Extraordinary Session of the General Assembly enacted House Bill 1, which, among other things, created three nonprofit, unincorporated guaranty associations to provide for continuation of workers' compensation benefits otherwise delayed or terminated due to failure of a self-insured employer to meet obligations

because of insolvency (KRS 342.900). The **Kentucky Individual Self-Insurance Guaranty Fund**, the **Kentucky Group Self-Insurance Guaranty Fund**, and the **Kentucky Coal Employers Self-Insurance Guaranty Fund** meet the obligations of insolvent individually self-insured employers or members of a self-insurance group or association incurred while members of a guaranty fund and after exhaustion of all security. The Kentucky Individual Self-Insurance Guaranty Fund and the Kentucky Coal Employers Self-Insurance Guaranty Fund are each governed by a nine-member board of directors elected by the members. The Commissioner of the Department of Workers' Claims and the Commissioner of the Department of Insurance serve as ex officio non-voting members. The Kentucky Group Self-Insurance Guaranty Fund is governed by a board of directors composed of one representative of each self-insurance group or association. The Commissioner of the Department of Workers' Claims and the Commissioner of the Department of Insurance serve as ex officio non-voting members. All moneys in the funds, exclusive of reasonable business costs, must be used solely to compensate persons entitled to receive workers' compensation benefits from a Kentucky member who has defaulted (KRS 342.906).

Workers' Compensation Board

The Workers' Compensation Board was created in 1916 as a result of the enactment of the workers' compensation law in the Commonwealth and is to be abolished on July 1, 2000. Until the enactment of House Bill 1 in the 1987 Extraordinary Session of the General Assembly, the primary function of the Board was to render initial decisions on workers' compensation claims. With the enactment of House Bill 1, the structure and function of the Board changed significantly. The Board is composed of three full-time members and provides the first step in the appellate review of workers' compensation contested claims, rather than rendering initial decisions in such claims. Also, the Board is totally responsible for the administration and enforcement of the workers' compensation program. The Board is appointed by the Governor from a list prepared by the **Workers' Compensation Nominating Commission**, established pursuant to KRS 342.213. The Board members serve four-year staggered terms, receive the same salary as judges of the Court of Appeals and are subject to the same standards of conduct. Legislation enacted at the 1996 First Extraordinary of the General Assembly requires the Board to be abolished on July 1, 2000. After that date all appeals from final order of administrative law judges will be directed to the Court of Appeals, pursuant to KRS 342.215.

Workers' Compensation Funding Commission

The Workers' Compensation Funding Commission was created pursuant to House Bill 1, enacted during the 1987 Extraordinary Session of the General Assembly. In 1994 the Commission was transferred from the Revenue Cabinet to the Labor Cabinet. It is the sole financing mechanism for the Special Fund and most of the other programs administered by the Labor Cabinet, which were previously funded from assessments of the maintenance fund. The Commission is governed by a seven-member board of directors. Four board members are appointed by the Governor and the remaining three are

the Secretary of the Labor Cabinet, Secretary of the Revenue Cabinet, and the Secretary of the Cabinet for Economic Development. The Commission is responsible for controlling, investing and managing the funds collected pursuant to the Special Fund assessments; preparing a biennial budget, in conjunction with the Labor Cabinet, for expenditures of the Special Fund necessary to fund programs administered by the Labor Cabinet; reporting to each General Assembly on the actuarial soundness of the Special Fund; and making recommendations to the General Assembly regarding the rate or percentage of assessments needed to fund the Special Fund, and adjusting such rates in accordance with the provisions contained in KRS 342.122.

Kentucky Employers' Mutual Insurance Authority

The Authority was created in 1994 because of the lack of an adequate market for workers' compensation insurance (KRS 342.801 to 342.843). The Authority is a nonprofit, independent, self-supporting, de jure municipal corporation and political subdivision of the state. A board of directors consists of seven members appointed by the Governor, with consent of the Senate, plus the following non-voting members: Secretary of the Finance and Administration Cabinet, Secretary of the of Personnel Cabinet, and the Secretary of the Public Protection and Regulation Cabinet. The board hires a manager, subject to Senate confirmation. The Authority may provide insurance coverage to any employer in the Commonwealth who tenders the required premium and complies with conditions adopted by the Authority. The Authority must provide coverage to any employer who is unable to secure coverage in the voluntary market, unless the employer owes undisputed premiums to a previous carrier.

Kentucky Occupational Safety and Health Review Commission

Pursuant to KRS 338.071, the Kentucky Occupational Safety and Health Review Commission was created in 1972. The Commission is an independent quasi-judicial body and is placed in the Labor Cabinet for organizational purposes only. The Commission consists of three members appointed by the Governor on the basis of their experience and competence in the field of occupational safety and health. It hears and rules on appeals from citations, notifications, and variances issued under the provisions of KRS Chapter 338 (Occupational Safety and Health of Employees).

Kentucky Labor-Management Advisory Council

Pursuant to KRS 336.162, the Kentucky Labor-Management Advisory Council was created and attached to the Labor Cabinet for administrative purposes in 1978. Membership of the Council consists of the Secretary of Labor and the Secretary of Economic Development, who are ex-officio non-voting members, eight members representing management, and eight members representing labor, all of whom are appointed by the Governor (KRS 336.162). The Council's primary goals are to encourage existing industry and attract new industry (KRS 336.164). KRS Chapter 336 sets forth the means that the Council should employ to accomplish its primary goals. Without

infringing upon the duties of the Labor Cabinet or Economic Development Cabinet, the Council should lead and assist labor and management, seek to improve labor-management relations, and advise and make recommendations to the Governor and the Kentucky General Assembly on labor-management issues.

Prevailing Wage Review Board

The Prevailing Wage Review Board (KRS 337.522) was created by the 1960 General Assembly to establish prevailing wages to be paid on public projects in all parts of the state. It was composed of three members - one representing labor in the construction industry, one representing employers in the construction industry, and a commissioner of industrial relations. The Board's charge was subsequently reduced to hearing appeals of prevailing wage rates established by the Commissioner of Labor for localities in the state. The Board is now composed of three members, two appointed by the Governor to four-year terms, one representing labor in the construction industry and one representing employers in the construction industry. The third member is appointed by the public authority requesting the hearing.

Kentucky Occupational Safety and Health Standards Board

Pursuant to KRS 338.051, the Kentucky Occupational Safety and Health Standards Board was created in the Labor Cabinet in 1978 and is attached to the Labor Cabinet for administrative purposes. The Governor appoints the twelve members of the Board, equally representing industry, labor, agriculture, and the safety and health professions. Pursuant to KRS 338.051, the Board adopts and promulgates occupational safety and health rules and regulations and standards, and secures expertise, testimony, and evidence necessary to accomplish the purposes of KRS Chapter 338 (Occupational Safety and Health of Employees).

Apprenticeship and Training Council

The Apprenticeship and Training Council was created by the 1940 General Assembly and is composed of six gubernatorial appointees: three from labor organizations and three from employee organizations. The Commissioner of the Department of Workplace Standards and a designee of the State Board of Education serve as ex-officio members of the Cabinet.

State Labor Relations Board

Pursuant to KRS 345.120, the State Labor Relations Board was created and attached to the Labor Cabinet for administrative purposes in 1972. The Board consists of three members appointed by the Governor. Under KRS Chapter 345 (Collective Bargaining for Firefighters), the Board assists in resolving labor disputes between certain public employers (cities with a population of at least 300,000, and any city that petitions to be included in KRS Chapter 345) and firefighters or their exclusive representatives.

Kentucky Employee's Insurance Association

The Association was created in 1916 as part of the original workers' compensation law in the Commonwealth. The statutory framework (KRS 342.495 through 342.555) creating the Association would allow the creation of a workers' compensation state fund similar to those in existence in approximately eighteen states. The statutes outline the manner in which the Association would be created, establish a board of directors, specify voting procedures, and provide for assessments and dividends to subscribers to the Association. Although the statutory provisions have been in existence since 1916, the Kentucky Employee's Insurance Association has not been created or implemented.

Workers' Compensation Advisory Council

The Workers' Compensation Advisory Council was created in 1987, pursuant to House Bill 1, enacted during the 1987 Extraordinary Session of the General Assembly. The sixteen-member advisory council is appointed by the Governor and the members serve four-year terms. The Council serves only in an advisory capacity and makes recommendations to the Governor and General Assembly on all matters relating to workers' compensation.

CABINET FOR ECONOMIC DEVELOPMENT

In 1956, the Department of Economic Development was created as the successor to the Agricultural and Industrial Development Board, which was created in 1948. In 1962, the Department was renamed the Department of Commerce. The Department was placed under the newly created Development Cabinet by Executive Order 72-1167, issued on December 22, 1972. Also included within the Cabinet were the Departments of Agriculture, Fish and Wildlife, and Parks, as well as the State Fair Board and the Bicentennial Commission. In 1982, the Development Cabinet became the Commerce Cabinet, which was renamed in 1988 as the Cabinet for Economic Development.

The Cabinet formerly included the Department of the Arts, the Tobacco Research Board, and the Kentucky Geological Survey. An Executive Order transferred the Tobacco Research Board and the Kentucky Geological Survey to the University of Kentucky. The Department of the Arts was abolished by Executive Order 90-727, which was issued on August 7, 1990. Its divisions were transferred to other areas of state government.

In 1992, the Kentucky Economic Development Partnership was created as a board to govern the Cabinet, and the Kentucky Economic Development Finance Authority replaced the Kentucky Development Finance Authority and the Kentucky Rural Economic Development Authority. Executive Order 92-559, as amended by Executive Order 92-626 and confirmed by the 1994 General Assembly, reorganized the Cabinet into four departments: Administration and Support, Job Development, Financial Incentives, and Community Development.

In 1996, the **linked deposit program** was established in the Cabinet for low cost loans to small businesses (KRS 41.606). (See State Investment Commission for a description of the program.) In 1999, the Department of Job Development was renamed the Department for Business Development. In 2000, the **Office of the Commissioner of the New Economy** was created (KRS 154.12-278) and the Office of Coal County Development was renamed the Department for Coal County Development.

The Department for Coal County Development was abolished by 2002 HB 372 and the duties transferred to the Secretary of the Cabinet.

Kentucky Economic Development Partnership

The Kentucky Economic Development Partnership was created in 1992 as the governing board of the Cabinet. The board consists of the Secretary of the Economic Development Cabinet and the Secretary of the Tourism Development Cabinet, as nonvoting members, and eleven voting members. Eight of the eleven are private sector members appointed by the Governor. The other three members are the Governor, the Secretary of the Finance and Administration Cabinet, and the Secretary of the Cabinet for Natural Resources and Environmental Protection. The Governor is the chairman of the board (KRS 154.10-010).

The board submits a list of three candidates for Secretary of the Cabinet to the Governor, who selects one. The Secretary serves at the pleasure of the board. The board adopts a strategic economic development plan for Kentucky which it updates every two years. It is authorized to establish one or more regional offices and may establish regional

advisory boards. The board provides for the issuance of economic development revenue bonds by the Cabinet. It has assumed all bond issuance and refunding authority, power, duties, and obligations of the Kentucky Development Finance Authority and the Kentucky Rural Economic Development Authority (KRS 154.10-040).

Office of the Secretary

The Secretary is the chief executive officer of the Cabinet and serves at the pleasure of the board. Besides being responsible for the day-to-day operations of the Cabinet, the Secretary submits the strategic plan for economic development to the board, carries out policies and directives of the board, hires personnel, prepares and submits a budget to the chairman for board approval, and coordinates programs of the Cabinet with other agencies of state government (KRS 154.10-050). Program units attached to the Office of the Secretary are the Office of International Marketing and the Economic Development Bond Program.

The **Office of International Marketing** promotes international industrial investment and export activities. Foreign offices are maintained in Tokyo and Brussels.

The **Economic Development Bond Program** (KRS 154.12-100) promotes economic development by using bond proceeds as a leverage against private investment. The project must meet project selection criteria established in KRS 152.052 and administrative regulations promulgated by the Secretary of the Cabinet for Economic Development.

Department of Administration and Support

The Department is headed by a Commissioner appointed by the Governor. The Department provides cabinet-wide support in fiscal management, information resources, personnel support, budgetary implementation and control, and research development (KRS 154.12-222).

The Office of Information Resources is headed by an executive director and is responsible for management of the Cabinet's information resources and office automation system. The Office was formerly a section attached to the Commissioner's office until issuance of Resolution 98-1 on April 29, 1998, which was confirmed by 2000 House Bill 214.

The Division of Administrative Services is responsible for fiscal management, personnel, and payroll functions.

The Division of Research is responsible for general research, economic development library, map sales, and community brochures activities. The division compiles data and publishes manufacturer and international trade directories and other information on economic development. It compiles and publishes *community data* for approximately two hundred *cities* in Kentucky. The Maps, Publication and Souvenir Office serves as a sales outlet for U.S. and Kentucky Geological Survey maps and publications, Department publications, and souvenir items.

Department of Community Development

The Department is headed by a Commissioner appointed by the Governor. The Department works with each Kentucky county in determining a long-range plan for economic development and developing cooperative interaction with existing industries and small and minority businesses and assisting export development (KRS 154.12-223 and 154.12-215). In 1996, the Kentucky Military Affairs Commission was renamed the Kentucky Commission on Military Affairs and transferred from the Department to the Governor's Office. Also, in 1996 the Kentucky Recycling Brokerage Division was abolished and the Kentucky Recycling and Marketing Assistance Program was established in the Natural Resources and Environmental Protection Cabinet.

The Division of Business and Entrepreneurship Development is responsible for procurement assistance, business information clearinghouse services, and business and technology functions of the Cabinet. This includes providing comprehensive information on state business licenses, administering a master application and licensure program for grocery stores, and analyzing the possibility of establishing research and technology centers in Kentucky. In 1992, the Business Information Clearinghouse in the former Department for Existing Business and Industry and the Office of Business and Technology in the Office of the Secretary were transferred to this new Division. The **Business Information Clearinghouse** program is required by statute to provide comprehensive information on all business licenses and requirements and develop and administer a master application and licensure program for grocery stores. It was established in 1984 and serves new and existing businesses as a centralized information source for business regulations (KRS 154.12-216).

The Small and Minority Business Division delivers technical assistance services to businesses with fewer than 100 employees and minority businesses. Information is collected and disseminated to minority businesses on market research, new business opportunities, availability of managerial assistance programs, and federal, state, and local minority business programs. The **Small Business Advisory Council** advises the Division (KRS 154.12-218). The ten members of the Council are appointed by the Governor. In 1992, all functions of the Minority Business Division and many functions of the Small Business Division in the former Department for Existing Business and Industry were transferred to this new Division.

The **Kentucky Investment Capital Network** was established in 1996 to introduce entrepreneurs to profit and nonprofit investors interested in start-up and early-stage financing (KRS 154.12-2333). The Network, among other things, maintains a data base of investment-opportunities profiles submitted by entrepreneurs and investment-interest profiles submitted by investors, distributes investor and entrepreneur applications, serves as a screening mechanism for introductions, and aids prospective companies in presenting their ventures to investors.

The Department has three regional economic development divisions: **Western Kentucky Economic Development Division**, **Eastern Kentucky Economic Development Division**, and **Central Kentucky Economic Development Division**. The primary functions of the divisions are: focus on new job retention and job retention by working with existing businesses; serve as the Cabinet's liaison with communities,

existing businesses and industry to extend and promote programs and services available through the Cabinet and other government agencies; and assist communities in preparing for economic development opportunities by working cooperatively with local leaders and organizations.

The **International Trade Division** was created by Resolution 96-1 of the Kentucky Economic Development Partnership, dated July 11, 1996 and confirmed by 1998 HB 344. The Division promotes the development of international markets for Kentucky goods, products, and services for the purpose of identifying and analyzing national and international market developments and opportunities, and gathering and disseminating vital information to Kentucky manufacturers, service providers, and other industries regarding international trade opportunities.

The **Kentucky Waterway Marina Development Program**. In 1988, the Kentucky Waterway Marina Development Commission was created to study various plans and recommendations that are proposed concerning marina development along the state's navigable waterways. In 1992, the Commission was abolished and replaced with a program within the Department of Community Development.

The **Kentucky Port and River Development Program**. In 1966, the Kentucky Port and River Development Commission was created to aid in the promotion and development of river-related industry, agriculture, and commerce in the state. In 1992, the Commission was abolished and its duties were taken over by the Department of Community Development.

Department of Financial Incentives

The Department is headed by a Commissioner appointed by the Governor. The Department coordinates all financial assistance, tax credit, and related programs available for business and industry. It is charged with development of new initiatives, as well as streamlining and coordinating existing programs to enhance job creation and preservation (KRS 154.12-224). The Department was reorganized by Resolution 95-1, issued on August 3, 1995, by the Kentucky Economic Development Partnership and confirmed by House Bill 537 in the 1996 Session of the General Assembly. That resolution and legislation abolished the Rural Development Division and the Development Finance Division and created divisions for grants programs, direct loan programs, tax incentives programs, and program servicing.

The **Grant Programs Division** supervises and manages the Economic Development Bond Program (KRS 154.12-100) and the Local Government Economic Development Program (KRS 42.4588).

The **Direct Loan Programs Division** supervises and manages the Direct Loan Program of the Kentucky Economic Development Finance Authority (307KAR1:020) and the Small Business Loans Branch.

The **Tax Incentive Programs Division** supervises and manages the Kentucky Industrial Development Act Program (KRS 154.28-010), the Kentucky Jobs Development Act Program (KRS 154.24-010), the Kentucky Industrial Revitalization Act Program (KRS 154.26-010), the Kentucky Rural Economic Development Act Program (KRS 154.22-010), and the Kentucky Enterprise Zone Program (KRS 154.45-001).

The **Program Servicing Division** performs auditing, monitoring, and compliance functions for the Grants Programs Division, the Direct Loan Programs Division, and the Tax Incentive Programs Division.

The **Kentucky Economic Development Finance Authority** was created in 1992 (KRS 154.20-010). It consists of a committee of seven persons, six of whom are appointed by the board; the other is the Secretary of the Finance and Administration Cabinet. No project may be funded in whole or in part by the Authority unless first approved by the committee. In 1992, the Authority took over the functions of the Kentucky Development Finance Authority (KRS 154.20-030), the Kentucky Job Development Authority (KRS 154.24-010), and the Local Government Economic Development Program; staff support is provided by the Development Finance Division. In 1992, the Authority also took over the functions of the Kentucky Rural Economic Development Finance Authority (KRS 154.22-010), the Kentucky Industrial Revitalization Authority (KRS 154.26-010), and the Kentucky Industrial Development Authority (KRS 154.28-010); staff support is provided by the Rural Development Division. In 1996, the Authority was directed to establish standards, after consultation with the Secretary of the Tourism Development Cabinet, for preliminary approval and final approval of eligible companies and their tourism projects (KRS 154.29-040). In 2000 the Authority was charged with establishing procedures and standards for certification of qualified zones and determination and approval of eligible companies under the Kentucky Economic Opportunity Zone Act (KRS 154.23-005 to 079).

The **Kentucky Investment Fund**, formerly the Commonwealth Venture Fund, was created in 1988 to encourage capital investment in the Commonwealth, to encourage the establishment or expansion of small business and industry, to provide additional jobs, and to encourage development of new products and technologies (KRS 154.20-250 to 154.20-284). Legislation in 1998 renamed the fund and stated that its purpose is to encourage and assist in the creation, development, or expansion of small businesses located in Kentucky. A taxpayer is entitled to a credit against any state tax liability if the taxpayer purchases a qualified investment in the fund. In 1992, the Fund was attached to the Department of Financial Incentives.

The **Bluegrass State Skills Corporation** was created in 1984 to improve and promote employment opportunities for Kentucky citizens through creation and expansion of programs of skills training and education which meet the needs of business and industry. It is governed by an 18-member board of directors (KRS 154.12-205). The Corporation is authorized to provide grants-in-aid to educational institutions and business and industry, with a limit of \$200,000 per grant-in-aid. In 1992, the Corporation was attached to the Department of Financial Incentives. In 1998, legislation authorized the Corporation to award skills training investment credits against Kentucky income tax to an approved company for occupational upgrade training and skills upgrade training.

The **Kentucky Enterprise Zone** program acts as a liaison to participating areas and businesses and extends incentives and qualifies those businesses that are due the incentives (KRS 154.45-001). Enterprise zones were created in 1982 to encourage new economic development in depressed areas of the state by means of reduced taxes and removal of unnecessary governmental barriers to the production and earning of wages and

profits. The functions of the **Kentucky Enterprise Zone Authority**, as provided in KRS 154.45-060, were transferred to the Department of Financial Incentives in 1992.

Department for Business Development

The Department is headed by a Commissioner appointed by the Governor. The Department coordinates recruitment of industries that will enhance the overall viability of Kentucky's economy (KRS 154.12-225). Formerly the Department of Job Development, the Department was renamed by Resolution 99-1 on April 1, 1999, and confirmed by 2000 House Bill 215.

The Industrial Development Division contacts and communicates with industrial prospects. Functions of the Industrial Marketing Branch in the former Office of Industrial Development and the Reverse Investment Program in the former Office of International Marketing were transferred to the Division in 1992, when the Department for Existing Business and Industry was abolished.

The Site Evaluation Division compiles statistical information, site maps, listings of available buildings, and possible sites for new construction. Functions of the Site Evaluation Branch in the Research and Planning Division in the former Department for Existing Business and Industry were transferred to the Division in 1992.

Kentucky's representative development offices in other states and countries are assigned to the Department for Business Development.

Office of the Commissioner for the New Economy

The Office of the Commissioner for the New Economy was created in 2000 with enactment of House Bill 572 (KRS 154.12-278). Duties of the Office include undertaking a strategic technology capacity initiative, developing a knowledge-based economy strategy to be presented to the Kentucky Economic Development Partnership and the Kentucky Innovation Commission, assisting the Cabinet in recruitment of research and development companies, assisting the cabinet in the attraction of high-technology research and development centers, administering the high-tech construction pool and the high tech-investment pool, and recommending projects to the Kentucky Economic Development Finance Authority for funding through the high-tech construction pool and the high tech-investment pool. The **Kentucky Innovation and Commercialization Center Program** was created in 2002 to create products, new companies, and value-added jobs in communities throughout the Commonwealth (KRS 154.12-305). The Kentucky Innovation and Commercialization Centers are private-public partnerships, operating as a cohesive statewide infrastructure to support the implementation of key Kentucky Innovation Act initiatives.

Kentucky Forest Products Council

The Council was created in 1994 to encourage the continued development of Kentucky's primary and secondary wood products industries. Of the Council's twelve members, seven are appointed by the Governor. The Council works with members of the primary and secondary wood products industries and owners of forest resources to foster cooperation in the planning and implementation of forest resources technical assistance and education efforts (KRS 154.47-110).

TOURISM DEVELOPMENT CABINET

The Tourism Development Cabinet, created in 1984 as the Tourism Cabinet, is responsible for the promotion, protection, and development of the state's tourism, which is Kentucky's second-largest private employer. Approximately 144,000 Kentuckians are employed in the tourism industry and tourism related businesses generate \$780 million of state local tax revenues in Kentucky. Executive Order 95-77, issued on December 28, 1995 renamed the Tourism Cabinet the Tourism Development Cabinet. Upon expiration of the order, Executive Order 96-1332 was issued on October 1, 1996 and confirmed by 1998 HB 341, to rename the Tourism Cabinet the Tourism Development Cabinet. The Cabinet consists of the Office of the Secretary, Office of General Counsel, Office of Administrative Services, Department of Travel, Department of Parks, Kentucky Horse Park, Department of Fish and Wildlife Resources, and the State Fair Board. All functions of the Commonwealth relating to the Breaks Interstate Park are attached to the Cabinet.

Office of the Secretary

The Office of the Secretary provides direction and coordinates efforts for improved management and effective service among the Cabinet agencies. The Secretary is appointed by the Governor, pursuant to KRS 12.040, and is directed by KRS 148.522 to appoint principal assistants and personnel as are necessary to enable him to perform the functions of the Office. In 1996, the Secretary was authorized to establish standards for the making of applications for inducements and the recommendation to the Kentucky Economic Development Finance Authority of eligible companies and their tourism attraction projects (KRS 154.29-030). *Executive Order 96-1332, issued on October 1, 1996 and confirmed by 1998 HB 341, abolished the Office of Film Promotion that was created by Executive Order 90-727, issued on August 7, 1990, to encourage the development of the film industry in the state and perform all film promotional functions. Executive Order 96-1332, issued on October 1, 1996, also abolished the Citizens Advisory Commission on Kentucky Films, which had been created by the 1990 General Assembly (KRS 153.530) to advise on planning and implementing programs dealing with the film industry.*

Office of General Counsel

The Office of General Counsel, as stated in KRS 148.522, provides legal services for the Cabinet and is directly responsible to the Secretary.

Office of Administrative Services

The Office of Administrative Services oversees accounting, budgetary and personnel functions, as well as providing support services, including purchasing controls and property management, to Cabinet agencies.

Department of Travel

The Department of Travel Development was renamed the Department of Travel by Executive Order 96-1332, issued on October 1, 1996. The Department, authorized under KRS 148.522, was created to promote, develop, and support services for the tourism industry in Kentucky. It is responsible for marketing Kentucky as a tourist destination.

The **Executive Policy and Management Program** establishes the policies and goals, coordinates the overall planning and management for the Department, and provides for the administration of the Department and its programs.

The **Division of Tourism Services** operates the highway welcome centers, conducts a hospitality education program for the tourism industry, coordinates the provision of mail and telephone information services to visitors, and generates sales revenue to the tourism industry of the Commonwealth through participation in trade shows and markets.

The **Division of Marketing and Advertising Services** is responsible for state tourism advertising, the state matching fund tourism advertising program, the development and maintenance of a marketing and research database on tourism, market survey programs, and special studies related to the tourism industry.

The **Kentucky Certified Retirement Community Program** was authorized in 2002 to encourage retirees and persons planning to retire to make their homes in Kentucky communities that have met certain criteria to be certified by the department as a Kentucky certified retirement community (KRS 148.527). The program assists Kentucky communities in marketing themselves as retirement locations, assists in the development of retirement communities, and encourages tourism in the form of mature market travel to Kentucky.

Department of Parks

In 1924 the State Park Commission was created. In 1936 its functions were vested in the Division of Parks in the Department of Conservation. The Department of Parks, created in 1960, administers and operates the Kentucky State Park System under the authority of KRS Chapter 148. The Department encourages the tourism industry in Kentucky by providing resort park development in areas of low tourist impact, with emphasis on stimulating and creating a demand to be served by private enterprise investment. The Department provides recreational facilities and protects historically significant sites and natural phenomena in Kentucky.

The Department's activities include the operation and maintenance of 17 resort parks, 23 recreational parks, 10 historic sites, and two Frankfort cafeterias. Blue Licks State Park will become the seventeenth resort park after completion of its lodge in fiscal year 1999.

The divisions in the Department of Parks include: personnel, budget, accounting, purchasing, project administration, construction, planning, maintenance, customer services, marketing and advertising, accommodations, recreation, golf courses, food services, rangers, recreation parks and historic sites, and resort parks. The Division of

Technology and Communications was created by Executive Order 97-1625, issued on December 16, 1997 and confirmed by 1998 HB 345.

The **General Administration and Support Program** provides an organizational, programmatic and administrative system which maintains and administers the park system's forty-nine operations.

In 2002 the Department was required to establish a steering committee to establish a pilot project to promote the sale of Kentucky-grown agricultural products in state resort park restaurants and gift shops (KRS 148.830 to 148.840). The promotion program operates in conjunction with the Kentucky logo or labeling statement program. The Department was also directed to establish a pilot project to require that if purchasing catfish or horticultural products, state parks must purchase Kentucky farm-raised catfish and Kentucky horticultural products if they are available.

The **Resort Parks Program** encourages tourism and economic development in Kentucky by providing overnight accommodations, food service, and recreational activities for visitors at the fifteen resort parks. The resort parks and their locations are:

Barren River Resort Park—Barren County
Blue Licks Battlefield State Park—Robertson County
Buckhorn Lake Resort Park—Perry County
Carter Caves Resort Park—Carter County
Cumberland Falls Resort Park—Whitley County
General Butler Resort Park—Carroll County
Greenbo Lake Resort Park—Greenup County
Jenny Wiley Resort Park—Floyd County
Kenlake Resort Park—Marshall County
Kentucky Dam Village Resort—Marshall County
Lake Barkley Resort Park—Trigg County
Lake Cumberland Resort Park—Russell County
Natural Bridge Resort Park—Powell County
Pennyrile Forest Resort Park—Christian County
Pine Mountain Resort Park—Bell County
Rough River Resort Park—Grayson County

The **Recreation Parks and Historic Sites Program** encourages tourism and economic development in Kentucky by providing recreational and camping facilities and preserving major scenic and historic landmarks, as well as operating museums and shrines.

Park Facilities

Ben Hawes State Park—Daviess County
Big Bone Lick State Park—Boone County
Carr Creek State Park—Knott County
Columbus Belmont Battlefield State Park—Hickman County
E. P. "Tom" Sawyer State Park—Jefferson County

Fort Boonesborough State Park—Madison County
General Burnside State Park—Pulaski County
Grayson Lake State Park—Elliott and Carter Counties
Green River Lake State Park—Taylor County
John James Audubon State Park—Henderson
Kincaid Lake State Park—Pendleton County
Kingdom Come State Park—Harlan County
Lake Malone State Park—Muhlenburg County
Levi Jackson Wilderness Road State Park—Laurel County
Lincoln Homestead State Park—Washington County
Mineral Mound State Park--Lyon County
My Old Kentucky Home State Park—Nelson County
Nolin Lake State Park--Edmonson County
Old Fort Harrod State Park—Mercer County
Paintsville Lake State Park--Johnson County
Pine Mountain Trail State Park--120 mile linear state park
Taylorsville Lake State Park—Spencer County
Yatesville Lake State Park—Lawrence County

Historic Sites

Boone Station--Fayette County
Constitution Square State Shrine—Boyle County
Dr. Thomas Walker State Shrine—Knox County
Isaac Shelby State Shrine—Lincoln County
Jefferson Davis Monument State Shrine—Todd County
Old Mulkey Meeting House State Shrine—Monroe County
Perryville Battlefield State Shrine—Boyle County
Waveland State Shrine—Fayette County
White Hall State Shrine—Madison County
William Whitley House State Shrine—Lincoln County

The **Cafeteria Program** provides food service in the State Office Building and Capitol Annex for state employees, members of the General Assembly, and visitors to the state offices in the Frankfort area.

My Old Kentucky Home Advisory Commission was created in 1986 to provide continuing attention to the maintenance, furnishings, and repairs of My Old Kentucky Home Museum and to any additions made to My Old Kentucky Home State Park. The eleven-member Commission makes recommendations on uses of the My Old Kentucky Home Endowment Fund (KRS 148.400).

The **State Parks Commission** was created in 1994 and is attached to the Department of Parks. The Commission is composed of thirteen members, six of whom are appointed by the Governor. The Commissioner of the Department of Parks acts as chair of the Commission. The Commission provides oversight and advice on the Parks

Capital Maintenance and Renovation Fund (KRS 148.800), capital construction, mission of the parks, and management (KRS 148.815).

Department of Fish and Wildlife Resources

The functions of the four-member Game and Fish Commission created in 1912 were placed in the Department of Conservation when it was created in 1936. The Department of Fish and Wildlife was created by the 1944 General Assembly, when the Division of Game and Fish was removed from the Department of Conservation. The Department received its current name in 1952. The Department, as established by KRS 150.021, is responsible for the protection and improvement of fish and wildlife resources in Kentucky. It is under the general supervision of the **Fish and Wildlife Resources Commission**. The Commission, established by KRS 150.022, is a bipartisan body of nine members, one from each of nine districts, appointed by the Governor from a list of five provided by sportsmen in each district. The Commission is responsible for developing Department policy by approving administrative regulations. The Department owns approximately 120,000 acres of land in Kentucky and an additional 1,336,000 acres of land and water are under lease or license by the Department for Wildlife Management activities. The Department is headed by a Commissioner appointed, pursuant to KRS 150.061, by the Fish and Wildlife Commission. The Commissioner is responsible for staffing, expending funds, and administering programs of the Department. Financial support of the Department is derived from its sale of hunting and fishing licenses, miscellaneous licenses, federal grants and fines and penalties assessed by the courts for violation of game and fish laws. The Department has seven divisions.

The function of the **Law Enforcement Division** is to prevent or control violations of its statutes and regulations pertaining to fish and wildlife.

The **Fiscal Control Division** maintains records, compiles a statement of receipts and disbursements annually, supervises purchases made for the Department, and distributes licenses to county clerks.

The **Engineering Division** provides for the labor and technical engineering services required for the Department's small construction projects, such as boat ramps.

The **Fisheries Division** manages Kentucky's fishery resources to provide fishing opportunities for anglers, through research, surveys, fish stocking, fish culture, development, regulation, and technical guidance.

The **Division of Information and Education** administers educational programs, such as safety and environmental education, and is responsible for publication and distribution of the bi-monthly magazine, *Kentucky Afield*, and the production of the weekly "Kentucky Afield" television program.

The **Wildlife Division** manages, develops, and maintains statewide game and nongame populations on Department-owned and privately owned lands.

The **Division of Public Affairs** was created in 1991 by Executive Order 91-480.

The Division of Water Patrol was abolished by Executive Order 96-726, issued on June 7, 1996 and confirmed by 1998 SB 172, and all personnel, records, files and funds of the abolished division were transferred to the Division of Law Enforcement. The Division of Water Patrol had been transferred from the Natural Resources and

Environmental Protection Cabinet in 1993, by Executive Order 93-1227, and confirmed by the 1994 General Assembly. The Division of Water Patrol served the boating public, through safety inspections, education programs, accident investigations, and boater registration. The Division operated the Kentucky River Locks and Dams 5-14 on a limited summer schedule in 1985, 1986, and 1987. The memorandum of understanding between the Commonwealth and the Corps of Engineers concerning ownership of the system expired in October, 1988.

Kentucky Horse Park Commission

The Kentucky Horse Park Board, created in 1979, was renamed the Kentucky Horse Park Commission in 1986. In 1984 the Commission was removed from the Commerce Cabinet and attached to the Tourism Cabinet for administrative purposes. The Commission, as provided in KRS 148.260, is composed of thirteen members, eleven of whom are appointed by the Governor. Two appointees represent the equine industry and two are active in industry and commerce. The Secretaries of the Cabinet for Economic Development and the Tourism Cabinet serve as ex-officio members, with full voting rights. The Commission meets quarterly and is headed by a chairperson appointed by the Governor. Duties of the Commission include formulating policies and procedures and promulgating rules and regulations governing the 1,032 acre **Kentucky Horse Park**. The Commission appoints an executive director to be the chief administrative officer and secretary of the Commission and to serve as the administrative head of the Kentucky Horse Park.

State Fair Board

The General Assembly established the Kentucky State Fair in 1902 for exhibition of agricultural, mechanical, horticultural, dairy, forestry, poultry, and livestock. The Fair was placed under management and control of the board of directors of the Kentucky Live Stock Breeders Association. In 1906 it was placed under control of the State Board of Agriculture, Forestry, and Immigration, which became the State Board of Agriculture in 1912.

The State Fair Board was established by the 1938 General Assembly. The membership of the State Fair Board, established by KRS 247.090, is composed of fifteen members. The members include the Governor, the Commissioner of Agriculture, the Dean of the College of Agriculture at the University of Kentucky, and twelve members appointed by the Governor. The Board, pursuant to KRS 247.140, is responsible for the control and custody of the funds, buildings, grounds, and equipment of the Kentucky Fair and Exposition Center and the Commonwealth Convention Center. The Board is divided into divisions, which are authorized by KRS 247.130 and Executive Order 96-930.

The **Expositions and Admissions Division** was created by Executive Order 90-656, issued on July 18, 1990, by merging the Division of Expositions and the Division of Admission Control. The Expositions and Admissions Division is responsible for three annual in-house shows, which are the Kentucky State Fair, the National Farm Machinery

Show, and the North American International Livestock Division. It is also responsible for the gates and ticket sales at the Fair Grounds.

The **Operations Division** is responsible for booking events at the Center, servicing the various requirements of these events, and maintaining the entire facility throughout the year.

The **Commonwealth Convention Center Division** is responsible for booking events at the Convention Center, servicing the various requirements of these events, and maintaining the entire facility throughout the year.

The **Division of Sales** was created by Executive Order 94-1206, issued on November 21, 1994. Upon expiration of that order, Executive Order 96-930 was issued on July 16, 1996, to create a Division of Sales to handle increased sales activity, due to the expansion of the Kentucky Fair and Exposition Center, which added over 400,000 square feet of exhibit and meeting space. The Division is headed by a director and will combine sales staff from the Kentucky Fair and Exposition Center and the Commonwealth Convention Center.

The Sales and Marketing Division was renamed the **Division of Public Relations and Media** by Executive Order 94-1206, issued on November 21, 1994. Upon expiration of that order, Executive Order 96-930 was issued on July 16, 1996 and confirmed by 1998 SB 156, to rename the former Sales and Marketing Division the Division of Public Relations and Media.

The **Division of Security and Traffic Control** was created by Executive Order 96-930, issued on July 16, 1996. The division is headed by a director and was created in response to the increased attendance at the Kentucky Fair and Exposition Center. The security, traffic flow, and parking functions in the Operations Division were removed from that division and placed in the Division of Security and Traffic Control.

The **Administrative Services Division** provides accounting, purchasing, and data processing services for all the Board's facilities and divisions.

The **Personnel Management and Staff Development Division** is responsible for personnel matters, such as staffing and training of employees.

Appalachian/Kentucky Artisans Gateway Center Authority

Executive Order 99-331, issued on March 12, 1999 and confirmed by 2000 Senate Bill 26, created the Appalachian/Kentucky Artisans Gateway Center Authority (KRS 148.560-569). The Authority is governed by a board of directors who appoint an executive director. Seven of the thirteen directors are appointed by the Governor and six are appointed by the mayor of the city of Berea. The Authority develops, operates, and manages the Appalachian/Kentucky Artisans Gateway Center in Berea. The Authority promotes the growth and development of statewide tourism related to arts and crafts destinations throughout the state.

Transportation and Tourism Interagency Committee

The 1998 General Assembly created the Transportation and Tourism Interagency Committee (KRS 177.107) to foster close collaboration between the Tourism

Development Cabinet and the Transportation Cabinet on policies that affect the tourism industry, and to place strong emphasis on the coordination of mutual interests, such as highway signage, scenic byways, highway safety, and concern for the Commonwealth's beauty and heritage. The Committee is composed of six persons appointed by the Tourism Development Cabinet, six persons appointed by the Transportation Cabinet, and one person appointed by the Kentucky Heritage Council.

Tourism Development Finance Authority

The Authority was created by Executive Order 2000-1503 issued on November 28, 2000 and confirmed by 2001 HB 87, to make tourism development loans for new tourism start-ups or expansion of tourism businesses. It is composed of seven members appointed by the Governor (KRS 148.850).

TRANSPORTATION CABINET

In 1912, the Department of Public Roads was created. In 1922, the Department of State Roads and Highways was created as well as the State Highway Commission. In 1926, the Department of Public Roads and the Department of State Roads and Highways became known as the State Highway Department. In 1934, the Department of Highways was created, consisting of the State Highway Commission. In 1936, the Department of Highways was organized with a Commissioner as its head and the State Highway Commission became an advisory body to the Commissioner. The Department of Transportation was created by Executive Order 73-288, issued in March, 1973, and confirmed by Senate Bill 112 by the 1974 General Assembly. The Executive Order consolidated the Departments of Highways, Motor Transportation, and Aeronautics, and certain programs in the Departments of Public Safety and Revenue. The Department was given Cabinet status by the 1982 General Assembly (House Bill 657). The statutory organization is set forth in Kentucky Revised Statutes Chapter 174. KRS 174.010 creates the Cabinet and KRS 174.020 through 174.100 outlines various organizational components and administrative duties of the Cabinet. The Cabinet is responsible for maintaining and improving the delivery of transportation services in the state.

The Transportation Cabinet was reorganized on July 15, 1994 with the issuance of Executive Order 94-663. This reorganization was confirmed upon expiration of EO 94-663 by issuance of Executive Order 96-916 on July 15, 1996 which was confirmed by 1998 SB 151. The Reorganization includes creation of a Deputy Secretary for Administration, creation of the position of Inspector General in the Office of General Counsel, renaming the Division of Transportation Services as the Division of Fleet Management, renaming the Division of Automated Services as the Division of Information Technology, and creation of four new offices in the Department of Highways. Programs and positions abolished in the Department of Highways are the Division of Specialized Programs, Assistant State Highway Engineer for Planning, Assistant State Highway Engineer for Administration and Research, and Assistant State Highway Engineer for Construction, Pre-Construction and Operations. The hearings function of the Office of General Counsel was transferred to the Department of Vehicle Regulation by Executive Order 94-663 but was transferred back to the Office of General Counsel by Executive Order 96-916.

Executive Order 98-1596, issued on December 3, 1998 and confirmed by 2000 House Bill 108, reorganized the Cabinet. The Office of Transportation Delivery was created, the Department of Human Resources Management was created, and the Office of Environmental Affairs and the Office of Personnel Management were abolished. The Division of Administrative Services in the Department of Administrative Services was abolished. The Office of Program Planning and Management were created in the Department of Highways.

The major organizational units within the Cabinet are the Office of Secretary, Department of Administrative Services, Department of Fiscal Management, Department of Human Resources Management, Department of Rural and Municipal Aid, Department of Vehicle Regulation, Office of General Counsel and Legislative Affairs, and the Department of Highways. Other bodies attached to the Cabinet are the Kentucky Motor

Carrier Advisory Committee, and the Kentucky Bicycle and Bikeway Commission. The Railroad Commission was abolished in November 2000 when the voters approved a constitutional amendment.

Office of the Secretary

The Secretary of Transportation has exclusive control and direction over the affairs of the Cabinet of Transportation and is responsible for all functions within the Cabinet. Attached to the Office are the **Deputy Secretary for Administration**, who is responsible for the Department of Fiscal Management, Department for Administrative Services, and the Department of Rural and Municipal Aid. Also attached to the Office is the **Deputy Secretary for Legal Affairs**, who is responsible for the Department of Vehicle Regulation and the Office of General Counsel and Legislative Affairs, as well as providing legal advice, assistance, and direction to the Secretary, Office heads, and Commissioners.

Office of Inspector General

The Office of Inspector General was created by Executive Order 2002-785 issued on July 3, 2002. The Office is headed by an Executive Director who is responsible for internal investigations, oversight of program integrity, and attendant compliance issues. The Executive Director is directly responsible to and reports to the Secretary and works closely with the Office of the General Counsel and Legislative Affairs.

Office of General Counsel And Legislative Affairs

The Office of General Counsel and Legislative Affairs, formerly the Office of General Counsel before a name change by Executive Order 98-1596, includes the Executive Director, responsible for general office administration and the General Counsel, who provides legal services for the Cabinet. They are appointed by the Secretary and report to the Deputy Secretary for Legal Affairs. The Executive Director may serve as General Counsel. The Office includes the Inspector General, who is responsible for internal audits of the Cabinet, its vendors, and contractors, and the conduct of special inquiries requested by the Secretary, Commissioners, or office heads into matters related to the Cabinet and its programs.

The Office includes the Administrative Law function, the Hearings function, which was transferred from the Department of Vehicle Regulation pursuant to Executive Order 96-916, and the General Litigation function. The Administrative Law function is responsible for legal matters relating to the drafting, review and approval of administrative regulations, Board of Claims, Collections and Guidance Manual revisions. The Hearings function is responsible for all administrative hearings in the Cabinet. The General Litigation function is responsible for legal matters relating to junkyards, billboards, civil rights, contractor claims and liens, encroachments, personnel, vehicle regulation, and miscellaneous litigation.

Office of Public Affairs

The Office of Public Affairs is headed by an Executive Director who serves as media spokesperson and is responsible for all matters relating to public relations and information. Prior to 1994 the Office was named the Office of Public Relations, as established in 1983.

Office of Minority Affairs

The Office of Minority Affairs is headed by an Executive Director and is responsible for the development and implementation of programs and procedures for assisting minorities in employment and contractual relations.

Office of Policy and Budget

The Office of Policy and Budget was established pursuant to Executive Order 86-948 and is headed by an Executive Director who is responsible for administering the budget functions of the Cabinet.

Office of Transportation Delivery

The Office of Transportation Delivery was created by Executive Order 98-1596, issued on December 3, 1998. The Office implements the consolidated \$50 million delivery system of third party providers throughout the state. The Office provides administrative support to the **Coordinated Transportation Advisory Committee** created in 2000 (KRS 281.870). The Committee is composed of designated members of the Transportation Cabinet, the Cabinet for Health Services, the Cabinet for Families and Children, and the Workforce Development Cabinet.

Office of Technology

The Office of Technology was created by 2000 Executive Order 1105 effective August 16, 2000 and confirmed by 2001 SB 87. The Office is headed by an Executive Director. The Office is responsible for information technology programs.

Office of Quality

The Office of Quality was created by 2000 Executive Order 1105 effective August 16, 2000 and confirmed by 2001 SB 87. The Office is headed by an Executive Director. The Office is responsible for quality management programs.

Department of Administrative Services

The Department of Administrative Services is statutorily created in KRS 174.015 and is headed by a Commissioner, who reports to the Deputy Secretary for Administration. The purpose of the Department is to provide the support services for the other administrative organizations within the Cabinet. The Division of Information Technology was abolished by Executive Order 2000-1105 effective August 16, 2000.

The **Division of Fleet Management** is headed by a Director and is responsible for development, utilization, and maintenance of a state motor pool.

The **Division of Property and Supply Services**, formerly the Division of Service and Supply, is headed by a Director and is responsible for the determination of the needs and utilization of the Cabinet's office and laboratory equipment and supplies.

The **Division of Toll Facilities** is headed by a Director and is responsible for toll collection, the development of facilities on toll roads, and the development and implementation of programs and practices for the proper utilization of the toll system.

Department of Human Resources Management

The Department of Human Resources Management was created by Executive Order 98-1596, issued on December 3, 1998. The Department consolidates various personnel offices scattered throughout the Cabinet. It is responsible for management of Cabinet programs pertaining to human resources utilization and develops and implements policies and programs set forth by the Secretary.

The **Division of Personnel Services** is responsible for personnel records and processing, employee benefits, regulatory compliance, and discipline.

The **Division of Employee Recruitment and Development** is responsible for employee recruitment, training and development, and coordination of the engineering scholarship program.

The **Division of Employee Safety and Health** is responsible for the formulation of safety programs, practices, and procedures for the Cabinet.

The **Division of Workers' Compensation** is responsible for the Cabinet's workers' compensation program.

Department of Fiscal Management

The Department of Fiscal Management is headed by a Commissioner, who reports to the Deputy Secretary for Administration. The Department is responsible for the fiscal administration of the Cabinet. It coordinates the budgeting, accounting, and auditing functions within the Transportation Cabinet, in accordance with KRS Chapters 12, 45, 48, and 176. The unit furnishes timely financial data and reports to aid management and operating sections in accomplishing their objectives, and provides daily processing of billing, vouchers, contract reviews, and a variety of audit materials.

The **Division of Road Fund Audits**, formerly the Division of Audit Review, is headed by a Director and is responsible for insuring a proper audit of the receipt and expenditure of all funds by the Cabinet.

The **Division of Accounts** is headed by a Director and is responsible for the formulation and implementation of programs and practices with respect to the receipt, allocation, management, and disbursement of all funds received by the Cabinet.

The **Division of Purchases** is headed by a Director and is responsible for the purchase of supplies, equipment, and materials required by the Cabinet.

Department of Rural and Municipal Aid

The Department of Rural and Municipal Aid, established by Executive Order 83-72 and confirmed by the 1984 General Assembly (KRS 174.016), is comprised of one organizational division, the **Division of Rural and Municipal Aid**. The Department is headed by a Commissioner, who reports to the Deputy Secretary for Administration. KRS 174.016(2) states that the Department of Rural and Municipal Aid shall be responsible for the development and implementation of the rural secondary program and such other functions as are assigned by the Secretary. KRS 174.016(2) prohibits the Department from exercising any authority over the county road aid or municipal aid programs unless an agreement initiated by the county or municipality is in effect. The Rural Secondary County Road and Municipal Road programs are mandated and controlled by statute. The distribution of funds to these programs is based on the amount of certain taxes and fees collected.

The **County Road Aid Program and the Rural Secondary Program** are both set up to distribute a portion of the state's motor fuels tax collections to counties, through a formula known as the statutory "formula of fifths." Each county receives a portion of the total funds available using this calculation: One fifth is divided equally among all counties; one fifth is divided proportionally, based on the amount of rural population in each county; one fifth is distributed on the basis of rural road mileage in each county; and two fifths is apportioned according to each county's share of the total land area in the state. Authorized by KRS 179.410-430, the County Road Aid Program also distributes a portion of the total motor fuels tax collections, with the funds being sent to the counties monthly. This program has actually been administered since July 1, 1980 by the Finance Cabinet's Division of County and Municipal Accounting, pursuant to action by the 1980 General Assembly. The Rural Secondary Program, authorized by KRS 177.320, is administered by the Department of Highways, with the funds being expended for improvements to rural secondary roads on behalf of the counties. In 1996, the authority to establish standards for construction, reconstruction, maintenance, and improvement of rural and secondary roads was transferred from the Department of Highways to the Department of Rural and Municipal Aid (KRS 177.350).

The **Municipal Road Aid Program** was established in 1973 under the authority of KRS 177.365. Funding is also a statutorily-set percentage of the motor fuels tax collections, and distribution is made through a formula based on the population contained in each city or unincorporated urban area of 10,000 or more. The Division of County and Municipal Accounting within the Finance and Administration Cabinet also administers this program.

Department of Vehicle Regulation

The Department of Vehicle Regulation was established by the 1974 General Assembly with the enactment of Senate Bill 112. The Department is headed by a Commissioner, who reports to the Deputy Secretary for Legal Affairs. The Department performs all activities relating to the licensing of motor vehicles and drivers in the Commonwealth. Authority is provided in KRS Chapters 138, 186, 186A, 189, 190, and 281. The Department must provide and receive information on the emissions test status of vehicles registered in the Commonwealth and provide appropriate emissions test and compliance status to the Department of Information Systems for inclusion in the AVIS database (KRS 186.290). In 2002 the Cabinet was required to implement a voluntary statewide child identification program which issues a color photo nondriver's identification to any child two to fifteen years of age (KRS 186.412). The descriptive data and photo are stored in the Kentucky Driver's License Information System and may be retrieved by public agencies and the Kentucky Missing Persons Clearinghouse.

There are four administrative divisions of the Department: Driver Licensing, Motor Carriers, Motor Vehicle Licensing, and Motor Vehicle Enforcement. In addition, the Motor Vehicle Commission is attached to the Department for administrative purposes.

The **Division of Driver Licensing** administers KRS 186.400-649, relating to licensing and maintenance of driver history, records for motor vehicle operators. The unit also supervises the state's driver improvement program for new drivers and traffic offenders.

The **Division of Motor Carriers** regulates all for-hire motor transportation within Kentucky. The activities involved include rate regulation, collection of fuel and weight distance taxes on motor carriers, and the issuance of overweight/overdimensional and hazardous/radioactive material transport permits, U-Drive-It cards, and truck identification documents.

The **Division of Motor Vehicle Licensing**, in accordance with KRS 186.005, provides the state's county court clerks with license plates and forms for the registration and licensing of motor vehicles and trailers. This unit maintains the Automated Vehicle Information System (AVIS) and the state's centralized vehicle title functions.

The **Division of Vehicle Enforcement**, under the authority of KRS 281.770, provides enforcement of Kentucky's laws relating to motor carriers, codified in KRS Chapters 138, 174, 177, 186, 186A, 189, 189A and 281. The sworn officers and weigh station technicians of this unit also conduct vehicle safety and hazardous materials inspections, as prescribed by the U.S. Department of Transportation.

The **Division of Driver Safety** was created by Executive Order 2000-1105 effective August 16, 2000. The Division is headed by a Director and is responsible for policy and development of Driver Safety programs.

The **Kentucky Motor Vehicle Commission** is authorized by KRS Chapter 190 and is attached to the Department of Vehicle Regulation for administrative purposes. The Commission issues motor vehicle dealers' licenses and regulates all vehicle manufacturers, dealers, and salespersons conducting business in the Commonwealth.

Department of Highways

The Department of Highways was established by Executive Order 83-72 and confirmed by the 1984 General Assembly and is headed by a Commissioner, who is responsible for the construction, reconstruction and maintenance of the state primary road system. The Department must submit the six year road plan to the General Assembly within ten working days of submission of the executive budget to the Governor (KRS 176.420). The Department also includes the State Highway Engineer and the twelve Chief District Engineers. The five organizational units of the Department are Program Management Staff, Highway District Offices, Office of Program Planning and Management, Office of Project Development, Office of Construction and Operations, and Office of Intermodal Programs.

Program Management Staff, pursuant to Executive Order 96-916, reports directly to the State Highway Engineer and is responsible for matching federal and state funding requirements to proposed transportation projects.

Highway District Offices were established by Executive Order 81-132. The twelve Highway District Offices are each headed by a Chief District Engineer, appointed by the Secretary, who is responsible for administering the highway program in the respective district under the operational supervision of the State Highway Engineer, and who reports directly to the Commissioner.

The Office of Program Planning and Management is headed by an Executive Director, who must be a registered engineer, known as the Deputy State Highway Engineer for Program Planning. The Office is responsible for formulating and implementing all phases of transportation planning functions, including the development and processing of the federal aid highway program.

The Division of Program Management is headed by a Director and is responsible for matching federal and state funding revenues to proposed transportation projects.

The Division of Planning is headed by a Director and is responsible for highway, freight transportation, and riverport program development.

The Office of Project Development is headed by an Executive Director, who is a registered professional engineer, known as the Deputy State Highway Engineer for Project Development. The Office is responsible for formulating and implementing all pre-construction phases of highway projects in the following divisions:

The Division of Professional Services is headed by a Director and is responsible for developing, coordinating the selection of, and negotiating for consulting engineering services for the Department.

The Division of Bridge Design is headed by a Director and is responsible for design of bridges.

The Division of Highway Design is headed by a Director and is responsible for design of roadway plans for the construction of highway systems.

The Division of Environmental Analysis is headed by a Director and is responsible for consideration of the effects of transportation proposals on social, economic, and environmental matters.

The Division of Right of Way and Utilities is headed by a Director and is responsible for development and implementation of programs for making property

appraisals, acquiring rights of way, providing relocation assistance, and developing and coordinating utility programs.

The Office of Construction and Operations is headed by an Executive Director, who is a registered professional engineer, known as the Deputy State Highway Engineer for Construction and Operations. The Office is responsible for formulating and implementing all maintenance, traffic control, and equipment utilization for the state highway system in the following divisions:

The Division of Construction is headed by a Director and is responsible for activities relating to the construction phase of highway projects.

The Division of Materials is headed by a Director and is responsible for activities relating to testing and acceptance of materials used in highway construction.

The Division of Contract Procurement is headed by a Director and is responsible for the prequalification of highway construction contractors, awarding and execution of highway construction contracts, and for monitoring contracted highway work to ensure compliance with all contract provisions.

The Division of Traffic is headed by a Director and is responsible for traffic signs, signaling devices, and markings on the state highway system.

The Division of Equipment is headed by a Director and is responsible for determining the Department's equipment requirements, utilization, and maintenance.

The Division of Operations is headed by a Director and is responsible for developing and monitoring minimum standards of maintenance for the state highway system, coordinating the allocation of personnel and resources among the highway districts, and providing data collection for use by the highway districts.

The Office of Intermodal Programs, formerly the Office of Intermodal Planning, is headed by an Executive Director, who is a registered professional engineer, known as the Deputy State Highway Engineer for Intermodal Programs and is responsible for long-range Cabinet planning regarding all forms of transportation, including highways, water, air, rail, and pipeline modes. *2000 Senate Bill 69 repealed the statutes on the Railroad Commission on December 1, 2000, upon approval by voters of the Constitutional amendment abolishing the Railroad Commission and placed responsibility of regulating railroads with the Office of Intermodal Programs. On November 7, 2000 voters approved the Constitutional amendment abolishing the Railroad Commission.*

The Division of Multimodal Programs is headed by a Director and is responsible for administration of energy conservation, urban transportation, rail transportation, and freight transportation programs.

The Division of Aeronautics is headed by a Director and is responsible for administration of the Commonwealth's airport planning and development programs. The **Kentucky Airport Zoning Commission** is attached to the Division (KRS 183.861). The 1998 General Assembly enacted HB 444, which created the **Kentucky Aviation Economic Development Fund** (KRS 183.525), which consists of receipts from the sales or use tax on aviation jet fuel. Moneys in the fund are used to develop, rehabilitate, and maintain publicly owned or operated aviation facilities and for other aviation programs that benefit publicly owned or operated aviation facilities.

Kentucky Motor Carrier Advisory Committee

The Kentucky Motor Carrier Advisory Committee was established in 1990 (KRS 281.900). The fourteen-member Committee advises the executive and legislative branches of government on issues regarding industrial expansion, promotion of motor carrier development, and improvement of motor carrier taxation and regulation methods. The committee meets not less than quarterly. The Cabinet provides administrative assistance and support and the committee is paid from the budget of the Department of Vehicle Regulation.

Kentucky Bicycle and Bikeway Commission

The Kentucky Bicycle and Bikeway Commission was created in 1992 (KRS 174.125). The seven-member Commission must be appointed by the Governor no later than August 1, 1994. The Commission is responsible for advising the Secretary on all matters pertaining to bicycles and bikeways. The Cabinet must develop and coordinate a statewide bicycle and bikeways program, including development and construction of a State Bikeway System (KRS 174.120).

Transportation and Tourism Interagency Committee

The 1998 General Assembly created the Transportation and Tourism Interagency Committee (KRS 177.107) to foster close collaboration between the Tourism Development Cabinet and the Transportation Cabinet on policies that affect the tourism industry, and to place strong emphasis on the coordination of mutual interests, such as highway signage, scenic byways, highway safety, and concern for the Commonwealth's beauty and heritage. The Committee is composed of six persons appointed by the Tourism Development Cabinet, six persons appointed by the Transportation Cabinet, and one person appointed by the Kentucky Heritage Council.

Motorcycle Safety Education Advisory Commission

The Motorcycle Safety Education Advisory Commission was create in 2002 and is comprised of seven members (KRS 186.892 to 186.894). The Commission advises the Cabinet on short-range and long-range goals to promote the continued growth and expansion of the motorcycle safety education program, ensures that the motorcycle safety education program is informed on the views and philosophies of interested parties, and acts as a communication channel between relevant state agencies and motorcyclists and the general public.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET

The Natural Resources and Environmental Protection Cabinet is charged with broad responsibilities for the protection and balanced management of land, air, and water resources. The Cabinet is an integrated program agency, which has five major units: the Department for Natural Resources, the Department for Environmental Protection, the Department for Surface Mining, the Department of Law, and General Administration and Support. Created originally to conserve, maintain, and preserve our land and water resources, the Natural Resources and Environmental Protection Cabinet is also the chief agency responsible for the prevention, abatement, and control of all water, land, and air pollution, and the reclamation of lands adversely affected by surface and underground mining.

Although the Cabinet's current programs and policies are significantly influenced by Congressional policy and budgetary enactments, many program components can be traced to early state statutory and executive initiatives. For example, the Department of Health was formed in the 1920's to accomplish many of the functions later assigned to the Division of Water in the Department for Environmental Protection. The early Kentucky Board of Agriculture and the Forestry agencies initiated programs which are now located in the Department for Natural Resources.

In the 1940's, a state conservation program and the Water Pollution Control Commission were created. Kentucky's surface mining and reclamation authority was statutorily initiated in 1954, and strengthened significantly in the 1966 Session of the General Assembly. The Air Pollution Control Commission was also created in 1966.

In the 1960's and 1970's, Congressional mandates in the natural resources and environmental protection program areas increased. Minimum federal guidelines and standards were established. States had the option to implement and manage these programs under federal oversight, or to allow the federal government to implement such programs in the state. In most instances, Kentucky has actively sought the role of primary manager and enforcer of the federally-initiated programs.

During 1972 and 1973, significant statewide agency reorganizations occurred. In the First Extraordinary Session of the 1972 General Assembly, HB 3 created the Department of Environmental Protection (KRS Chapters 109, 211, 220, 223, 224, 235, 350). Program jurisdiction for air, water, and solid waste matters was transferred from the Department of Health and consolidated in the new Department of Environmental Protection. Responsibilities for the surface mining and reclamation program were also vested in the Department.

As part of Governor Ford's reorganization of state government, the Department for Natural Resources and Environmental Protection (DNREP) was created, in addition to the six Program Cabinets (Executive Order 73-1). The existing Department of Natural Resources (KRS Chapters 146, 149, 151, and 262) and the legislatively created Department of Environmental Protection were merged to create the integrated DNREP, which is the basic organizational structure that exists today. The 1974 General Assembly ratified the executive order.

The First Extraordinary Session of the 1972 General Assembly also created the Environmental Quality Commission as a statutory advisory citizen committee to the Governor and the Cabinet. In the 1976 General Assembly, the Nature Preserves Commission was created to protect and preserve the Commonwealth's unique flora and fauna. Both Commissions are attached to the Cabinet for administrative purposes. In 1990, the Kentucky Petroleum Storage Tank Environmental Assurance Fund Commission was established, but in 1996 it was abolished and replaced by the Office of Underground Storage Facilities in the Office of Secretary of the Public Protection Cabinet.

Several lesser organizational changes have occurred since 1974. In 1978, the General Administration and Support Unit was restructured. In 1982, the Division of Water Patrol (KRS Chapter 235) was transferred from the Department of Justice to the DNREP, and in 1994 it was transferred to the Department of Fish and Wildlife Resources. The Department was also assigned Cabinet status by House Bill 657 in 1982, and renamed the Natural Resources and Environmental Protection Cabinet (KRS 224.10-010). Powers and duties of the Cabinet are found in KRS 224.10-100.

The **Environmental Trust Fund** was created in 1990 and the **Environmental Board** was established to control and manage the fund. The Board is composed of the Secretary of the Natural Resources and Environmental Protection Cabinet, the chairman of the Environmental Quality Commission, and six members appointed by the Governor. The Fund is to be used to conduct and fund environmental research, research and development projects, and environmental education programs approved by the Board (KRS 224.01-200 to 224.01-220).

The **Small Business Stationary Source Compliance Advisory Panel** was created in 1992 (KRS 224.20-510) to determine the overall effectiveness of Kentucky's small business stationary source technical and environmental compliance assistance program. Two of the eleven-member panel are selected by the Secretary of the Natural Resources and Environmental Protection Cabinet, one is selected by the Secretary of the Economic Development Cabinet, four are selected by the General Assembly, and four are selected by the Governor. The panel renders advisory opinions to the Cabinet and prepares periodic reports to the U.S. Environmental Protection Agency on the program's compliance with the Federal Paperwork Reduction, Regulatory Flexibility, and Equal Access to Justice Acts.

Executive Order 2000-1103, effective August 16, 2000 and confirmed by 2001 SB 86, abolished the Kentucky Forest Resource Council. The Kentucky River Authority was removed from the Cabinet in 2000 and assigned to the Finance and Administration Cabinet. Executive Order 2001-1516 issued on December 14, 2001 and confirmed by 2002 HB 390 abolished the Interagency Farmland Advisory Committee.

A **Voluntary Environmental Remediation Program** was created in 2001 to promote voluntary cleanup and redevelopment of properties suspected of environmental contamination (KRS 224.1-510)

General Administration and Support

The General Administration and Support unit is statutorily based on KRS Chapter 224 and is the administrative component supporting the four program departments within the Natural Resources and Environmental Protection Cabinet (NREPC). It is responsible for providing an administrative system through which the goals and objectives of the NREPC can be achieved. The program provides administrative direction, state and federal coordination, data and informational input for program operations, accountability for financial resources, centralized procurement, legal services for agency and program operations, recruitment of new employees, personnel records maintenance, and public awareness of agency and program operations. This unit includes the Office of the Secretary, Office of Information Services, Office of Administrative Hearings, and the Division of Administrative Services.

Office of the Secretary

The Office of the Secretary provides executive direction, policy coordination and administrative support, through which the goals and objectives of the NREPC can be achieved. The Office of the Secretary formulates and executes Cabinet policies, based on the Governor's priorities, statutes, regulations, legislative intent, federal requirements, and citizen concern. Attached to the Office of Secretary are the Office of Inspector General, Office of Information Services, Office of Administrative Hearings, Office of Legal Services, Office of Financial Management, and the Division of Administrative Services.

Office of Inspector General

Executive Order 99-413, issued on March 30, 1999 and confirmed by 2000 HB 99, created the Office of Inspector General. The Inspector General is responsible for investigations into violations of environmental laws and regulations and provides support for and coordinates the Cabinet's participation in investigations involving the Cabinet, other state agencies, and agencies of other states and the federal government. It is responsible for administrative investigations necessary for the effective and efficient management of the Cabinet.

Office of Information Services

Executive Order 95-1115, issued on September 29, 1995, and Executive Order 96-944, issued upon expiration of EO 95-1115 on July 16, 1996 and confirmed by 1998 SB 149, created the Office of Information Services. The Office consists of three branches: Applications Analysis and Development, Operations and Network, and Geographic Information Systems.

Office of Administrative Hearings

The Office of Administrative Hearings is responsible for the hearings process, pursuant to KRS Chapters 151, 224 and 350, and the regulations promulgated pursuant thereto. The Office was established by Executive Order 84-1048, confirmed by the 1986 General Assembly, and later changed by Executive Order 93-721, which was confirmed by the 1994 General Assembly. The Division is managed by the Chief Hearing Officer, who is an executive director appointed by the Secretary. The Division is divided into two sections. The **Hearings Section** is responsible for conducting all hearings and conferences, preparing reports and recommendations for the Secretary's consideration, and ensuring that all hearings and conferences are held in an effective and judicious manner. The **Docket Coordination Section** is responsible for serving as staff support for the Hearings Section, performing administrative and logistical duties required by the Chief Hearing Officer, and scheduling, filing, and coordinating all requests for administrative hearings and conferences.

Office of Legal Services

The Department of Law was created by Executive Order 88-773 on September 23, 1988, and confirmed by the 1990 General Assembly, as a reorganization of the Office of General Counsel, as established pursuant to KRS 224.10-020. The reorganization elevated the Office to department status and the three branches to division status: Surface Mining Legal Division, Natural Resources and Environmental Protection Legal Division, and the Legal Support Division. The Department is headed by a Commissioner. In 1995, Executive Order 95-169, issued on February 16, 1995, renamed the Department of Law the Office of Legal Services, and this action was confirmed by the 1996 General Assembly by enactment of House Bill 570.

The Office of Legal Services provides both litigation and non-litigation services for the Cabinet. Executive Order 96-697, issued on May 31, 1996 and confirmed by 1998 SB 162, established within the Office the Central Investigation Section. The Section was abolished by 2000 House Bill 99.

Office of Financial Management

The Office of Financial Management was created by Executive Order 2001-1215 issued on August 26, 2001. The Office is headed by an Executive Director. The Office is responsible for administering, overseeing, and analyzing all financial and budget functions of the Cabinet. It serves as a agency liaison with the Governor's Office of Policy Management, the Legislative Research Commission, the Finance and Administration Cabinet, and federal agencies.

Division of Administrative Services

The Division of Administrative Services provides centralized support to the NREPC in areas of personnel, finance, budgeting, data processing, property and facilities

management, grant administration and other administrative functions. It is the liaison between the Cabinet and various state agencies, such as the Department of Personnel, Office for Policy and Management, Finance and Administration Cabinet, Department of Facilities Management, Department of Information Systems, and State Auditor's Office. Further, the division is responsible for complying with those federal and state statutes, regulations, registers, circulars, policies, and procedures that pertain to administrative functions. Executive Order 95-1115, issued on September 29, 1995, and Executive Order 96-944, issued upon expiration of EO 95-1115 on July 16, 1996, created within the Division a Public Information and Education Branch and transferred all personnel, records, and funds to it from the Office of Communications and Community Affairs, which was abolished by the Order. The Branch is headed by an Environmental Control Manager, who reports to the Director of the Division of Administrative Services.

Department for Environmental Protection

The Department for Environmental Protection as it presently exists was created by legislation enacted during the 1974 General Assembly, as codified in KRS 224.10-020. The Department's highest ranking official is a Commissioner, who is appointed by the Secretary of the Cabinet, with the approval of the Governor. Pursuant to the authority and responsibility conferred on the Department by KRS Chapters 224 and 151, the mandate of the Department is to protect the quality of the state's air, land, and water, and to protect human health from unacceptable exposure to environmental pollutants.

The **Commissioner's Office** provides policy direction, and administrative and coordination management for departmental programs.

The **Division of Environmental Services** provides scientific analyses for the operating divisions essential for characterizing, evaluating, and documenting the nature and extent of environmental pollutants. Additionally, the Division certifies laboratories performing chemical analyses of drinking water.

The mission of the **Division of Water** is to provide for the beneficial use of the waters of the Commonwealth. It administers the federally-delegated programs under the Safe Drinking Water Program and the National Pollutant Discharge Elimination System. These programs are chiefly concerned with the management of drinking water supplies and wastewater treatment facilities. Additional responsibilities include the control of construction activities within the one-hundred year floodplain, the inspection of dams, the administration of the state's drought response activities, the Wild Rivers Program, and the implementation of a public information and education program.

The **Division for Air Quality** administers the federally-delegated programs under the Clean Air Act and operates programs involving air quality monitoring, planning, construction and operation permitting, source inspections and enforcement actions. In addition, the Division trains and certifies asbestos removal contractors and inspects asbestos removal and renovation projects.

The **Division of Waste Management** administers the federally-delegated programs under the Resource Conservation and Recovery Act (RCRA). The primary programs include the regulation of disposing of solid and hazardous waste. It also operates programs involving abandoned vehicles, state government paper recycling,

technical assistance to counties and solid waste management districts, as well as educational programs. Also, the Division registers and inspects all underground petroleum and chemical storage tanks and administers a trust fund to correct problems created by leaking tanks. Executive Order 95-1390, issued on December 4, 1995, abolished the Division of Recycling Brokerage in the Cabinet for Economic Development and the Recycling Brokerage Authority. However, in 1996, although House Bill 536 abolished the Division of Recycling Brokerage in the Cabinet for Economic Development, it did not abolish, but rather transferred, the Kentucky Recycling Brokerage Authority (KRS 152.045) to the Natural Resources and Environmental Protection Cabinet. The Kentucky Recycling Brokerage Authority was created in 1991 to further local governments' efforts to develop reliable markets for their recyclables. Executive Order 96-946, issued on July 16, 1996 and confirmed by 1998 SB 153, after the end of the 1996 legislative session, abolished the Recycling Brokerage Authority and declared the Division of Waste Management the contact for local governments and commercial recycling businesses seeking to recycle materials. The order also created the **Kentucky Recycling and Marketing Assistance Program**, which is responsible for development of a recycling infrastructure within the Commonwealth by encouraging the management of solid waste as it relates to collection, processing, and marketing of recovered materials, providing assistance for the development of community and regional recycling, identifying market resources for recyclables and promoting market development initiatives for recyclables. The **Kentucky Recycling and Marketing Assistance Advisory Committee** acts in an advisory capacity to the Cabinet.

Lastly, the Department manages a program for the oversight of the closed low-level radioactive waste disposal site located at **Maxey Flats** in Fleming County. The site has been added to the federal Superfund list for cleanup. The site was closed in 1977 and the state assumed ownership in 1978. The state utilizes state and federal funds to monitor and maintain the site. Maxey Flats is in the remedial design phase and actual remediation is not expected to be completed for several years.

Department for Natural Resources

In 1936, the Department of Conservation was created; it was renamed the Department for Natural Resources in 1964. The Department for Natural Resources was the predecessor of the Natural Resources and Environmental Protection Cabinet. The additional function of energy has been added to the original forestry and conservation divisions. It is one of four departments in the Cabinet and consists of three divisions. The Division of Water Patrol was transferred to the Department of Fish and Wildlife Resources in the Tourism Cabinet by Executive Order 93-1227. Federal funds are available for operating each division, making up approximately one-fourth of the Department's budget. The main duties of the Department are allocated to its divisions.

The **Division of Conservation** provides assistance to Kentucky's 121 conservation districts. This assistance includes administrative, technical, educational and financial assistance. Programs include soil mapping, erosion assessment and control, conservation system equipment loans and educational programs. The Division provides administrative services to the **Soil and Water Conservation Commission**, which

consists of nine members appointed by the Secretary (KRS 146.090). The Commission assists soil and water conservation districts, agricultural districts, and watershed conservancy districts in carrying out their functions. The **Kentucky Soil Erosion and Water Quality Cost-Share Fund** was created in 1994 and is administered by the Commission. The Fund is used for cost-share programs to provide financial assistance to prevent surface water and groundwater pollution, reduce the loss of topsoil, and provide cleaner water through reduction of sediment loading of Kentucky streams, rivers, and lakes (KRS 146.115).

The **Division of Forestry** is primarily responsible for fire protection of Kentucky's forestry resources, which constitute some twelve million acres. Other programs include managing state-owned forestry resources, supervising two state nurseries, and providing technical assistance to the primary and secondary wood industry. There is an information and education program within the division to develop public awareness of the importance of forests in Kentucky and to promote forest stewardship. The **Forest Stewardship Incentive Fund** is administered by the Division (KRS 149.340). Monies from the fund are used for cost-share programs to provide financial assistance to landowners for the development of stewardship plans and practices, including reforestation, riparian and wetlands protection, and wildlife habitat improvement. The Division keeps a list of all loggers who have completed the **Master Logger Program** and the required continuing education (KRS 149.342). The **Forestry Best Management Practices Board**, created in 1998, consists of thirteen members. The Board updates Kentucky's forest practice guidelines for water quality management and the Division of Forestry administrative regulations regarding timber harvesting operations, and supervises the implementation of forestry best management practices and timber harvesting operations regulations by the Division (KRS 149.350).

The **Division of Energy** was created in July 1989, by Executive Order 89-656, out of the reorganization of the Divisions of Alternate Energy Development and Conservation that were moved in April 1989, in conjunction with abolishment of the Energy Cabinet, pursuant to Executive Order 89-396. The primary focus of this division is resource conservation. Four federally-funded programs are carried out by the Division on a statewide basis: the Kentucky Energy Conservation Plan, the Kentucky Energy Extension Service Program, the Institutional Conservation Program, and the Kentucky Energy Savers Fund, formerly known as the Solar Energy and Energy Conservation Bank.

Department for Surface Mining Reclamation and Enforcement

The Department for Surface Mining Reclamation and Enforcement was created from its predecessor in 1977 in response to the federal Surface Mining Control and Reclamation Act. The corresponding state law is KRS Chapter 350. The Department's purpose is to regulate surface coal mining operations and the surface effects of underground coal mining, in order to minimize environmental damage and insure that mined land is reclaimed to a productive use. Non-coal mining is also regulated by the Department.

The Department has three divisions, the Division of Permits, the Division of Field Services, and the Division of Abandoned Lands. Their main regulatory functions concern

permitting, enforcement, and reclamation evaluation and funding. These activities are performed by a central office in Frankfort and seven regional offices, located throughout the state's eastern and western coal fields. The Commissioner's Office provides policy direction and coordinates the activities of the divisions.

The **Division of Permits** is charged with the overall responsibility of approving mine permits for each operation in the state, to ensure that the environment is protected. The Division conducts mid-term reviews on all permits, which include reevaluation of the bond. The Division also regulates coal exploration. Several units in the Frankfort office perform specialized functions. The Technical Services Branch is responsible for regulation updating, experimental practice review, and special technical research. The Small Operators Assistance Program provides financial assistance to small operators producing less than 100,000 tons of coal per year. The Lands Unsuitable for Mining Program is also administered by this Division.

The **Division of Field Services** consists of the Frankfort office and seven regional offices. The Frankfort office is responsible for coordinating the activities of the regional offices by establishing policy and procedural guidelines and offering technical assistance. The Division responds to emergency situations and citizens' complaints relating to surface mining. The Special Investigations Branch is responsible for statewide enforcement against illegal mining activities. The Division's main function, mine inspections, is performed by personnel in regional offices, located in Madisonville, Grayson, Jackson, London, Middlesboro, Pikeville, and Prestonsburg. Inspectors also investigate complaints and prepare bond releases. The Division also administers a program for the certification of all blasters on coal mining operations, to include testing, registration and periodic recertification.

The **Division of Abandoned Mine Lands** was originally placed within the Department for Natural Resources; however, pursuant to Executive Order 89-396, issued in April of 1989, which abolished the Energy Cabinet and effected the reorganization of other agencies, the Division was transferred from the Department for Surface Mining Reclamation and Enforcement to this Department. Its purpose is administering the Abandoned Mine Land Program and the state's bond forfeiture program. Federal funds for the program are derived from federal tax levies. Failure to maintain such a program means the funds are allocated to other coal-producing states. There are an estimated 150,000 acres of abandoned mine lands in Kentucky. The Division is responsible for evaluating and overseeing reclamation projects throughout the state.

The **Kentucky Bond Pool Commission**, enacted into law by the 1986 General Assembly, is an alternative bonding program which qualifying coal companies may utilize in meeting the reclamation bonding requirements of state and federal law. The Kentucky Bond Pool Commission is an independent agency, although it is housed within the Department for Surface Mining Reclamation and Enforcement (KRS 350.705). The seven-member Commission approves, denies, suspends, and revokes bond pool membership. The bond pool fund is used to reclaim permit areas in the case of forfeiture (KRS 350.700).

Environmental Quality Commission

The Environmental Quality Commission (EQC) is an independent seven-member Commission created by the First Extraordinary Session of the 1972 General Assembly, to advise the Governor and the Natural Resources and Environmental Protection Cabinet on a wide range of environmental matters. This legislative session was held in June 1972 and the law became effective January 1, 1973. The powers and duties of the Commission are contained in KRS 224.01-100 to 224.01-115.

EQC is a separate state agency; however, for administrative purposes the Commission is attached to the Natural Resources and Environmental Protection Cabinet. The Commission is composed of industry, environmental, and citizen leaders from around the state. Members are appointed to four-year staggered terms by the Governor. The Commission's activities are funded through appropriations from the General Fund. EQC is mandated to review all administrative regulations proposed by the Natural Resources and Environmental Protection Cabinet. Since 1973, EQC has reviewed all mining, water, waste, and air administrative regulations proposed by the Cabinet. To ensure a timely review of the regulations, EQC signed a memorandum of understanding (MOU) with the Cabinet in 1985. The MOU provides that EQC will receive regulations thirty days prior to their receipt by the Legislative Research Commission. Early review by EQC during the development of administrative regulations assists the Cabinet in promulgating more effective and workable regulations.

EQC has four advisory subcommittees to assist in the review of administrative regulations. Advisory subcommittees review administrative regulations in the areas of mining, water, waste, and air. The subcommittees are chaired by an appointed EQC Commissioner, and are composed of six to ten members, representing industry, environmental, and citizen interests from around the state. The subcommittees meet as needed to review draft administrative regulations. In addition to providing early input on administrative regulations to the Cabinet, the advisory subcommittees also advise the EQC concerning the regulations. EQC serves as a public forum for the exchange of views, concerns, and information relating to Kentucky's environment. The Commission often reviews broad policy and environmental issues and develops recommendations as provided by law. In its role as a public forum, EQC also publishes and disseminates a quarterly newsletter to inform and educate the public and private sectors on new administrative regulations, environmental issues, and the activities of EQC and the executive and legislative branches of state government.

Kentucky State Nature Preserves Commission

The Kentucky State Nature Preserves Commission, like the Environmental Quality Commission, is also a separate agency attached for administrative purposes to the Natural Resources and Environmental Protection Cabinet. It was created by the General Assembly in 1976 (KRS 146.410-146.535), and is composed of five citizen members selected by the Governor. One member each is chosen from recommendations by the following three organizations: the Kentucky Farm Bureau Federation, Inc., the National Farmers Organization, and the State Association of Soil Conservation Districts. It is the Commission's duty to implement the public policy of the Commonwealth expressed in the law, which is securing for present and future generations the benefits of an enduring

resource of natural areas. The Commission's goal is to protect representative areas across the state, especially those that contain unique or special features, so that the citizens will have the opportunity to experience Kentucky's rich and diverse natural heritage. These nature preserves provide opportunity for education, inspiration, recreation, and relaxation.

The Commission's basic mandate is to inventory the Commonwealth for natural areas and to preserve them by establishing a Nature Preserves System. In an effort to identify the most critical natural areas, information on rare and sensitive native plants and animals is maintained on a modern computer data management system and utilized to prioritize protection efforts. This process of information gathering requires constant revision as more is learned about the state's remaining natural features.

To accomplish these tasks in the most efficient manner, the Commission has adopted the **Natural Heritage Program**, designed by The Nature Conservancy, a private nonprofit conservation organization, as a nationally recognized standard data management tool. The Natural Heritage Program utilizes a modern computer system to manage data on critically rare plant and animal species and communities so that efficient and effective preservation decisions can be made. The value of the Commission's Natural Heritage Program continues to be recognized and it is utilized by many as the most current information available on natural areas and rare species. Each year the Commission answers requests for this information from corporations, organizations, and governmental agencies attempting to assess the potential impact of proposed projects on the natural environment. In addition to providing information, the Commission staff offers technical assistance to state and federal agencies regarding natural areas and endangered and threatened plant and animal species. The Commission is prohibited from acquiring natural areas through eminent domain. The approval of the owner of the mineral estate is required if the acquisition of the natural area is less than fee simple.

The Commission's natural area acquisition efforts are funded primarily by those Kentuckians who receive a state tax refund and donate all or a portion of their refund to the **Nongame Wildlife/Natural Areas Fund**. Contributions to this fund are divided equally between the Commission and the state Department of Fish and Wildlife Resources' nongame wildlife program. The Commission's share is used solely for the purchase and maintenance of natural areas. Donations may also be made directly to the Kentucky Nature Preserves Trust Fund; federal funds also are received.

There are thirty state nature preserves and one state natural area in the Nature Preserves System, totaling 10,272 acres. Citizens also may register natural areas with the Commission. The landowner does not relinquish any property rights and agrees to protect the area. As of September 1, 1994, the Commission had registrations in writing from forty-eight landowners in twenty-seven counties for forty-four natural areas, totaling about 5,762 acres.

The Commission, under the **1994 Kentucky Rare Plant Recognition Act** (KRS 146.600), is authorized to conduct investigations on any species of plants indigenous to the Commonwealth necessary to develop information relating to population, distribution, habitat needs, limiting factors, and other biological and ecological data, and to determine protective measures and requirements necessary for its survival.

Kentucky Heritage Land Conservation Fund Board

The Kentucky Heritage Land Conservation Fund Board was created in 1990 (KRS 146.560) and administers the Kentucky Land Conservation Fund (KRS 146.570). The Board receives staff support from the Natural Resources and Environmental Protection Cabinet and the Department of Fish and Wildlife Resources. Moneys in the Fund are used exclusively for acquisition and management of lands that are natural areas that possess unique features such as habitat for rare and endangered species, areas important to migratory birds, areas that perform important natural functions that are subject to alteration or loss, or areas to be preserved in their natural state for public use, outdoor recreation, and education.

Kentucky Water Well Certification Board

The Kentucky Water Well Certification Board was created in 1984 as a 7-member board appointed by the Governor (KRS 223.415). The Board recommends to the Secretary of the Cabinet administrative regulations to govern examinations of water well drillers and hearings on certificate denial, revocation, and suspension.

Kentucky Geological Survey

(The Kentucky Geological Survey is not attached by statute to the Natural Resources and Environmental Protection Cabinet but is placed under the Cabinet for purposes of this publication)

The Kentucky Geological Survey is established and maintained within the University of Kentucky pursuant to KRS 151.010 as the Commonwealth's official repository for all information relating to the occurrence and quality of ground water. The Survey periodically reports to the Governor and the General Assembly. The 1998 General Assembly enacted legislation creating the **Interagency Technical Advisory Committee on Groundwater** to work with the Kentucky Geological Survey to establish a long-term groundwater monitoring network for the purpose of characterizing the quality, quantity, and distribution of Kentucky's groundwater resources.

JUSTICE CABINET

In 1898, the State Board of Penitentiary Commissioners was created. In 1918, the Board was abolished and the State Board of Control took over its duties and those of the State Board of Control of Charitable Institutions (1906). In 1920, the State Board of Control was abolished and the State Board of Charities and Corrections was created for the management and supervision of the benevolent, charitable, correctional, and penal institutions. In 1932, the powers of the Board were vested in the newly created Department of Public Welfare. In 1962 the Department was abolished and the corrections functions of the Department were transferred to the newly created Department of Corrections. The Department of Kentucky State Police was created in 1948. The Department of Public Safety was created in 1956, the Department of Kentucky State Police was abolished, and the Division of Kentucky State Police was created in the Department of Public Safety.

The Department of Justice was created by Executive Order 73-805, issued on September 11, 1973, when the Department of Public Safety and the Department of Corrections, the Crime Commission, certain functions of the Kentucky Law Enforcement Council, and the Office of Public Defender were merged. The Department included the Bureau of Training, Bureau of State Police, and Bureau of Corrections. In 1982, the Department of Justice became the Justice Cabinet and the Bureau of Corrections became the Corrections Cabinet. In 1992, the Corrections Cabinet was abolished and the Department of Corrections was created within the Justice Cabinet. In 1996, the Department of Juvenile Justice was created. The Justice Cabinet is headed by a Secretary and consists of the Department of Criminal Justice Training, Department of Juvenile Justice, Department of State Police, and Department of Corrections, each of which is headed by a Commissioner. Executive Order 98-964, issued on July 23, 1998, abolished the Division of Grants Management in the Office of the Secretary and created the Office of Criminal Justice Council.

Office of the Secretary

The Office of the Secretary includes the Secretary, Deputy Secretary, and General Counsel personnel for the Justice Cabinet. The Office is responsible for the overall administration of the Cabinet; provision of legal services; development of legislation, regulation, and policy; and coordination of activities within the Cabinet and among Cabinet departments and agencies (KRS 15.060). Executive Order 95-277 issued on March 21, 1995 created in the Office of Secretary a Division of Youth Services, however, Executive Order 96-1503 issued on November 8, 1996 abolished the division.

The **Division of Kentucky State Medical Examiners Office**, formerly the Medical Examiner Program, provides assistance to the state's coroners in determining the cause and manner of death and identification of the deceased (KRS 72.220). Executive Order 96-941 issued on July 15, 1996 and confirmed by 1998 SB 173, renamed the Medical Examiner Program the Division of Kentucky State Medical Examiners Office. The Division includes support staff for physicians, a forensic anthropologist, the chief and deputy medical examiners, regional medical examiners, and contractual services with

the University of Kentucky and the University of Louisville for facilities, equipment, histology and radiology services, and medicolegal autopsy assistants. The **Advisory Commission for Medical Examination** acts in a general advisory capacity to the medical examiner services (KRS 72.225).

The **Office of Management, Administrative, and Legal Services** was created by 2000 House Bill 362. The Office is responsible for providing information systems management, investigative services, and legal services to the Office of the Secretary. The Office is headed by an Executive Director appointed by the Secretary.

The **Office of Criminal Justice Council** was created by Executive Order 98-964, issued on July 23, 1998 and confirmed by 2000 House Bill 86. The Office is headed by the Executive Director of the Criminal Justice Council. The Kentucky Crime Commission was created in 1967 and was renamed the **Criminal Justice Council** in 1998. It advises and recommends to the Secretary policies and direction for departmental long-range planning regarding the criminal justice system, and exercises supervisory authority with respect to federal and state grants, as required by federal or state law (KRS 15A.040). The Council makes recommendations on administration of the criminal justice system, the rights of crime victims, sentencing issues, capital litigation, the penal code, and a comprehensive strategy to address gangs and gang problems. The Governor's Chief Information Officer was made a voting member of the Council by Executive Order 99-319, issued on March 10, 1999 and confirmed by 2000 House Bill 89. The **Uniform Criminal Justice Information System Committee** designs, implements, and maintains the Uniform Criminal Justice Information System (KRS 17.131). The Committee is appointed by the Criminal Justice Council, upon approval of the Governor's Chief Information Officer, who chairs the Committee. The uniform system includes a system for criminal justice agencies and the courts to share data stored in each other's information systems.

The **Kentucky State Corrections Commission** was created in 1990 to facilitate the need for comprehensive planning for the Corrections Cabinet. The twelve-member Commission is charged with developing a six-year plan for Corrections Cabinet operations, which includes both construction and programmatic elements. The current plan is submitted to the Legislative Research Commission not later than six months prior to the commencement of every regular session of the General Assembly. Members serve terms of three years and the chairman is appointed by the Governor. In 1992, the director of the Commission was authorized to award grants to community corrections programs and required to evaluate each program on an annual basis. The purpose of the programs is to provide the judicial system with sentences to be used in lieu of imprisonment (KRS 196.081).

The **Commission on Corrections and Community Services** provides advice on correctional policy and programs pursuant to KRS 439.302. The Secretary of the Cabinet is the chair of the Commission.

The **Kentucky Parole Board**, pursuant to KRS Chapter 439, grants and revokes parole for adult felony offenders incarcerated in Kentucky correctional institutions. Pursuant to KRS Chapter 640, the Parole Board fulfills the same function with regard to juveniles classified as youthful offenders. Administrative law judges of the Board travel statewide to conduct preliminary revocation hearings for parolees in the county of

violation. The chairman of the Parole Board serves as the chief administrative officer of the Board and is responsible for all administrative, organizational and personnel matters of the Board. The Governor appoints the Board members, subject to Senate confirmation, and names the chairman. 2000 House Bill 88 requires the Board to consist of 7 full-time members and 2 part-time members. Each of the part-time members must be from different political parties(KRS 439.320). The Board is attached to the Secretary's Office for administrative purposes. Executive Order 99-1329 issued on September 28, 1999 created the **Office of Executive Director of the Parole Board** which is headed by an Executive Director. The Office is responsible for financial, personnel, and management support services to the Parole Board, making recommendations to the Secretary on administrative issues affecting the Board, drafting legislation and regulations, and reviewing parole data and conducting long-range planning (KRS 439.320[8]).

The **Criminal Justice Statistical Analysis Center**, formerly attached to the Office of the Attorney General, was transferred to the Justice Cabinet by 2000 House Bill 540 (KRS 15.280). The Center is to provide its reports to the Governor and the General Assembly through the Kentucky Criminal Justice Council. The Center is directed to improve the quality and usefulness of criminal justice statistics and research results that are disseminated to citizens and public and private agencies, increase the ability of statistical users to translate data and research results into practice, improve the relationship between citizens and criminal justice agencies by conducting citizen surveys, and strengthen the relationship between Kentucky criminal justice agencies and the National Bureau of Justice Statistics.

Department of Criminal Justice Training

The Department of Criminal Justice Training, created by KRS 15A.020, is headed by a **Commissioner** and is responsible for training law enforcement personnel at the campus of Eastern Kentucky University and regional sites. The Department, pursuant to KRS 15A.070, conducts continuing research on criminal law and subjects related to law enforcement training and furnishes information relating to standards for recruitment, employment, promotion, organization, management and operation of any law enforcement agency in Kentucky. In 2002, legislation required the Department to operate and maintain a program for firearms instructor trainers for the concealed deadly weapon training program (KRS 237.120).

The **Training Operations Division** consists of a basic training branch, an in-service branch, a breath test branch, and a telecommunications branch.

The **Administrative Division** provides legal services, administrative and technical services, planning, development and evaluation services, and administers the distribution of appropriate money to qualified participating police agencies.

The **Division of Training and Support** was created by Executive Order 98-1405, effective October 16, 1998 and confirmed by 2000 House Bill 87. Emphasis is on oversight of physical items necessary for the direct support of training operations. It handles training records and registrations and information systems.

The **Kentucky Law Enforcement Council**, attached to the Office of the Commissioner for administrative purposes, prescribes standards for the schools at which

law enforcement training courses are conducted and qualifications for instructors at such schools. The approval, issuance and revocation of certificates for these schools and instructors are performed by the Council, as provided in KRS 15A.080 and 15.330. The Council disseminates to all sheriffs and local law enforcement officials the model policy to prohibit racial profiling by state law enforcement agencies and officials as established by the Cabinet Secretary as required by legislation enacted in 2001 (KRS 15A.195).

Department of Juvenile Justice

The Department of Juvenile Justice was created by enactment of House Bill 117 during the 1996 Session of the General Assembly (KRS 15A.065). The Department develops and administers programs to prevent juvenile crime; identify juveniles at risk of becoming status or public offenders; provide services to law enforcement, prosecution, victims, defense attorneys, and the public relating to juvenile crime, its prevention, detection, trial, punishment, rehabilitation, and services for youth adjudicated delinquent or found guilty of public offenses or as youthful offenders; operate or contract to operate postadjudication treatment facilities for children and alternatives to detention; conduct research and comparative experiments to find the most effective means of preventing delinquent behavior, identifying predelinquent youth, preventing predelinquent youth from becoming delinquent, assessing needs of predelinquent and delinquent youth, providing an effective program of treatment, assessing success of programs, and keeping entities and persons abreast of the latest programs, technology, counseling tools, and other aspects of juvenile counseling, correction, and treatment; and seek funding for demonstration projects, normal operation of programs, and alterations of programs. The Department has an **advisory board**, appointed by the Governor, to develop program criteria for early juvenile intervention, diversion, and prevention projects, and to develop statewide funding priorities and make recommendations to the Commissioner on allocation of funds.

Executive Order 96-1576, issued on November 27, 1996 and confirmed by 1998 HB 350, transferred and assigned from the Cabinet for Families and Children to the Department the responsibility for the commitment and custody of public offenders and the physical custody of youthful offenders previously granted to the Cabinet for Human Resources and its successor, the Cabinet for Families and Children. The order transferred all residential treatment facilities, services, and programs for public offenders and youthful offenders.

House Bill 117 created the Division of Educational Services (KRS 15A.067). Executive Order 96-1069, issued on August 7, 1996, created the Office of General Counsel and four divisions: administrative services, residential services, community services, and program support services. The order also transferred the Central Kentucky Treatment Center from Justice Administration to the Department and transferred the Breathitt County, Northern Kentucky, and Western Kentucky Secure Juvenile Detention Facilities from the Corrections Cabinet to the Department. Executive Order 96-1503, issued on November 8, 1996, abolished the divisions of residential services, community services, and program support services created in EO 96-1069. Executive Order 96-1503 also created five divisions and an Office of General Counsel.

2000 Executive Order 1325, effective September 16, 1999, and confirmed by 2000 House Bill 183, abolished the Division of Detention Programs, abolished the Division of Education Services, established the Division of Staff Development, renamed the Division of Quality Assurance as the Division of Program Services.

The **Detention Facility Standards Committee** was created in 1998 to review and recommend administrative regulations relating to county-operated juvenile detention facilities (KRS 15A.245)

The **Office of General Counsel** acts as an attorney for the Department in all legal matters.

The **Division of Staff Development** is responsible for training and staff development.

The **Division of Program Services**, formerly the Division of Educational Services, is responsible for delivery of appropriate educational programs to incarcerated youth. Each facility must provide educational services to adjudicated delinquents who are ordered to remain in the facility for an indeterminate period of time. The Division makes specially designed instruction and related services available as required by the State Board for Elementary and Secondary Education administrative regulations applicable to students with disabilities. Within five days after a juvenile is released, the Division notifies a school district of the juvenile's release, and educational status, and forwards any educational records. The Division also works with federal grant programs, administers state-funded prevention programs, and develops new services with child care agencies. It also deals with accreditation and evaluation issues, detention inspections, and revocation hearings for juveniles released from placement that are having problems in the community.

The **Division of Administrative Services** is responsible for providing administrative support functions in areas of budgeting, accounting, purchasing, facilities management, inventory, personnel management, and other support functions.

The **Division of Western Region, Division of Central Region, and Division of Eastern Region** are responsible for management, policy direction, and coordination of matters relating to the operation and programs for treatment centers, group homes, day treatment centers, private child care facilities, and field services.

The **Division of Placement Services** was created by Executive Order 2000-1501 issued on November 28, 2000 and confirmed by 2001 HB 98. The Division is responsible for the management, policy direction, and coordination of all matter relating to the classification, evaluation, and placement of juveniles committed or detained by the Department. The Division is also responsible for the transportation of juveniles committed or detained by the Department of Juvenile Justice.

The **Division of Quality Assurance** is responsible for monitoring investigative reports, insuring that facilities and operations meet minimum standards, developing new program initiatives and conducting research.

Department of State Police

The Department of State Police was formed on July 1, 1948, when legislation was signed giving its officers full police powers, both traffic and criminal. All offices, facilities, equipment, duties, powers, and funds of the State Highway Patrol were transferred to the Department. In 1956, the Department was abolished and it became the Division of Kentucky State Police in the Department of Public Safety. Since 1973, it has been a part of the Justice Cabinet and is headed by a **Commissioner** (KRS 15A.020). Its duties and powers are contained in KRS Chapter 16. KRS 16.060 details the duties and powers of the Commissioner and officers of the Kentucky State Police. It is the duty of the Commissioner and each officer of the Department to detect and prevent crime, apprehend criminals, maintain law and order throughout the state, collect, classify, and maintain information useful for the detection of crime and the identification, apprehension and conviction of criminals, and enforce the criminal as well as the motor vehicle and traffic laws of the Commonwealth. The KSP must also provide security of state facilities located in Frankfort, highway enforcement, and water safety enforcement, as provided in KRS Chapter 235. The Department is divided into three divisions.

The **Administrative Division** provides specialized and highly professional training and personnel to back up the frontline officers of the Kentucky State Police.

The **Services Division** provides information, data and equipment necessary to keep the officer abreast of his/her function, along with record keeping and communication equipment that is necessary for an effective patrol force.

The **Operations Division** is the front line of the State Police. It provides total police service to the people of the Commonwealth, people traveling through Kentucky and officials of other law enforcement agencies. It also provides protection and security of the Governor, Lieutenant Governor, their families and property.

Department of Corrections

The Department is headed by a **Commissioner** and is governed by KRS Chapters 196 and 197. It is responsible for managing the daily operations of the state correctional institutions and a variety of community-based services. Its mission is to provide secure, humane incarceration for felony offenders, professional probation and parole supervision, and an opportunity for offenders to acquire skills which facilitate non-criminal behavior. The department operates twelve adult correctional institutions and oversees three private prisons, with a combined maximum operational capacity of about 11,127 inmates. The Department estimates the convicted felon population in custody will be 15,560 by the end of fiscal year 2001 and 16,271 by the end of fiscal year 2002. The Department administers provisions in KRS Chapter 441 relating to jail standards, training of jailers and jail personnel, and jail planning and construction. The Department may contract with a county fiscal court or local or regional correctional authority to house misdemeanants and persons awaiting trial or sentencing. The **Local Jail Support Program** consolidates support functions within the Department. The Program includes the Jail Allotment Program, Restricted Medical Program, Jailers' Expense Program, and the Catastrophic Medical Program.

The Office of General Counsel is responsible for providing legal advice and legal representation in all civil lawsuits involving the Corrections Department, employees, institutions, and the Board of Claims. In addition, General Counsel has the responsibility for monitoring the Consent Decree for the Kentucky State Penitentiary and the Kentucky State Reformatory, monitoring the court order in regard to the Kentucky Correctional Institution for Women, managing the accreditation process for the Department, and overseeing the development of all Department policies and procedures.

The Division of Personnel Services was created by Executive Order 2001-1293 issued on October 17, 2001, and confirmed by 2002 SB 149. The Division provides administration in the area of human resources.

The Division of Corrections Training has responsibility for the development and implementation of preservice and in-service training programs for all Department employees. Employees must attend a specified amount of preservice training prior to independent assignment to a particular job, as well as a specified amount of annual in-service training. Additionally, Corrections Training is responsible for training all county jail staff within the Commonwealth. The Minimum Standards for Jails, adopted pursuant to KRS Chapter 441, state that county jailers shall receive a minimum of forty hours annual in-service training, and the jail staff shall receive a minimum of sixteen hours of in-service training annually. The Division of Corrections Training facilities are located on the University of Louisville's Shelby Campus. Corrections Training also has two field offices, located at the Kentucky State Penitentiary, Eddyville, and at the Kentucky State Reformatory, LaGrange.

The Division of Administrative Services is responsible for providing administrative support functions in the areas of budgeting, accounting, purchasing, facilities management, inventory, research, planning, central offender records, and personnel management.

The Division of Probation and Parole is responsible for probation and parole officers for supervision of probationers and parolees. The Division provides services to about 3,700 persons housed in jails and halfway houses. It also operates the Jefferson County Misdemeanor Program under a 1986 contractual agreement with Jefferson Fiscal Court. The Division contracts to provide a substance abuse program for probationers and parolees throughout Kentucky.

The Division for Local Facilities is responsible for jail inspection, jail standards review and enforcement regulations, providing technical assistance to local governments, and approval of construction plans. The Division also administers the community residential program.

The Division of Institutional Operations is responsible for monitoring and coordinating institutional operations in the areas of offender classification, food services, academic/vocational education, private prisons, and other operational and program areas as may be deemed appropriate.

The Division of Mental Health Programs oversees and directs the mental health programs in the institutions, the substance abuse program at Kentucky State Reformatory, and the sex offender treatment program.

The Division of Correctional Industries is responsible for the operation of all correctional industry programs, the employment of inmates in the production of goods

and services, and the development of job skills for which there is a potential job placement.

The Division of Medical Services is responsible for coordination of the delivery of medical services to the inmate population based on the requirements of the law and courts.

The **Western Region Division** was created by Executive Order 98-730, effective July 16, 1998 and confirmed by 2000 House Bill 85, to provide technical support, management and coordination of all matters relating to the operation and programs of the following state adult correctional facility divisions: Kentucky State Penitentiary, Western Kentucky Correctional Complex, Green River Correctional Complex, Kentucky State Reformatory, Luther Luckett Correctional Complex, and Roederer Correctional Complex.

The **Eastern Region Division** was created by Executive Order 98-730, effective July 16, 1998 and confirmed by 2000 House Bill 85, to provide technical support, management and coordination of all matters relating to the operation and programs of the following state adult correctional facility divisions: Kentucky Correctional Institution for Women, Blackburn Correctional Complex, Frankfort Career Development Center, Northpoint Training Center, Eastern Kentucky Correctional Complex, and Bell County Forestry Camp.

The **Sex Offender Risk Assessment Advisory Board** was created in 1998. The Board develops a comprehensive sex offender presence evaluation used by approved providers in assessing the risk of additional sex crimes by a released sex offender and the threat posed to the public safety, amenability to sex offender treatment, and the nature of the required sex offender treatment (KRS 17.554).

CABINET FOR PUBLIC PROTECTION AND REGULATION

The Cabinet for Public Protection and Regulation was created as part of the comprehensive reorganization of state government in 1973-74 (*Acts 1974*, Ch. 74, Art. VII, Sec. 1). The Cabinet was originally named the Consumer Protection and Regulation Cabinet (Executive Order 72-1167, issued on December 22, 1972). The Cabinet is responsible for the supervision and regulation of various industries which perform services for citizens of the Commonwealth. In carrying out that function, the Cabinet is charged with the enforcement of all applicable statutes and administrative regulations. The charge of the Cabinet is twofold: to preserve the integrity of industries operating in Kentucky, and to protect the citizens of the state from the effects of improper activity by those industries.

Office of the Secretary

The Office of Secretary was established in the same reorganization to supervise the agencies of the Cabinet and to oversee the performance of the responsibility placed upon the Cabinet (*Acts 1974*, Ch. 74, Art. VII, Sec. 2). As part of the Cabinet, the Office of Secretary was created to serve as advisor and liaison to the Governor. The Secretary oversees policy and program implementation by lower-level agencies within the Cabinet and is also responsible for insuring that those agencies are run in as efficient and economical a manner as possible. The Secretary's Office also works closely with legislative leadership and other members of the General Assembly, as well as various state and federal agencies. The Office is located at the Airport Terminal in Frankfort, and agencies assigned to the Cabinet are located at various sites in Frankfort and Lexington. Within the Office of Secretary, there is a deputy secretary, appointed by the Secretary, who is responsible for the operations of the Cabinet and who has authority over the affairs of the Cabinet in the absence of the Secretary. The position of Ombudsman was created in 1974 within the Office of the Secretary, but was abolished by the General Assembly in 1992. The Office of General Counsel and the Division of Administrative Services were created by Executive Order 97-1091, issued on August 25, 1997 and confirmed by 1998 HB 361.

The **Office of General Counsel** provides legal counsel to the Secretary, reviews administrative regulations and statutes, and represents the Cabinet in legal hearings. Each of its attorneys is assigned specific agencies to monitor and assist.

The **Division of Administrative Services** is responsible for budget preparation, strategic planning, and the processing of all fiscal and personnel transactions. It advises the Secretary on all administrative functions and provides administrative oversight of all agencies assigned to the Cabinet.

The **Office of Petroleum Storage Tank Environmental Assurance Fund**, headed by an Executive Director appointed by the Governor, was created as the Office of Underground Storage Facilities by Executive Order 96-485, issued on April 18, 1996, but was renamed less than one month later as the Office of Petroleum Storage Tank Environmental Assurance Fund by Executive Order 96-591, issued on May 13, 1996. These orders were confirmed by 1998 SB 164 and HB 282. The Office replaces the

Petroleum Storage Tank Environmental Assurance Fund Commission, which was abolished by the Executive Order 96-485. The Petroleum Storage Tank Environmental Assurance Fund Commission was created in 1990 and consisted of eleven members appointed by the Governor (KRS 224.60-125) and was attached to the Natural Resources and Environmental Protection Cabinet. EO 96-485 and 96-591 authorized the Office of Petroleum Storage Tank Environmental Assurance Fund to assume the responsibilities in KRS 224.60-100 to 224.60-160 pertaining to the petroleum storage tank environmental assurance fund. Those duties include setting the criteria to be met to be eligible to participate in the fund and establishment of a financial responsibility account, small operator's assistance account, and a petroleum storage tank account within the fund. To be eligible to participate in the fund, the owner of any petroleum storage tank must register the tank with the Office. Money in the fund is used to reimburse owners for costs of corrective action resulting from a release from a tank into the environment and to meet third-party claims asserted against an owner for a release from a tank. Executive Order 98-1050, issued on August 6, 1998, created the **Office of General Counsel, Division of Administrative Operations** (responsible for administrative, budgetary, and computer technology functions), and the **Division of Technical Operations** (responsible for the review and processing of applications for financial assistance, reimbursement claims, and field oversight of contractors). Executive Order 98-1247, issued on September 15, 1998 and confirmed by 2000 House Bill 105, created the **Division of Legal Services** (headed by General Counsel), the **Division of Administrative Operations** (develops and implements the public relations program, monitors and tracks all claims and disbursements against the fund), and the **Division of Technical Operations** (recommends approval of financial obligations and reimbursements from the fund).

The **Mine Safety Review Commission** was created in 2001 as an independent governmental entity (KRS 351.010). Executive Order 2001-860 issued on July 3, 2001, and confirmed by 2002 HB 631 attached it to the Office of Secretary. The Commission conducts hearings and issues orders regarding a licensee, a coal operation, or other person involved in mining. The Commission jointly with the Department of Mines and Minerals establishes a process for the Department's referral of allegations of mine safety violations to the Commission for adjudication and makes recommendations to the Department after review of coal mining fatalities, review of a miner or owner or operator with a history of significant safety violations, a review of any case in which a miner or owner or operator has been convicted of criminal violation of a federal mine safety standard, a review of any case in which the federal mine safety and health administration has made recommendation relating to an individual's certification. The Commission consists of three (3) members appointed by the Governor with consent of the Senate and House of Representatives. Members shall have the qualifications required of judges on the Court of Appeals. The Governor shall designate a member to serve as chair.

Public Service Commission

The Public Service Commission was established by the 1934 General Assembly and has undergone a number of structural reorganizations since that time. A 1980 executive order (EO 80-1010), ratified by the 1982 General Assembly, established the Commission's present structure, a full-time, three-member body. Members of the Commission are appointed by the Governor, with approval of the Senate, for staggered four-year terms, as provided for in KRS 278.050. The chairman of the Commission is the chief executive officer. An Executive Director serves as chief administrative officer and is responsible for staff direction and coordination.

The Commission regulates the intrastate rates and services of all electric, natural gas, telephone, water, and sewage utilities operating in the state, except municipally-owned utilities and those electric utilities served by the Tennessee Valley Authority. The agency, in its enforcement of the provisions of KRS Chapter 278, exercises its regulatory authority through administrative orders and regulations, pursuant to KRS 278.040. Funds for the Commission's activities come from direct assessments against utilities and are kept in a segregated account in the state's General Fund. The minimum and maximum assessment rates are set by statute (KRS 278.130). The Commission was required by legislative enactment in 2002 to prepare a consumer education pamphlet on Kentucky's telemarketing laws and include it in billing inserts of telephone companies at least once a year (KRS 367.46994).

The 1986 General Assembly made two changes relating to the organizational structure of the Commission. KRS 278.100 was amended (*KY. Acts*, 1986, Chapter 221) to consolidate the duties of the Commission Secretary with those of the executive director. The second change of the 1986 General Assembly was an amendment to KRS 278.115 (*KY Acts*, 1986, Chapter 245) authorizing the Commission to reorganize by executive order rather than by administrative regulation. After the 1986 Session, Executive Order 86-641 was issued to clarify the Commission's existing divisional structure, and an administrative reorganization order, PSC 86-01, was issued to delineate the specific functions and working groups within the established divisions.

The Public Service Commission was reorganized by Executive Order 97-1037 issued on August 15, 1997 and Executive Order 97-1114 issued on August 28, 1997 which were both confirmed by 1998 HB 363. The reorganization anticipates legislation at the 2000 Session of the General Assembly to restructure the electric and natural gas industries. The Commission, according to a memorandum dated August 21, 1997 attached to Executive Order 97-1114, believes if current trends continue the Commission of the future will not be as involved in rate design and regulation of profits, but will be more involved in monitoring the marketplace to assure that competition does exist, settling disputes among utilities, enforcing standards to assure reliability of service, and educating consumers. The agency consists of six divisions: (1) General Counsel, (2) Engineering, (3) Financial Analysis, (4) Research, (5) Consumer Services, and (6) Administrative Services. The functions of these divisions are described briefly below:

The **Division of General Counsel** provides legal guidance to the Commission and staff and represents the Commission in formal proceedings at the Commission and before state and federal courts and federal agencies.

The **Division of Engineering** supervises utility services by establishing service standards and by conducting annual inspections of utilities; reviews and recommends action on applications for the expansion or construction of facilities; investigates all utility-related accidents; tests utility meters to assure accuracy; inspects gas pipelines for safety violations and enforces federal gas pipeline safety statutes; and investigates, collects data, and resolves complaints from utility consumers.

The **Division of Financial Analysis** has responsibility for the evaluation of rates and changes, including fuel adjustment monitoring, financing, purchases, and sales or mergers of public utilities. The Division analyzes financial reports, performs financial audits and compiles statistical information on utility operations and activities on both state and national levels.

The **Division of Research** was created by Executive Order 97-1114, issued on August 28, 1997 and confirmed by 1998 HB 363. The order abolished the Division of Rates and Research. The Division of Research conducts research as directed by the Commission, monitors and keeps the Commission informed on developments in the utilities industries, and serves as a resource for the analysis of broader, long-range policy issues for the Commission and staff.

The **Division of Consumer Services** was created by Executive Order 97-1114, issued on August 28, 1997 and confirmed by 1998 HB 363. It processes and adjudicates consumer complaints and is responsible for consumer education. There are about 20,000 consumer complaints per year and it is increasingly important that consumers be educated to make informed decisions about utility services. The Division will assess the need for, design, develop and evaluate education materials and make presentations to civic and educational organizations about utility services. The Commission assigns a staff attorney to be an advocate of the consumer's position in matters before the Commission.

The **Division of Filings** was created by Executive Order 97-1037, issued on August 15, 1997 and confirmed by 1998 HB 363, to bring under one division all filings which utilities are required by law to make with the Commission and create a single point of contact for public access to records of the Commission. The new Division will establish a means for electronic filing and retrieval of documents with the Commission and a program to convert and maintain the Commission's database to a Geographic Information Systems environment.

The **Division of Administrative Services** is responsible for all fiscal, personnel and property management for the Commission.

The **Kentucky Energy Policy Advisory Board** was created by Executive Order 2001-607 issued on May 16, 2001, and Executive Order 2002-822 issued on July 15, 2002. The Board is responsible for the planning and development of a statewide twenty-year long-term energy strategy coordinated with the Kentucky Innovation Commission. The Public Service Commission hires an Executive Director for the Board and provides staffing assistance. Other duties include identifying and interpreting domestic and international energy trends and their potential impact on Kentucky, providing the

Governor with independent energy policy recommendations, analyzing the most efficient allocation of state energy assets, and promoting higher education in the field of energy.

The **Kentucky State Board on Electric Generation and Transmission Siting** is created in 2002 and is composed of seven members(KRS 278.700 to 278.716). The board issues construction certificates for construction of merchant electric generating facilities and for construction of nonregulated electric transmission lines.

Department of Insurance

The Bureau of Insurance was established in the office of Auditor of Public Accounts in 1870. The Auditor appointed the Insurance Commissioner. The Department of Insurance became a separate administrative department of state government in 1934 and the Commissioner was appointed by the Governor. In 1936, the Department became a division of the Department of Business Regulation. It became a Department again when the Division of Insurance was removed from the Department of Business Regulation in 1950.

KRS 304.2-010 establishes the Department of Insurance, and the powers of the Commissioner are set out in KRS 304.2-100. The duties of the Department include administering Kentucky's insurance laws, regulating the conduct of the insurance business, licensing agents and other company representatives, administering insurance taxes, operating the State Fire and Tornado Insurance Fund and otherwise procuring insurance for state agencies, licensing bail bondsmen and insurance adjusters, enforcing the insurance code, making regulations based on the Department's interpretation of the code, disapproving companies that engage in illegal or unethical insurance practices, and periodically examining all insurance companies doing business in Kentucky to determine their solvency. Executive Order 99-37, issued on January 11, 1999, reorganized the Life and Health Division. The name of the Division was changed to the Division of Life Insurance and a new Division of Health Insurance Policy and Managed Care was created. The 2000 General Assembly created the Kentucky Health Care Improvement Authority and attached it to the Department for administrative purposes. Executive Order 2000-987 effective July 14, 2000, created the Division of Kentucky Access.

The **General Counsel** provides legal counsel to the department, conducts litigation and administrative actions on behalf of the department, makes investigations, and gives legal interpretations to the insurance industry and the general public.

The **Division of Administrative Services** provides general support to the other divisions.

The **Division of Agent Licensing** licenses new agents, issues renewal licenses, and examines prospective agents.

The **Division of Financial Standards and Examinations** admits and licenses insurance companies, conducts examinations, and does audits.

The **Division of Health Insurance Policy and Managed Care** was created by Executive Order 99-37, issued on January 11, 1999 and confirmed by 2000 House Bill 107. The Division will regulate health insurers and managed care plans and oversee the Guaranteed Acceptance Plan. The Division has a health care insurance compliance

branch, health care insurance financing branch, and health care insurance quality in managed care branch.

The **Division of Life**, formerly the Division of Life and Health, regulates life insurers by approving or disapproving policy contracts, filings, forms, rates and advertisements. It also maintains public records.

The **Division of Property and Casualty** regulates property and casualty insurers by controlling coverage and marketing practices, maintains public records, and provides an alternative market for specialty and hard-to-place risks.

The **Risk and Insurance Services Division** administers the State Fire and Tornado Insurance Fund, administers the Mine Subsidence Insurance Fund, and provides assistance in the procurement of insurance for state agencies.

The **Division of Insurance Fraud Investigation** was created in response to 1994 legislation that created the Insurance Fraud Unit in the Department (KRS 304.47.030). The Division was created July 15, 1994 by Administrative Order 94-1, and later by Executive Order 95-1317, issued on November 15, 1995, and upon that order's expiration Executive Order 96-931, issued on July 16, 1996 and confirmed by 1998 SB 150. The Division is headed by a Director. House Bill 1, enacted at the 1996 First Extraordinary Session of the General Assembly, created a workers' compensation branch in the Division, staffed by at least three special investigators, one attorney, and one administrative assistant.

The **Consumer Protection and Education Division** was created by Executive Order 97-1609, issued on December 10, 1997 and confirmed by 1998 HB 440. The enforcement staff and the market conduct staff within the Office of General Counsel were relocated to the new division. The position of Ombudsman was created and located in the Division. Duties of the Division include serving as primary contact for consumer inquiries, serving as third party mediator in resolving claim disputes, assisting consumers in expediting claims through the emergency preparedness program, assisting the Division of Insurance Fraud Investigation with evidence procurement, tracking consumer complaints and inquiries, and providing consumer education.

The **Division of Kentucky Access** was created by Executive Order 2000-987 effective July 14, 2000 and confirmed by 2001 HB 90. The Division is headed by a Director. The Division was created in response to 2000 House Bill 517 which created a health insurance pool known as Kentucky Access and directed the Department to operate the pool. The Department must establish administrative and accounting procedures, determine rates, establish a grievance process, select a third-party administrator, publicize Kentucky Access, issue health benefit plans, and assess insurers.

The **Kentucky Health Care Improvement Authority** was created in 2000, is attached to the Department (KRS 304.17A-003), meets at least quarterly, and is administered by a board of 15 members. Beginning July 1, 2000, the Authority is allocated 25% of the tobacco settlement proceeds received by the Commonwealth (KRS 194A.055). The Authority establishes priorities for programs and expenditures of funds, establishes procedures for accountability, and develops mechanisms to measure the success of programs that receive funds. Grants and funds obtained must be allocated as follows: 70% for Kentucky Access (health insurance pool), 20% for lung cancer research,

and 10% for discouraging minors from using harmful substances. The Authority must annually submit a report to the Governor and General Assembly on expenditure of funds.

Department of Housing, Buildings, and Construction

The Department of Housing, Buildings, and Construction was created in 1978 (H.B. 44 Acts Chapter 117) to facilitate the administration and enforcement of a uniform state building code. The new Department assumed duties and responsibilities previously delegated to several state agencies. A uniform building code was mandated by the 1978 General Assembly in response to the 1977 tragedy of the Beverly Hills Supper Club fire in Northern Kentucky. Prior to 1978, several building codes were used throughout the Commonwealth.

The Department's authority is found in the following statutes and regulations:

KRS Chapter 198B (KRS 198B.030 created the Department)

815 KAR Chapter 7 — Kentucky Building Code

815 KAR Chapter 4 — Elevator Safety

815 KAR Chapter 10 — Fire Safety Standards

815 KAR Chapter 15 — Boilers and Pressure Vessels

815 KAR Chapter 20 — Kentucky Plumbing Code

815 KAR Chapter 25 — Mobile Homes & Recreational Vehicles

815 KAR Chapter 30 — Hazardous Materials

815 KAR Chapter 35 — Electrical Inspectors

815 KAR Chapter 45 — Professional Firefighter Incentive Pay Program; Aid to Volunteer Fire Departments; and the Commission on Fire Protection Personnel Standards & Education

The Department is headed by a **Commissioner**, appointed by the Governor, pursuant to KRS 198B.030 and 227.205. Attached to the Commissioner's Office is an Office of General Counsel and the **Kentucky Board of Housing, Buildings, and Construction** (KRS 198B.020). The Commissioner is a member of the Board and the Department serves as staff for the Board. The Board prescribes the duties of the Commissioner. The Board was authorized in 2000 to establish a **building inspectors training program** to provide training to encourage local governments to establish and improve building code enforcement programs and to encourage building inspectors to upgrade their skills (KRS 198B.095).

The **Division of Administrative Services** governs personnel management, fiscal management, data processing and microfilm. The Division provides general support services needed to operate the Department and provides policy guidance and procedures to the organizational units of the Department.

The **Division of Building Codes Enforcement** includes the Architectural Barriers Advisory Committee. Two regions govern plan supervision and three sections govern field supervision. The division is responsible for ensuring that the Kentucky Building Code and other related codes are enforced in a reasonable and efficient manner.

The **Division of Fire Prevention--State Fire Marshal's Office**. In 1906, the Insurance Commissioner was required to appoint a Deputy Commissioner as Fire Marshal

of Kentucky. The Office (KRS 227.220) includes the Kentucky Fireman's Association Advisory Committee. 2000 House Bill 631 removed the Commission on Fire Protection and Personnel Standards and Education and transferred it to the Kentucky Community and Technical College System and Executive Order 2000-988 effective July 14, 2000, transferred existing personnel and records to the Chancellor's Office of the Kentucky Community and Technical College System. One Assistant Director oversees electrical inspection (includes the **Electrical Advisory Committee**--KRS 227.530), elevator inspection, general inspection (includes a federal unit), and manufactured housing (includes a **Mobile Home Certification and Licensure Board**--KRS 227.560, as well as a **Recreational Vehicle Certification and Licensure Board**--KRS 227.565). One Assistant Director oversees state aid to local fire departments, hazardous materials (includes the LP Gas Advisory Commission), and boiler inspection (includes the Board of Boiler and Pressure Vessel Rules). The Director of this Division also oversees fire prevention systems and the Fire Training and Incentive Pay programs. The Division is responsible for preventing or reducing the loss of life and property by fire through enforcement of the Life Safety Code and other applicable state and federal laws; ensuring all new and existing elevators are in compliance with the Elevator Code; ensuring the proper operation, maintenance, repairs, and installation of boilers and pressure vessels; regulating the handling, storage and transportation of hazardous materials; ensuring that mobile homes and recreational vehicles transported and sold in Kentucky are in compliance with federal and state laws; ensuring that existing buildings are in compliance with the adopted Standards of Safety; ensuring the proper installation of electrical materials and administering the Electrical Inspectors Certification program; ensuring that fire alarms and fire sprinkler systems are installed and maintained in compliance with the National Fire Codes and the Kentucky Building Code; and improving the level of fire protection provided by professional firefighters and local fire departments through educational training incentives and financial aid programs.

The **Division of Plumbing** includes a Plumbing Code Committee and a Plumbing Exam Committee. One Assistant Director oversees three regions for field supervision. One Assistant Director oversees plan review, as well as three regions for field supervision. The Division is responsible for the regulation and installation of all plumbing through enforcement of the State Plumbing Code.

The **Division of Heating, Ventilation and Air Conditioning** was created by Executive Order 99-1198 issued on August 30, 1999, and confirmed by 2000 House Bill 110. The Division handles the HVAC licensing program.

The **Kentucky Board of Heating, Ventilation, and Air Conditioning Contractors** is attached to the Department for administrative purposes (KRS 198B.652). The board issues mater heating, ventilation, and air conditioning contractor's licenses, conducts examinations, maintains a list of all licensees, and registers and keeps records of all apprentices.

The **Kentucky Propane Education and Research Council** was created in 1998 and consists of eleven members appointed by the Commissioner (KRS 234.290). The Council establishes the annual assessment to be paid by the owner of odorized propane at the time of odorization or at the time of import of odorized propane into Kentucky. If producers, suppliers, and retail marketers representing 35 percent of the volume of

propane gas in each class petition the Commissioner, the Council must conduct a referendum to determine whether the industry favors termination of the Council and the assessment.

Department of Financial Institutions

The General Assembly enacted legislation in 1912 that created the Department of Banking and directed the Governor to appoint a Commissioner during the month of June. In 1936, it became two divisions in the Department of Business Regulation. In 1946, it became the Department of Banking and Securities, and its name was changed to the Department of Financial Institutions in 1984.

KRS 287.011 establishes the Department and describes its functions. Its duties include regulating and licensing financial institutions and the regulation of securities. The Department is headed by a Commissioner. Executive Order 93-528 organized the Department into three divisions and abolished the Division of Securities. The Commissioner assumed the duties formerly assigned to the Director of the Division of Securities. However, Executive Order 97-723, issued on June 12, 1997 and confirmed by 1998 HB 355, abolished the three divisions and created the Office of General Counsel and three divisions: Financial Institutions, Securities, and Administrative Services.

Division of Financial Institutions, formerly the Division of Supervision, regulates banks and trust companies, credit unions, and savings and loan associations. It also regulates consumer loan companies, industrial loan corporations, mortgage loan companies, mortgage loan brokers, sale of checks licensees, and check-cashing licensees. The division conducts examinations, provides remedial supervision and disciplinary enforcement, and handles the chartering and licensing of these depository and non-depository entities.

Division of Securities, formerly the Division of Law and Regulatory Compliance, regulates those corporate entities that issue securities to investors residing in the Commonwealth. It also regulates all persons and entities that engage in transactions involving Kentucky investors. Its functions include corporate finance, licensing, compliance, and enforcement.

Division of Administrative Services, formerly Division of Planning and Management, administers the accounting, purchasing, inventory control, budgeting, payroll and personnel management functions for the Department. It is responsible for the development of computer examination programs, system upgrade planning, maintenance of the computer network, and computer usage education for employees.

Office of General Counsel is an extension of the Commissioner's Office and provides legal support to the entire agency. The Public Affairs Officer is a member of the General Counsel's staff who coordinates all communications with media and acts as the agency's ombudsman.

Department of Mines and Minerals

The Department of Mines was established in 1884, seven years before the adoption of the current Kentucky Constitution, by way of the General Assembly requiring the Governor to appoint an Inspector of Mines, with an office located in the State House Building in Frankfort. In May 1898, the Department of Mines was moved to the University of Kentucky campus in Lexington. Executive Order 89-396, issued on April 25, 1989, moved the Department from the University of Kentucky to the Spindletop Center. In July 1934, the Department was renamed the Department of Mines and Minerals. The duties and responsibilities of the Department are set forth in KRS Chapters 351, 352, and 353, and include miner safety in underground and surface coal mines, oil and gas conservation, and regulation of explosives and blasting. These duties are carried out in six field offices, each serving as a mine rescue station. Executive Order 97-1386, issued on October 20, 1997 and confirmed by 1998 HB 366, created the Mine Licensing Division and renamed two divisions. The Department is headed by a Commissioner and is divided into six divisions. The Commissioner's Office provides policy and management direction, legal assistance, and statistical information, and issues reports.

The **Mine Licensing Division** was created by Executive Order 97-1386, issued on October 20, 1997. Coal mines are licensed in 6 district offices, which enhances customer service and reduces turn-around time to issue a license. Oversight and coordination are provided at the Lexington office, which develops and maintains new data bases to track the type and status of each licensed mine; the number of certified foremen, instructors, and inspectors; and the number and type of mining law violations issued per mine.

The **Mine Safety Inspection Division**, formerly the Mine Safety and Health Division, inspects and licenses commercial coal and clay mines, investigates serious and fatal mine accidents, investigates reported mine fires and explosions, and eliminates illegal mining operations.

The **Mine Safety Analysis Division** was created upon recommendation of the Deep Mining Safety Commission which was created in response to the 1976 Scotia mining disaster. The Division improves the individual underground coal miners work habits by advising the miner in the workplace. The mine safety analysis program is the first state program of its kind in the nation.

The **Miner Training, Education and Certification Division** establishes standards for the state's coal miner training and education programs, certifies qualified miners, and conducts safety, EMT, and first aid training.

The **Oil and Gas Conservation Division** prevents the waste of oil and gas resources in drilling operations, encourages the maximum recovery of oil and gas, and attempts to prevent the contamination of groundwater in oil and gas drilling.

The **Explosives and Blasting Division** promotes safety in the manufacturing, storage, transport, and use of explosives through a training, licensing, and inspection program.

The **General Administration Division** provides personnel, purchasing, and budgeting services.

One board and one commission are attached to the Department.

The **Mining Board** (KRS 351.105) replaced the Board of Miner Training, Education, and Certification in 1996. The eight-member Board acts on all matters brought before it by the Department and, after a hearing, issues orders. It meets periodically on the call of the chair or a majority of the members. The Board reviews KRS Chapters 351 and 352 and makes recommendations on amendments to those statutes. The Board reviews and approves all administrative regulations of the Department that relate to coal mining or certification of miners. The Board consists of three members representing management, three member representing labor, one citizen member with knowledge of mining but who is not a coal operator and not employed in a mine, and the director of the Division of Miner Training, Education, and Certification.

The **Kentucky Oil and Gas Commission** prevents waste of oil and gas resources, protects correlative rights, and governs the practice of deep well drilling.

Department of Public Advocacy

In 1972, the General Assembly created the Office of Public Defender and established a statewide public defender system. In 1978, the Office of Public Defender became the Office for Public Advocacy. In 1984, the office became the Department of Public Advocacy and was attached to the Public Protection Cabinet.

The Department of Public Advocacy provides for the establishment, maintenance, and operation of a state-sponsored and controlled system for the representation of indigent persons accused of crimes or suffering psychological conditions which may result in their incarceration or confinement. The system consists of full-time state-employed public defenders, full-time non-state public defenders, and part-time private attorneys who are under contract with the Department. Created by KRS 31.010, the Department also pursues legal, administrative, and other appropriate remedies to ensure the protection of the rights of the developmentally disabled.

The **Office of the Public Advocate** was created by Executive Order 99-1311 issued on September 22, 1999, and confirmed by 2000 House Bill 184. The Office is headed by the Public Advocate and includes the Deputy Public Advocate and General Counsel.

The **Law Operations Division** provides budget, strategic planning, personnel, administrative, training, research, and management support services for the efficient and effective delivery of defender and protection and advocacy services. The Division was created by Executive Order 93-606.

The **Protection and Advocacy Division** was established pursuant to Public Law 94-103 and KRS 31.010 to provide for legal, administrative, and other appropriate remedies to ensure the protection of Kentuckians with developmental disabilities. **Advisory Boards for the Protection and Advocacy Division** of not more than seventeen citizens on each board appointed by the Public Advocate is authorized by KRS 31.035, enacted in 1980 and amended in 2002. All members of the Board must be either developmentally disabled or parents or representatives of persons who are developmentally disabled.

The **Division of Trial Services** was created by Executive Order 97-734, issued on June 13, 1997, and confirmed by 1998 HB 359. The Trial Division provides legal representation to all needy persons accused or convicted of crimes punishable by loss of liberty or a fine of \$500 or more, juvenile delinquency or status offenses, and all needy persons faced with involuntary commitments due to mental state or condition.

The **Division of Post-Trial Services** was created by Executive Order 97-734, issued on June 13, 1997, and confirmed by 1998 HB 359. The Division provides mandated defender services at the post-trial level

The **Public Advocacy Commission** was created in 1982 and consists of twelve members. The Commission recommends three nominees to the Governor for appointment as Public Advocate, assists the Public Advocate in selecting staff, reviews the public advocacy system, reviews and adopts an annual budget prepared by the Public Advocate, and assists the Department in ensuring its independence (KRS 31.015).

Department of Alcoholic Beverage Control

The 1934 General Assembly enacted the Kentucky Alcoholic Control Act, to be administered by the Department of Revenue and Taxation. In 1936, enforcement of the Act was transferred to the Division of Alcoholic Control in the Department of Business Regulation. In 1938, the functions of the Division were transferred to the Department of Revenue. The Department of Alcoholic Beverage Control was created in 1944 and is responsible for the administration of all state laws relating to alcoholic beverages, except taxation. Executive Order 96-619, issued on May 16, 1996, transferred from the Department of Agriculture to the Department of Alcoholic Beverage Control all enforcement functions of the "Tobacco Sales To Minors Law" passed by the 1996 General Assembly (KRS 438.305-340). The Department is under the direction of the Commissioner, who is chairman of the Alcoholic Beverage Control Board. The Alcoholic Beverage Control Board consists of the Commissioner, the administrator of the malt beverage unit and the administrator of the distilled spirits unit.

The **Alcoholic Beverage Control Board** performs the following functions: (1) holds hearings, renders decisions, and makes rules and regulations; (2) regulates the granting, suspending, and revoking of licenses; (3) limits and restricts the number and location of licensed premises; and (4) supervises and controls the manufacture, sale, transportation, storage and advertising of and trafficking in alcoholic beverages.

The Department was reorganized by Executive Order 97-26 issued on January 7, 1997 and confirmed by 1998 HB 352. The Department retained the malt beverage and distilled spirits divisions, but added an enforcement division and support services administration division and office of legal services.

The **Division of Malt Beverage** approves and supervises the issuance of malt beverage licenses under rules and regulations established by the Board. Field Offices within the Division were created by EO 97-26.

The **Division of Distilled Spirits** approves and supervises the issuance of distilled spirits licenses under rules and regulations established by the Board. Field Offices within the Division were created by EO 97-26.

The **Division of Support Services Administration** is responsible for financial personnel functions, is headed by a Director, and reports directly to the Commissioner.

The **Enforcement Division** is headed by a Director, who serves as chief of enforcement and reports directly to the Commissioner.

The **Office for Legal Services** is headed by a General Counsel, who reports directly to the Commissioner.

Kentucky Racing Commission

The General Assembly established a State Racing Commission in 1906. The Kentucky State Racing Commission was created in 1960 to regulate thoroughbred racing and the conduct of pari-mutual wagering on thoroughbred racing.

The Kentucky Harness Racing Commission regulated harness racing, while other types of horse racing were under the jurisdiction of the Kentucky Quarter Horse Commission. In 1985, the Quarter Horse Commission was abolished and its functions assigned to the Harness Racing Commission.

In 1992, the General Assembly abolished the Kentucky State Racing Commission and the Kentucky Harness Racing Commission and created the Kentucky Racing Commission (KRS Chapter 230). The Commission is composed of eleven commissioners appointed by the Governor. An executive director for the Commission is also appointed by the Governor.

The Commission is responsible for licensing racing associations to conduct race meets, and for assigning dates and establishing conditions for the conduct of racing and wagering. The Commission serves a quasi-judicial function by hearing appeals from the decisions of stewards and other racing officials. Applications by licensed tracks for a simulcast facility must be approved by the Commission. Safety standards for jockeys may be established by the Commission. The Commission has two divisions and several special equine programs, and funds are under the jurisdiction of the Commission.

The **Division of Racing/Security** directs the field staff, which includes Commission employees responsible for daily operations at the various racing locations throughout the state.

The **Division of Licensing** is responsible for the licensing operation at the racing facilities throughout the state and ensures that all necessary persons are properly licensed prior to participation in racing.

The **Kentucky Standardbred Development Fund** was enacted in 1976 to promote the standardbred breeding industry by providing purse supplements for Kentucky-bred horses. It is funded by one percent of the take-out deducted from the state pari-mutuel tax. The Standardbred Development Fund does not have an industry advisory group like its thoroughbred counterpart, and allocation of the money is made by the Commission. On July 1, 1988, the Fund was expanded to include the other breeds.

The Commission also participates in the **Equine Drug Research and Testing Program**. One tenth percent of the pari-mutuel handle of harness and related racing goes into this fund, and three members of the seven-member Kentucky Equine Drug Research Council represent harness racing interests.

The **Kentucky Thoroughbred Development Fund** was created in 1978 to promote the thoroughbred breeding industry by providing purse supplements for Kentucky-bred winners. The Fund is financed with three-quarter of one percent of the pari-mutuel handle, deducted from the state pari-mutuel tax. The Kentucky Thoroughbred Development Fund Advisory Committee, comprised of five gubernatorial appointees, advises and assists the Commission in administering the program.

Also created in 1978 was the **Kentucky Racing Health and Welfare Fund, Inc.** It was created as a private, non-profit corporation to provide financial assistance to needy backstretch employees for medical services. It is financed by revenues from uncashed pari-mutuel tickets. Money is allocated by the Commission, which must be satisfied that the Fund is being operated for established purposes, but policy decisions concerning expenditures of funds are made by the Board of Directors of the corporation.

The 1982 General Assembly dedicated one-tenth percent of the pari-mutuel handle, deducted from the state pari-mutuel tax, to **Equine Drug Research**. The research fund is under the administration of the Commission and an advisory council was created to advise the Commission on allocation of the fund for research projects. The Kentucky Equine Drug Research Council consists of nine members appointed by the Governor to represent specified equine industry interests.

The **Backside Improvement Commission** was established in 1980 to oversee expenditure of funds for projects to improve the conditions on backsides at the state's smaller tracks. One-half percent of the take-out for tracks with a daily average handle under \$1,200,000 goes into the fund. The fund generally is under the jurisdiction of the Commission, but the Backside Improvement Commission, consisting of four members appointed by the Governor, makes decisions on funding of specific projects. The 1992 General Assembly created in the State Treasury the **Breeder's Award Fund**, which is administered by the **Breeder's Award Committee**. Effective July 1, 1993, the Fund is guaranteed a balance of \$3,750,000 per year. Total receipts are divided as follows: ninety percent to thoroughbred breeders, seven percent to harness sires' stakes races, and three percent to harness purses at county fairs. If commissions from simulcast facilities are not sufficient to ensure the prescribed funding level, the difference shall come from a general fund appropriation to the Commission.

Board of Claims

The Board of Claims, created in 1946, is the only forum in which a citizen may sue the state for negligence. No claim can be brought unless damages sought are \$100 or greater. Awards under \$500 are paid from the responsible agency's funds and awards over \$500 from the General Fund surplus. Awards against the Transportation Cabinet are paid from the Road Fund. The maximum which can be awarded on a single claim is \$200,000, however, if a single act results in multiple claims, the total award cannot exceed \$350,000. Statutory authority is provided under KRS 44.070 to 44.160. Board members are also members of the Crime Victim Compensation Board.

Crime Victim Compensation Board

The Crime Victim Compensation Board was created in 1976. It administers both state and federal funds available, pursuant to KRS Chapter 346, to reimburse crime victims for personal injury or death expenses which are not covered by other forms of insurance, in cases where the victims (or the victims' survivors in case of a death) are financially unable to deal with the consequences of a criminal act against them. The Board may reimburse crime victims up to \$25,000 for medical expenses and lost wages not paid by other sources. In death cases the Board may award up to \$3,500 for funeral expenses.

The Board members are also members of the Board of Claims.

Kentucky Board of Tax Appeals

The Kentucky Board of Tax Appeals is a quasi-judicial statutory agency with exclusive jurisdiction to hear and determine appeals from determination of any agency of state or county government affecting revenue and taxation. The Board is made up of three members, each appointed by the Governor for a period of four years. Funding of the Board is provided through an appropriation by the General Assembly from the General Fund. Beginning in 1992, the Revenue Cabinet conducts an orientation and training session for new members of the board and an annual seminar for all members to discuss new legislation, pertinent court decisions, and cabinet policies and procedures (KRS 131.320(5)).

The Board is the court of record for all appeals from state or county tax rulings. Parties aggrieved by a decision of the Board may appeal to the Franklin Circuit Court or to the circuit court of the county in which the aggrieved party resides; however, with certain exceptions, no new or additional evidence may be introduced in the circuit court.

Hearings conducted by the Board are generally held in Frankfort, although the Board is authorized to hold hearings outside the capital city and periodically does so, particularly in the case of hearings of appeals of property assessments. Appeals are normally heard by the full Board; however, one member may be authorized by the Board to hear an appeal. An individual may represent himself in hearings before the Board, but only an attorney may represent a corporation or class of taxpayers before the Board.

The Kentucky Board of Tax Appeals was created by an act of the 1964 General Assembly. The Board was preceded by the Kentucky Tax Commission, which was created in 1936. It was also a three-member body, chaired by the Commissioner of Revenue. (Prior to 1960, the other two members of the Commission were also officials of the Department of Revenue.) The 1964 Act establishing the Board removed the appearance, if not fact, of bias in favor of state or local tax rulings.

Department of Charitable Gaming

The Division of Charitable Gaming was created in 1994 in the Justice Cabinet and empowered to license and regulate the conduct of charitable gaming and to license and regulate charitable gaming organizations, facilities, manufacturers, and distributors in

Kentucky (KRS 238.510). Executive Order 98-905, issued on July 15, 1998, and confirmed by 2000 House Bill 103, removed the division from the Justice Cabinet and gave it department status in the Cabinet for Public Protection and Regulation. The Department of Charitable Gaming is headed by a Commissioner

The **Office of General Counsel** assists the Commissioner with all legal matters and acts as a liaison between the Department and the Cabinet. Duties include overseeing all litigation and administrative hearings, developing legal procedures, and assisting in developing auditing procedures. Other duties include drafting legislation and administrative regulations, reviewing open records laws, addressing consumer complaints, and handling legal issues related to personnel actions.

The **Division of Licensing and Compliance** is responsible for issuing and renewing licenses, assisting the Commissioner in educating the public, and addressing licensing complaints.

The **Division of Enforcement** provides financial auditing and undercover investigations.

The **Charitable Gaming Advisory Commission** provides ongoing advice to the Commissioner. After initial staggered terms, seven members of the nine-member Commission serve four-year terms (KRS 238.520). The two other members are the Secretary of Justice and the Attorney General.

APPENDICES

1. STATUTES ON EXECUTIVE BRANCH STRUCTURE	197
2. KENTUCKY EXECUTIVE BRANCH ORGANIZATIONAL CHARTS, 1973-2001	213

APPENDIX 1. STATUTES ON EXECUTIVE BRANCH STRUCTURE

11.040 Personnel for Governor's office -- Office of Secretary of the Governor's Executive Cabinet.

(1) The Governor may appoint such persons as he deems necessary for the proper operation of his office to perform such duties as the Governor may require of them. The persons so appointed shall hold office at the pleasure of the Governor. None of the provisions of KRS 64.640 shall be applicable to persons appointed under this subsection.

(2) There is hereby created an agency of the state government to be known as the Office of the Secretary to the Governor's Executive Cabinet. The Office of the Secretary to the Governor's Executive Cabinet shall not be part of the Office of the Governor, but shall constitute a separate agency of state government. The secretary so appointed shall have such rights, duties and responsibilities as may be assigned by the Governor.

(3) The position of secretary to the Governor's Executive Cabinet shall be filled by appointment of the Governor and shall serve at the pleasure of the Governor. The secretary shall be responsible for implementing all policies of the Governor, coordinating all activities of the Governor's Executive Cabinet, and advising and consulting with the Governor on all policy matters affecting the state.

(4) The Office of the Secretary to the Governor's Executive Cabinet shall include such principal assistants, appointed by the secretary of the cabinet pursuant to KRS 12.050, as may be necessary to execute the functions of the office.

11.060 Governor's General Cabinet.

(1) The heads of the constitutional and statutory administrative departments and program cabinet secretaries enumerated in KRS 12.020 shall constitute the Governor's General Cabinet, which shall meet upon the call of the Governor. The Governor shall be the chairman and the Governor's private secretary shall serve as secretary of the General Cabinet. The General Cabinet shall be attached to the Office of the Governor and shall not constitute a separate department or agency of the state.

(2) The cabinet shall consider such matters involving general administrative policies and procedure, relations between departments and other agencies and desirable measures of cooperation between departments and other agencies, as the Governor or any member may place before it; shall advise and consult with the Governor at his request on all matters affecting the welfare of the state and relating to the several departments, program cabinets and other agencies.

11.065 Governor's Executive Cabinet.

(1) The secretaries of the Justice Cabinet, the Education, Arts, and Humanities Cabinet, the Natural Resources and Environmental Protection Cabinet, the Transportation Cabinet, the Cabinet for Economic Development, the Public Protection and Regulation Cabinet, the Cabinet for Families and Children, the Cabinet for Health Services, the Finance and Administration Cabinet, the Revenue Cabinet, the Tourism Development Cabinet, the Labor Cabinet, the Personnel Cabinet, the secretary of the Governor's Executive Cabinet, the State Budget Director, the Governor's Chief of Staff, and the

Lieutenant Governor shall constitute the Governor's Executive Cabinet. There shall be a vice chairman appointed by the Governor who shall serve in an advisory capacity to the Executive Cabinet. The Governor shall be the chairman and the secretary of the Finance and Administration Cabinet shall be a second vice chairman of the Executive Cabinet. The Governor may designate others to serve as vice chairman.

(2) The cabinet shall meet not less than once every two (2) months and at other times on call of the Governor. The Executive Cabinet shall be a part of the Office of the Governor and shall not constitute a separate department or agency of the state. Members of the cabinet shall be the major assistants to the Governor in the administration of the state government and shall assist the Governor in the proper operation of his office and perform other duties the Governor may require of them.

(3) The cabinet shall consider matters involving policies and procedures the Governor or any member may place before it. The cabinet shall advise and consult with the Governor on all matters affecting the welfare of the state.

12.010 Definitions.

In this chapter, and throughout the Kentucky Revised Statutes where applicable and appropriate unless the context requires otherwise:

(1) Organizational unit means any unit of organization in the executive branch of the state government that is not an administrative body, including but not limited to any agency, program cabinet, department, bureau, division, section or office;

(2) Department means that basic unit of administrative organization of state government, by whatever name called, designated by statute or by statutorily authorized executive action as a department, such organization to be headed by a commissioner;

(3) Division means a major subdivision of a department established by statute or by statutorily authorized administrative action, such to be headed by a director;

(4) Branch means a small grouping of logical work force personnel, such to be headed by a manager;

(5) Section means a smaller grouping within a branch, such to be headed by a supervisor;

(6) Unit means the smallest grouping of coordinated employees, such to be headed by a leader;

(7) Office means a staff support or administrative function and shall be a major subdivision of a program cabinet only, such to be headed by an executive director;

(8) Administrative body means any multi-member body in the executive branch of the state government, including but not limited to any board, council, commission, committee, authority or corporation, but does not include branch, section, unit or office;

(9) Program cabinet means a group of departments, or departments and administrative bodies, designated by statute or statutorily authorized executive action as a program cabinet.

12.015 Administrative bodies to be included in department or program cabinet.

Unless specifically provided otherwise, each administrative body established by statute or statutorily authorized executive action shall be included for administrative purposes in an existing department or program cabinet. When an administrative body is established and the law establishing it does not specify the department or program cabinet within which the body is to be included, the Governor shall assign the body to an existing department or program cabinet in accordance with this chapter.

12.020 Departments, program cabinets, and administrative bodies enumerated.

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

I. Cabinet for General Government Departments headed by elected officers:

1. The Governor.
2. Lieutenant Governor.
3. Department of State.
 - (a) Secretary of State.
 - (b) Board of Elections.
 - (c) Registry of Election Finance.
4. Department of Law.
 - (a) Attorney General.
5. Department of the Treasury.
 - (a) Treasurer.
6. Department of Agriculture.
 - (a) Commissioner of Agriculture.
 - (b) Kentucky Council on Agriculture.
7. Superintendent of Public Instruction.
8. Auditor of Public Accounts.
9. Railroad Commission.

II. Program cabinets headed by appointed officers:

1. Justice Cabinet:
 - (a) Department of State Police.

- (b) Department of Criminal Justice Training.
 - (c) Department of Corrections.
 - (d) Department of Juvenile Justice.
 - (e) Office of the Secretary.
 - (f) Offices of Deputy Secretaries.
 - (g) Office of General Counsel.
 - (h) Division of Kentucky State Medical Examiners Office.
 - (i) Parole Board.
 - (j) Kentucky State Corrections Commission.
 - (k) Commission on Correction and Community Service.
2. Education, Arts, and Humanities Cabinet:
- (a) Department of Education.
 - (1) Kentucky Board of Education.
 - (2) Education Professional Standards Board.
 - (b) Department for Libraries and Archives.
 - (c) Kentucky Arts Council.
 - (d) Kentucky Educational Television.
 - (e) Kentucky Historical Society.
 - (f) Kentucky Teachers Retirement System Board of Trustees.
 - (g) Kentucky Center for the Arts.
 - (h) Kentucky Craft Marketing Program.
 - (i) Kentucky Commission on the Deaf and Hard of Hearing.
 - (j) Governor's Scholars Program.
 - (k) Governor's School for the Arts.
 - (l) Operations and Development Office.
 - (m) Kentucky Heritage Council.
 - (n) Kentucky African-American Heritage Commission.
 - (o) Board of Directors for the Center for School Safety.
3. Natural Resources and Environmental Protection Cabinet:
- (a) Environmental Quality Commission.
 - (b) Kentucky Nature Preserves Commission.
 - (c) Department for Environmental Protection.
 - (d) Department for Natural Resources.
 - (e) Department for Surface Mining Reclamation and Enforcement.
 - (f) Office of Legal Services.
 - (g) Office of Information Services.
 - (h) Office of Inspector General.
4. Transportation Cabinet:
- (a) Department of Highways.
 - (b) Department of Vehicle Regulation.
 - (c) Department of Administrative Services.
 - (d) Department of Fiscal Management.
 - (e) Department of Rural and Municipal Aid.
 - (f) Department of Human Resources Management.

- (g) Office of the Secretary.
 - (h) Office of General Counsel and Legislative Affairs.
 - (i) Office of Public Affairs.
 - (j) Office of Transportation Delivery.
 - (k) Office of Minority Affairs.
 - (l) Office of Policy and Budget.
5. Cabinet for Economic Development:
- (a) Department of Administration and Support.
 - (b) Department for Business Development.
 - (c) Department of Financial Incentives.
 - (d) Department of Community Development.
 - (e) Tobacco Research Board.
 - (f) Kentucky Economic Development Finance Authority.
6. Public Protection and Regulation Cabinet:
- (a) Public Service Commission.
 - (b) Department of Insurance.
 - (c) Department of Housing, Buildings and Construction.
 - (d) Department of Financial Institutions.
 - (e) Department of Mines and Minerals.
 - (f) Department of Public Advocacy.
 - (g) Department of Alcoholic Beverage Control.
 - (h) Kentucky Racing Commission.
 - (i) Board of Claims.
 - (j) Crime Victims Compensation Board.
 - (k) Kentucky Board of Tax Appeals.
 - (l) Backside Improvement Commission.
 - (m) Office of Petroleum Storage Tank Environmental Assurance Fund.
 - (n) Department of Charitable Gaming.
7. Cabinet for Families and Children:
- (a) Department for Community Based Services.
 - (b) Department for Disability Determination Services.
 - (c) Public Assistance Appeals Board.
 - (d) Office of the Secretary.
 - (1) Kentucky Commission on Community Volunteerism and Service.
 - (e) Office of General Counsel.
 - (f) Office of Program Support.
 - (g) Office of Family Resource and Youth Services Center.
 - (h) Office of the Technology Services.
 - (i) Office of the Ombudsman.
 - (j) Office of Performance Enhancement.
8. Cabinet for Health Services:
- (a) Department for Public Health.
 - (b) Department for Medicaid Services.

- (c) Department for Mental Health and Mental Retardation Services.
 - (d) Kentucky Commission on Children with Special Health Care Needs.
 - (e) Office of Certificate of Need.
 - (f) Office of the Secretary.
 - (g) Office of the General Counsel.
 - (h) Office of Program Support.
 - (i) Office of the Inspector General.
 - (j) Office of Aging Services.
9. Finance and Administration Cabinet:
- (a) Office of Legal and Legislative Services.
 - (b) Office of Management and Budget.
 - (c) Office of Financial Management.
 - (d) Office of the Controller.
 - (e) Department for Administration.
 - (f) Department of Facilities Management.
 - (g) State Property and Buildings Commission.
 - (h) Kentucky Pollution Abatement Authority.
 - (i) Kentucky Savings Bond Authority.
 - (j) Deferred Compensation Systems.
 - (k) Office of Equal Employment Opportunity Contract Compliance.
 - (l) Office of Capital Plaza Operations.
 - (m) County Officials Compensation Board.
 - (n) Kentucky Employees Retirement Systems.
 - (o) Commonwealth Credit Union.
 - (p) State Investment Commission.
 - (q) Kentucky Housing Corporation.
 - (r) Governmental Services Center.
 - (s) Kentucky Local Correctional Facilities Construction Authority.
 - (t) Kentucky Turnpike Authority.
 - (u) Historic Properties Advisory Commission.
 - (v) Kentucky Tobacco Settlement Trust Corporation.
 - (w) Eastern Kentucky Exposition Center Corporation
10. Labor Cabinet:
- (a) Department of Workplace Standards.
 - (b) Department of Workers' Claims.
 - (c) Kentucky Labor-Management Advisory Council.
 - (d) Occupational Safety and Health Standards Board.
 - (e) Prevailing Wage Review Board.
 - (f) Workers' Compensation Board.
 - (g) Kentucky Employees Insurance Association.
 - (h) Apprenticeship and Training Council.

- (i) State Labor Relations Board.
 - (j) Kentucky Occupational Safety and Health Review Commission.
 - (k) Office of Administrative Services.
 - (l) Office of Labor Management Relations.
 - (m) Office of General Counsel.
 - (n) Workers' Compensation Funding Commission.
 - (o) Employers Mutual Insurance Authority.
11. Revenue Cabinet:
- (a) Department of Property Taxation.
 - (b) Department of Tax Administration.
 - (c) Office of Financial and Administrative Services.
 - (d) Department of Law.
 - (e) Department of Information Technology.
 - (f) Office of Taxpayer Ombudsman.
12. Tourism Cabinet:
- (a) Department of Travel.
 - (b) Department of Parks.
 - (c) Department of Fish and Wildlife Resources.
 - (d) Kentucky Horse Park Commission.
 - (e) State Fair Board.
 - (f) Office of Administrative Services.
 - (g) Office of General Counsel.
13. Cabinet for Workforce Development:
- (a) Department for Adult Education and Literacy.
 - (b) Department for Technical Education.
 - (c) Department of Vocational Rehabilitation.
 - (d) Department for the Blind.
 - (e) Department for Employment Services.
 - (f) State Board for Adult and Technical Education.
 - (g) The State Board for Proprietary Education.
 - (h) The Foundation for Adult Education.
 - (i) Office of Training and Reemployment.
 - (j) Office of General Counsel.
 - (k) Office of Communication Services.
 - (l) Office of Development and Industry Relations.
 - (m) Office of Workforce Analysis and Research.
 - (n) Office for Administrative Services.
 - (o) Office for Policy and Budget.
 - (p) Office of Personnel Services.
 - (q) Unemployment Insurance Commission.
14. Personnel Cabinet.
- (a) Office of Administrative and Legal Services.
 - (b) Department for Personnel Administration.
 - (c) Department for Employee Relations.

- (d) Kentucky Public Employees Deferred Compensation Authority.
- (e) Kentucky Kare.
- (f) Division of Performance Management.
- (g) Division of Employee Records.
- (h) Division of Staffing Services.
- (i) Division of Classification and Compensation.
- (j) Division of Employee Benefits.
- (k) Division of Communications and Recognition.

III. Other departments headed by appointed officers:

- 1. Department of Military Affairs.
- 2. Council on Postsecondary Education.
- 3. Department for Local Government.
- 4. Kentucky Commission on Human Rights.
- 5. Kentucky Commission on Women.
- 6. Department of Veterans' Affairs.
- 7. Kentucky Commission on Military Affairs.
- 8. The Governor's Office for Technology.
- 9. Commission on Small Business Advocacy.
- 10. Education Professional Standards Board.

12.023 Organizational units and administrative bodies attached to the Governor's office.

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

- (1) Council on Postsecondary Education;
- (2) Department of Military Affairs;
- (3) Department for Local Government;
- (4) Kentucky Commission on Human Rights;
- (5) Kentucky Commission on Women;
- (6) Kentucky Commission on Military Affairs;
- (7) Kentucky Coal Council;
- (8) Governor's Office of Child Abuse and Domestic Violence Services;
- (9) Governor's Office for Technology;
- (10) Office of Coal Marketing and Export;
- (11) Agricultural Development Board;
- (12) Commission on Small Business Advocacy;
- (13) Office of Early Childhood Development;
- (14) Kentucky Agency for Substance Abuse Policy; and
- (15) Education Professional Standards Board.

12.027 Temporary reorganization orders.

When the Governor, the Kentucky Economic Development Partnership as created in KRS 154.10-010, or another elected official effects a temporary reorganization under KRS 12.028, the Governor, the Kentucky Economic Development Partnership, or the

other official shall do so by executive order or, in the case of the Kentucky Economic Development Partnership, by resolution filed with the Legislative Research Commission and the Secretary of State, which shall clearly designate the order or resolution as one relating to reorganization. The Secretary of State shall keep a copy of all executive orders relating to organization.

12.028 Governor and elected state executive officers to submit proposals for change to General Assembly Review of temporary changes by interim joint legislative committee Restrictions on changes Reorganization plans Committee action Termination of temporary reorganization Legislative monitoring Lapsed funds.

(1) Recognizing the necessity for grouping related functions of organizational units and administrative bodies in order to promote greater economy, efficiency and improved administration, the Governor, the Kentucky Economic Development Partnership as created in KRS 154.10-010, and other elected state executive officers may propose to the General Assembly, for its approval, changes in the state government organizational structure which may include the creation, alteration or abolition of any organizational unit or administrative body and the transfer of functions, personnel, funds, equipment, facilities, and records from one (1) organizational unit or administrative body to another.

(2) Recognizing that changes in the state government organizational structure may need to be made as rapidly as possible to achieve greater economy, efficiency, and improved administration as the needs of government dictate, the Governor, the Kentucky Economic Development Partnership as created in KRS 154.10-010, and other elected state executive officers may, between sessions of the General Assembly, temporarily effect a change in the state government organizational structure as described in subsection (1) of this section if such temporary reorganization plan is first reviewed by the interim joint legislative committee with appropriate jurisdiction. The Governor may not effect a temporary reorganization plan under this subsection that would change the organizational structure of an organizational unit or administrative body headed by the Kentucky Economic Development Partnership as created in KRS 154.10-010, or another elected state executive officer unless requested in writing by that officer. An elected state executive officer other than the Governor may only change the organizational structure of an organizational unit or administrative body that he heads.

(3) Any reorganization proposed under subsection (1) or (2) of this section shall be set forth in a reorganization plan which shall be filed with the Legislative Research Commission. The plan shall include:

- (a) An explanation of each proposed change, including the need for the change;
- (b) An estimate of any reduction or increase in expenditures, itemized as far as practicable, which the promulgating officer expects will result from the reorganization;
- (c) A description of any improvements in the management, delivery of state services, and efficiency of state government operations which the

promulgating officer expects will be realized as a result of the reorganization; and

- (d) Specification of the effects of the reorganization on the budget and personnel of each affected organizational unit or administrative body, including but not limited to the amount of funds and the number of employees that will be transferred from one (1) organizational unit or administrative body to another, any reductions in the state work force resulting from the reorganization, and the methods to be utilized to achieve such reductions.

(4) When a proposed reorganization plan is submitted for review under subsection (2) of this section the presiding co-chairman of the Legislative Research Commission shall determine which interim joint legislative committee has appropriate jurisdiction and shall refer the plan to such committee within ten (10) days after the director of the Legislative Research Commission receives the proposal. The interim joint legislative committee to which it is referred shall review the plan to determine whether the plan can reasonably be expected to achieve greater economy, efficiency or improved administration in state government. The committee shall report its findings to the Legislative Research Commission. The committee shall review and report on the plan within sixty (60) days after it is filed with the Legislative Research Commission. If the committee does not report on a proposed plan within the time specified in this subsection, the plan shall be considered reviewed by the interim joint legislative committee with appropriate jurisdiction.

(5) A temporary reorganization effected under subsections (2) to (4) of this section shall be terminated ninety (90) days after sine die adjournment of the next regular session of the General Assembly unless otherwise specified by the General Assembly. The Governor, the Kentucky Economic Development Partnership as created in KRS 154.10-010, or other officer who promulgated a temporary reorganization plan under this section shall recommend legislation to the General Assembly to confirm the temporary reorganization plan. The subject matter of each executive order relating to reorganization shall be presented to the General Assembly in a separate bill. If the General Assembly fails to enact the temporary reorganization plan or an alternative to such plan, the organizational structure that existed immediately prior to the implementation of the temporary plan shall be reinstated upon the termination of the temporary plan. If the General Assembly fails to enact a temporary reorganization plan, the Governor, the Kentucky Economic Development Partnership as created in KRS 154.10-010, and other elected state executive officers shall not effect the plan prior to the next succeeding session of the General Assembly.

(6) The Legislative Research Commission or the legislative program review and investigations committee may monitor the implementation of any reorganization plan to determine the extent to which the anticipated improvements in economy, efficiency, or administration have been realized as a result of the reorganization and shall report its findings to the General Assembly.

(7) Funds transferred due to reorganization shall be maintained in separately designated accounts. Any excess funds resulting from a reorganization shall lapse to the general fund surplus account.

12.029 Governor's advisory committee on reorganization.

The Governor may appoint advisory or study committees to assist and recommend to him on problems concerning the various functions, organizational units and administrative bodies of state government. Members of such committees shall serve without pay, but shall be reimbursed for necessary and actual expenses.

12.040 Heads of departments.

(1) The heads of departments shall have direction and control of their respective departments, and through their departments shall exercise the powers and perform the duties vested in the departments under their direction and control. Except as otherwise expressly provided by law, the heads of departments shall be appointed by the Governor for terms not exceeding four (4) years on the basis of their merit and fitness to perform the duties of their respective offices.

(2) Each department head shall maintain a pattern of organization capable of receiving the attachment of administrative bodies that have functions related to the general function of his department.

(3) Within the resources of his department, each department head shall provide administrative bodies in his department with such facilities and services as will enable those bodies to carry out the functions with which they are charged.

(4) The heads of all departments shall exercise supervision over the personnel and financial records of their respective departments.

(5) In case of a vacancy or in the absence or disability of the head of a department, the Governor may authorize the head of a division or other administrative officer to act as head of the department.

12.050 Deputy heads of departments and directors of divisions and institutions.

Unless otherwise provided by law, deputy heads of departments, and directors of divisions and institutions shall be appointed by the heads of the departments and in statutory departments the appointment of deputy heads of departments, and heads of divisions shall be with the prior written approval of the Governor. In departments each division head shall report to the head of the department to which the division is assigned.

12.060 Department staffs.

(1) The heads of statutory departments, with the approval of the secretary of personnel, may establish such subordinate positions as may be necessary and make appointments thereto, within the limitations of their appropriations, and removals therefrom. All appointees to such positions shall be under the supervision, direction and control of the heads of the respective departments and shall perform such duties as the heads of the departments prescribe. The appointment of all employees not otherwise provided for shall be made by the heads of the departments.

(2) The head of any department, with the approval of the secretary of personnel, may abolish unnecessary offices and positions, transfer officers and employees between positions, and change the duties, titles and compensation of existing offices and positions, subject to any provision of law in relation thereto.

12.070 Appointments to boards and commissions Reimbursement for expenses when compensation not provided.

(1) For the purpose of this section, "minority" means American Indians; Alaskan native; African-American; Hispanic, including persons of Mexican, Puerto Rican, Cuban, and Central or South American origin; Pacific Islander; or other ethnic group underrepresented on state boards and commissions.

(2) Except as otherwise expressly provided by law, the members of each administrative board or commission shall be citizens of Kentucky appointed by the Governor from the state at large on the basis of their interests in public affairs, their good judgment, and their knowledge and ability in the field of action of the department for which appointed, with a view to providing diversity of interests and points of view in the membership and without regard to their political or religious opinions or affiliations. Before entering upon the duties of their office, all members of administrative boards and commissions shall take the oath of office prescribed by Section 228 of the Constitution. Where appointments to administrative boards and commissions are made from lists submitted to him, the Governor may reject the list and require that other lists be submitted.

(3) Where appointments to administrative boards and commissions are made from lists submitted to him, the Governor may reject the list and require that other lists be submitted. Notwithstanding any provision to the contrary, in the event the current membership of a board or commission reflects a proportion of the minority group less than the proportion of the minority group in the total population of the Commonwealth, then the governor may appoint a member of the minority group even if the list of nominees for a vacancy does not include a member of the minority group.

(4) Before entering upon duties of their office, all members of administrative boards and commissions shall take the oath of office prescribed by Section 228 of the Constitution.

(5) When a board, commission, or similar administrative body is established and no provision is made for compensation of members, members shall serve without pay, but may receive reimbursement for their actual and necessary expenses.

12.080 Administrative rules.

The Governor, with the approval of his executive cabinet, may prescribe such general rules for the conduct of the administrative departments as he deems necessary or expedient to give effect to the provisions of law relating to the administrative organization of state agencies. The head of each department may likewise prescribe such rules as he deems expedient for the proper conduct of the work of the department and for making effective the provisions of law, and not inconsistent therewith or with the general rules prescribed by the Governor.

12.090 Cooperation between departments.

Subject to rules prescribed by the secretary of the Finance and Administration Cabinet pursuant to law, any agency shall furnish to any other agency such services, labor and materials, as are requisitioned by the head of the other agency, and as its own facilities provide, through the same procedure and subject to the same measures of audit and control as other proposed expense. The expense shall be billed and charged to the agencies served, by transfers between appropriations. Agencies shall, so far as practicable, cooperate with each other in the use of services, quarters and equipment.

12.100 Determination of conflicts between agencies.

In all cases where questions arise between agencies as to their respective functions, or where agencies issue conflicting orders or make conflicting rules, the Governor with the advice of the Governors Executive Cabinet shall determine the questions, and action shall be taken in accordance with such determination.

12.110 Annual and biennial reports.

(1) The Governor shall prepare and submit to the Legislative Research Commission annual reports of the finances and operations of the state and such other reports as the General Assembly may prescribe or as the Governor may desire. The head of each statutory department shall make to the Governor an annual report and may at any time be required by the Governor to make any special report concerning the work under his charge, with his observations and recommendations thereon and pertinent statistics concerning the work of the department, each of which the Governor shall transmit to the Legislative Research Commission with such comments as he may desire to make. All such annual reports shall observe the fiscal year of the state as the reporting year, and shall be published to the extent ordered in writing by the Governor. Twenty-five (25) copies of each report shall be filed with the Legislative Research Commission for availability to the members of the General Assembly upon request. Additional copies of any report shall be made available to the Legislative Research Commission at no charge if the requests for said report exceed twenty-five (25).

(2) Agencies shall file all annual and biennial reports required by law to be made by agencies with the Governor, and a copy thereof in the office of the Secretary of State, which shall be preserved as a public record.

12.120 Power to swear and examine witnesses.

The head of each administrative department and any representative authorized by him may administer oaths and examine witnesses under oath relative to any matter properly subject to inquiry, hearing or investigation in the conduct of the work of the department.

12.130 Systematized plan of filing, bookkeeping and accounting.

The Governor shall cause each agency to keep a carefully systematized and well devised plan of filing, bookkeeping and accounting as prescribed by the Finance and Administration Cabinet.

12.250 Program cabinets.

There are established within state government the following program cabinets:

- (1) Justice Cabinet.
- (2) Education, Arts, and Humanities Cabinet.
- (3) Natural Resources and Environmental Protection Cabinet.
- (4) Transportation Cabinet.
- (5) Cabinet for Economic Development.
- (6) Public Protection and Regulation Cabinet.
- (7) Cabinet for Health Services.
- (8) Cabinet for Families and Children.
- (9) Finance and Administration Cabinet.
- (10) Tourism Cabinet.
- (11) Revenue Cabinet.
- (12) Labor Cabinet.
- (13) Cabinet for Workforce Development.
- (14) Personnel Cabinet.

12.255 Office of secretary for each program cabinet established.

There is hereby established the office of secretary for each of the program cabinets listed in KRS 12.250. Each of these program cabinets shall be headed by a secretary appointed by the Governor, each secretary shall be chairman of the related cabinet, and each secretary shall be bonded as required by KRS 62.160.

12.260 Deputy secretary in office of secretary for public protection and regulation.

There is hereby established in the office of secretary for public protection and regulation a deputy secretary, appointed by the secretary pursuant to KRS 12.050, who shall be responsible for and engaged in operations of the cabinet and any other duties as assigned by the secretary, and in the absence of the secretary, have authority over cabinet affairs.

12.270 Cabinet secretaries Authority, powers, and duties.

- (1) The secretary of each cabinet shall:
 - (a) Be a member of the Governor's Cabinet and shall serve as the Governor's liaison in carrying out the responsibilities for overall direction and coordination of the departments, boards, and commissions included in the related cabinet;
 - (b) Recommend to the Governor desired reorganization affecting the related cabinet;
 - (c) Advise the Governor on executive actions, legislative matters, and other steps that may be desirable for better program service;
 - (d) Evaluate and pass upon all budget requests originated by the departments, boards, and commissions within the related cabinet;

(e) Advise the Governor on the appointment of commissioners and heads of units included in the related cabinet, except for those whose election or selection is otherwise provided for by law.

(2) Each secretary is authorized to accept and expend funds from any source, whether public or private, in support of the duties and responsibilities of the related cabinet.

(3) Each secretary shall have any and all necessary power and authority, subject to appropriate provisions of the statutes, to create such positions and to employ the necessary personnel in such positions to enable the secretary to perform the functions of his office.

(4) Each secretary shall have exclusive control and direction over the administration of the related cabinet programs as required by law.

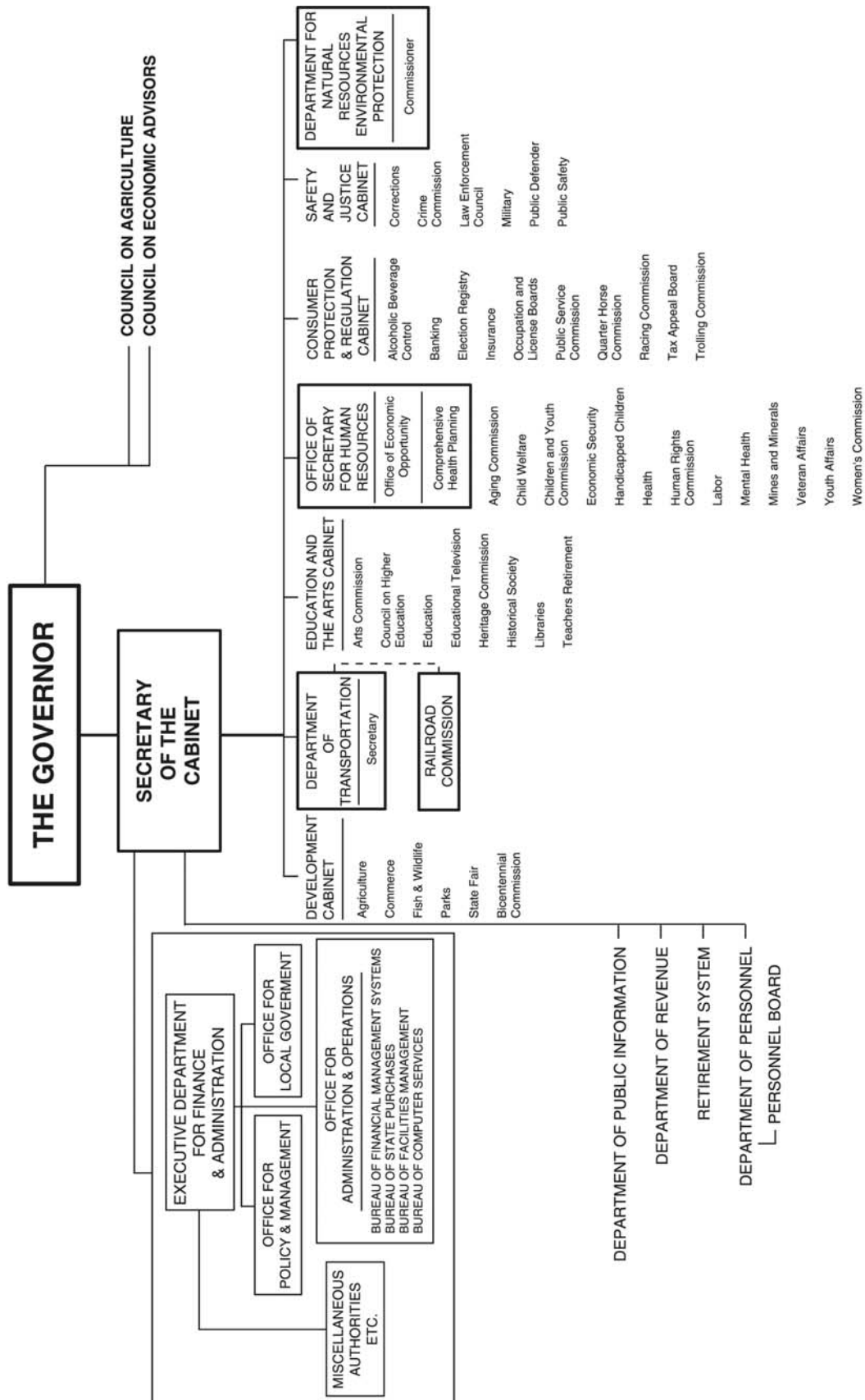
12.290 Accessibility of state government services to deaf or hard-of-hearing persons.

Each department, program cabinet, and administrative body of state government shall promulgate administrative regulations to provide accessibility to all services by persons who are deaf or hard of hearing in compliance with federal mandates including 29 U.S.C. 794, a part of the Rehabilitation Act of 1973, and 42 U.S.C. 12101 et seq., a part of the Americans With Disabilities Act of 1990. The administrative regulations shall require that interpreter services be provided to persons who are deaf or hard of hearing, if those persons make a timely request for the services.

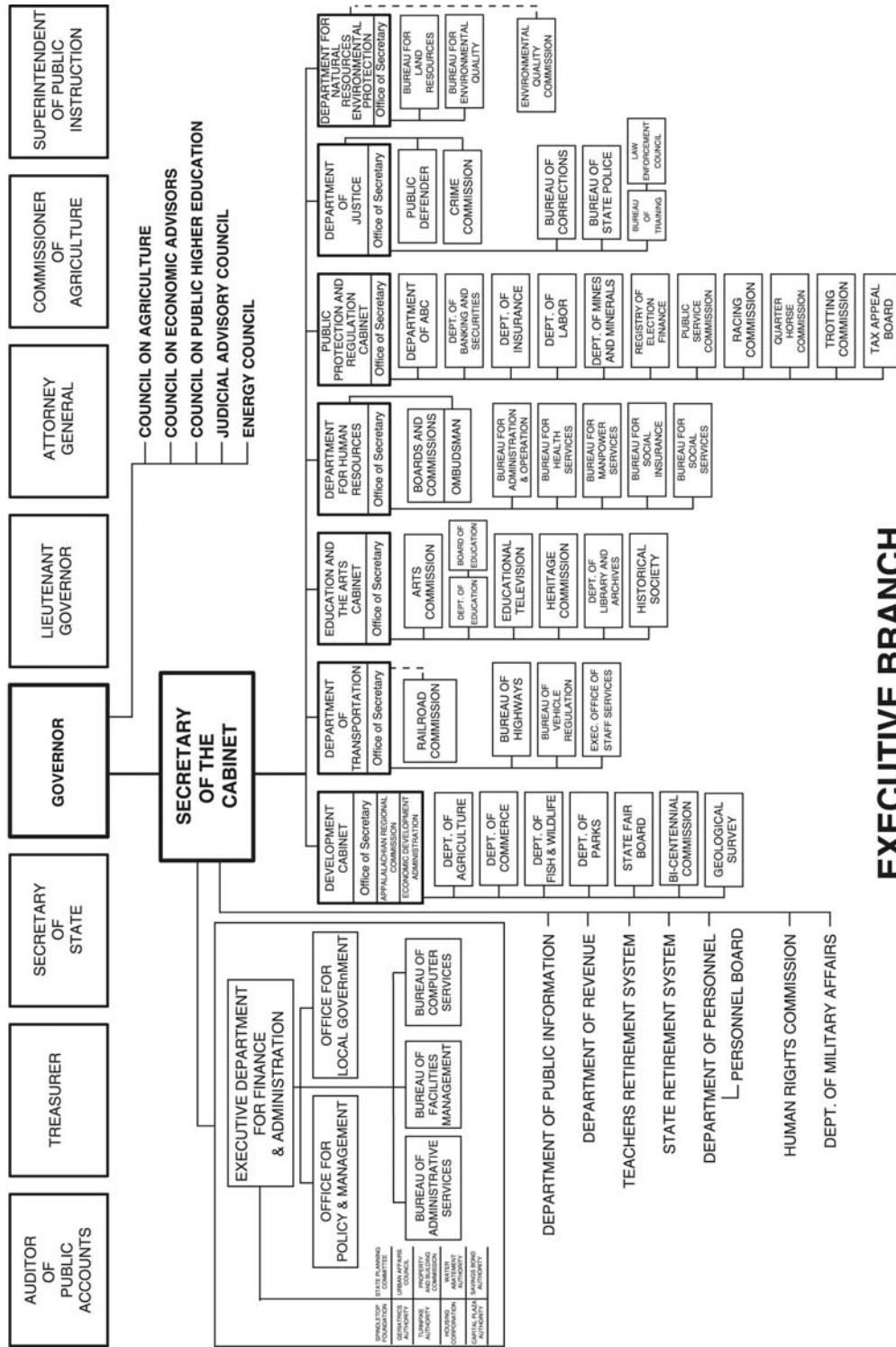
APPENDIX 2

KENTUCKY EXECUTIVE BRANCH ORGANIZATIONAL CHARTS 1973-2001

STATE ORGANIZATION - JUNE 1, 1973

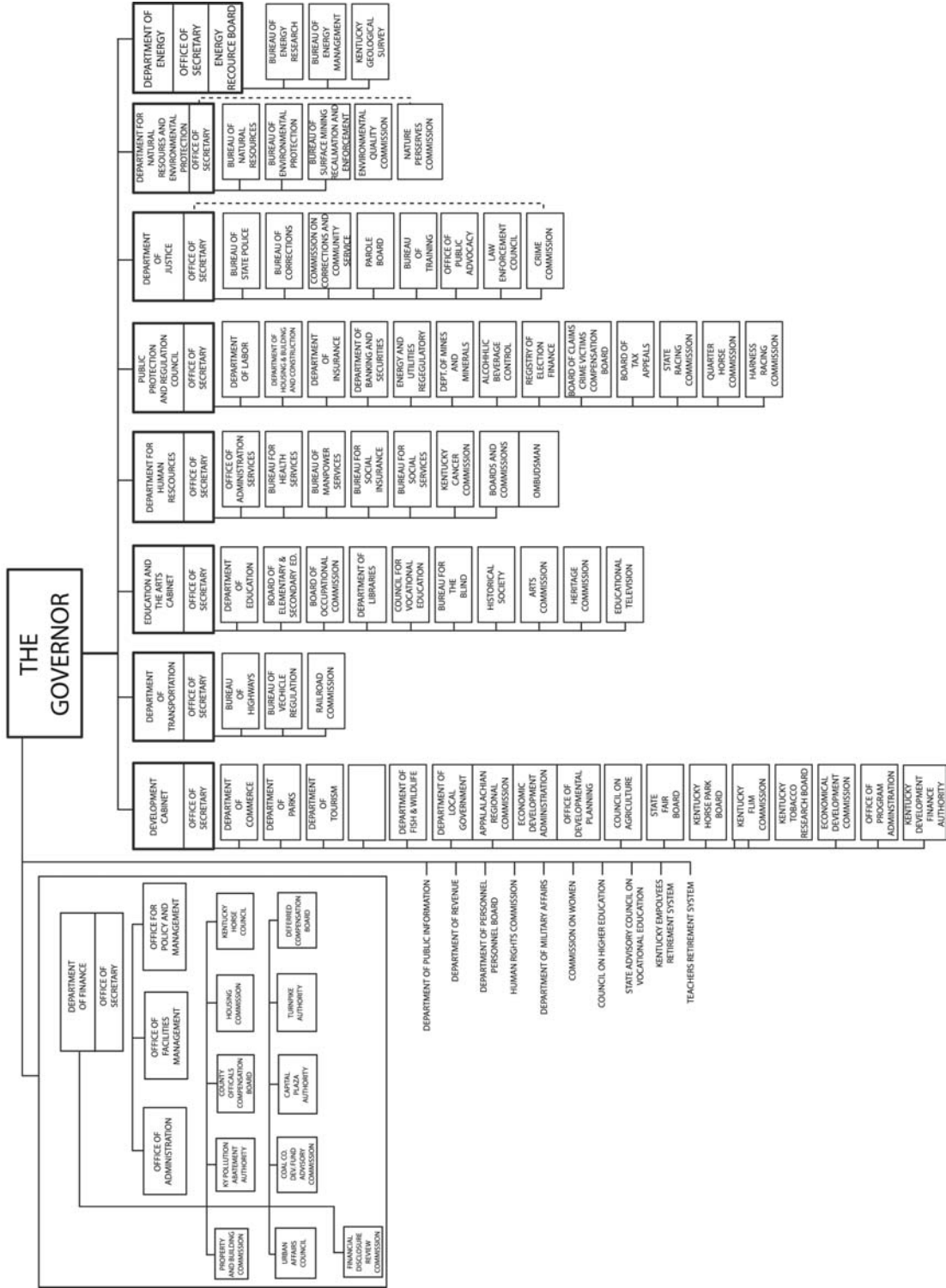


CITIZENS OF THE COMMONWEALTH OF KENTUCKY 1974



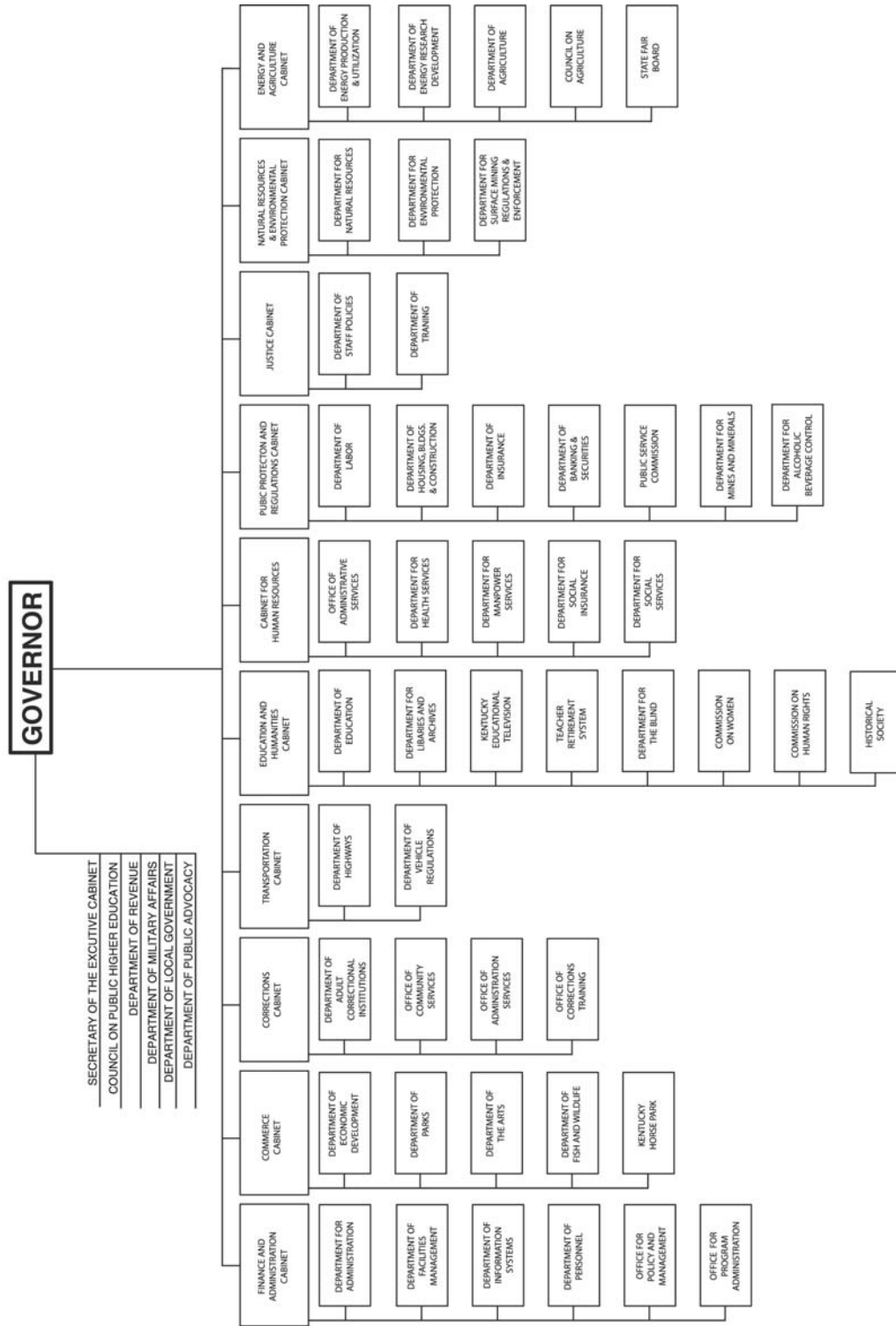
EXECUTIVE BRANCH

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KENTUCKY STATE GOVERNMENT EXECUTIVE BRANCH

1892

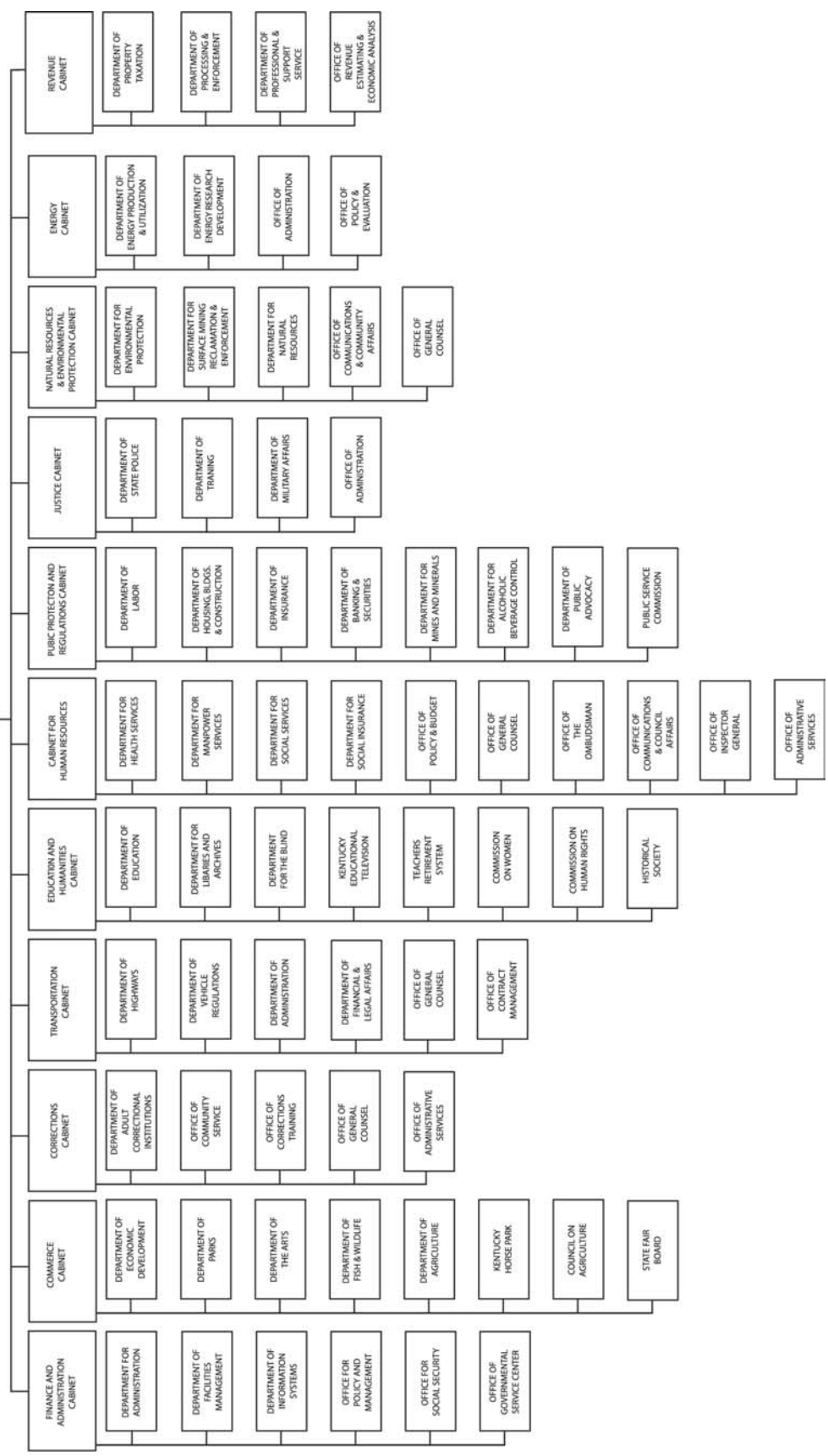


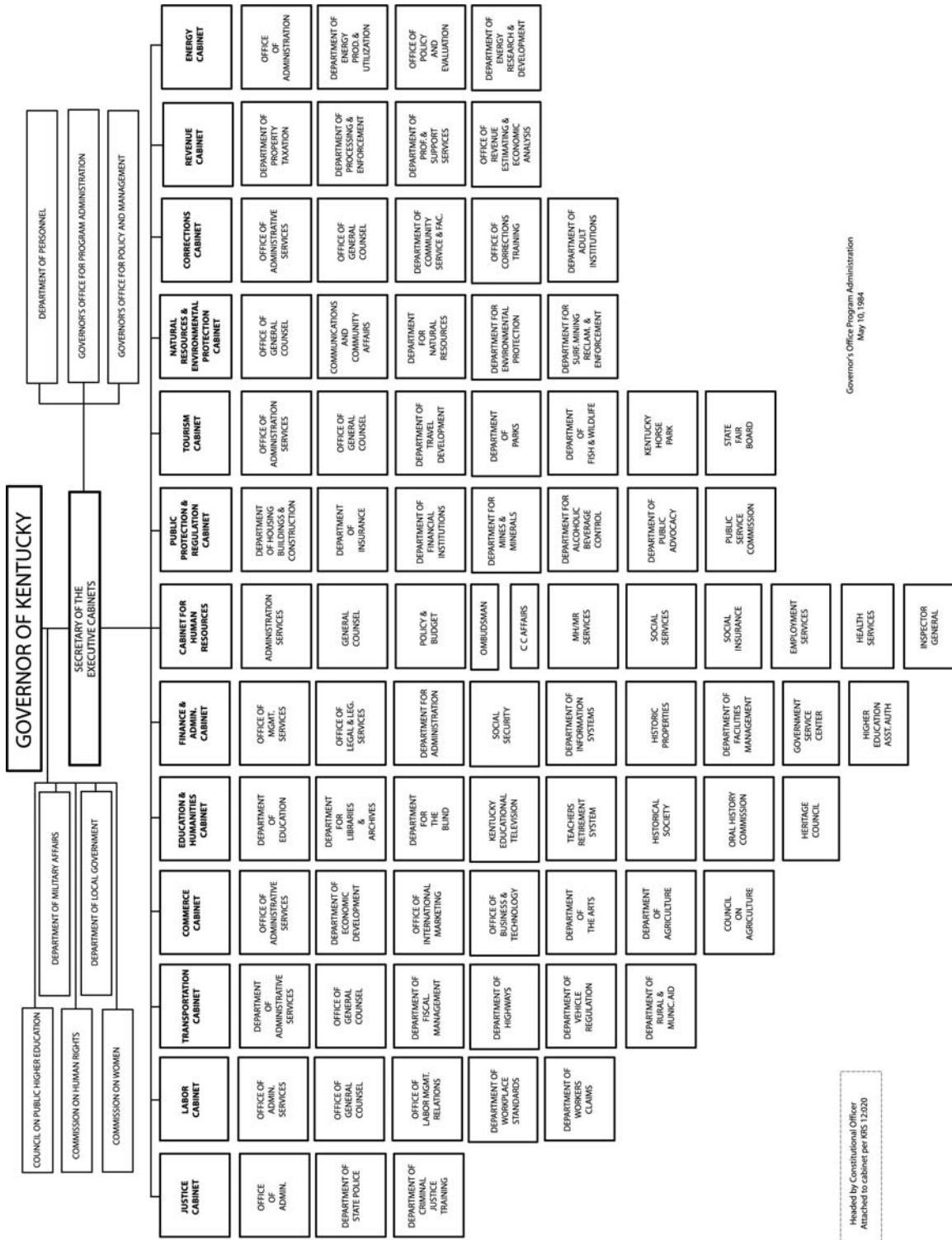
Secretary of the Governor's Executive Cabinet
Office of Program Administration
Department of Personnel

GOVERNOR OF KENTUCKY

Office of the Governor
Council on Higher Education
Department of Local Government

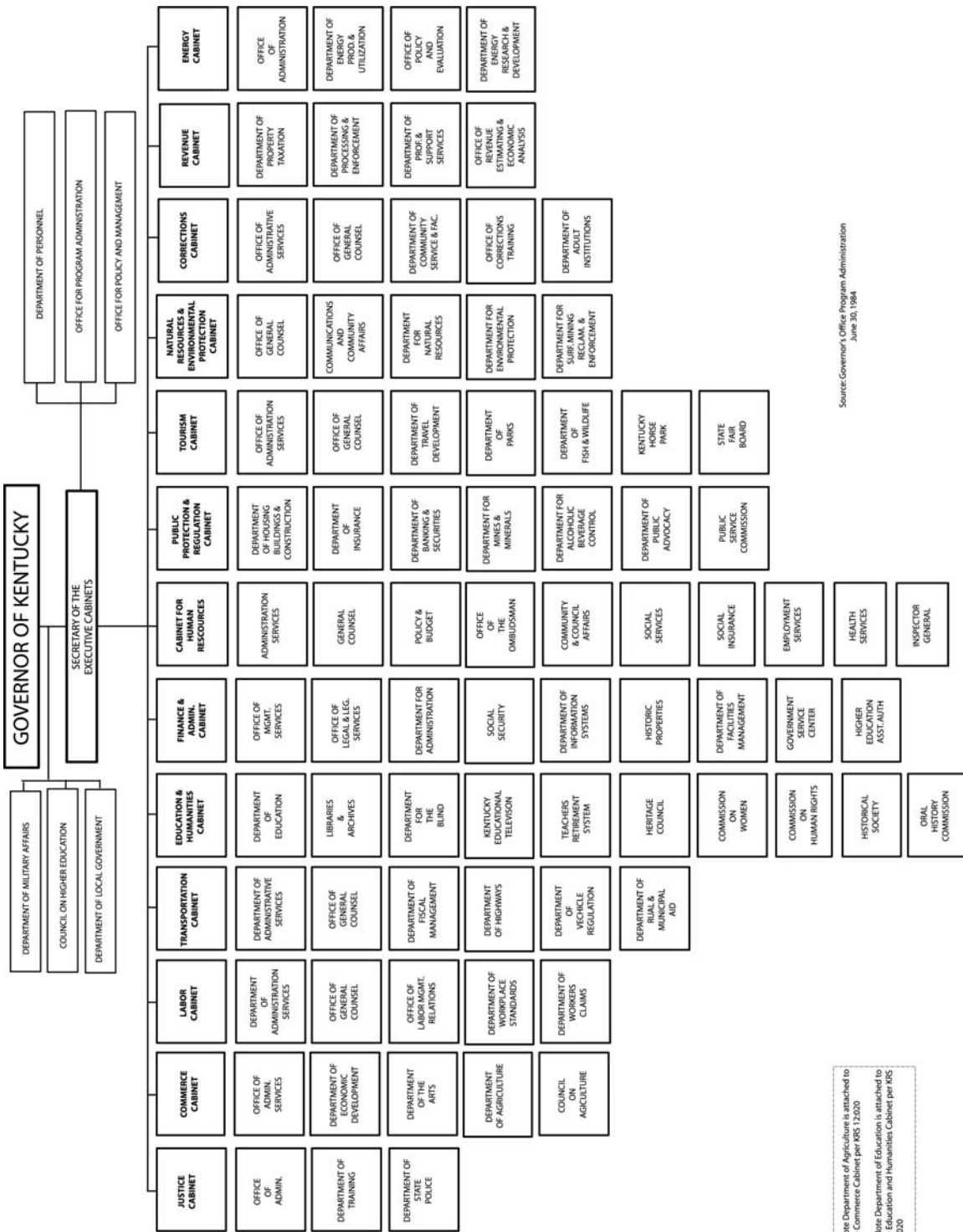
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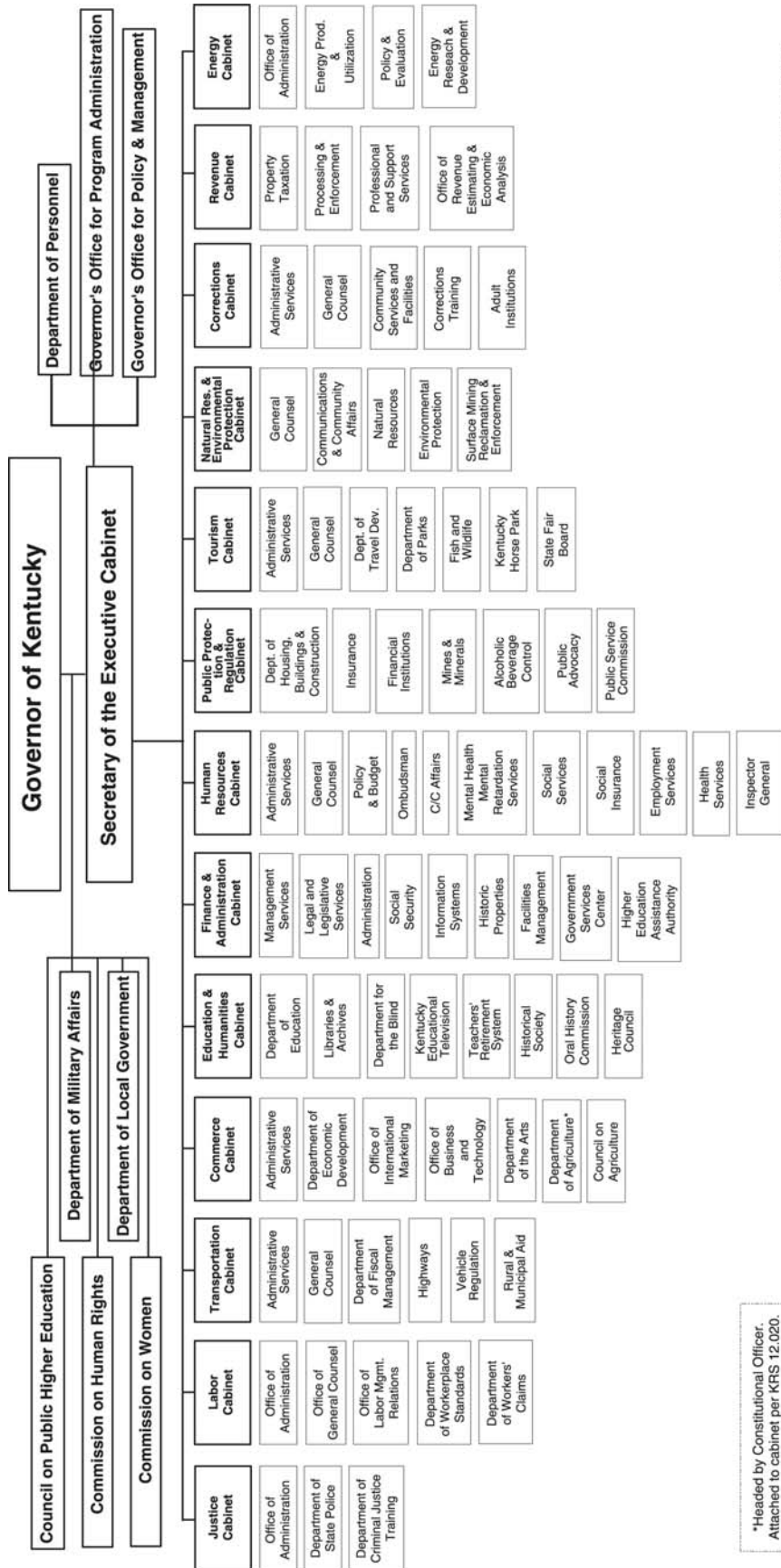
Governor's Office Program Administration
May 10, 1984

Headed by Constitutional Officer
Attached to cabinet per KRS 12.200



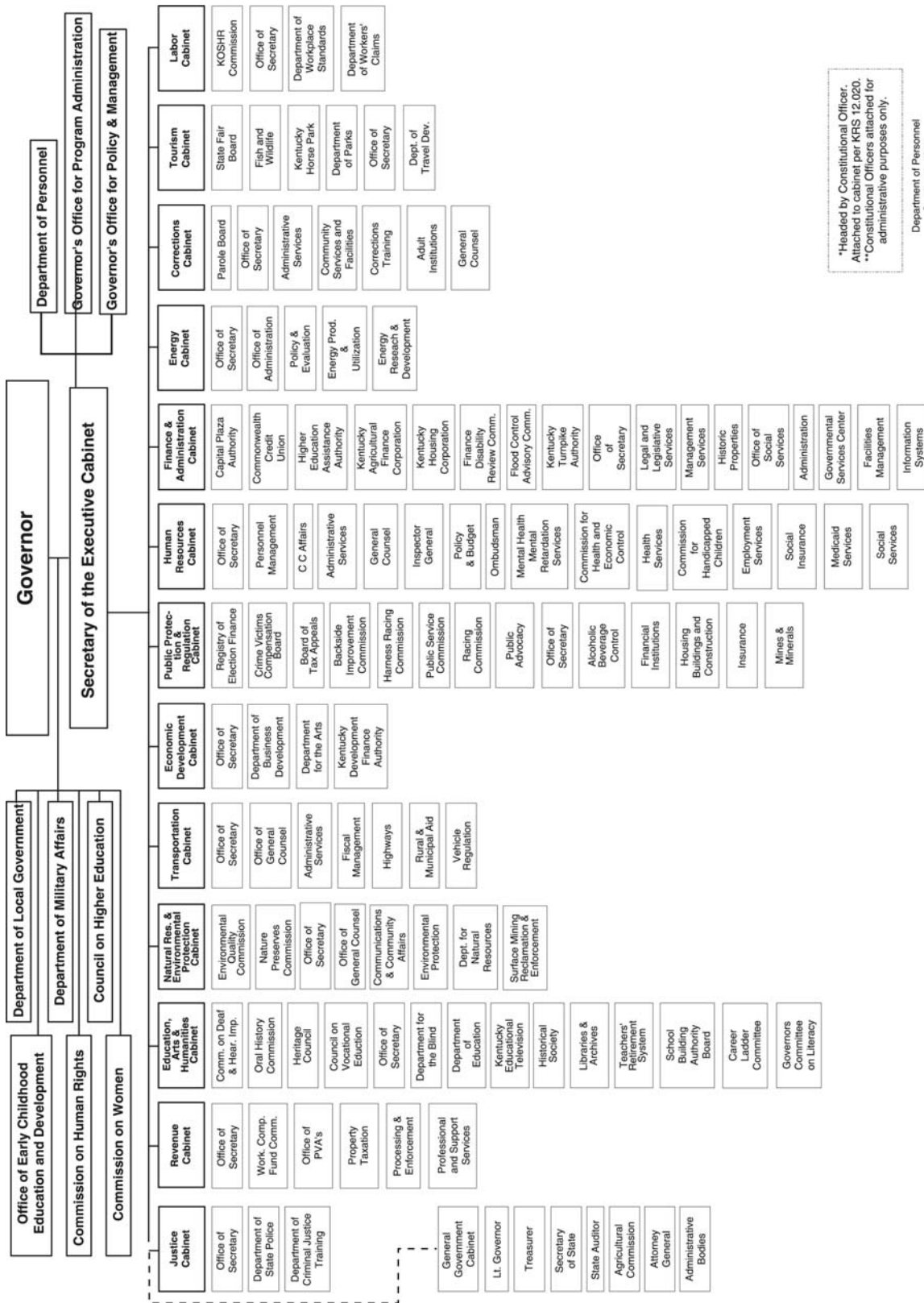
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June 30, 1984

*Note: Department of Agriculture is attached to the Commerce Cabinet per KRS 1:2020
**Note: Department of Education is attached to the Education and Humanities Cabinet per KRS 1:2030



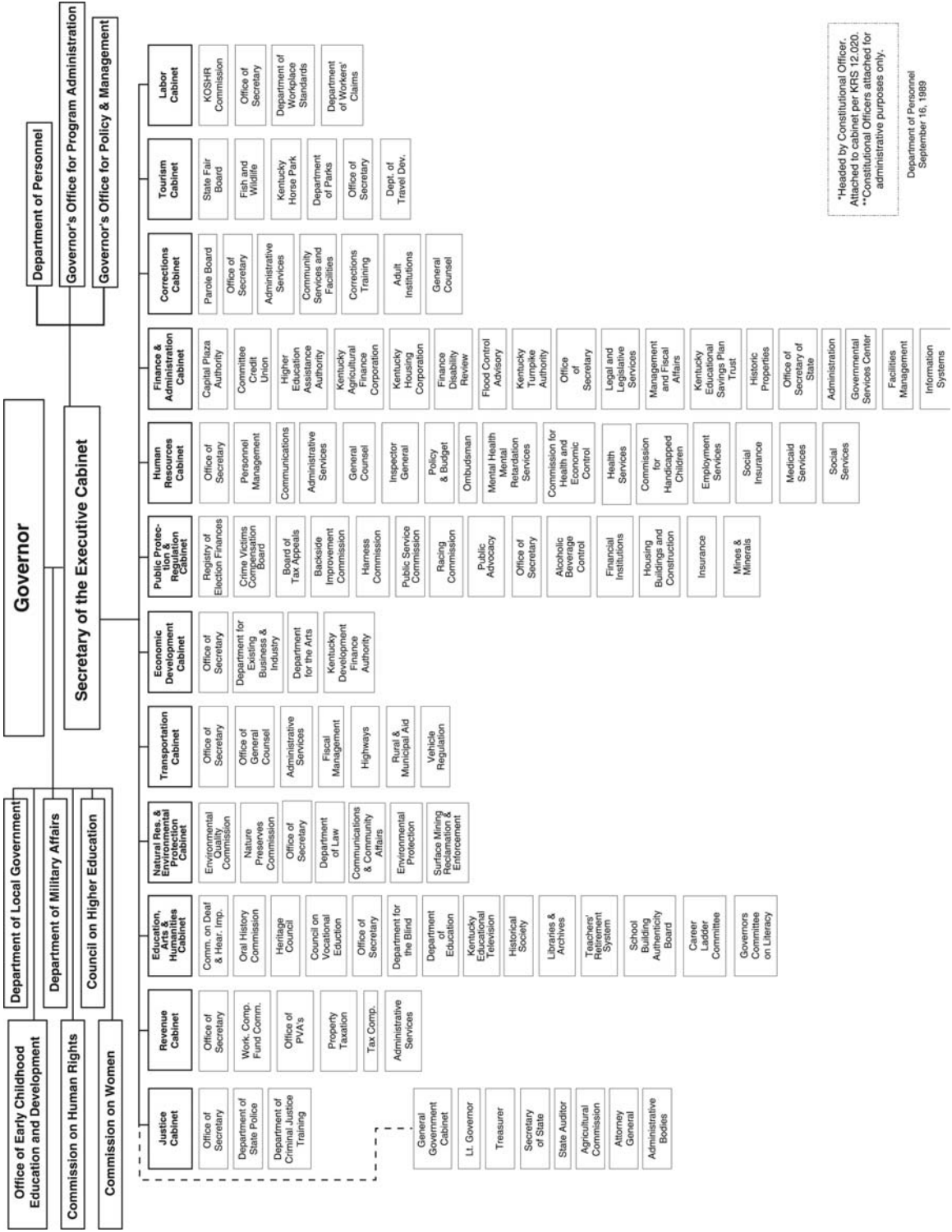
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Governor's Office for Program Administration
October 16, 1985



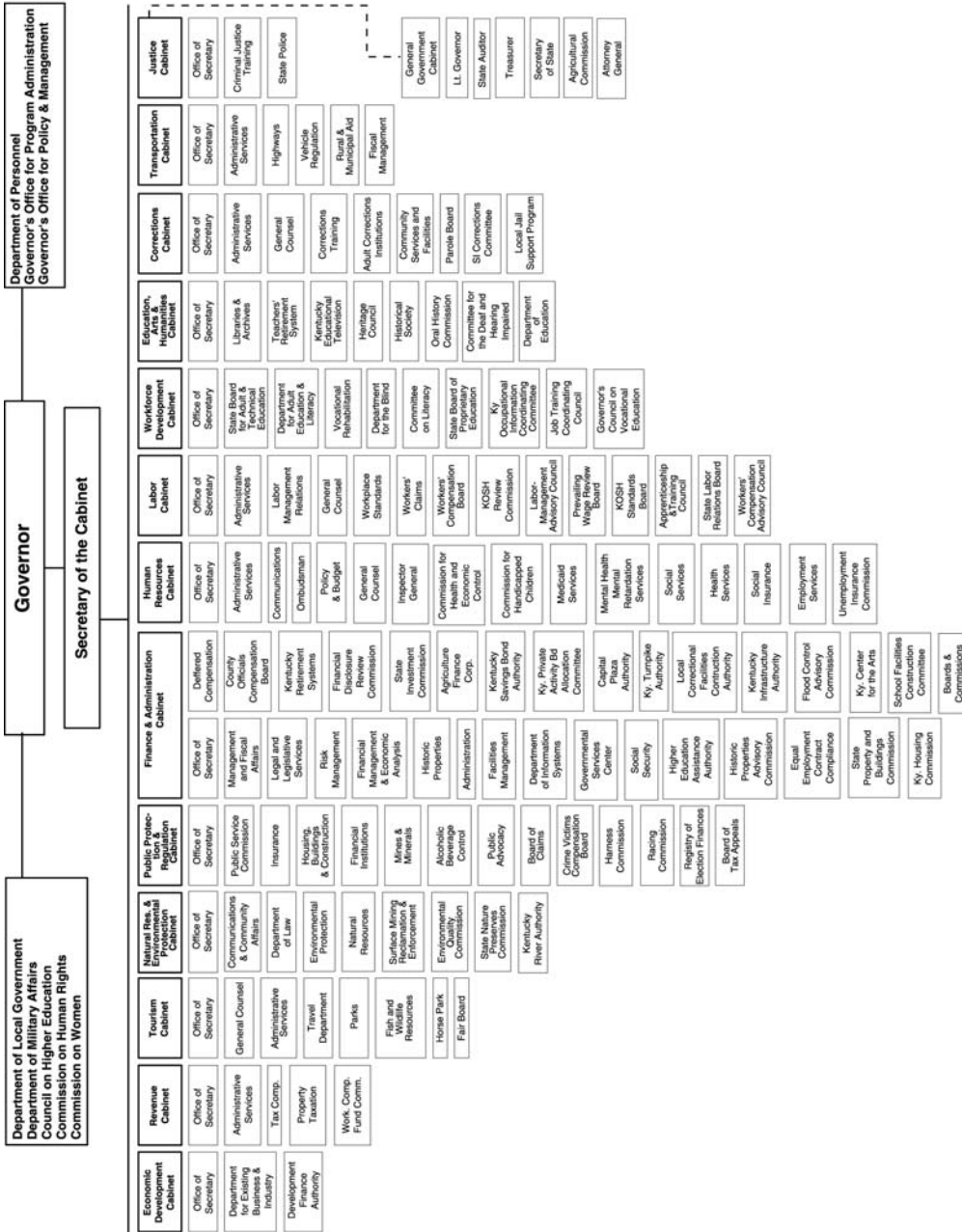
*Headed by Constitutional Officer.
 Attached to cabinet per KRS 12.020.
 **Constitutional Officers attached for administrative purposes only.

Department of Personnel
 October 1, 1988



*Headed by Constitutional Officer,
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Department of Personnel
September 16, 1989



COMMONWEALTH OF KENTUCKY EXECUTIVE BRANCH

Department for Local Government
Department of Military Affairs
Department of Higher Education
Commission on Human Rights
Commission on Women

Governor

Department of Personnel
Governor's Office for Program Administration
Governor's Office for Policy & Management

Secretary of the Cabinet

Revenue Cabinet	Tourism Cabinet	Economic Development Cabinet	Natural Res. & Environmental Protection Cabinet	Public Protection & Regulation Cabinet	Finance & Administration Cabinet	Human Resources Cabinet	Labor Cabinet	Workforce Development Cabinet	Education & Humanities Cabinet	Transportation Cabinet	Justice Cabinet
Office of Secretary	Office of Secretary	Office of Secretary	Office of Secretary	Office of Secretary	Office of Secretary	Deferred Compensation	Office of Secretary	Office of Secretary	Office of Secretary	Office of Secretary	Office of Secretary
Administrative Services	General Counsel	Ky. Economic Development Partnership	Communications & Community Affairs	Public Service Commission	Management and Fiscal Affairs	County Officials Compensation Board	Administrative Services	Administrative Services	State Board for Adult & Technical Education	Libraries & Archives	Criminal Justice Training
Tax Compliance	Administrative Services	Department for Existing Business & Industry	Department of Law	Insurance	Legal & Legislative Services	Kentucky Retirement Systems	Communications	Labor Management Resources	Department for Adult Education & Literacy	Highways	State Police
Property Taxation	Travel Department	Ky. Economic Development Finance Authority	Environmental Protection	Housing, Buildings & Construction	Risk Management	Executive Branch Ethics Commission	Ombudsman	General Counsel	Vocational Rehabilitation	Vehicle Regulation	Corrections
Worker's Compensation Funding Commission	Parks	Bluegrass State Skills Corporation	Natural Resources	Financial Institutions	Financial Management & Economic Analysis	State Investment Commission	Policy & Budget	Workplace Standards	Department for the Blind	Rural & Municipal Aid	Parole Board
	Fish and Wildlife Resources	Commonwealth Venture Fund	Surface Mining Reclamation & Enforcement	Mines & Minerals	Historic Properties	Agriculture Finance Corp.	General Counsel	Workers' Claims	Kentucky Literacy Commission	Fiscal Management	
	Horse Park	Kentucky Military Affairs Commission	Environmental Quality Commission	Alcoholic Beverage Control	Administration	Kentucky Savings Bond Authority	Inspector General	Workers' Compensation Board	Historical Society		
	Fair Board	Kentucky River Authority	State Nature Preserves Commission	Public Advocacy	Facilities Management	Medicaid Services	Commission for Handicapped Children	KOSH Review Commission	Oral History Commission		
		Petroleum Storage Tank Environmental Assurance Fund Commission	Kentucky River Authority	Board of Claims	Department of Information Systems	Mental Health Retardation Services	KOSH Review Commission	Occupational Information Coordinating Committee	Commission for the Deaf & Hearing Impaired		
		Kentucky Recycling Brokerage Authority	Kentucky River Authority	Crime Victims Compensation Board	Governmental Services Center	Social Services	Job Training Coordinating Council	Superintendent of Public Instruction	Department of Education		
		Kentucky Jobs Development Authority		Kentucky Racing Commission	Social Security	Capital Plaza Authority	Governor's Council on Vocational Education				
		Kentucky Industrial Revitalization Authority		Board of Tax Appeals	Higher Education Assistance Authority	Local Correctional Facilities Construction Authority					
					Historic Properties Advisory Commission	Kentucky Infrastructure Authority					
					Equal Employment Contract Compliance	Flood Control Advisory Commission					
					State Property and Buildings Commission	Kentucky Center for the Arts					
					Ky. Housing Commission	School Facilities Construction Commission					
						Boards and Commissions					
						Ky. Tumpike Authority					



Legislative Research Commission, 1992

**COMMONWEALTH OF KENTUCKY
EXECUTIVE BRANCH**

Department for Local Government
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Commission on Women

Governor

Department of Personnel
Governor's Office for Program Administration
Governor's Office for Policy & Management

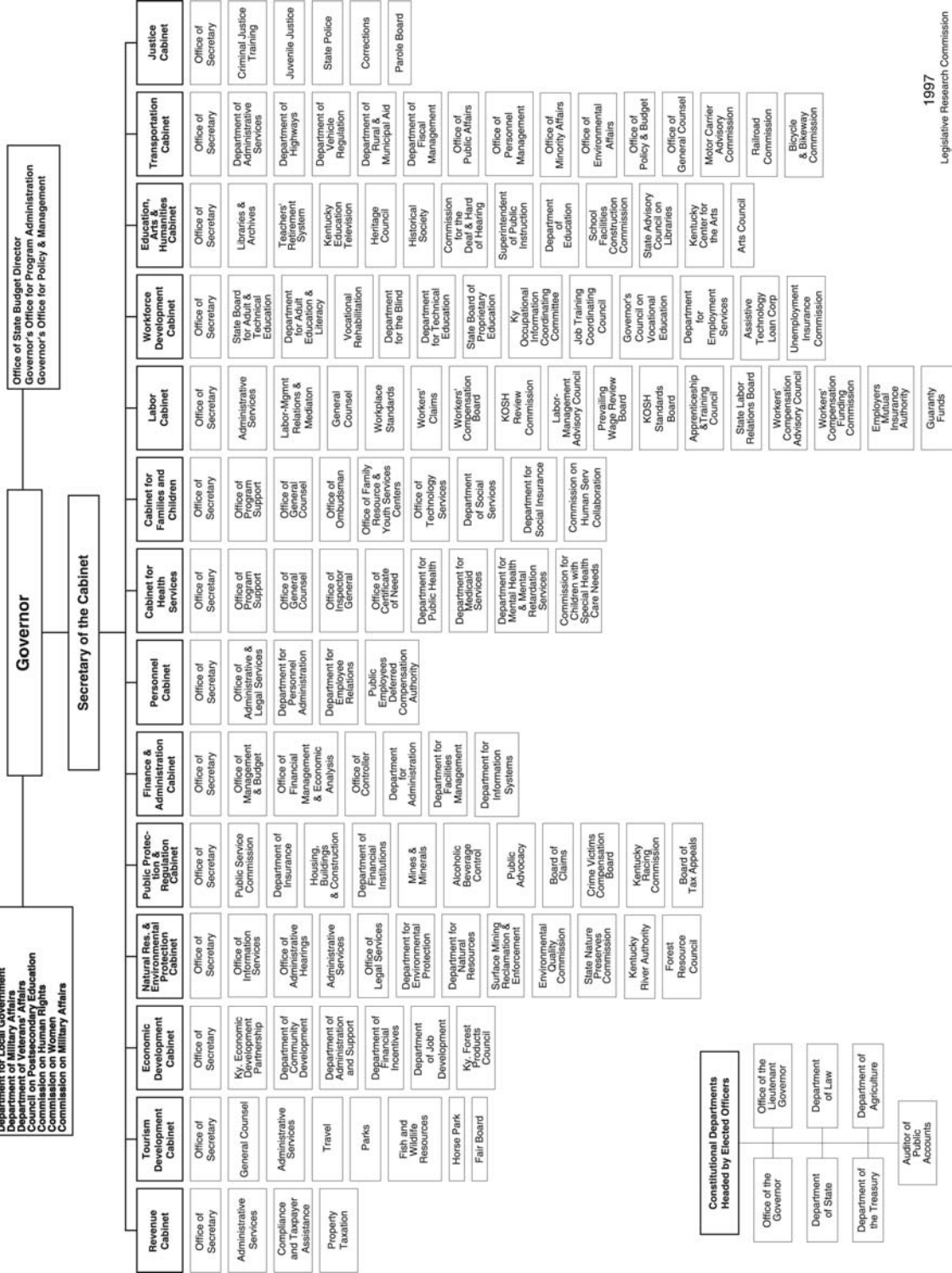
Secretary of the Cabinet

Revenue Cabinet	Tourism Cabinet	Economic Development Cabinet	Natural Res. & Environmental Protection Cabinet	Public Protection & Regulation Cabinet	Finance & Administration Cabinet	Human Resources Cabinet	Labor Cabinet	Workforce Development Cabinet	Education, Arts & Humanities Cabinet	Transportation Cabinet	Justice Cabinet	
Office of Secretary	Office of Secretary	Office of Secretary	Office of Secretary	Office of Secretary	Office of Secretary	Deferred Compensation	Office of Secretary	Office of Secretary	Office of Secretary	Office of Secretary	Office of Secretary	
Administrative Services	General Counsel	Ky. Economic Development Partnership	Communications & Community Affairs	Public Service Commission	Office of Management & Budget	County Officials Compensation Board	Administrative Services	Administrative Services	State Board for Adult & Technical Education	Libraries & Archives	Department of Administrative Services	Criminal Justice Training
Compliance and Taxpayer Assistance	Administrative Services	Department of Community Development	Office of Administrative Hearings	Insurance	Office of Financial Management & Economic Analysis	Kentucky Retirement Systems	Communications	Labor Management Relations	Department for Adult Education & Literacy	Teachers' Retirement System	Department of Highways	State Police
Property Taxation	Travel Development	Department of Administration and Support	Administrative Services	Housing, Buildings & Construction	Office of Controller	Public Officials Compensation Commission	Ombudsman	General Counsel	Vocational Rehabilitation	Kentucky Education Television	Department of Vehicle Regulation	Corrections
	Parks	Department of Financial Incentives	Department of Law	Financial Institutions	Department for Administration	State Investment Commission	Personal & Budget	Workplace Standards	Department for the Blind	Heritage Council	Department of Rural & Municipal Aid	Parole Board
	Fish and Wildlife Resources	Department of Job Development	Department for Environmental Protection	Mines & Minerals	Department for Facilities Management	Agriculture Finance Corp.	Inspector General	Workers' Claims	Department for Technical Education	Historical Society	Department of Fiscal Management	Charitable Gaming
	Horse Park	Ky. Forest Products Council	Department for Natural Resources	Alcoholic Beverage Control	Department for Information Systems	Kentucky Savings Bond Authority	Commission for Children with Special Health Care Needs	Workers' Compensation Board	State Board of Proprietary Education	Commission for the Deaf & Hard of Hearing	Office of Public Affairs	
	Fair Board		Surface Mining Reclamation & Enforcement	Public Advocacy	Governmental Services Center	Ky. Private Activity Bd Allocation Committee	Medicaid Services	KOSH Review Commission	Ky. Occupational Information Coordinating Committee	Superintendent of Public Instruction	Office of Personnel Management	
			Environmental Quality Commission	Board of Claims	Ky. Economic Roundtable	Capital Plaza Authority	Mental Health Retardation Services	Labor-Management Advisory Council	Department of Education	School Facilities Construction Commission	Office of Environmental Affairs	
			State Nature Preserves Commission	Crime Victims Compensation Board	Higher Education Assistance Authority	Local Correctional Facilities Construction Authority	Social Services	Prevaling Wage Review Board	Job Training Coordinating Council	State Advisory Council on Libraries	Office of Policy & Budget	
			Kentucky River Authority	Kentucky Racing Commission	State Property and Buildings Commission	Kentucky Infrastructure Authority	Health Services	KOSH Standards Board	Governor's Council on Vocational Education	Kentucky Center for the Arts	Office of General Counsel	
			Petroleum Storage Tank Environmental Assurance Fund Commission	Board of Tax Appeals	Ky. Housing Commission	Ky. State Veteran's Nursing Home	Social Insurance	State Labor Relations Board				
							Employment Services	Workers' Compensation Advisory Council				
							Unemployment Insurance Commission	Workers' Compensation Funding Commission				
							Personnel Steering Committee	Ky. Health Policy Board				
							Central State Hospital Recovery Authority	State Inter-Agency Council for Services to Children with Emotional Disability				
							Boards & Commissions	Interagency Taskforce on Family Resource Center and Youth Centers				
							Ky. Turnpike Authority	Ky. Early Intervention System Interagency Coordinating Council				

Constitutional Departments Headed by Elected Officers



EXECUTIVE BRANCH



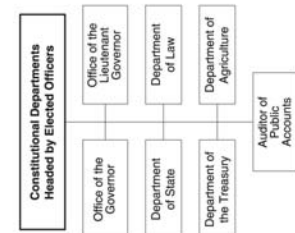
EXECUTIVE BRANCH

Office of Chief Information Officer
Department of Information Systems
Department of Veterans' Affairs
Council on Postsecondary Education
Commission on Human Rights
Commission on Military Affairs

Office of State Budget Director
Governor's Office for Program Administration
Governor's Office for Policy & Management

Governor of Kentucky

Secretary of the Cabinet



EXECUTIVE BRANCH



SUBJECT INDEX

- Adjutant General;** 54
- Administrative Law Judges;** 137
- Aeronautics**
Air national guard; 54
Air transport division; 55
Airport zoning commission; 165
Aviation economic development fund; 165
Civil air patrol; 56
Division; 165
- African-American Heritage Commission;** 99
- Agriculture**
Agritourism; 36
Animals; *See Animals*
Commissioner; 34
Council; 37
Department; 33
Development board; 15
Diversification and development council; 85
Easements; 38
Finance corporation; 37
Grape and wine council; 34
Hemp commission; 38
Kentucky agriculture resources development authority; 13
Kentucky settlement trust; 86
Linked deposits investment; 33, 80
State Board of; 37
State fair; 155
Tobacco; *See Tobacco*
Veterinarian, state; 35
- Agriculture, Department of**
Agricultural easements; 38
Agricultural marketing; 34
Animal health; 35
Commissioner; 34
Council on agriculture; 37
Environmental outreach; 35
Food distribution; 35
Grape and wine council; 34
Regulation and inspection; 35
State board; 37
Strategic planning; 36
Veterinarian, state; 35
- Agriculture Finance Corporation;** 37
- Agritourism Advisory Council;** 36
- Aid to Families with Dependent Children (AFDC);** 28, 125
- Air Quality;** 171
- Air Transport**
See Aeronautics
- Alcoholic Beverage**
Abuse and disorders; 119
Board; 197
Department; 197
Malt beverage educational corporation; 117
- Animals**
Control advisory board; 37
Diagnostic laboratory advisory committee; 37
Shelter trust fund; 37
State veterinarian; 35
- Appalachian Commission;** 14
- Appalachian Development Council;** 53
- Appalachian/Kentucky Artisans Gateway Center Authority;** 156
- Area Development Districts;** 50
- Arts**
Center for; 101
Council; 101
Foundation; 95
School for; 95
- Asset/Liability Commission;** 75

Attorney General; 26

Auditor, State; 39

Banks and Financial Institutions

Department of financial institutions; 194
Linked deposits investment; 33, 80

Bicycle and Bikeway Commission; 166

Blind

Business enterprises; 133
Department; 132
Field services division; 96
Independent living center; 133
School for; 106
State rehabilitation council; 133
State supplementation program; 125

Bluegrass State Skills Corporation; 147

Board of Claims; 199

Board of Tax Appeals; 200

Boards and Commissions; 87

Bond Pool Commission; 174

Breast Cancer Advisory Committee; 111

Bridges; 164

Budget Director, State; 17

Business

See also Economic Development; Employees and Employers; Small Business Advocacy, Commission on
Early childhood business council; 19
Linked deposit loan program; 33, 80
Rural innovation program; 48
Small business advocacy; 61, 145
Small business stationary source compliance panel; 168

Capital Plaza Operations; 82

Center for the Arts; 101

Central State Hospital Recovery Authority; 84

Charitable Asset Administration Board; 86

Charitable Gaming, Department; 200

Chief Information Officer; 59

Children

Abuse; 12, 30
Aid to families with dependent children; 28, 125
Cabinet for families and children; 121
Child identification program; 163
Child support; 30, 124, 125
Early childhood council; 19
Early childhood development:
Authority; 19
Business council; 19
Office; 18
Professional development council; 19
Early childhood education; 106
Early intervention system council; 19
Emergency medical services; 111
Emotional disability, council; 114
Families and children, council; 127
Family child-care home; 124
Family resource and youth centers; 126
Family support, division; 124
Health insurance program; 112
Hemophilia advisory committee; 116
Multidisciplinary commission on child sexual abuse; 30
Office of child abuse and domestic violence services; 12
Special health care needs, commission; 116

Child Support; 30, 124, 125

Cities

See also Local Government
Block grant; 52

Code of ethics; 50
Community development; 145
Retirement community program; 151
Road aid program; 162
Training council; 52
Urban affairs council; 53

Coal

Bond pool commission; 174
Employers self-insurance
guaranty fund; 139
Kentucky coal council; 14
Mine safety review commission; 187
Mines and minerals department; 195
Mining board; 196
Office of coal marketing
and export; 14
Small coal operators advisory
council; 17
Surface mining reclamation; 173
Workers' compensation fund; 137

Colleges and Universities

*See Education; Postsecondary
Education, Council on*

Communications

Commercial radio service; 60
Emergency; 56
Fish and wildlife television; 154
Kentucky Educational Television; 98

Compensation

County officials; 79
Executive branch; 68
Public officials; 79

Conservation

Agricultural easements; 38
Division; 172
Energy; 173
Land conservation fund; 177
Oil and gas; 195
Waste management; 171

Consumer Protection

Agriculture; 35
Attorney General; 28
Insurance; 191
Public health; 111

Public service commission; 189
Rate intervention, 29

Corporate Records; 23

Corrections

Corrections and community
services commission; 179
Corrections commission; 179
Department; 183
Jail support; 183
Juvenile justice; 181
Mental health; 184
Parole board; 179
Probation and parole; 184
Training; 184

Council for Education Technology; 106

Counties

See also Local Government

Audits; 41
Code of ethics; 50
Local correctional facilities
construction authority; 83
Officials compensation board; 79
Retirement community program; 151
Retirement system; 80
Road aid program; 162

County Officials Compensation Board; 79

Crime

Child abuse and domestic violence; 12
Corrections department; 183
Criminal appellate division; 28
Criminal justice council; 179
Juvenile; 181
Law enforcement council; 181
Local correctional facilities
construction authority; 83
Medical examiner; 178
Parole board; 179
Prosecutors advisory council; 29
Public advocacy, department; 196
Sex offender risk assessment
board; 185

Sexual abuse; 12, 30
Special investigations; 28
Special prosecutions; 29
Sex offender; 185
State police; 183
Statistical analysis center; 180
Uniform criminal justice information system committee; 179
Victims advocacy; 29
Victims compensation board; 200

Crime Victims Compensation Board; 200

Criminal Justice Council; 179

Deaf and Hard of Hearing

Advisory committee; 114
Board of interpreters; 90
Commission; 101
School for; 106

Deferred Compensation Authority; 66

Disaster and Emergency Services

Civil air patrol; 56
Community crisis response; 56
Earthquake; 55
Emergency management division; 54
Emergency medical services; 110
Emergency response commission; 55
Mobile radio service; 60
Rescue aid program; 55
Security coordination; 56
Terrorism working group; 54

Disease Prevention; 110

Discrimination; 43

Driver Licensing; 163

Drugs

See also Substance Abuse
Drug-Free Kentucky, Office for a; 12
Drug management review board; 112
Special investigations; 28
Substance abuse division; 113

Economic Development

See also Business; Small Business Advocacy Commission

Asset/liability commission; 75
Aviation economic development fund; 165
Bluegrass state skills corporation; 147
Bond program; 144
Business development; 145
Business and entrepreneurship; 145
Business information clearinghouse; 145
Cabinet; 143
Community development; 145
Eastern Kentucky Exposition Center; 85
Economic analysis; 18
Economic development finance authority; 147
Economic development partnership; 143
Economic opportunity zone; 147
Enterprise zone; 147
Financial incentives; 146
Forest products council; 149
Forest stewardship fund; 173
Innovation commission; 17
Innovation and commercialization center program;
International marketing, office; 144
International trade division; 146
Kentucky investment fund; 147
New economy, commissioner of; 148
Port and river development; 146
Red Fox Tri-County Cooperative Development Authority; 85
Small and minority business; 145
Waterway marina development; 146

Education

See also Education, Department of; Education, Arts, and Humanities Cabinet; Post-secondary Education, Council on

Auditor's scholarship program; 40
Autism; 48
Blind, school for; 106
Cabinet; 95
Community and technical college system; 47

Community volunteerism and service; 122
 Deaf, school for; 106
 Department; 104
 Discrimination; 43
 Early childhood; 19
 Educational savings plan trust; 77
 Environmental; 95
 Fish and wildlife; 154
 Foundation for adult education; 129
 Geographic education board; 98
 Governor's scholars program; 95
 Higher education:
 Assistance authority; 76
 Council of partners; 49
 Council on postsecondary; 46
 Lung cancer research; 49
 Nominating commission; 13
 Prepaid tuition trust fund; 32
 Student loan corporation; 77
 Mathematics testing; 49
 National guard, tuition award; 54
 Osteopathic medicine scholarship; 77
 Proprietary; 72
 Scholarship, educational excellence; 47
 School for the arts; 95
 School facilities construction commission; 97
 School safety, center for; 107
 Teachers professional growth fund; 107
 Technical education, department; 130
 Technology, council for; 106
 Technology funding program; 98
 Television; 98
 Vocational; 132
 Vouchers; 48
 Workforce development cabinet; 128

Educational Savings Plan Trust; 77

Education, Department of; 104

Advisory committee for educational improvement; 107
 Board of education; 105
 Center for school safety; 107
 Commissioner; 105
 Council for community education; 107

Council for education technology; 106
 Council for gifted and talented education; 107
 Early reading grant; 107
 Education professional standards board; 16
 Education technology, council; 106
 Institute for education research board; 107
 Local superintendents advisory council; 107
 School for the blind; 106
 School for the deaf; 106
 Special education mentor program; 106
 Superintendent of public instruction; 102
 Superintendents training assessment center; 107

Education, Arts, and Humanities

Cabinet; 95

African-American heritage commission; 99
 Arts council; 101
 Board of education; 102
 Center for the Arts; 101
 Commissioner of education; 105
 Deaf and hard of hearing, commission; 101
 Department of education; 104
 Environmental council; 95
 Foundation for the arts; 95
 Geographic education board; 98
 Governor's scholars program; 95
 Heritage council; 99
 Historical society; 99
 Kentucky Educational Television; 98
 Lewis and Clark bicentennial commission; 100
 Libraries, advisory council; 97
 Libraries and archives, department; 96
 Military heritage commission; 99
 Natural history museum; 100
 Oral history commission; 100
 School facilities construction commission; 97
 Secretary; 95
 School for the arts; 95

State archives and records
commission; 96
Superintendent of Public
Instruction; 102
Teachers retirement system; 97

Elections

Registry of election finance; 24
State board; 24

Electrical Advisory Committee; 193

See also Energy

Emergency

*See Disaster and Emergency
Services*

Employees and Employers

Bluegrass state skills corporation; 147
Business and entrepreneurship
development; 145
Business development; 148
Economic development cabinet; 143
Economic development finance
authority; 147
Employment services, department; 133
Equal employment contract
compliance; 70
Foundation workforce
development; 129
Governmental services center; 75
Human rights commission; 43
Kentucky investment fund; 147
Labor cabinet; 135
Occupational information
coordinating committee; 134
Personnel cabinet; 65
Retirement systems; 80, 97
Service capacity upgrade fund; 134
Small and minority business; 145
State; *See State Employees*
Unemployment insurance; 134

Energy

Division; 173
Electrical advisory committee; 193
Electric generation and transmission
siting; 190
Energy policy advisory board; 189
Gas system restoration; 53

Home energy assistance; 126
Highway planning, office of
intermodal planning; 165
Kentucky coal council; 14
Mines and minerals, department; 195
Propane council; 193
Public service commission; 188
Rates, intervention; 29

Environment

Agriculture outreach; 35
Air quality; 171
Attorney General; 28
Board; 168
Department for environmental
protection; 171
Education council; 95
Forest stewardship; 173
Forestry best management
practices board; 173
Geological survey; 177
Highways, impact analysis; 164
Infrastructure authority; 15
Kentucky river authority; 86
Mines; 195
Natural resources and environmental
protection, cabinet; 167
Nature preserves, state
commission; 175
Nongame wildlife/natural
areas fund; 176
Occupational safety; 141
Petroleum storage tank; 186
Quality commission; 175
Rare plant recognition; 176
Recycling; 172
Remediation program; 168
Trust fund; 169
Waterway marina development; 146
Water well certification; 95

Environmental Education Council; 95

Equal Employment Contract Compliance; 70

Equine Drug Research Council *See Racing, Horse*

Ethics Commission; 13

Executive Cabinet; 16

Fair, State Board; 155

Families and Children Cabinet; 121

See also Children

Community based services,
department; 124

Council for families and children; 126

Disability determinations; 124

Family resource and youth
service centers; 126

General Counsel; 123

Human services collabor-
ation, commission; 126

Ombudsman; 123

Secretary; 122

Volunteerism, commission; 122

Family Health Care Providers Board; 120

Finance and Administration Cabinet; 69

Administration, department; 72

Asset/liability commission; 75

Controller; 71

Facilities management, department; 73

Financial management, office; 70

Management and budget, office; 70

Secretary; 69

Financial Institutions

See Banks and Financial Institutions

Fire Marshal; 193

Fish and Wildlife Resources

Department of; 154

Nature preserves; 175

Nongame wildlife/natural
areas fund; 176

Television; 154

Flood Control Advisory Commission; 52

Food

Commodities; 126

Distribution of surplus; 35

Stamps; 125

Forestry

Best management practices board; 173

Division; 173

Master logger program; 173

Products council; 149

Foundation for Adult Education; 129

**Foundation for Workforce
Development;** 129

Gas

See Oil and Gas

Geographic Education Board; 98

Geographic Information

Advisory council; 60

Office; 60

Geological Survey; 177

Governmental Services Center; 75

Governor

Agriculture resources development
authority; 13

Appalachian commission; 14

Budget director; 17

Chief information officer; 59

Child abuse and domestic violence; 12

Coal marketing and export, office; 14

Commission on sports, physical
action, and wellness; 15

Drug-free Kentucky, office; 12

Early childhood development; 18

Ethics commission; 13

Executive cabinet; 16

Families and children, commission; 18

Financial policy council; 18

General cabinet; 18

Higher education nominating
committee; 13

Kentucky coal council; 14

Office; 12

Scholars program; 95

State planning committee; 18

Technology, office for; 59

Grape and Wine Council; 34

Health

Animals; 35
Brain injury; 118
Breast cancer; 111
Cabinet for health services; 108
Central state hospital; 84
Children with special health care needs; 116
Elder abuse; 127
Family health care providers board; 120
Fraud; 115
Head injury; 118
Insurance:
 Consumer intervention; 29
 Department; 190
 Kentucky access; 191
Kentucky children's health insurance program; 112
Kentucky group health insurance board; 68
Kentucky health care improvement authority; 191
Laboratories; 110
Lung cancer research; 49
Medicaid; 111
Mental; 112
Miners; 195
Nursing workforce foundation; 87
Occupational; 136, 141
Osteopathic medicine scholarship; 77
Prisoners; 184
Public; 110
Spinal cord injury; 118
Substance abuse; 113
Telehealth board; 60
Workplace standards; 136

Health Care Improvement Authority;191

Health Services Cabinet

Aging, institute for; 117
Aging services, office of; 117
Alzheimer's disease; 117
Brain injury, board; 118
Certificate of need; 114
Children health insurance; 112

Children with special health care needs, commission; 116
Developmental disabilities council; 112
General Counsel; 110
Inspector General; 115
Malt beverage educational corporation; 117
Medicaid services, department; 111
Mental health and mental retardation services; 112
Public health, department; 110
Public health services council; 118
Secretary; 109
Women's health; 116

Heating, Ventilation, and Air Conditioning

Board; 193
Division; 193

Hemophilia Advisory Committee; 116

Hemp Commission, Industrial; 38

Heritage Council; 99

Military heritage commission; 99

Heritage Land Conservation Fund; 177

Higher Education Assistance Authority; 76

Historic Preservation

African-American heritage commission; 99
Heritage council; 99
Historic properties; 74
Historical societies; 99
Lewis and Clark bicentennial commission; 100
Military heritage commission; 99
Natural history museum; 100
Oral history commission; 100

Historic Properties

Advisory commission; 74
Division of; 74

Historical Society; 99

Horse

See Racing

Housing

Department; 192
Discrimination; 43
Kentucky housing corporation; 78
Mobile home certification; 193

**Housing, Buildings, and Construction,
Department of**

Building codes; 192
Building inspectors; 192
Electrical advisory committee; 193
Department; 192
Fire marshal; 193
HVAC; 193
Mobile home certification; 193
Plumbing; 193

Housing Corporation, Kentucky; 78

Human Rights, Commission on; 43

Hunting; 154

Infrastructure Authority; 15

Innovation Commission; 17

Insurance

Department; 190
Employees insurance association; 142
Employers mutual insurance
authority; 140
Fire and tornado fund; 191
Fraud; 191
Kentucky access; 191
Kentucky health care improvement
authority; 191
Rate intervention; 29
Unemployment, commission; 134
Workers compensation guaranty
funds; 139

Insurance, Department of; 190

International Marketing;

Office; 144
Division; 146

Investment Commission, State; 80

Jails; 83, 183

Justice Cabinet; 178

Corrections, department of; 183
Criminal justice training,
department of; 180
Juvenile justice; 181
Medical examiner; 178
Parole board; 179
Secretary; 178
State police, department of; 183

Kentucky Access; 191

**Kentucky Children's Health Insurance
Program (KCHIP);** 112

Kentucky River Authority; 86

Labor Cabinet; 135

Administrative law judges; 137

Apprenticeship and training
council; 141
Employees insurance association; 141
Employer's mutual insurance
authority; 140
Labor-management advisory
council; 140
Occupational safety and
health; 140, 141
Prevailing wage review; 141
Secretary; 135
State labor relations board; 141
Uninsured employers fund; 136
Workers claims, department; 137
Workers compensation:
advisory council; 141
board; 139
funding commission; 139
funds; 137
Workplace standards, department; 136

Land

Agricultural easements; 38
Conservation; 177
Office; 23

Law, Department of; 26

Attorney General; 26
Child sexual abuse; 30
Child support; 30
Consumer protection; 28
Crime victims; 29
Environmental law; 28
Medicaid fraud; 29
Rate intervention; 29
Senior protection; 29
Special investigations; 28

Law Enforcement Council; 181**Libraries**

Advisory council; 97
Department of; 96
Military records and research; 56
State archives and records
commission; 96

Licensing Boards and Commissions; 87**Lieutenant Governor; 21****Linked Deposits Investment
Program; 33, 80****Literacy**

Adult education and literacy,
department for; 130
Field services; 96

**Local Correctional Facilities
Construction Authority; 83****Local Government**

See also Cities; Counties
Appalachian development council; 53
Area development districts; 50
Building inspectors; 192
Commission; 53
Department; 50
Flood control; 51, 52

Gas system restoration; 53
Local government training advisory
council; 52
Parks fund; 50
State controller; 71
State local finance officer; 51
State local debt officer; 51
Urban affairs council; 53

Long Term Care; 115**Lottery; 84****Lung Cancer Research; 49****Maxey Flats; 172****Medicaid; 29, 111****Medical Examiner; 178****Mental Health**

Commission; 119
Department for; 112
Mental retardation and other
developmental disabilities; 119
Penal institutions; 184

Military Affairs, Commission on; 58**Military Affairs; 54*****See also Veterans***

Adjutant General; 54
Civil air patrol; 56
Department; 54
Emergency management division; 54
Emergency response commission; 55
Military heritage commission; 99
National guard tuition award; 54
Rescue aid program; 55
Security coordination; 56
Veterans bonus; 56

Mines and Minerals, Department of; 195

Mine safety review commission; 187
Mining board; 196
Mine safety; 196
Oil and gas commission; 196

Mines and Mining*See also Coal*

Abandoned lands; 174
Bond pool commission; 174
Licensing; 195
Mine safety review commission; 187
Mines and minerals, department; 195
Safety; 195
Surface and reclamation; 173

Motor Vehicles

Driver safety; 163
Driver licensing; 163
Enforcement; 163
Fuels testing; 33
Licensing; 163
Motor carrier advisory committee; 166
Motor vehicle commission; 163
Motorcycle safety education advisory
commission; 166
Recreational vehicle certification; 193
Tax system; 93
Transportation cabinet; 158
Vehicle regulation, department; 163

**My Old Kentucky Home Advisory
Commission; 153****National Guard; 54**

Tuition award program; 54
Youth challenge; 55

Natural Heritage Program; 176**Natural History Museum; 100****Natural Resources and Environmental
Protection Cabinet; 167**

Environmental protection,
department; 171
Environmental quality
commission; 175
Environmental trust fund; 168
Inspector general; 169
Natural resources, department; 172
Nature preserves commission; 175
Secretary; 169
Small business stationary source
compliance advisory panel; 168

Surface mining reclamation; 173

Nature Preserves; 175**Nursing Homes**

Veterans; 57

Oil and Gas

Commission; 196
Gas system restoration project; 50
Propane council; 193

Oral History Commission; 100**Osteopathic Medicine Scholarship; 77****Parks***See also Recreation*

Department of; 151
Commission; 153
Horse park; 155
Resorts; 152

Parole Board; 179**Personnel Cabinet; 65****Pesticides; 36****Petroleum Storage Tank; 186****Policy and Management, Office; 17****Postsecondary Education, Council on**

Commercialization fund program; 48
Community and technical college
system; 47
Council of partners; 49
Early math testing; 49
Educational excellence scholarship
program; 47
Fire protection personnel standards; 48
Lung cancer research; 49
Regional technology corporations; 49
Research and development voucher
program; 48
Rural innovation program; 48
Strategic committee; 46

Prisons; 183

Private Activity Bond Allocation Committee; 81

Property and Buildings Commission, State; 78

Public Advocacy
Commission; 197
Department of; 196

Public Employees
See State Employees; Personnel Cabinet

Public Officials Compensation Commission; 79

Public Protection and Regulation Cabinet; 186

Public Service Commission; 188

Racing, Horse
Backside improvement
commission; 199
Breeder's award fund; 199
Equine drug research; 198
Health and welfare fund; 199
Standardbred development fund; 198
State commission; 198
Thoroughbred development fund; 199

Railtrail Development Office; 52

Records
Military; 56
Public; 96
State archives and records
commission; 96

Recreation
See also Parks
Commission on sports, physical
action, and wellness; 15
Local government parks and
facilities fund; 50

Outdoor program; 50

Registry of Election Finance; 24

Retirement Systems
Kentucky; 80
Teachers; 97

Revenue Cabinet; 92
Information technology; 93
Law; 94
Property valuation; 93
Secretary; 92
Tax administration; 93

Rivers
See Water and Waterways

Roads
County aid; 162
Municipal aid; 162
Transportation cabinet; 158
Turnpike authority; 82

Savings Bond Authority; 81

School Facilities Construction Commission; 97

Secretary of the Executive Cabinet; 16
Small coal operators advisory
council; 17

Secretary of State; 23

Securities; 194

Security coordination; 56

Senior Citizens
Aging, institute for; 117
Aging services, office for; 117
Alzheimer's disease; 117
Elder abuse, commission; 127
Long term care; 115
Office; 29
Retirement community program; 151
Senior protection advisory council; 29

Small Business Advocacy Commission; 61

Social Security, Division of; 72

Spinal Cord and Head Injury Research Board; 118

Sports, Physical Activity and Wellness, Commission; 15

State Controller; 71

State, Department of

Elections, state board; 24

Land office; 23

Registry of election finance; 24

Secretary of State; 23

State Employees

Claims against; 199

Compensation council; 68

Deferred compensation; 66

Discrimination; 43

Ethics; 13

Governmental services center; 75

Health insurance board; 68

Personnel board; 68

Personnel cabinet; 65

Personnel steering committee; 84

Public officials compensation; 79

Retirement systems; 80, 97

State Local Debt Officer; 51

State Police; 80, 183

State Treasurer; 31

Substance Abuse;

Agency for substance abuse; 15

Commission; 119

Division; 113

Drug control program; 110

Office for Drug Free Kentucky; 12

Women work group; 113

Superintendent of Public Instruction; 102

Surface Mining; 173

Taxation

County and municipal roads; 162

Enterprise zone; 147

Equine drug research; 198

Financial management office; 70

Motor carriers; 163

Nongame wildlife/natural
areas fund; 176

Ombudsman; 92

Property; 93

Revenue cabinet; 92

Social security; 72

Standardbred development fund; 198

State local finance officer; 51

Tax appeals, board; 200

Technology

Council for education technology; 106

Commercialization fund program; 48

Commissioner of new economy; 148

Education technology funding
program; 98

Governor's office for technology; 59

Innovation commission; 48

Kentucky TECH system; 131

Nonprofit regional corporations; 49

Technology, Office for

Chief information officer; 59

Commercial mobile radio service; 60

Geographic information; 60

Information technology council; 59

Telehealth board; 60

Television

Fish and wildlife; 154

Kentucky Educational; 98

Terrorism

See Disaster and Emergency Services

Tobacco

Agricultural diversification; 85

Kentucky health care improvement
authority; 191

Kentucky tobacco research board; 85

Kentucky settlement trust; 86

Lung cancer research; 49

Research and development center; 86
Sales to minors; 33

Tourism

Agritourism; 36
Appalachian/Kentucky artisans; 156
Cabinet; 150
Finance authority; 157
Fish and wildlife resources
 Commission; 154
 Department of; 154
Horse park; 155
My Old Kentucky Home
 Advisory Commission; 153
Parks:
 Commission; 153
 Department of; 151
Retirement community program; 151
State fair board; 155
Travel; 151

Transportation Cabinet; 158

Administrative services,
 department; 161
Bicycle and bikeway commission; 166
Child identification program; 163
Fiscal management, department; 161
General counsel, office; 159
Highways, department; 164
Human resources management,
 department; 161
Motor carrier advisory committee; 166
Motor vehicle commission; 163
Motorcycle safety education advisory
 commission; 166
Rural and municipal aid,
 department; 162
Secretary; 159
Vehicle regulation, department; 163

Treasury, Department of; 31

Postsecondary education prepaid
 tuition trust fund; 32

Turnpike Authority; 82

Urban Affairs Council; 53

Utilities

See also Energy; Oil and Gas

Public service commission; 188
Rate intervention; 29

Veterans

Advisory board; 57
Bonus; 56
Burial honor guard program; 57
Department of veterans' affairs; 57
Homeless program; 57
Nursing homes; 57

Veterinarian, State; 35

Vocational Education

Advisory council; 132
Department; 132

Volunteerism; 122

Waste Management; 15, 171

Water and Waterways

Division of water; 171
Fish and wildlife; 154
Flood control advisory
 commission; 52
Infrastructure authority; 15
Kentucky river authority; 86
Marina development commission; 146
Port and river development
 commission; 146
Resource development
 commission; 51
Water well driller certification
 board; 177

Wildlife; 154, 176

Women

Commission on; 45
Breast cancer committee; 111
Office of women's health; 116
Pregnancy and substance abuse; 113
Sexual assault; 13

Workers' Compensation

Advisory council; 142
Board; 139

Funding commission; 139
Guaranty funds; 138
Uninsured employers fund; 136

Workforce Development Cabinet; 128

Adult education and literacy; 130
Assistive technology loan
corporation; 134
Blind, department; 132
Employment services, department; 133
Foundation for adult education; 129
Foundation for workforce
development; 129
Occupational information coordinating
committee; 134
Secretary; 128
Statewide independent living
council; 132
Technical education, department
for; 130
Technical education personnel
board; 134
Training and reemployment,
department for; 130
Vocational rehabilitation
Advisory council; 132
Department; 132