

AN ACT relating to area development districts.

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

➔Section 1. KRS 147A.070 is amended to read as follows:

- (1) **Subject to the requirements of subsection (3) of this section,** the board of directors in each district may appoint an executive director and fix his **or her** salary. The executive director shall perform, in the name of the board, such functions and duties and may exercise such authority of the board as the board may delegate to **the executive director**~~[him]~~.
- (2) The board of directors in each district may elect from its membership an executive committee and delegate to the committee any of the following duties:
  - (a) To employ such staff members as may be required for the operations of the district;
  - (b) To manage the financial assets and obligations of the district;
  - (c) To guide the activities of the district between meetings of the board; and
  - (d) To perform such other duties as the board might delegate to it.
- (3) **Beginning on the effective date of this Act, an open position for the executive director with an area development district shall be advertised by the board of directors in a manner designed to provide adequate notice of the opening and sufficient time for interested applicants to apply. Advertisement of the opening shall, at a minimum, be provided on the Web site of the district and published in accordance with KRS Chapter 424.**
- (4) **Bonuses, awards, one (1) time salary adjustments, or special salary enhancements for any employees that do not constitute a permanent change in the employee's compensation shall not be made or awarded to any employee of a district.**
- (5) **The board, any committee created or attached to the board, and staff employed by the board shall comply with:**

- (a) Federal or state procurement statutes and regulations, as applicable;
- (b) Conflict of interest laws in KRS 11A.040 and 45A.340; and
- (c) Protections afforded in KRS 61.102.

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

(1) By August 1, 2016, and by June 1 of each succeeding year thereafter, the Cabinet for Health and Family Services and the Education and Workforce Development Cabinet shall, following any year in which the cabinet awarded federal or state funds to an area development district, prepare and submit a detailed report to the Legislative Research Commission and area development district board members. The report shall include the following financial information, separately for each area development district and in total, from the preceding fiscal year:

- (a) The total amount of state and federal funds distributed to each area development district, broken down by funding source and program;
- (b) For each allocation, distribution, award, or grant of state or federal funds, the total amount, the percentage of the total amount, and a description of the specific types of expenditures made for or allocated to:
  - 1. Administrative costs;
  - 2. Direct expenditures; and
  - 3. Indirect expenditures;
- (c) Allocations, distributions, awards, or grants not expended, and an explanation of why the funds were not expended;
- (d) The total amount of reserves carried forward by the area development district, identification of the source of those funds, and an explanation of why funds are being carried forward; and
- (e) For each program:
  - 1. A list of direct services provided by the district;

2. A list of service providers contracted by the district and the services provided by those providers;
  3. The number of eligible persons for the program, number of persons served by the program, number of persons not served by the program, and, if applicable, number of people on waiting lists for the program; and
  4. The performance measures required by the contract used to evaluate the area development district's actions.
- (2) The Legislative Research Commission shall distribute the report to the Interim Joint Committees for Labor and Industry, State Government, Local Government, Economic Development, Education, Health and Welfare, and Appropriations and Revenue; and each budget review subcommittee that has jurisdiction over the Cabinet for Health and Family Services or the Education and Workforce Development Cabinet.
- (3) The cabinets shall present the information to each area development district's board of directors.