



MATTHEW G. BEVIN
GOVERNOR

EXECUTIVE ORDER

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Secretary of State
Frankfort
Kentucky

2016-319
June 13, 2016

ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY A. Grimes

**RELATING TO REORGANIZATION OF THE
WORKERS' COMPENSATION NOMINATING COMMISSION**

WHEREAS, the Commonwealth of Kentucky, its officers, and appointees must always promote the effective and efficient management of state government operations; and

WHEREAS, it is the duty of state government to provide the citizens of the Commonwealth with an efficient governmental structure that is administered consistently in an ethical, fair manner and utilizes responsibly the limited resources of the Commonwealth; and

WHEREAS, pursuant to KRS 342.213, the Workers' Compensation Nominating Commission is a state administrative body consisting of seven (7) members appointed by the Governor and which is obligated to present to the Governor for appointment nominees for the position of administrative law judge, member of the Workers' Compensation Board, and Commissioner of the Department of Workers' Claims; and

WHEREAS, it has been determined that greater efficiency and improved administration may be achieved by streamlining and condensing the organizational structure of the Workers' Compensation Nominating Commission; and

WHEREAS, it has been determined that a reorganization of the structure of the Workers' Compensation Nominating Commission will result in financial savings to the Commonwealth of Kentucky; and

WHEREAS, it has been determined that the Workers' Compensation Nominating Commission as established by the provisions of KRS 342.213 should be abolished and that its duties should be vested in a newly created administrative body to carry out the



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objectives of KRS Chapter 342 concerning the rights and obligations of both injured workers and employers within the Kentucky workers' compensation system:

NOW, THEREFORE, I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, under the authority vested in me by the Kentucky Constitution, Sections 69 and 81, and KRS 12.028, do hereby Order and Direct the following:

- I. The Kentucky Workers' Compensation Nominating Commission as established by KRS 342.213 is abolished. The terms of the members appointed by the Governor serving on the Kentucky Workers' Compensation Nominating Commission as it existed prior to the filing of this Order shall expire immediately upon the filing of this Order.
- II. The Kentucky Workers' Compensation Nominating Committee (the "Committee") is hereby created and established as an administrative body of state government charged with carrying out the duties and responsibilities as set forth in KRS Chapter 342 and other applicable law as were previously assigned to the Kentucky Workers' Compensation Nominating Commission. The Committee shall be attached to the Labor Cabinet for administrative purposes.
- III. The Committee shall consist of five (5) members appointed by the Governor as follows:
 - (A) (1) One (1) member of the political party having the largest number of registered voters and one (1) member of the political party having the second largest number of registered voters shall serve a term of two (2) years.
 - (i) Thereafter, in the event a vacancy is created, whether voluntarily or otherwise, the vacant seat shall be filled by an appointee from the same political party for a term of four (4) years.
 - (2) One (1) member of the political party having the largest number of registered voters shall serve a term of three (3) years.
 - (i) Thereafter, in the event a vacancy is created, whether voluntarily or otherwise, the vacant seat shall be filled by an appointee from the same political party for a term of four (4) years.
- (B) Two (2) members shall be attorneys experienced in the practice of workers' compensation, one (1) of whom customarily represents



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claimants, and one (1) of whom customarily represents employers. Both shall serve terms of four (4) years.

- (i) Thereafter, in the event a vacancy is created, whether voluntarily or otherwise, the vacant seat shall be filled by an appointee who shall serve a term of four (4) years.
 - (C) Notwithstanding the provisions of paragraphs III(a)-(b) of this Order, at least two (2) members of the Committee shall be individuals who directly derive no earned income from the workers' compensation program. In order to satisfy the requirement of this paragraph, and notwithstanding any other law of the Commonwealth of Kentucky, the Governor shall remove any existing member of the Committee who directly derives earned income from the workers' compensation program and replace that member with an individual who does not derive earned income from the workers' compensation program.
 - (D) At the first meeting to occur in each calendar year, the members shall select a Chairman of the Committee who shall then serve as Chairman for the duration of that calendar year.
- IV. Any member appointed to fill a vacancy occurring for any reason other than by expiration of a term shall be appointed for the remainder of the unexpired term.
- V. The Committee shall meet as often as necessary to perform its statutory responsibilities, including, but not limited to, the mandates enumerated in KRS 342.213(5)(a). A majority of the members of the Committee shall constitute a quorum for the transaction of business.
- VI. Members shall be reimbursed from funds collected pursuant to KRS 342.122 for necessary expenses incurred in fulfillment of their duties on the Committee in the manner and amounts prescribed for state employees by KRS 45.101 and the administrative regulations promulgated under the authority of that statute. In addition, no member of the Committee shall be paid for his or her attendance at any meeting except that any member of the Committee who served on the Workers' Compensation Nominating Commission immediately prior to the filing of this Executive Order and who is appointed to the Committee through this Executive Order shall be paid at a rate of one hundred dollars (\$100.00) per day for each meeting attended for the duration of his or her term. These expenses shall be financed from funds collected pursuant to KRS 342.122.
- VII. Except as otherwise provided, the Committee shall have exclusive control and direction over all duties, functions, and responsibilities previously exercised by the Kentucky Workers' Compensation Nominating Commission as it existed prior to the filing of this Order. All authority, functions, and responsibilities vested in the Kentucky Workers' Compensation Nominating



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Commission as it existed prior to the filing of this Order are transferred to the newly created Committee, which shall utilize that authority, function, and responsibility to carry out the functions of the Committee. All duties, functions, responsibilities, records, equipment, staff, and supporting budgets of the Kentucky Workers' Compensation Nominating Commission as it existed prior to the filing of this Order and all functions, rights, powers, duties, and obligations set forth in KRS Chapter 342 concerning the Kentucky Workers' Compensation Nominating Commission and other relevant provisions of law are hereby transferred to the newly created Committee.

VIII. The Finance and Administration Cabinet, Labor Cabinet, Personnel Cabinet, and the Governor's Office of Policy and Management shall take all necessary action to effectuate the provisions of this Order.

IX. I hereby appoint the following to serve as members of the Committee, to serve for a term expiring June 13, 2018:

Louis D. Kelly,
Florence, Kentucky 41042; and

Charles E. McCoy,
Owenton, Kentucky 40359.

X. Further, I hereby appoint the following to serve as members of the Committee, to serve for a term expiring June 13, 2019:

Runan S. Pendergrast,
Lexington, Kentucky 40509.


XI. Further, I hereby appoint the following to serve as members of the Committee, to serve for a term expiring June 13, 2020:

Megan E. Mersch,
Park Hills, Kentucky 41011; and

Joshua W. Davis,
Louisville, Kentucky 40206.

Please issue commissions to them.


ALISON LUNDERGAN GRIMES
Secretary of State


MATTHEW G. BEVIN, Governor
Commonwealth of Kentucky



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Reorganization Plan

This Executive Order abolishes the Workers' Compensation Nominating Commission and creates the Workers' Compensation Nominating Committee. The designation of the entity as a committee is needed to reflect the limited purpose of its business and the fact that such business will be done on an *ad hoc* rather than regular basis.

This reorganization decreases the membership from seven (7) members to five (5) members. This reduction is needed to improve the efficiency by which the new Committee schedules meetings and conducts business and will improve administration. This will serve to reduce travel and related expenses.

Except for any person who was a member of the Workers' Compensation Nominating Commission immediately prior to the time this Executive Order was filed and who is appointed to the new Workers' Compensation Nominating Committee through this Executive Order, this reorganization further eliminates the \$100 per-meeting stipend that was previously paid to members of the Workers' Compensation Nominating Commission. This change is needed in order to reduce expenditures to the Commonwealth. It is estimated that this reorganization will result in a savings of approximately \$1,200.00 per year. As there is only one member of the new Committee who is eligible for meeting payments and expense reimbursement, the reorganization will promote greater economy by reducing expenditures of Kentucky state government.

To reflect the reduction in membership while acknowledging the General Assembly's intent in enacting KRS 342.213, this reorganization reduces from three (3) to two (2) the number of members of the political party with the largest number of registered voters and reduces from two (2) to one (1) the number of members of the political party with the second largest number of registered voters. This change is needed to improve the administration of the Committee.

This reorganization reflects the General Assembly's intent set forth in KRS 342.213(3) by requiring that at least two (2) members of the Workers' Compensation Nominating Committee be individuals who derive no earned income from the workers' compensation program. Due to the reduction in membership from seven (7) to five (5), this provision will improve the administration and effectiveness of the Committee by reducing from three (3) to two (2) the number of members who have no financial interest in the workers' compensation program.

This reorganization will have no effect on the personnel or workforce of the Labor Cabinet other than reduction in the number of members of the Committee.