210.440 Allocation of funds -- Withdrawal of funds or board recognition -- Action by secretary when emergency exists -- Appeal and hearing.

(1) At the beginning of each fiscal year, the secretary of the Cabinet for Health and Family Services shall allocate available funds to the boards for mental health or individuals with an intellectual disability or nonprofit organizations for disbursement during the fiscal year in accordance with approved plans and budgets. The secretary shall, from time to time during the fiscal year, review the operations, budgets, and expenditures of the various programs; and if funds are not needed for a program to which they were allocated, he may, after reasonable notice and opportunity for hearing, withdraw any funds that are unencumbered and reallocate them to other programs. He may withdraw funds from any program, or component part thereof, which is not being operated and administered in accordance with its approved plan and budget, and the policies and administrative regulations of the cabinet promulgated pursuant to KRS 210.370 to 210.480.

(2) If the secretary finds at any time that a board for mental health or individuals with an intellectual disability or nonprofit organization to which funds have been allocated for the operation of a regional community program for mental health or individuals with an intellectual disability is not operating and administering its program in compliance and accordance with the approved plan and budget and the policies and administrative regulations of the cabinet, he may withdraw his recognition of that board or organization as the local authority for the receipt of funds and the operation and administration of regional community programs for mental health or individuals with an intellectual disability.

(3) If the secretary finds at any time that an emergency situation exists with regard to the financial stability of any regional board for mental health or individuals with an intellectual disability or nonprofit organization, which jeopardizes the continuation of programs and provision of services in the area served by that board or nonprofit organization, he may, other statutes to the contrary notwithstanding:

(a) Appoint a caretaker administrator who shall be authorized to direct the operation and administration of the board or nonprofit organization's community programs for mental health or individuals with an intellectual disability including, but not limited to, their financial record keeping, their personnel management operations, and their financial and program reporting; and

(b) Make personnel changes deemed necessary to insure the continued operation of the board or nonprofit organization in compliance with its plan and budget and the policies and regulations of the cabinet.

(4) Any community board for mental health or individuals with an intellectual disability to be affected by the provisions of subsections (2) and (3) of this section shall be notified by the secretary of the Cabinet for Health and Family Services thirty (30) days prior to the anticipated action by the secretary. The notification shall be by means of a letter from the secretary to the chairman of the board for mental health or individuals with an intellectual disability in question and shall state the reasons for the anticipated action. Following the notification, the board for mental health or

individuals with an intellectual disability may:

(a) Comply with the secretary's action without contesting it; or

(b) Request an administrative hearing before a hearing officer appointed by the secretary to show cause why the action should not stand. The application shall be made within seven (7) days of the receipt of the letter from the secretary, and the hearing shall be conducted in accordance with KRS Chapter 13B.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 146, sec. 83, effective July 12, 2012. -- Amended 2005 Ky. Acts ch. 99, sec. 333, effective June 20, 2005. -- Amended 1998 Ky. Acts ch. 426, sec. 277, effective July 15, 1998. -- Amended 1996 Ky. Acts ch. 318, sec. 101, effective July 15, 1996. -- Amended 1990 Ky. Acts ch. 499, sec. 13, effective July 13, 1990. -- Amended 1978 Ky. Acts ch. 396, sec. 9, effective June 17, 1978. -- Amended 1974 Ky. Acts ch. 74, Art. VI, sec. 107(1), (8) and (21). -- Amended 1968 Ky. Acts ch. 90, sec. 64(3). -- Created 1964 Ky. Acts ch. 79, sec. 4.

Formerly codified as KRS 203.480.