

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

	<u>Revised FY 1998</u>	<u>Requested FY 1999</u>	<u>Requested FY 2000</u>	<u>Recommended FY 1999</u>	<u>Recommended FY 2000</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	51,466,700	65,406,000	62,116,500	53,683,600	54,972,500
Mandated Allotments	268,600				
Total General Fund	<u>51,735,300</u>	<u>65,406,000</u>	<u>62,116,500</u>	<u>53,683,600</u>	<u>54,972,500</u>
Restricted Agency Funds					
Balance Forward	48,823,000	41,360,000	35,186,000	41,360,000	35,400,500
Current Receipts	19,207,000	19,560,000	20,949,500	19,506,500	20,543,000
Non-Revenue Receipts	6,463,000	8,616,000	8,980,500	8,550,000	8,926,500
Total Restricted Agency Funds	<u>74,493,000</u>	<u>69,536,000</u>	<u>65,116,000</u>	<u>69,416,500</u>	<u>64,870,000</u>
Federal Funds					
Balance Forward	1,331,000				
Current Receipts	56,518,000	63,704,000	60,768,000	61,579,500	59,481,500
Non-Revenue Receipts	-65,500				
Revenue Redistribution	-1,480,000	62,000	104,500	133,000	181,000
Total Federal Funds	<u>56,303,500</u>	<u>63,766,000</u>	<u>60,872,500</u>	<u>61,712,500</u>	<u>59,662,500</u>
TOTAL FUNDS	<u>182,531,800</u>	<u>198,708,000</u>	<u>188,105,000</u>	<u>184,812,600</u>	<u>179,505,000</u>
EXPENDITURES BY CLASS					
Personnel Costs	84,958,500	93,796,000	97,825,000	88,247,400	91,969,000
Operating Expenses	15,379,200	17,588,000	16,291,000	15,666,200	15,526,000
Grants, Loans or Benefits	21,927,100	29,361,000	25,386,000	26,534,500	23,488,500
Debt Service		370,000	725,000	194,000	388,000
Capital Outlay	3,813,000	7,021,000	3,055,000	3,384,000	3,055,000
Construction	15,094,000	15,386,000	15,386,000	15,386,000	15,386,000
TOTAL EXPENDITURES	<u>141,171,800</u>	<u>163,522,000</u>	<u>158,668,000</u>	<u>149,412,100</u>	<u>149,812,500</u>
EXPENDITURES BY UNIT					
General Administration and Support	10,849,400	15,291,000	14,492,000	11,120,200	11,627,700
Natural Resources	19,125,900	26,012,000	22,505,000	20,224,700	19,966,300
Environmental Protection	53,993,500	63,562,500	61,746,500	60,499,700	59,636,300
Surface Mining Reclamation and Enforcement	31,577,800	32,228,500	33,197,000	31,523,700	32,372,600
Abandoned Mine Lands Reclamation Projects	22,456,000	22,456,000	22,456,000	22,456,000	22,456,000
Environmental Quality Commission	252,900	259,500	257,500	255,100	251,800
Nature Preserves Commission	1,390,200	1,655,500	1,544,000	1,462,700	1,382,800
Kentucky River Authority	1,526,100	2,057,000	2,470,000	1,870,000	2,119,000
TOTAL EXPENDITURES	<u>141,171,800</u>	<u>163,522,000</u>	<u>158,668,000</u>	<u>149,412,100</u>	<u>149,812,500</u>

The Natural Resources and Environmental Protection Cabinet is charged with broad responsibilities for the protection and preservation of land, air, and water resources.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
General Administration and Support

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,948,600	12,485,000	11,652,000	8,703,200	9,026,200
Reorganization Adjustment	122,800				
Total General Fund	8,071,400	12,485,000	11,652,000	8,703,200	9,026,200
Restricted Agency Funds					
Balance Forward	868,500	375,500	227,000	375,500	227,000
Current Receipts	5,000	4,500	4,000	4,500	4,000
Non-Revenue Receipts	222,500	209,000	214,500	199,000	204,500
Total Restricted Agency Funds	1,096,000	589,000	445,500	579,000	435,500
Federal Funds					
Balance Forward	78,500				
Current Receipts	2,096,000	2,557,000	2,508,500	2,178,000	2,280,000
Revenue Redistribution	-117,000	-113,000	-114,000	-113,000	-114,000
Total Federal Funds	2,057,500	2,444,000	2,394,500	2,065,000	2,166,000
TOTAL FUNDS	11,224,900	15,518,000	14,492,000	11,347,200	11,627,700
EXPENDITURES BY CLASS					
Personnel Costs	9,222,000	12,194,000	12,519,500	9,520,300	9,983,200
Operating Expenses	1,614,400	2,928,000	1,952,500	1,583,900	1,624,500
Capital Outlay	13,000	169,000	20,000	16,000	20,000
TOTAL EXPENDITURES	10,849,400	15,291,000	14,492,000	11,120,200	11,627,700
EXPENDITURES BY UNIT					
Secretary	1,241,900	2,633,500	1,702,000	1,348,500	1,425,000
Administrative Services	1,920,500	1,995,500	2,092,000	1,865,500	1,949,500
Administrative Hearings	781,500	809,500	852,000	802,500	842,500
Legal Services	5,502,500	5,727,000	6,008,500	5,641,500	5,918,000
Information Services	1,403,000	4,125,500	3,837,500	1,493,500	1,550,000
EMPOWER Kentucky General Fund Savings				-31,300	-57,300
TOTAL EXPENDITURES	10,849,400	15,291,000	14,492,000	11,120,200	11,627,700

The General Administration and Support appropriation unit is responsible for providing the executive direction, leadership, and administrative support necessary in accomplishing the goals and missions of the Natural Resources and Environmental Protection Cabinet.

The Office of the Secretary formulates and executes Cabinet policies based on administration priorities, state and federal statutes and regulations, legislative initiatives, and the concerns of the general public. The budget preparation and oversight functions as well as the Ombudsman functions also reside here.

The Division of Administrative Services provides centralized support to the Cabinet in the areas of personnel management, accounting, grants administration, and property and facilities management; it is also responsible for coordinating the development and implementation of the Cabinet's public information and environmental education efforts.

The Office of Administrative Hearings conducts and coordinates administrative hearings and penalty assessment conferences related to the regulatory programs conducted by the Cabinet.

The Office of Legal Services provides both litigation and non-litigation services for the Cabinet.

The Office of Information Services provides centralized systems analysis and applications development, systems operation support, specialized electronic systems support, and computer training for the Cabinet.

NATURAL RESOURCES
Natural Resources

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,229,000	17,843,000	14,803,500	12,075,700	12,285,300
Reorganization Adjustment	-278,600				
Total General Fund	10,950,400	17,843,000	14,803,500	12,075,700	12,285,300
Restricted Agency Funds					
Balance Forward	2,674,500	1,663,500	851,500	1,663,500	851,500
Current Receipts	1,019,000	908,000	908,000	908,000	908,000
Non-Revenue Receipts	3,462,500	3,822,500	3,314,500	3,802,500	3,294,000
Total Restricted Agency Funds	7,156,000	6,394,000	5,074,000	6,374,000	5,053,500
Federal Funds					
Balance Forward	123,000				
Current Receipts	2,693,500	2,760,000	2,761,000	2,760,000	2,761,000
Revenue Redistribution	-133,500	-133,500	-133,500	-133,500	-133,500
Total Federal Funds	2,683,000	2,626,500	2,627,500	2,626,500	2,627,500
TOTAL FUNDS	20,789,400	26,863,500	22,505,000	21,076,200	19,966,300
EXPENDITURES BY CLASS					
Personnel Costs	10,125,000	11,340,000	11,895,500	10,541,900	10,997,800
Operating Expenses	1,833,900	2,486,000	2,299,500	2,163,300	2,158,500
Grants, Loans or Benefits	7,129,500	8,769,000	8,310,000	7,269,000	6,810,000
Capital Outlay	14,500	3,417,000		250,500	
Construction	23,000				
TOTAL EXPENDITURES	19,125,900	26,012,000	22,505,000	20,224,700	19,966,300
EXPENDITURES BY UNIT					
Commissioner	447,500	472,500	451,000	443,500	421,000
Forestry	10,287,900	15,944,000	12,845,000	11,255,000	11,463,500
Conservation	5,472,000	6,965,000	6,955,000	5,955,500	5,942,000
Energy	2,918,500	2,630,500	2,254,000	2,630,500	2,254,000
Empower Kentucky General Fund Savings				-59,800	-114,200
TOTAL EXPENDITURES	19,125,900	26,012,000	22,505,000	20,224,700	19,966,300

The programs in the Department of Natural Resources are primarily concerned with the conservation, preservation, protection, perpetuation, and enhancement of the Commonwealth's natural land resources for the benefit of present as well as future generations of Kentucky citizens.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Natural Resources
Commissioner

	<u>Revised FY 1998</u>	<u>Requested FY 1999</u>	<u>Requested FY 2000</u>	<u>Recommended FY 1999</u>	<u>Recommended FY 2000</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	726,100	452,500	430,500	443,500	421,000
Reorganization Adjustment	-278,600				
Total General Fund	<u>447,500</u>	<u>452,500</u>	<u>430,500</u>	<u>443,500</u>	<u>421,000</u>
Restricted Agency Funds					
Non-Revenue Receipts		20,000	20,500		
TOTAL FUNDS	<u>447,500</u>	<u>472,500</u>	<u>451,000</u>	<u>443,500</u>	<u>421,000</u>
EXPENDITURES BY CLASS					
Personnel Costs	378,000	358,500	377,000	352,000	369,500
Operating Expenses	69,500	73,000	74,000	50,500	51,500
Capital Outlay		41,000		41,000	
TOTAL EXPENDITURES	<u>447,500</u>	<u>472,500</u>	<u>451,000</u>	<u>443,500</u>	<u>421,000</u>
EXPENDITURES BY UNIT					
Commissioner	387,000	472,500	451,000	443,500	421,000
Kentucky River Locks and Dams	60,500				
TOTAL EXPENDITURES	<u>447,500</u>	<u>472,500</u>	<u>451,000</u>	<u>443,500</u>	<u>421,000</u>

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Natural Resources
Forestry

	<u>Revised FY 1998</u>	<u>Requested FY 1999</u>	<u>Requested FY 2000</u>	<u>Recommended FY 1999</u>	<u>Recommended FY 2000</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,920,900	13,646,000	10,547,000	8,957,000	9,165,500
Restricted Agency Funds					
Balance Forward	1,500				
Current Receipts	774,500	776,000	776,000	776,000	776,000
Non-Revenue Receipts	252,500	252,500	252,500	252,500	252,500
Total Restricted Agency Funds	<u>1,028,500</u>	<u>1,028,500</u>	<u>1,028,500</u>	<u>1,028,500</u>	<u>1,028,500</u>
Federal Funds					
Balance Forward	94,000				
Current Receipts	1,332,000	1,357,000	1,357,000	1,357,000	1,357,000
Revenue Redistribution	-87,500	-87,500	-87,500	-87,500	-87,500
Total Federal Funds	<u>1,338,500</u>	<u>1,269,500</u>	<u>1,269,500</u>	<u>1,269,500</u>	<u>1,269,500</u>
TOTAL FUNDS	<u>10,287,900</u>	<u>15,944,000</u>	<u>12,845,000</u>	<u>11,255,000</u>	<u>11,463,500</u>
EXPENDITURES BY CLASS					
Personnel Costs	8,317,500	9,482,000	9,940,500	8,738,000	9,143,000
Operating Expenses	1,318,900	2,026,500	1,845,000	1,748,000	1,761,000
Grants, Loans or Benefits	628,500	1,059,500	1,059,500	559,500	559,500
Capital Outlay		3,376,000		209,500	
Construction	23,000				
TOTAL EXPENDITURES	<u>10,287,900</u>	<u>15,944,000</u>	<u>12,845,000</u>	<u>11,255,000</u>	<u>11,463,500</u>

The Division of Forestry is responsible for providing technical assistance on sound forest management practices to private woodland owners, enhancing the state's woodlands by acquiring new forest land and reforesting idle or unproductive land, and protecting the Commonwealth's 11.9 million acres of forest resources from forest fires and insect and disease pests.

A total of \$240,000 is included each year for emergency fire suppression costs. Language contained in the Appropriations Act declares expenditures in excess of this amount to be a necessary governmental expense by written order of the Secretary of the Finance and Administration Cabinet upon certification by the State Budget Director as to the advisability of such expenditures.

Policy

Additional General Fund monies of \$592,500 in FY 1999 and \$483,500 in FY 2000 are provided for 13 positions to implement the proposed Kentucky Forest Conservation Act.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Natural Resources
Conservation

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	2,467,000	3,593,500	3,671,500	2,584,000	2,658,500
Restricted Agency Funds					
Balance Forward	149,000	79,500		79,500	
Current Receipts	244,500	132,000	132,000	132,000	132,000
Non-Revenue Receipts	2,664,000	3,004,000	2,995,500	3,004,000	2,995,500
Total Restricted Agency Funds	3,057,500	3,215,500	3,127,500	3,215,500	3,127,500
Federal Funds					
Current Receipts	27,000	156,000	156,000	156,000	156,000
TOTAL FUNDS	5,551,500	6,965,000	6,955,000	5,955,500	5,942,000
EXPENDITURES BY CLASS					
Personnel Costs	911,500	956,500	1,007,000	947,000	994,000
Operating Expenses	280,500	185,500	175,000	185,500	175,000
Grants, Loans or Benefits	4,280,000	5,823,000	5,773,000	4,823,000	4,773,000
TOTAL EXPENDITURES	5,472,000	6,965,000	6,955,000	5,955,500	5,942,000

The Division of Conservation is responsible for assisting Kentucky's 121 conservation districts in developing and implementing sound conservation programs to protect, enhance, and develop the Commonwealth's natural resources so these resources serve the greatest number of people for the longest period of time. The Division is also responsible for developing educational activities; assisting the local conservation districts through financial assistance and providing loans for equipment for conservation and water quality-related work on Kentucky lands; and providing administrative services to the State Soil and Water Conservation Commission.

Policy

Additional federal funds of \$129,000 each fiscal year of the 1998-2000 biennium are provided for the Environmental Quality Incentives Program (EQUIP) for educational assistance to land users and other individuals with an interest in the state's natural resources.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Natural Resources
Energy

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	115,000	151,000	154,500	151,000	154,500
Restricted Agency Funds					
Balance Forward	2,524,000	1,584,000	851,500	1,584,000	851,500
Non-Revenue Receipts	546,000	546,000	46,000	546,000	46,000
Total Restricted Agency Funds	3,070,000	2,130,000	897,500	2,130,000	897,500
Federal Funds					
Balance Forward	29,000				
Current Receipts	1,334,500	1,247,000	1,248,000	1,247,000	1,248,000
Revenue Redistribution	-46,000	-46,000	-46,000	-46,000	-46,000
Total Federal Funds	1,317,500	1,201,000	1,202,000	1,201,000	1,202,000
TOTAL FUNDS	4,502,500	3,482,000	2,254,000	3,482,000	2,254,000
EXPENDITURES BY CLASS					
Personnel Costs	518,000	543,000	571,000	543,000	571,000
Operating Expenses	165,000	201,000	205,500	201,000	205,500
Grants, Loans or Benefits	2,221,000	1,886,500	1,477,500	1,886,500	1,477,500
Capital Outlay	14,500				
TOTAL EXPENDITURES	2,918,500	2,630,500	2,254,000	2,630,500	2,254,000

The Division of Energy has responsibility for stimulating more efficient utilization of energy in all sectors of the Kentucky economy in order to reduce energy costs and enhance national energy security.

Major functions of the Division involve awarding grants to schools and hospitals and to the industrial sector; providing technical assistance to all Kentuckians in energy efficiency and alternative energy sources such as solar, wood, geothermal, and wind; conducting emergency planning to handle energy shortages; and compiling energy data for Kentucky.

Policy

Additional General Funds of \$32,000 are provided each fiscal year of the 1998-2000 biennium for the Commonwealth's dues to the Southern States Energy Board.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Environmental Protection

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	21,611,000	23,233,500	23,545,000	21,572,200	22,108,800
Reorganization Adjustment	-102,500				
Total General Fund	21,508,500	23,233,500	23,545,000	21,572,200	22,108,800
Restricted Agency Funds					
Balance Forward	15,791,000	10,830,000	7,494,000	10,830,000	7,535,500
Current Receipts	12,762,500	13,221,500	14,263,500	13,218,000	14,262,000
Non-Revenue Receipts	1,309,500	3,680,000	3,696,500	3,683,500	3,718,000
Total Restricted Agency Funds	29,863,000	27,731,500	25,454,000	27,731,500	25,515,500
Federal Funds					
Balance Forward	496,500				
Current Receipts	12,914,500	18,397,500	15,022,500	16,999,500	14,350,000
Revenue Redistribution	41,000	1,694,000	1,801,500	1,732,000	1,841,500
Total Federal Funds	13,452,000	20,091,500	16,824,000	18,731,500	16,191,500
TOTAL FUNDS	64,823,500	71,056,500	65,823,000	68,035,200	63,815,800
EXPENDITURES BY CLASS					
Personnel Costs	36,193,000	39,607,500	41,462,000	38,368,100	39,997,000
Operating Expenses	7,648,500	7,865,500	7,928,500	7,658,100	7,680,800
Grants, Loans or Benefits	6,012,500	12,117,000	8,616,500	10,790,500	8,219,000
Capital Outlay	2,339,500	1,872,500	1,639,500	1,583,000	1,639,500
Construction	1,800,000	2,100,000	2,100,000	2,100,000	2,100,000
TOTAL EXPENDITURES	53,993,500	63,562,500	61,746,500	60,499,700	59,636,300
EXPENDITURES BY UNIT					
Commissioner	1,566,000	1,644,500	1,740,000	1,531,000	1,616,500
Water	18,455,000	26,295,000	23,500,000	24,097,500	22,220,500
Waste Management	19,712,500	20,410,500	21,006,500	20,186,000	20,756,000
Air Quality	9,988,500	10,681,500	11,031,500	10,570,000	10,893,500
Environmental Services	3,815,500	3,882,500	3,999,000	3,788,500	3,893,000
Maxey Flats	456,000	648,500	469,500	455,000	460,000
EMPOWER Kentucky General Fund Savings				-128,300	-203,200
TOTAL EXPENDITURES	53,993,500	63,562,500	61,746,500	60,499,700	59,636,300

The Department for Environmental Protection is charged with the responsibility of protecting the environmental health of Kentucky's citizens through the prevention, abatement, and control of water, land, and air pollution

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Environmental Protection
Commissioner

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	1,326,000	1,469,500	1,533,500	1,356,000	1,410,000
Restricted Agency Funds					
Balance Forward	105,500	21,000	24,500	21,000	24,500
Current Receipts	13,000	13,000	13,000	13,000	13,000
Non-Revenue Receipts	98,000	124,000	130,500	124,000	130,500
Total Restricted Agency Funds	216,500	158,000	168,000	158,000	168,000
Federal Funds					
Balance Forward	3,000				
Current Receipts	41,500	41,500	41,500	41,500	41,500
Total Federal Funds	44,500	41,500	41,500	41,500	41,500
TOTAL FUNDS	1,587,000	1,669,000	1,743,000	1,555,500	1,619,500
EXPENDITURES BY CLASS					
Personnel Costs	1,279,000	1,358,000	1,428,000	1,244,500	1,304,500
Operating Expenses	222,000	200,500	219,000	200,500	219,000
Grants, Loans or Benefits	41,500	41,500	41,500	41,500	41,500
Capital Outlay	23,500	44,500	51,500	44,500	51,500
TOTAL EXPENDITURES	1,566,000	1,644,500	1,740,000	1,531,000	1,616,500

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Environmental Protection
Water

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	10,551,500	11,342,000	11,558,000	10,461,000	10,838,500
Restricted Agency Funds					
Balance Forward	945,500	512,000	404,500	512,000	404,500
Current Receipts	859,000	1,007,500	957,500	1,007,500	957,500
Non-Revenue Receipts	655,000	722,000	733,500	684,000	693,500
Total Restricted Agency Funds	2,459,500	2,241,500	2,095,500	2,203,500	2,055,500
Federal Funds					
Balance Forward	44,000				
Current Receipts	5,163,000	10,712,500	7,335,000	9,396,000	6,775,000
Revenue Redistribution	749,000	2,403,500	2,511,500	2,441,500	2,551,500
Total Federal Funds	5,956,000	13,116,000	9,846,500	11,837,500	9,326,500
TOTAL FUNDS	18,967,000	26,699,500	23,500,000	24,502,000	22,220,500
EXPENDITURES BY CLASS					
Personnel Costs	12,278,500	13,935,500	14,704,000	13,292,500	13,960,000
Operating Expenses	2,517,000	2,536,000	2,598,500	2,412,500	2,460,500
Grants, Loans or Benefits	2,730,500	9,267,000	5,758,500	7,940,500	5,361,000
Capital Outlay	929,000	556,500	439,000	452,000	439,000
TOTAL EXPENDITURES	18,455,000	26,295,000	23,500,000	24,097,500	22,220,500

Operating under authority granted by both state and federal statutes, the Division of Water is responsible for administering programs to: ensure a continuous supply of safe drinking water; ensure the maintenance of water quality in the state; protect the state's water storage supplies from harmful overflows; preserve the safety of the Commonwealth's citizens by preventing improper construction of water improvements; and promote and regulate the conservation, development, and most beneficial use of the state's water resources.

Policy

Additional federal funds are included as follows:

- \$46,000 in fiscal year 1999 and \$48,000 in fiscal year 2000 for an economist position for an expansion of program planning activities;
- \$1,709,500 in fiscal year 1999 and \$1,779,000 in fiscal year 2000 for expanded and new program activities related to implementation of the federal Safe Drinking Water Act of 1996;
- \$41,500 in fiscal year 1999 and \$44,000 in fiscal year 2000 for one position to assist the state in establishment of Total Maximum Daily Load (TMDL) standards required by the federal Clean Water Act; and
- \$4,083,000 in fiscal year 1999 and \$1,361,000 in fiscal year 2000 for the Rural Communities Hardship Grants Program for Wastewater Facilities Construction. The state match necessary to receive these funds will be provided by the Kentucky Infrastructure Authority.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Environmental Protection
Waste Management

	<u>Revised FY 1998</u>	<u>Requested FY 1999</u>	<u>Requested FY 2000</u>	<u>Recommended FY 1999</u>	<u>Recommended FY 2000</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,900,500	5,158,500	5,228,500	4,960,500	5,021,000
Reorganization Adjustment	-102,500				
Total General Fund	<u>4,798,000</u>	<u>5,158,500</u>	<u>5,228,500</u>	<u>4,960,500</u>	<u>5,021,000</u>
Restricted Agency Funds					
Balance Forward	11,708,500	8,234,000	6,268,000	8,234,000	6,268,000
Current Receipts	5,179,500	5,073,000	5,010,000	5,073,000	5,010,000
Non-Revenue Receipts	367,000	2,669,000	2,674,000	2,669,000	2,674,000
Total Restricted Agency Funds	<u>17,255,000</u>	<u>15,976,000</u>	<u>13,952,000</u>	<u>15,976,000</u>	<u>13,952,000</u>
Federal Funds					
Balance Forward	355,000				
Current Receipts	6,071,500	6,077,000	6,079,500	6,050,500	6,036,500
Revenue Redistribution	-533,000	-533,000	-533,500	-533,000	-533,500
Total Federal Funds	<u>5,893,500</u>	<u>5,544,000</u>	<u>5,546,000</u>	<u>5,517,500</u>	<u>5,503,000</u>
TOTAL FUNDS	<u>27,946,500</u>	<u>26,678,500</u>	<u>24,726,500</u>	<u>26,454,000</u>	<u>24,476,000</u>
EXPENDITURES BY CLASS					
Personnel Costs	12,374,500	13,480,500	13,927,500	13,256,000	13,677,000
Operating Expenses	2,204,500	2,179,500	2,112,500	2,179,500	2,112,500
Grants, Loans or Benefits	2,894,500	2,479,500	2,479,500	2,479,500	2,479,500
Capital Outlay	439,000	171,000	387,000	171,000	387,000
Construction	1,800,000	2,100,000	2,100,000	2,100,000	2,100,000
TOTAL EXPENDITURES	<u>19,712,500</u>	<u>20,410,500</u>	<u>21,006,500</u>	<u>20,186,000</u>	<u>20,756,000</u>

The Division of Waste Management, under the authority granted by KRS 224, is responsible for programs to regulate the generation, transportation, storage, treatment, and disposal of all hazardous wastes in the state; to ensure proper disposal of all solid waste produced in the Commonwealth; and to remove abandoned vehicles from the landscape in conjunction with local entities. Additional responsibilities include: encouraging the wise use and recycling of our resources; providing technical assistance to counties and solid waste management districts to facilitate compliance with 401 KAR, Chapter 49; investigating and restoring abandoned hazardous waste disposal sites; and educating Kentucky citizens in order to promote a better understanding of waste management issues.

Policy

Additional restricted funds of \$2,300,000 are provided each fiscal year of the 1998-2000 biennium for waste tire cleanup activities across the Commonwealth.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Environmental Protection
Air Quality

	<u>Revised FY 1998</u>	<u>Requested FY 1999</u>	<u>Requested FY 2000</u>	<u>Recommended FY 1999</u>	<u>Recommended FY 2000</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,182,500	1,243,500	1,280,500	1,190,500	1,213,500
Restricted Agency Funds					
Balance Forward	2,778,500	1,995,500	763,500	1,995,500	805,000
Current Receipts	6,689,500	7,106,500	8,261,500	7,103,000	8,260,000
Non-Revenue Receipts	-156,000	-209,500	-229,500	-168,000	-168,000
Total Restricted Agency Funds	<u>9,312,000</u>	<u>8,892,500</u>	<u>8,795,500</u>	<u>8,930,500</u>	<u>8,897,000</u>
Federal Funds					
Balance Forward	91,000				
Current Receipts	1,566,500	1,477,000	1,477,000	1,422,000	1,407,500
Revenue Redistribution	-168,000	-168,000	-168,000	-168,000	-168,000
Total Federal Funds	<u>1,489,500</u>	<u>1,309,000</u>	<u>1,309,000</u>	<u>1,254,000</u>	<u>1,239,500</u>
TOTAL FUNDS	<u>11,984,000</u>	<u>11,445,000</u>	<u>11,385,000</u>	<u>11,375,000</u>	<u>11,350,000</u>
EXPENDITURES BY CLASS					
Personnel Costs	7,688,000	8,137,500	8,566,000	8,026,000	8,428,000
Operating Expenses	1,458,500	1,634,000	1,676,500	1,634,000	1,676,500
Grants, Loans or Benefits	262,500	270,500	278,500	270,500	278,500
Capital Outlay	579,500	639,500	510,500	639,500	510,500
TOTAL EXPENDITURES	<u>9,988,500</u>	<u>10,681,500</u>	<u>11,031,500</u>	<u>10,570,000</u>	<u>10,893,500</u>

The Division of Air Quality is responsible for the identification and implementation of measures necessary to attain and maintain ambient air quality standards as mandated by the federal Clean Air Act and KRS 224.033. The Division accomplishes these goals by operating a comprehensive program involving air quality monitoring, planning, construction and operation permitting, source inspections to ensure compliance with air pollution laws and regulations, and enforcement actions as required.

The 1990 Clean Air Act Amendments imposed new permitting requirements to protect air quality with one of the primary focuses on air toxics. Federal law requires that an emission fee be levied on facilities with significant air pollutants to fund the implementation of the many new requirements. If a state does not assume authorization, the fee will be collected by the U.S. Environmental Protection Agency to fund a federal permitting program.

Policy

Additional restricted funds of \$196,000 in fiscal year 1999 and \$207,000 in fiscal year 2000 are included for the required implementation of a mandatory vehicle inspection and maintenance program in Boone, Kenton and Campbell counties.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Environmental Protection
Environmental Services

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	3,194,500	3,371,500	3,475,000	3,277,500	3,369,000
Restricted Agency Funds					
Balance Forward	253,000	67,500	33,500	67,500	33,500
Current Receipts	21,500	21,500	21,500	21,500	21,500
Non-Revenue Receipts	345,500	374,500	388,000	374,500	388,000
Total Restricted Agency Funds	620,000	463,500	443,000	463,500	443,000
Federal Funds					
Balance Forward	3,500				
Current Receipts	72,000	89,500	89,500	89,500	89,500
Revenue Redistribution	-7,000	-8,500	-8,500	-8,500	-8,500
Total Federal Funds	68,500	81,000	81,000	81,000	81,000
TOTAL FUNDS	3,883,000	3,916,000	3,999,000	3,822,000	3,893,000
EXPENDITURES BY CLASS					
Personnel Costs	2,293,000	2,401,000	2,527,000	2,307,000	2,421,000
Operating Expenses	1,159,000	1,205,500	1,220,500	1,205,500	1,220,500
Grants, Loans or Benefits	25,000				
Capital Outlay	338,500	276,000	251,500	276,000	251,500
TOTAL EXPENDITURES	3,815,500	3,882,500	3,999,000	3,788,500	3,893,000

The Division of Environmental Services provides the laboratory services essential for characterizing, evaluating, and documenting the nature and extent of environmental pollutants in the Commonwealth. These services, required by KRS 224.033(7), are conducted in support of the regulatory, permitting, and enforcement activities for air, water, and waste management activities and for the investigation of spills and other environmental emergencies.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Environmental Protection
Maxey Flats

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	456,000	648,500	469,500	455,000	460,000
EXPENDITURES BY CLASS					
Personnel Costs	280,000	295,000	309,500	286,500	300,000
Operating Expenses	87,500	110,000	101,500	110,000	101,500
Grants, Loans or Benefits	58,500	58,500	58,500	58,500	58,500
Capital Outlay	30,000	185,000			
TOTAL EXPENDITURES	456,000	648,500	469,500	455,000	460,000

Originally opened as a disposal site for low-level nuclear waste, Maxey Flats was closed in 1977, and the Commonwealth assumed ownership and responsibility in 1978. Since that time, the Commonwealth has provided monitoring and maintenance activities at the site utilizing a combination of state and federal funds. Overall efforts have focused on minimizing any negative health impact on the citizens who live in the vicinity of the site while working toward final closure.

Recent state efforts have resulted in the site being added to the federal Superfund list for cleanup, and the site is currently in the remedial design phase of the remedy authorized by the U.S. Environmental Protection Agency. Actual remediation has begun but is not expected to be completed for several years. After remediation, the Commonwealth will continue to be responsible for operating and maintaining the site.

Appropriated funds are provided for monitoring and maintenance activities at the site.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Surface Mining Reclamation and Enforcement

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,811,500	10,279,500	10,625,000	9,922,200	10,188,100
Reorganization Adjustment	-20,300				
Mandated Allotments	268,600				
Total General Fund	10,059,800	10,279,500	10,625,000	9,922,200	10,188,100
Restricted Agency Funds					
Balance Forward	27,078,000	26,454,000	25,968,500	26,454,000	25,962,000
Current Receipts	3,932,000	3,953,500	3,981,000	3,953,500	3,981,000
Non-Revenue Receipts	1,337,000	1,387,000	1,437,500	1,347,500	1,392,500
Total Restricted Agency Funds	32,347,000	31,794,500	31,387,000	31,755,000	31,335,500
Federal Funds					
Balance Forward	539,500				
Current Receipts	16,419,000	17,506,000	17,992,500	17,158,500	17,607,000
Non-Revenue Receipts	-65,500				
Revenue Redistribution	-1,268,000	-1,383,000	-1,447,000	-1,350,000	-1,410,500
Total Federal Funds	15,625,000	16,123,000	16,545,500	15,808,500	16,196,500
TOTAL FUNDS	58,031,800	58,197,000	58,557,500	57,485,700	57,720,100
EXPENDITURES BY CLASS					
Personnel Costs	24,385,500	25,464,500	26,664,000	24,782,000	25,873,500
Operating Expenses	3,772,700	3,721,500	3,601,500	3,699,200	3,567,600
Grants, Loans or Benefits	2,038,600	1,654,000	1,625,000	1,654,000	1,625,000
Capital Outlay	1,381,000	1,388,500	1,306,500	1,388,500	1,306,500
TOTAL EXPENDITURES	31,577,800	32,228,500	33,197,000	31,523,700	32,372,600
EXPENDITURES BY UNIT					
Commissioner	1,504,500	1,521,500	1,585,500	1,525,500	1,585,500
Permits	7,873,800	7,718,000	7,981,000	7,529,500	7,757,500
Field Services	13,273,500	13,578,500	13,986,000	13,107,000	13,474,500
Abandoned Mine Lands	8,926,000	9,410,500	9,644,500	9,410,500	9,644,500
EMPOWER Kentucky General Fund Savings				-48,800	-89,400
TOTAL EXPENDITURES	31,577,800	32,228,500	33,197,000	31,523,700	32,372,600

The Department for Surface Mining Reclamation and Enforcement was created in 1977 to implement the provisions of the federal Surface Mining Control and Reclamation Act of 1977 pursuant to Public Law 95-87. The Department's mission is to protect the public and minimize the environmental aspects caused by surface mining and the surface effects of underground mining.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Surface Mining Reclamation and Enforcement
Commissioner

	<u>Revised FY 1998</u>	<u>Requested FY 1999</u>	<u>Requested FY 2000</u>	<u>Recommended FY 1999</u>	<u>Recommended FY 2000</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	505,000	727,500	749,500	731,500	749,500
Reorganization Adjustment	186,000				
Total General Fund	<u>691,000</u>	<u>727,500</u>	<u>749,500</u>	<u>731,500</u>	<u>749,500</u>
Restricted Agency Funds					
Balance Forward	11,488,000	12,839,500	14,377,000	12,839,500	14,377,000
Current Receipts	1,614,500	1,636,000	1,663,500	1,636,000	1,663,500
Non-Revenue Receipts	550,500	695,500	-42,500	695,500	-42,500
Total Restricted Agency Funds	<u>13,653,000</u>	<u>15,171,000</u>	<u>15,998,000</u>	<u>15,171,000</u>	<u>15,998,000</u>
Federal Funds					
Balance Forward	64,500				
Current Receipts	360,000	701,000	748,000	701,000	748,000
Non-Revenue Receipts	-65,500				
Revenue Redistribution	-359,000	-701,000	-748,000	-701,000	-748,000
Total Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FUNDS	<u>14,344,000</u>	<u>15,898,500</u>	<u>16,747,500</u>	<u>15,902,500</u>	<u>16,747,500</u>
EXPENDITURES BY CLASS					
Personnel Costs	1,258,500	1,281,000	1,336,000	1,281,000	1,336,000
Operating Expenses	246,000	240,500	249,500	244,500	249,500
TOTAL EXPENDITURES	<u>1,504,500</u>	<u>1,521,500</u>	<u>1,585,500</u>	<u>1,525,500</u>	<u>1,585,500</u>

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Surface Mining
Permits

	<u>Revised FY 1998</u>	<u>Requested FY 1999</u>	<u>Requested FY 2000</u>	<u>Recommended FY 1999</u>	<u>Recommended FY 2000</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,018,200	3,019,000	3,142,000	2,936,000	3,044,000
Reorganization Adjustment	-186,000				
Mandated Allotments	268,600				
Total General Fund	<u>3,100,800</u>	<u>3,019,000</u>	<u>3,142,000</u>	<u>2,936,000</u>	<u>3,044,000</u>
Restricted Agency Funds					
Balance Forward	508,000	157,500	76,000	157,500	75,000
Current Receipts	10,000	10,000	10,000	10,000	10,000
Non-Revenue Receipts	89,000	290,000	305,500	279,000	292,500
Total Restricted Agency Funds	<u>607,000</u>	<u>457,500</u>	<u>391,500</u>	<u>446,500</u>	<u>377,500</u>
Federal Funds					
Balance Forward	3,000				
Current Receipts	4,591,500	4,603,500	4,749,000	4,497,000	4,624,500
Revenue Redistribution	-271,000	-286,000	-301,500	-275,000	-288,500
Total Federal Funds	<u>4,323,500</u>	<u>4,317,500</u>	<u>4,447,500</u>	<u>4,222,000</u>	<u>4,336,000</u>
TOTAL FUNDS	<u>8,031,300</u>	<u>7,794,000</u>	<u>7,981,000</u>	<u>7,604,500</u>	<u>7,757,500</u>
EXPENDITURES BY CLASS					
Personnel Costs	5,449,500	5,684,500	5,946,000	5,485,500	5,722,500
Operating Expenses	811,200	845,000	875,500	855,500	875,500
Grants, Loans or Benefits	1,573,100	1,188,500	1,159,500	1,188,500	1,159,500
Capital Outlay	40,000				
TOTAL EXPENDITURES	<u>7,873,800</u>	<u>7,718,000</u>	<u>7,981,000</u>	<u>7,529,500</u>	<u>7,757,500</u>

The Division of Permits is responsible for efficiently reviewing all applications for permits to surface mine in the Commonwealth for compliance with Kentucky statutes and the federal Surface Mining Control and Reclamation Act. The program also administers the federal Small Operator's Assistance and Lands Unsuitable for Mining programs and processes applications for underground mining to determine the surface effects of such operations.

One third of the permit and acreage fees generated by this program will be returned to the county of origin as provided under KRS 350.139; a total of \$675,000 in General Fund monies is recommended each year for this purpose.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Surface Mining Reclamation and Enforcement
Field Services

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,288,500	6,533,000	6,733,500	6,303,500	6,484,000
Reorganization Adjustment	-20,500				
Total General Fund	6,268,000	6,533,000	6,733,500	6,303,500	6,484,000
Restricted Agency Funds					
Balance Forward	1,337,000	1,089,500	612,500	1,089,500	607,000
Current Receipts	5,500	5,500	5,500	5,500	5,500
Non-Revenue Receipts	298,000	-47,000	-145,500	-75,500	-177,500
Total Restricted Agency Funds	1,640,500	1,048,000	472,500	1,019,500	435,000
Federal Funds					
Balance Forward	204,000				
Current Receipts	6,514,500	6,632,000	6,827,000	6,391,000	6,566,000
Revenue Redistribution	-264,000	-22,000	-23,500		
Total Federal Funds	6,454,500	6,610,000	6,803,500	6,391,000	6,566,000
TOTAL FUNDS	14,363,000	14,191,000	14,009,500	13,714,000	13,485,000
EXPENDITURES BY CLASS					
Personnel Costs	10,020,000	10,524,500	11,078,500	10,067,500	10,567,000
Operating Expenses	2,045,000	1,898,000	1,721,500	1,883,500	1,721,500
Grants, Loans or Benefits	190,500	190,500	190,500	190,500	190,500
Capital Outlay	1,018,000	965,500	995,500	965,500	995,500
TOTAL EXPENDITURES	13,273,500	13,578,500	13,986,000	13,107,000	13,474,500

The Division of Field Services is responsible for developing policies and procedures for reclamation and enforcement programs in coal and non-coal minerals, and conducting an effective inspection program to carry out these policies and procedures in accordance with applicable federal and state statutes.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Surface Mining Reclamation and Enforcement
Abandoned Mine Lands

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	13,745,000	12,367,500	10,903,000	12,367,500	10,903,000
Current Receipts	2,302,000	2,302,000	2,302,000	2,302,000	2,302,000
Non-Revenue Receipts	399,500	448,500	1,320,000	448,500	1,320,000
Total Restricted Agency Funds	16,446,500	15,118,000	14,525,000	15,118,000	14,525,000
Federal Funds					
Balance Forward	268,000				
Current Receipts	4,953,000	5,569,500	5,668,500	5,569,500	5,668,500
Revenue Redistribution	-374,000	-374,000	-374,000	-374,000	-374,000
Total Federal Funds	4,847,000	5,195,500	5,294,500	5,195,500	5,294,500
TOTAL FUNDS	21,293,500	20,313,500	19,819,500	20,313,500	19,819,500
EXPENDITURES BY CLASS					
Personnel Costs	7,657,500	7,974,500	8,303,500	7,974,500	8,303,500
Operating Expenses	670,500	738,000	755,000	738,000	755,000
Grants, Loans or Benefits	275,000	275,000	275,000	275,000	275,000
Capital Outlay	323,000	423,000	311,000	423,000	311,000
TOTAL EXPENDITURES	8,926,000	9,410,500	9,644,500	9,410,500	9,644,500

The Division of Abandoned Lands is responsible for reclaiming lands previously surface mined or used in connection with surface mining which have been abandoned or left unreclaimed under Title IV of Public Law 95-87 or KRS 350.

Federal funds for this program are derived from federal tax levies imposed under Public Law 95-87 on all coal mined since August 3, 1977. Approximately 150,000 acres of abandoned mine lands in Kentucky are eligible for eventual reclamation under Public Law 95-87. If Kentucky does not maintain an approved Abandoned Mine Land Reclamation program, monies allocated for reclamation projects in the state may be reallocated to other coal-producing states.

All funds collected from the forfeiture of surface mining bonds are utilized in the reclamation of lands on which the bonds were forfeited. The collection and expenditure of these restricted funds from the Guaranty Bond Forfeiture account is included each year of the biennium.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Abandoned Mine Land Reclamation Projects

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
Federal Funds					
Balance Forward	93,500				
Current Receipts	22,362,500	22,456,000	22,456,000	22,456,000	22,456,000
TOTAL FUNDS	22,456,000	22,456,000	22,456,000	22,456,000	22,456,000
EXPENDITURES BY CLASS					
Personnel Costs	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Grants, Loans or Benefits	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Construction	13,256,000	13,256,000	13,256,000	13,256,000	13,256,000
TOTAL EXPENDITURES	22,456,000	22,456,000	22,456,000	22,456,000	22,456,000

The Abandoned Mine Lands (AML) Reclamation Projects program in the Department for Surface Mining Reclamation and Enforcement receives funding for the reclamation of mine sites that have been abandoned or left unreclaimed under Title IV of Public Law 95-87 or KRS 350. If the Commonwealth does not maintain an approved AML Reclamation program, monies allocated for reclamation projects within the state may be reallocated to other coal-producing states. The Natural Resources and Environmental Protection Cabinet continues to reclaim abandoned mine sites through a priority ranking system which reclaims first those sites which are considered the most threat to human life and safety. Providing clean, safe, potable water to the citizens of the coal fields whose drinking water supplies have been contaminated by past mining continues to be a high priority.

Administered by the Division of Abandoned Lands, all funds appropriated in this program are expended for design and construction activities associated with the reclamation of abandoned mine sites.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Environmental Quality Commission

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	234,900	255,500	255,500	251,100	249,800
Restricted Agency Funds					
Balance Forward	18,000	2,000		2,000	
Current Receipts	2,000	2,000	2,000	2,000	2,000
Total Restricted Agency Funds	20,000	4,000	2,000	4,000	2,000
TOTAL FUNDS	254,900	259,500	257,500	255,100	251,800
EXPENDITURES BY CLASS					
Personnel Costs	177,500	186,000	196,000	182,500	191,500
Operating Expenses	75,400	73,500	61,500	72,600	60,300
TOTAL EXPENDITURES	252,900	259,500	257,500	255,100	251,800
EXPENDITURES BY UNIT					
Environmental Quality Commission	252,900	259,500	257,500	255,500	252,500
EMPOWER Kentucky General Fund Savings				-400	-700
TOTAL EXPENDITURES	252,900	259,500	257,500	255,100	251,800

The Environmental Quality Commission, codified in KRS 224.041-224.055, is an independent, seven-member, citizen body representing various viewpoints and areas of the state. The Commission serves in an advisory capacity to the Governor and the Natural Resources and Environmental Protection Cabinet on environmental rules, regulations, policies, plans, and procedures. The Commission also serves as a working public forum for the exchange of views, concerns, information, and recommendations relating to the quality of the natural environment.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Kentucky Nature Preserves Commission

	<u>Revised FY 1998</u>	<u>Requested FY 1999</u>	<u>Requested FY 2000</u>	<u>Recommended FY 1999</u>	<u>Recommended FY 2000</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	631,700	943,000	856,500	800,200	745,300
Restricted Agency Funds					
Balance Forward	765,500	437,000	212,500	437,000	212,500
Current Receipts	112,500	145,500	132,500	95,500	82,500
Non-Revenue Receipts	287,500	317,500	317,500	317,500	317,500
Total Restricted Agency Funds	<u>1,165,500</u>	<u>900,000</u>	<u>662,500</u>	<u>850,000</u>	<u>612,500</u>
Federal Funds					
Current Receipts	32,500	27,500	27,500	27,500	27,500
Revenue Redistribution	-2,500	-2,500	-2,500	-2,500	-2,500
Total Federal Funds	<u>30,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
TOTAL FUNDS	<u>1,827,200</u>	<u>1,868,000</u>	<u>1,544,000</u>	<u>1,675,200</u>	<u>1,382,800</u>
EXPENDITURES BY CLASS					
Personnel Costs	1,024,500	1,089,500	1,138,500	948,100	989,500
Operating Expenses	268,200	323,000	251,500	299,600	239,300
Grants, Loans or Benefits	47,500	69,000	65,000	69,000	65,000
Capital Outlay	35,000	144,000	59,000	116,000	59,000
Construction	15,000	30,000	30,000	30,000	30,000
TOTAL EXPENDITURES	<u>1,390,200</u>	<u>1,655,500</u>	<u>1,544,000</u>	<u>1,462,700</u>	<u>1,382,800</u>
EXPENDITURES BY UNIT					
Kentucky Nature Preserves Commission	1,390,200	1,655,500	1,544,000	1,467,500	1,392,000
EMPOWER Kentucky General Fund Savings				-4,800	-9,200
TOTAL EXPENDITURES	<u>1,390,200</u>	<u>1,655,500</u>	<u>1,544,000</u>	<u>1,462,700</u>	<u>1,382,800</u>

The 1976 General Assembly established the Kentucky Nature Preserves Commission with the passage of KRS 146.410-146.530. The mandated goals of the Commission are two-fold: to inventory Kentucky for its natural diversity, including its plants, animal life, biological communities, and areas of natural significance; and to protect these natural features by establishing a system of nature preserves.

KRS 141.450-141.480 provides funds for the acquisition and management of nature preserves through a tax refund checkoff system. The Commission, together with the Kentucky Department of Fish and Wildlife Resources, shares equally the receipts generated by the Non-game Species Protection and Habitat Acquisition program, an income tax refund donation program enacted by the 1980 General Assembly.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
Kentucky River Authority

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		366,500	379,000	359,000	369,000
Reorganization Adjustment	278,600				
Total General Fund	278,600	366,500	379,000	359,000	369,000
Restricted Agency Funds					
Balance Forward	1,627,500	1,598,000	432,500	1,598,000	612,000
Current Receipts	1,374,000	1,325,000	1,658,500	1,325,000	1,303,500
Non-Revenue Receipts	-156,000	-800,000		-800,000	
Total Restricted Agency Funds	2,845,500	2,123,000	2,091,000	2,123,000	1,915,500
TOTAL FUNDS	3,124,100	2,489,500	2,470,000	2,482,000	2,284,500
EXPENDITURES BY CLASS					
Personnel Costs	631,000	714,500	749,500	704,500	736,500
Operating Expenses	166,100	190,500	196,000	189,500	195,000
Grants, Loans or Benefits	699,000	752,000	769,500	752,000	769,500
Debt Service		370,000	725,000	194,000	388,000
Capital Outlay	30,000	30,000	30,000	30,000	30,000
TOTAL EXPENDITURES	1,526,100	2,057,000	2,470,000	1,870,000	2,119,000
EXPENDITURES BY UNIT					
Kentucky River Authority	1,247,500	1,690,500	2,091,000	1,511,000	1,750,000
KY River Locks and Dams	278,600	366,500	379,000	359,000	369,000
TOTAL EXPENDITURES	1,526,100	2,057,000	2,470,000	1,870,000	2,119,000

Created by the 1988 General Assembly, the Kentucky River Authority is an 11-member body appointed by the Governor to provide for the proper maintenance of the Kentucky River locks and dams once ownership of these properties is transferred from the U.S. government to the Commonwealth. The Authority is authorized and empowered under KRS 151 to carry out its mission through a variety of activities, including the issuance of revenue bonds payable from fees collected from all facilities, except those primarily agricultural in nature, using water from the Kentucky River or its tributaries.

Policy

Restricted funding is provided from Kentucky River water withdrawal fees (Tier II) for the debt service on a \$4 million bond issue, \$2 million of which was originally authorized by the 1992 General Assembly to renovate the lock facilities at dams five through nine to allow access to water stored below the crest of the dams and move it to the pools with greatest demand.

Also provided is \$359,000 in fiscal year 1999 and \$369,000 in fiscal year 2000 in General Fund monies for operation of and minor maintenance on locks and dams 5 through 14 on the Kentucky River.

In addition, notwithstanding KRS 151.710 (10), restricted funds from Kentucky River water withdrawal fees (Tier I) are provided to fund staff, contract services for water supply and water quality studies, and operating costs for the Authority.

PERSONNEL

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,074,300	6,895,000	7,362,000	3,309,400	3,297,100
Restricted Agency Funds					
Balance Forward	5,569,500	5,971,000	7,289,500	5,971,000	7,309,000
Current Receipts	6,316,500	7,122,000	8,091,000	7,058,000	8,024,500
Non-Revenue Receipts	16,457,500	17,100,500	17,908,000	20,062,500	21,371,500
Total Restricted Agency Funds	28,343,500	30,193,500	33,288,500	33,091,500	36,705,000
TOTAL FUNDS	33,417,800	37,088,500	40,650,500	36,400,900	40,002,100
EXPENDITURES BY CLASS					
Personnel Costs	24,609,500	26,526,500	28,018,000	25,969,000	27,414,500
Operating Expenses	2,822,300	3,258,000	3,070,000	3,108,400	2,982,100
Capital Outlay	15,000	14,500		14,500	
TOTAL EXPENDITURES	27,446,800	29,799,000	31,088,000	29,091,900	30,396,600
EXPENDITURES BY UNIT					
Secretary	1,057,300	1,294,500	1,357,500	1,288,500	1,351,500
Employee Relations	2,670,000	2,914,000	2,920,500	2,633,500	2,651,500
Personnel Administration	4,348,000	5,164,500	5,447,000	4,762,000	5,055,500
Workers' Compensation	16,045,500	16,872,000	17,666,000	16,872,000	17,666,000
Deferred Compensation	3,326,000	3,554,000	3,697,000	3,552,000	3,692,500
Authority					
EMPOWER Kentucky General Fund Savings				-16,100	-20,400
TOTAL EXPENDITURES	27,446,800	29,799,000	31,088,000	29,091,900	30,396,600

The Personnel Cabinet is charged with administering the state merit system and ensuring compliance with the personnel rules and regulations established as a part of the statutory authority of KRS 18A.

The Office of the Secretary provides policy and management support to the divisions of the Cabinet; promulgates administrative regulations; advises the Personnel Board on matters pertaining to the classified service; conducts investigations on all matters relating to state personnel laws and rules; and provides administrative services for the Cabinet.

The Department for Employee Relations, consisting of the divisions of Employee Benefits and Communications and Recognition, also administers the state's workers' compensation program. Included in the duties of this department is responsibility for administration of the state employee life insurance, health insurance, sick-leave sharing, flexible benefits, workplace safety, and employee suggestion programs; communications with state employees about personnel-related and other relevant issues; and the Kentucky Employee Assistance Program (KEAP), which provides counseling assistance and dispute resolution assistance to state employees and agencies.

The Department for Personnel Administration consists of the divisions of Classification and Compensation, Employee Records and Staffing Services, and the Office of Performance Management. The responsibilities of this department include recruiting, counseling, testing, and certifying persons for employment with the Commonwealth; maintaining a fair and equitable classification and compensation system for state government; auditing and certifying state payrolls; preparing and maintaining the official personnel and payroll records of state employees; and coordinating and implementing employee performance evaluation systems throughout state government.

The Workers' Compensation program, a part of the Department of Employee Relations, provides benefits to state employees injured during the course of their employment and maintains an adequate reserve of funds through the Commonwealth's self-insurance plan to meet the Commonwealth's potential liability for workers' compensation claims.

The Kentucky Employees Deferred Compensation Authority, created by Executive Order 94-1235, administers deferred compensation plans as established in the U.S. Internal Revenue Codes 457 and 401(b) and KRS 18A.230-18A.350 as a tax-sheltered, supplemental retirement savings program exclusively as an optional benefit for Kentucky's public employees.

Policy

Additional restricted funds are provided for the following:

- \$87,500 in fiscal year 1999 and \$184,000 in fiscal year 2000 for the continuation of personnel-related initiatives associated with Empower Kentucky;
- \$233,500 in fiscal year 1999 and \$230,000 in fiscal year 2000 to allow for completion of the staffing necessary to complete implementation of Executive Order 96-909 creating the Personnel Cabinet;
- \$31,500 in fiscal year 1999 and \$27,500 in fiscal year 2000 for one additional position in the health administration program;
- \$166,500 in fiscal year 1999 and \$59,600 in fiscal year 2000 for four additional permanent positions and computer conversion needs in the life insurance administration program;
- \$51,000 in fiscal year 1999 and \$43,000 in fiscal year 2000 for two additional positions in the workers' compensation program; and
- \$350,000 in fiscal year 1998, \$233,000 in fiscal year 1999, and \$129,500 in fiscal year 2000 for five additional positions, imaging equipment, and the payment of required sales charges in the Deferred Compensation program.

POSTSECONDARY EDUCATION

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	797,479,000	958,030,600	1,014,076,500	951,436,600	1,016,526,300
Special Appropriation	38,000,000				
Continuing Appropriation	157,700				
Total General Fund	835,636,700	958,030,600	1,014,076,500	951,436,600	1,016,526,300
Restricted Agency Funds					
Balance Forward	52,884,400	195,500	726,000	195,500	726,000
Current Receipts	1,181,442,100	1,297,368,600	1,337,930,400	1,296,826,700	1,337,076,700
Non-Revenue Receipts	4,685,500	6,300,500	4,685,500	5,384,000	4,685,500
Total Restricted Agency Funds	1,239,012,000	1,303,864,600	1,343,341,900	1,302,406,200	1,342,488,200
Federal Funds					
Current Receipts	223,762,200	241,206,600	246,387,800	238,443,600	243,624,800
Non-Revenue Receipts	1,257,500	1,247,000	1,246,000	1,247,000	1,246,000
Total Federal Funds	225,019,700	242,453,600	247,633,800	239,690,600	244,870,800
TOTAL FUNDS	2,299,668,400	2,504,348,800	2,605,052,200	2,493,533,400	2,603,885,300
EXPENDITURES BY CLASS					
Personnel Costs	1,300,083,900	1,419,259,000	1,467,892,800		
Operating Expenses	586,208,200	610,327,300	626,561,200		
Grants, Loans or Benefits	219,702,100	277,519,500	318,485,500		
Debt Service	93,995,500	88,762,600	83,888,100		
Capital Outlay	99,173,200	106,354,400	107,380,100		
Construction	310,000	1,400,000			
TOTAL EXPENDITURES	2,299,472,900	2,503,622,800	2,604,207,700		
EXPENDITURES BY UNIT					
Council on Postsecondary Education	30,006,300	61,194,500	94,629,000	68,082,200	113,718,900
Kentucky Higher Education Assistance Authority	44,585,000	60,200,000	63,082,500	44,488,200	45,093,700
Eastern Kentucky University	166,719,200	170,686,600	175,287,400	170,686,600	175,287,400
Kentucky State University	42,565,000	47,874,400	49,201,300	47,874,400	49,201,300
Morehead State University	101,248,100	104,210,000	109,118,500	104,210,100	109,118,700
Murray State University	96,811,000	99,793,000	101,325,500	99,792,800	101,325,600
Northern Kentucky University	82,347,000	85,006,000	87,984,000	85,006,000	87,984,000
University of Kentucky	1,004,483,000	1,050,022,600	1,075,401,000	1,050,842,700	1,076,244,300
University of Louisville	396,077,100	405,273,000	416,993,500	405,273,000	416,993,500
Western Kentucky University	130,832,000	136,361,000	139,935,000	134,379,000	137,676,000
Kentucky Community and Technical College System	11,768,700	283,001,700	291,250,000	282,172,400	290,397,400
University of Kentucky Community College System	192,030,500				
TOTAL EXPENDITURES	2,299,472,900	2,503,622,800	2,604,207,700	2,492,807,400	2,603,040,800

Postsecondary Education Reform

The enactment of the Postsecondary Education Improvement Act of 1997 was the culmination of months of deliberations that began with Governor Paul Patton's Inaugural Address on December 12, 1995. His statement that "we must have a system of higher education which is more responsive, more efficient, and more relevant" and his promise of increased funding for meaningful change in the system, initiated a process that dramatically altered the landscape of Kentucky postsecondary education.

At Governor Patton's request, the 1996 General Assembly created the Task Force on Postsecondary Education (SCR 93) and charged it with reviewing the status of postsecondary education, including governance and funding, and to report its findings to both the Governor and the Legislative Research Commission. The Task Force was composed of six senators, six representatives, and six members of the executive branch. With help from the National Center for Higher Education Management Systems and the Education Commission of the States, the Governor led the effort resulting in the document *Postsecondary Education in Kentucky: An Assessment*, which was presented to the Task Force in March, 1997, after months of testimony and discussion.

The recommendations that grew out of the *Assessment* were the basis of House Bill 1, the focus of the Extraordinary Session of the General Assembly, which convened on May 12, 1997. After three weeks of intense discussions, Governor Patton signed the Postsecondary Education Reform Act into law on May 30. A 204-page bill, House Bill 1, resulted in numerous changes to the postsecondary education system of the Commonwealth. Perhaps the four most significant were:

- the reorganization and strengthening of the Council on Postsecondary Education (CPE);
- the creation of the Kentucky Community and Technical College System (KCTCS);
- the creation of the Strategic Committee on Postsecondary Education (SCOPE); and
- the change in the funding process for postsecondary education.

The CPE was strengthened in a number of ways, including responsibility for the Commonwealth Virtual University and the clear authority to eliminate academic programs and revise institutional missions. In addition, the Council's coordinating authority now extends to the postsecondary technical institutions that will become part of KCTCS.

KCTCS is a new, ninth institution of postsecondary education in Kentucky to be composed of the 13 University of Kentucky community colleges (Lexington Community College will remain under the jurisdiction of UK) and 25 postsecondary technical schools formerly a part of Kentucky Tech in the Workforce Development Cabinet.

SCOPE is composed of six members of the CPE, plus the CPE President, the Governor and six of his appointees; and 14 designated leaders of the General Assembly (seven from each chamber). Aside from the responsibility to act as a search committee in the selection of the first CPE President, SCOPE's duties are advisory. Its purpose is to act as a forum for leaders from the CPE and executive and legislative branches to engage in discussions about the needs and plans for postsecondary education.

Finally, House Bill 1 made important changes in the way public postsecondary education is funded. Reference to the funding formula has been eliminated from the statutes. In its place, House Bill 1 created six Strategic Investment and Incentive Trust Funds (a Research Challenge Trust Fund; a Regional University Excellence Trust Fund; a Technology Initiative Trust Fund; a Physical Facilities Trust Fund; a Postsecondary Workforce Development Trust Fund; and a Student Financial Aid and Advancement Trust Fund) designed to provide the significant new funding the institutions need to achieve excellence. For fiscal year 1997-98, the General Assembly appropriated an additional \$38 million for postsecondary education including a total of \$15 million as initial investments into the Research Challenge Trust Fund, the Regional University Excellence Trust Fund, and the Postsecondary Workforce Development Trust Fund.

1998-2000 Budget Recommendation

Requested columns in the Postsecondary Education section for the Council on Postsecondary Education, the Universities, and KCTCS represent the recommendations of the Council on Postsecondary Education as provided by KRS 164.020.

As in previous biennia, distribution of expenditures to individual program areas within individual institutions will be made by representatives of the respective institutions based upon appropriations after enactment by the General Assembly.

The budget as recommended by the Governor increases the net operating appropriations of the universities and KCTCS by 2.9 percent in fiscal year 1999 and 2.8 percent in fiscal year 2000. In addition, funding provided to the Strategic Investment and Incentive Trust Funds has been increased from \$15 million in fiscal year 1998 to \$51 million in fiscal year 1999 and to \$95 million in fiscal year 2000. Distribution of the additional appropriations to the Strategic Investment and Incentive Trust Funds will be made by the Council on Postsecondary Education based on criteria developed to achieve the goals established by House Bill 1, the Kentucky Postsecondary Education Improvement Act of 1997, as enacted by the 1997 First Extraordinary Session of the General Assembly.

The information that follows, in most instances, does not include data for the newly created Kentucky Community and Technical College System (KCTCS). The Council on Postsecondary Education will be incorporating KCTCS data into the Postsecondary Education data bases during the upcoming biennium.

POSTSECONDARY EDUCATION
Council on Postsecondary Education

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,373,900	55,879,500	89,307,500	64,025,200	109,655,400
Special Appropriation	15,647,900				
Total General Fund	26,021,800	55,879,500	89,307,500	64,025,200	109,655,400
Federal Funds					
Current Receipts	3,984,500	5,315,000	5,321,500	4,057,000	4,063,500
TOTAL FUNDS	30,006,300	61,194,500	94,629,000	68,082,200	113,718,900
EXPENDITURES BY CLASS					
Personnel Costs	3,311,500	3,467,500	3,623,500	3,448,100	3,584,100
Operating Expenses	723,000	723,000	726,000	719,500	720,400
Grants, Loans or Benefits	25,917,300	56,949,500	90,225,000	63,860,100	109,359,900
Capital Outlay	54,500	54,500	54,500	54,500	54,500
TOTAL EXPENDITURES	30,006,300	61,194,500	94,629,000	68,082,200	113,718,900
EXPENDITURES BY UNIT					
Agency Operations	3,709,000	3,848,000	3,994,000	3,828,600	3,954,600
Pass Through Programs	22,097,800	51,366,500	84,642,000	59,985,100	105,484,900
Eisenhower Mathematics and Science Education Act Program	1,044,500	1,100,000	1,100,000	1,100,000	1,100,000
Kentucky Commission on Community Volunteerism and Service	3,155,000	4,880,000	4,893,000	3,172,000	3,185,000
EMPOWER Kentucky General Fund Savings				-3,500	-5,600
TOTAL EXPENDITURES	30,006,300	61,194,500	94,629,000	68,082,200	113,718,900

The Council on Postsecondary Education serves as the representative agency in matters of postsecondary education and in this role brings a statewide perspective to postsecondary education issues and planning. The primary mission of the Council is the coordination and implementation of an effective system of postsecondary education that will meet the current and future educational needs of the Commonwealth. The Council not only has the responsibility for guiding the system, but also serves as an advocate for postsecondary education.

The 1997 First Extraordinary Session of the General Assembly resulted in elimination of the old Council on Higher Education and in its replacement by the Council on Postsecondary Education. The new Council has fewer members in total but added a faculty representative. The new Council's powers are broader with new authority to address unnecessary program duplication, to eliminate academic programs, and to require institutions to refine mission statements and strategic plans so as to conform to a new strategic agenda. House Bill 1, the primary reform bill for postsecondary education, sets out six goals for the postsecondary education system.

The six goals, codified in KRS 164.003 are summarized below:

- A seamless, integrated system of postsecondary education strategically planned and adequately funded to enhance economic development and quality of life.
- A major comprehensive research institution ranked nationally in the top twenty public universities at the University of Kentucky.
- A premier, nationally-recognized metropolitan research university at the University of Louisville.
- Regional universities, with at least one nationally-recognized program of distinction or one nationally-recognized applied research program, working cooperatively with other postsecondary institutions to assure statewide access to baccalaureate and master's degrees of a quality at or above the national average.
- A comprehensive community and technical college system with a mission that assures, in conjunction with other postsecondary institutions, access throughout the Commonwealth to a two year course of general studies designed for transfer to a baccalaureate program, the training necessary to develop a workforce with the skills to meet the needs of new and existing industries, and remedial and continuing education to improve the employability of citizens.
- An efficient, responsive, and coordinated system of autonomous institutions that delivers educational services to citizens in quantities and of a quality that is comparable to the national average.

The Council is the liaison between postsecondary education and other segments of the education community. This role is particularly important in relation to other state agencies relating to elementary and secondary education and those directly impacting postsecondary education. The merger of the Kentucky Tech postsecondary technical institutions into the system of postsecondary education and the creation of a new entity, the Kentucky Community and Technical College System (KCTCS), gives the Council a broader role in coordination of manpower training.

Statutory responsibilities as detailed in KRS Chapter 164 primarily involve: determining the needs of postsecondary education in the Commonwealth; developing and implementing a strategic agenda and strategic implementation plan designed to achieve the legislatively mandated goals for postsecondary education; reviewing, revising, and approving mission statements for the state's universities and KCTCS; coordinating the development and management of a Commonwealth Virtual University; reviewing, modifying, approving and eliminating academic programs; reviewing and recommending funding for the public institutions; administering the strategic investment and incentive trust funds; approving and recommending capital projects; setting tuition rates; maintaining a statewide system of accountability; and, licensing private and proprietary degree-granting and proprietary baccalaureate degree-granting institutions. The Council also is the representative agency of the Commonwealth in postsecondary education matters not specifically delegated by statute to any of the public institutions and for interstate compacts and agreements.

POSTSECONDARY EDUCATION
Council on Postsecondary Education
Agency Operations

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,061,100	3,848,000	3,994,000	3,828,600	3,954,600
Special Appropriation	647,900				
TOTAL FUNDS	3,709,000	3,848,000	3,994,000	3,828,600	3,954,600
EXPENDITURES BY CLASS					
Personnel Costs	3,053,000	3,192,000	3,338,000	3,172,600	3,298,600
Operating Expenses	601,500	601,500	601,500	601,500	601,500
Capital Outlay	54,500	54,500	54,500	54,500	54,500
TOTAL EXPENDITURES	3,709,000	3,848,000	3,994,000	3,828,600	3,954,600

The Agency Operations program contains all operating activities of the Council and its staff. In addition to general activities, specific programs such as systemwide accountability, strategic agenda and strategic implementation planning, and implementation of the strategic investment and incentive trust funds are funded here as well.

Dues for interstate programs such as participation in the State Postsecondary Education Executive Officers and the Education Commission of the States are budgeted in Agency Operations. Agency activities related to equal opportunity activities also are located in this program. Funding in support of equal opportunity activities at the public colleges and universities is located in Pass Through Programs.

The Council staff is organized into three major areas: Academic Programs, Planning and Accountability (APPA), Finance, Facilities and Data Management (FFDM) and Executive Support.

Academic Programs, Planning and Accountability encompasses all aspects of academic program review and approval including modification and elimination of academic programs, licensure of private and proprietary, degree-granting postsecondary education institutions, establishing minimum admission standards, development and implementation of a system of accountability, and, strategic agenda and strategic implementation plan development. The unit is responsible for liaison with the state Department of Education, the Workforce Development Cabinet and local education agencies. Activities related to the reform of elementary and secondary education are organized under APPA. The APPA unit shares responsibility with FFDM for the development of the strategic investment and incentive trust fund criteria.

The FFDM unit serves as the review arm of the Council for budget, capital construction, tuition, and other areas with financial implications including development and implementation of a system of performance funding. The FFDM unit also directs the Council's data collection activities with public and private institutions and is responsible for the residency classification of students for tuition assessment purposes. Finance, Facilities and Data Management serves as the primary unit for the implementation of the strategic investment and incentive trust funds.

The Executive Support area administers the day-to-day operation of the agency including budgeting, personnel, purchasing, legal services and equal opportunity programs. The Office of the President oversees the operation of the agency and represents the agency to the public and other governmental units, federal and state. All business functions, payroll, personnel, budget, accounting and purchasing are housed within the Executive Support category. Additional support funds, appropriated in the 1997 First Extraordinary Session, are to be used for regional advisory groups and to support Council operations as they relate to the postsecondary education reform effort.

Development of the Commonwealth Virtual University is a shared responsibility among the three units within the Council.

POSTSECONDARY EDUCATION
Council on Postsecondary Education
Pass Through Programs

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,097,800	51,366,500	84,642,000	59,985,100	105,484,900
Special Appropriation	15,000,000				
TOTAL FUNDS	22,097,800	51,366,500	84,642,000	59,985,100	105,484,900
EXPENDITURES BY CLASS					
Grants, Loans or Benefits	22,097,800	51,366,500	84,642,000	59,985,100	105,484,900
EXPENDITURES BY UNIT					
Investment and Incentive Trust Funds	15,000,000	44,000,000	77,000,000	51,000,000	95,000,000
Contract Spaces	2,246,900	2,220,500	2,328,500	2,220,500	2,328,500
EPSCoR	2,200,000	3,000,000	3,000,000	2,324,000	2,324,000
Rural Allied Health and Nursing Program	373,500	394,500	416,000	394,500	416,000
Professional Education Preparation Program	293,400	310,000	327,000	310,000	327,000
Minority Student College Preparation Program	198,600	269,500	281,000	209,500	221,000
Telecommunications Consortium (ETV)	167,700	177,000	187,000	177,000	187,000
Metroversity Consortia	53,000	56,000	59,000	56,000	59,000
KEYS to KERA	64,700	68,500	72,500	68,500	72,500
State Autism Training Center	200,000	211,500	223,000	211,500	223,000
Osteopathic Medicine Scholarship Program				1,026,000	1,664,400
Paducah Regional Higher Education Center	1,300,000	125,000	180,000	125,000	180,000
SREB Compact for Faculty Diversity		34,000	68,000		
Commonwealth Virtual University		500,000	500,000		
UK: Paducah Engineering Instructional Support					450,000
KCTCS: Lees College (Hazard Community College) Funds Replacement				1,500,000	1,500,000
UL: Labor Management Center Expansion				182,600	182,600
UL: Glasgow Residency Program Expansion				180,000	349,900
TOTAL EXPENDITURES	22,097,800	51,366,500	84,642,000	59,985,100	105,484,900

The Council on Postsecondary Education has been designated as the receiving agency for several programs. Funds are appropriated to the Council and subsequently "passed-through" to other agencies or entities. Included as new programs this biennium are the Strategic and Investment and Incentive Trust Fund Program as provided by the Kentucky Postsecondary Education Improvement Act of 1997 and the Osteopathic Medical Scholarship Program.

The Council monitors the implementation of the programs but is not responsible for actual day-to-day operations. For purposes of display, these programs have been grouped together under the heading of Pass Through Programs. A brief description of each program is provided below. Funding for the Pass Through Programs as a group, excluding the new Strategic Investment and Incentive Trust Fund Program and the Osteopathic Medicine Scholarship Program, was increased three percent each year of the biennium.

The **Strategic Investment and Incentive Trust Funds** were created as a result of the Kentucky Postsecondary Education Improvement Act of 1997 (HB 1) and fundamentally changed the funding process for postsecondary education. Appropriations for six Strategic Investment and Incentive Trust Funds (a Research Challenge Trust Fund; a Regional University Excellence Trust Fund; a Technology Initiative Trust Fund; a Physical Facilities Trust Fund; a Postsecondary Workforce Development Trust Fund; and a Student Financial Aid and Advancement Trust Fund) are made to the Council which is responsible for establishing criteria and distributing these funds to postsecondary institutions in a manner which will allow the Commonwealth to reach the six goals established in House Bill 1.

The Governor's recommended budget provides funding to the individual Strategic Investment and Incentive Trust Funds as recommended by the Council on Postsecondary Education with the exception of the Student Financial Aid and Advancement Trust Fund. The Governor's recommended budget for this Trust Fund is designed to fully fund the state's need based programs (CAP, KTG) and the Teacher Scholarship Program. In addition, the fiscal year 2000 recommendation provides \$10 million for a new merit-based financial aid program which will be authorized through enabling legislation by the 1998 General Assembly.

Funding for debt service in the amount of \$29 million in fiscal year 2000 is included in the Physical Facilities Trust Fund to support bonds for projects with a total cost of \$279.85 million. Funding for debt service in the amount of eight million dollars in fiscal year 2000 is included in the Technology Initiative Trust Fund to support bonds for projects with a total cost of \$55 million.

<u>Fund</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
Research Challenge Trust Fund	6	16	16
Regional University Excellence Trust Fund	6	7	7
Technology Initiative Trust Fund		8	12
Physical Facilities Trust Fund			29
Workforce Development Trust Fund	3	6	6
Student Financial Aid and Advancement Trust Fund		14	25
TOTAL	<u>15</u>	<u>51</u>	<u>95</u>

The **Contract Spaces Program** provides students with access to Veterinary Medicine and Optometry programs through contracts administered by the Southern Regional Education Board (SREB). Veterinary Medicine spaces are provided at Auburn University and Tuskegee Institute. Optometry spaces are provided at the Southern College of Optometry, the University of Alabama, and Indiana University. Contract fees guarantee a fixed number of spaces in these academic programs for qualified Kentucky residents. Enrolled students are assured in-state fees or, in the case of private institutions, are charged a lower tuition. Contract funds also cover the Small Grants program, which covers travel expenses for faculty when travel is necessary to gain access to specialized equipment and other resources. As a member of the SREB, a regional compact of 15 southern and eastern states, Kentucky underwrites a portion of SREB central administration costs.

The Contract Spaces Program is based on a sharing concept whereby institutions make available a certain number of training spaces that are, in turn, committed to contracting states. The SREB coordinates this process and facilitates planning activities by assessing needs and allocating available spaces to meet needs. Training spaces in these professional areas are limited, and the Contract Spaces program is the only source of significant educational opportunities in these areas for Kentucky students.

Funding for Veterinary Medicine spaces is based on entering class sizes of 34 at Auburn and two at Tuskegee. Funding for Optometry Spaces is based on entering class sizes of eight at Southern, three at Alabama, and three at Indiana University.

The **Experimental Program to Stimulate Competitive Research (EPSCoR)** is a unique infrastructure-building effort initiated by the National Science Foundation (NSF) in 1978 that encourages local action to develop long-term improvements in a state's science and engineering enterprise.

The Kentucky EPSCoR program began with a planning grant in 1985 and a five-year \$16.5 million program began in 1986. That program was funded based on a dollar-for-dollar match between state General Funds and federal funds through NSF. Since that time, the program has grown to one that also includes the federal Department of Defense, Department of Energy, the Environmental Protection Agency (EPA), the National Aeronautics and Space Administration (NASA), and the National Institutes of Health. The Kentucky EPSCoR program is administered by the Kentucky Science and Technology Council (KSTC) through an agreement with the Kentucky Statewide EPSCoR Committee. The Kentucky EPSCoR program has and continues to successfully compete for federal EPSCoR and EPSCoR type funds.

Funding provided will be used for matching federal funds received for EPSCoR and EPSCoR type programs designed to enhance Kentucky's basic science and engineering infrastructure as well as for necessary administrative costs by the KSTC limited to not more than four percent of the appropriation in each fiscal year.

The basic purpose of the **Professional Education Preparation (PEP) Program** is to increase the proportion of students from health manpower shortage counties (primarily rural) who apply to, are accepted by, and graduate from, medical and dental school. The program is based on the premise that students from underserved areas are more likely to return to these areas than are other students. The program consists of several elements designed to enhance the academic skills of target area students including Pre-Freshman Workshops, Undergraduate Training Conferences, Assessment Conferences, and Practice MCAT/DAT Seminars. Funding for the **Rural Allied Health and Nursing Program** was first provided by the 1990 General Assembly to support the delivery of health science programs in rural areas. Funding is allocated to four regional universities (EKU, MoSU, MuSU, WKU) based on individual project proposals.

The **Kentucky Telecommunications Consortium (ETV)** was established in 1978 with funding provided through the budget of the Council on Postsecondary Education. Programming and any needed staff services are provided by Kentucky Educational Television through a Memorandum of Agreement with the Council on Postsecondary Education. The Consortium pays for telecourse rental costs for courses which can be used on the ETV network and for which students can receive college credit. With the funds made available by the Council on Postsecondary Education, Kentucky Educational Television provides management, promotion, and broadcast services for the Consortium.

Since the late 1970s, the Council on Postsecondary Education has supported cooperative activities among and services to twelve postsecondary education institutions in the Greater Louisville area through the interstate **Metroversity Consortium**. On behalf of the participating institutions, Metroversity operates the Educational Opportunity Center, a cross-registration program, student and faculty competitions and activities, and interlibrary courier service. The Consortia also maintains a cable TV channel for institutional use. State funds represent less than 10 percent of Metroversity's total budget.

The primary impact of the Metroversity Consortia is to provide, through a sharing of resources and effort, a wide range of services to students, faculty, institutions, and citizens of the Greater Louisville area. Through cooperative arrangements developed and administered by Metroversity, services that would normally be beyond the capability of a single institution are cost-effectively made available to all seven member institutions. The following are examples: Cross-registration program – 500 students annually; Library Exchange – 20,000 volumes exchanged annually; Student Competitions – 700-1,000 students annually; Faculty Exchanges – involves seven institutions; Cable TV Offerings – five hours per day, five days per week; and Educational Opportunity Center – 3,000 clients annually.

As part of its overall efforts in support of elementary and secondary education reform, the Council supports service learning activities through the **KEYS (Kentucky Education through Youth Service) to KERA** program formerly known as CampusServe and before that as Destination Graduation. Federal funds, sponsored by the federal corporation for National and Community Service and administered through the University of Kentucky, on behalf of the Community College System, provide the support for service learning activities throughout the Commonwealth. The state funds contained in the 1998-2000 budget represent the Council's financial commitment in support of the federal grant. Students are encouraged to participate in Learn and Serve activities, those which combine traditional learning with service. Currently, Keys to KERA involves over 25 institutions and 2,000 students in various activities which provide services to over 10,000 Kentuckians. The Council on Postsecondary Education's participation in the program derives from Joint Resolution 54 (enacted in 1990), which encouraged the Council to support implementation of KERA and from the Council on Postsecondary Education's Strategic Plan.

In fiscal year 1987, the Commonwealth expanded its commitment to the recruitment and retention of minority students at traditionally white public higher education institutions through an initiative called the **Minority Student College Preparation Program**. Middle school students are acquainted with a college campus and encouraged to prepare for college enrollment. The program is designed to be administered in a cooperative fashion between the Council on Postsecondary Education and the seven traditionally white institutions across the state, and a limited number of special providers who influence college going decisions.

The major goals of the program are: to make young African-American students aware of college and to realize it as an achievable option in their future; reduce the high school drop-out rate for African-American high school students; to increase the recruitment, retention and graduation of minority students; and, to prepare these students to do well in college once enrolled. Approximately 1,200 minority students enrolled in middle schools will be involved in activities funded through this program during each year of the biennium. Activities include academic enrichment classes; counseling, tutoring, and test-taking exercises to assist in overcoming academic deficiencies; and intensive on-campus summer experiences for over 400 students. Colleges also promote workshops on student financial aid, values, careers, and how to succeed in college.

Funding previously provided for **the Regional Higher Education Center in Paducah** in the 1996-98 biennium is now included in the budgets of Murray State University and the University of Kentucky. Funding recommended for the 1998-2000 biennium will be made available to Murray State University to offset lease purchase payments for the Crisp Center.

The 1996-98 budget provided \$200,000 in fiscal year 1998 to implement the provisions of House Bill 159, as enacted by the 1996 General Assembly, regarding the establishment and operation of a **State Autism Training Center**. The Council on Postsecondary Education contracts with the University of Louisville to provide training and support for individuals involved in the delivery of services for persons diagnosed as being autistic or having autistic related disorders.

Policy

Funding in the amount of \$1,026,000 in fiscal year 1999 and \$1,664,400 in fiscal year 2000 is provided for the **Osteopathic Medicine Scholarship Program**. Policy development and direction will be provided by the Council, however, actual day-to-day administration of the program is expected to be the responsibility of the Kentucky Higher Education Assistance Authority. The program is designed to provide scholarships to students of the Pikeville College of Osteopathic Medicine in an amount which will reduce the tuition cost of these students to the same rate paid by in-state medical students at the University of Kentucky and the University of Louisville. Enabling legislation by the 1998 General Assembly will be required.

Funding in the amount of \$450,000 in fiscal year 2000 is provided to support a full complement of faculty and operational costs associated with the University of Kentucky College of Engineering's implementation of undergraduate engineering programs in Paducah.

Funding in the amount of \$1.5 million in fiscal year 1999 and \$1.5 million in fiscal year 2000 is provided to replace Robinson Forest Trust funds previously used to support the Lees College Branch of Hazard Community College.

Funding in the amount of \$182,600 in fiscal year 1999 and \$182,600 in fiscal year 2000 is provided to expand the services of the Labor Management Center at the University of Louisville's College of Business and Public Administration.

Funding in the amount of \$180,000 in fiscal year 1999 and \$349,900 in fiscal year 2000 is provided to the University of Louisville to expand the Family Practice Residency Program in Glasgow, initially funded during the 1996-98 biennium.

POSTSECONDARY EDUCATION
Council on Postsecondary Education
Eisenhower Mathematics and Science Act Program

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
Federal Funds					
Current Receipts	1,044,500	1,100,000	1,100,000	1,100,000	1,100,000
EXPENDITURES BY CLASS					
Grants, Loans or Benefits	1,044,500	1,100,000	1,100,000	1,100,000	1,100,000

The Dwight D. Eisenhower Mathematics and Science Education State Grant Program is designed to improve the skills of teachers and the quality of instruction in mathematics and science in the nation's public and private elementary and secondary schools. It provides financial assistance to states through activities implemented by state and local education agencies, state agencies for postsecondary education, and institutions of postsecondary education. A major focus is to increase instructional and career opportunities for under-represented and under-served populations in scientific and technical fields. Funds are distributed to a state based on a formula that considers its school-age population and the number of children identified as economically disadvantaged. The Council is responsible for administering Kentucky's share of the funds for use by public and independent institutions for postsecondary education.

POSTSECONDARY EDUCATION
Council on Postsecondary Education
Kentucky Commission on Community Volunteerism and Service

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	215,000	665,000	671,500	215,000	221,500
Federal Funds					
Current Receipts	2,940,000	4,215,000	4,221,500	2,957,000	2,963,500
Total Federal Funds	<u>2,940,000</u>	<u>4,215,000</u>	<u>4,221,500</u>	<u>2,957,000</u>	<u>2,963,500</u>
TOTAL FUNDS	<u>3,155,000</u>	<u>4,880,000</u>	<u>4,893,000</u>	<u>3,172,000</u>	<u>3,185,000</u>
EXPENDITURES BY CLASS					
Personnel Costs	258,500	275,500	285,500	275,500	285,500
Operating Expenses	121,500	121,500	124,500	121,500	124,500
Grants, Loans or Benefits	2,775,000	4,483,000	4,483,000	2,775,000	2,775,000
TOTAL EXPENDITURES	<u>3,155,000</u>	<u>4,880,000</u>	<u>4,893,000</u>	<u>3,172,000</u>	<u>3,185,000</u>

The Kentucky Commission on Community Volunteerism and Service was created under the authority of the National and Community Service Trust Act of 1993 and is funded primarily through the Corporation for National and Community Service. The Kentucky Commission on Community Volunteerism and Service serves as a catalyst to engage citizens in volunteer efforts to address social problems within the Commonwealth. The primary programs operated by the Kentucky Commission on Community Volunteerism and Service are AmeriCorps and Learn and Serve which assist local communities in developing volunteer services. Annually, Learn and Service Community-Based programs engage over 10,000 students and more than 100,000 community volunteers throughout the state in a variety of activities which address the needs of Kentucky communities and neighborhoods. State appropriations represent required matching funds for the administration of the program in order to remain eligible to receive federal funds.

POSTSECONDARY EDUCATION
Kentucky Higher Education Assistance Authority

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	30,103,200	45,333,500	48,492,000	30,603,200	30,603,200
Continuing Appropriation	123,800				
Total General Fund	<u>30,227,000</u>	<u>45,333,500</u>	<u>48,492,000</u>	<u>30,603,200</u>	<u>30,603,200</u>
Restricted Agency Funds					
Balance Forward	653,000	195,500	195,500	195,500	195,500
Current Receipts	13,277,500	13,950,000	14,590,500	13,885,000	14,490,500
Non-Revenue Receipts		916,500			
Total Restricted Agency Funds	<u>13,930,500</u>	<u>15,062,000</u>	<u>14,786,000</u>	<u>14,080,500</u>	<u>14,686,000</u>
Federal Funds					
Current Receipts	623,000				
TOTAL FUNDS	<u>44,780,500</u>	<u>60,395,500</u>	<u>63,278,000</u>	<u>44,683,700</u>	<u>45,289,200</u>
EXPENDITURES BY CLASS					
Personnel Costs	7,071,500	8,000,500	8,688,500	7,935,500	8,588,500
Operating Expenses	4,027,500	4,296,500	4,697,500	4,296,500	4,697,500
Grants, Loans or Benefits	32,850,000	46,250,000	48,492,000	30,603,200	30,603,200
Debt Service			938,000		938,000
Capital Outlay	326,000	253,000	266,500	253,000	266,500
Construction	310,000	1,400,000		1,400,000	
TOTAL EXPENDITURES	<u>44,585,000</u>	<u>60,200,000</u>	<u>63,082,500</u>	<u>44,488,200</u>	<u>45,093,700</u>
EXPENDITURES BY UNIT					
General Administration and Support	11,735,000	13,950,000	14,590,500	13,885,000	14,490,500
Student Aid	32,850,000	46,250,000	48,492,000	30,603,200	30,603,200
TOTAL EXPENDITURES	<u>44,585,000</u>	<u>60,200,000</u>	<u>63,082,500</u>	<u>44,488,200</u>	<u>45,093,700</u>

The Kentucky Higher Education Assistance Authority's (KHEAA) mission is to serve the Commonwealth by providing statewide programs of financial assistance and related services to enable students to pursue postsecondary education programs. The statewide objective is to expand the opportunities for persons to attend eligible postsecondary institutions by providing student financial aid which facilitates both access to and choice among public and independent institutions in keeping with each person's educational and career objectives as provided under KRS 164.740-164.785.

POSTSECONDARY EDUCATION
Kentucky Higher Education Assistance Authority
General Administration and Support

	<u>Revised FY 1998</u>	<u>Requested FY 1999</u>	<u>Requested FY 2000</u>	<u>Recommended FY 1999</u>	<u>Recommended FY 2000</u>
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	457,500				
Current Receipts	11,277,500	13,950,000	14,590,500	13,885,000	14,490,500
TOTAL FUNDS	<u>11,735,000</u>	<u>13,950,000</u>	<u>14,590,500</u>	<u>13,885,000</u>	<u>14,490,500</u>
EXPENDITURES BY CLASS					
Personnel Costs	7,071,500	8,000,500	8,688,500	7,935,500	8,588,500
Operating Expenses	4,027,500	4,296,500	4,697,500	4,296,500	4,697,500
Debt Service			938,000		938,000
Capital Outlay	326,000	253,000	266,500	253,000	266,500
Construction	310,000	1,400,000		1,400,000	
TOTAL EXPENDITURES	<u>11,735,000</u>	<u>13,950,000</u>	<u>14,590,500</u>	<u>13,885,000</u>	<u>14,490,500</u>

The Kentucky Higher Education Assistance Authority (KHEAA) is statutorily responsible for administration of state grant, work-study, scholarship, and college savings programs for postsecondary students, dissemination of postsecondary school and financial aid information, and is the designated guarantor of insured student loans under the Higher Education Act of 1965, as amended, for Kentucky and Alabama. It provides administrative services at no cost to the Kentucky Department of Education for its Minority Educator Recruitment and Retention program and Occupational/Physical Therapy Incentive Program and to the Kentucky National Guard for its Tuition Assistance Program. The Kentucky Higher Education Assistance Authority is also expanding its guarantee service to other areas which promotes opportunities for students in the areas it serves and provides economic benefits to the Commonwealth.

Policy

The Governor's recommendation provides additional restricted funds in the amount of \$142,000 in fiscal year 1998, \$745,500 in fiscal year 1999 and \$1,334,000 in fiscal year 2000 to continue the internal expansion of defaulted student loans prevention and collection services. Also included in restricted funds is \$310,000 in fiscal year 1998, \$1,400,000 in fiscal year 1999, and \$938,000 in fiscal year 2000 for the purchase of land and the construction of an office building.

POSTSECONDARY EDUCATION
Kentucky Higher Education Assistance Authority
Student Aid

	<u>Revised FY 1998</u>	<u>Requested FY 1999</u>	<u>Requested FY 2000</u>	<u>Recommended FY 1999</u>	<u>Recommended FY 2000</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	30,103,200	45,333,500	48,492,000	30,603,200	30,603,200
Continuing Appropriation	123,800				
Total General Fund	<u>30,227,000</u>	<u>45,333,500</u>	<u>48,492,000</u>	<u>30,603,200</u>	<u>30,603,200</u>
Restricted Agency Funds					
Balance Forward	195,500	195,500	195,500	195,500	195,500
Current Receipts	2,000,000				
Non-Revenue Receipts		916,500			
Total Restricted Agency Funds	<u>2,195,500</u>	<u>1,112,000</u>	<u>195,500</u>	<u>195,500</u>	<u>195,500</u>
Federal Funds					
Current Receipts	623,000				
TOTAL FUNDS	<u>33,045,500</u>	<u>46,445,500</u>	<u>48,687,500</u>	<u>30,798,700</u>	<u>30,798,700</u>
EXPENDITURES BY CLASS					
Grants, Loans or Benefits	32,850,000	46,250,000	48,492,000	30,603,200	30,603,200
EXPENDITURES BY UNIT					
College Access Program	20,150,000	30,391,000	32,136,000	19,452,700	19,452,700
Kentucky Tuition Grants	8,591,500	11,805,000	12,302,000	8,055,500	8,055,500
Teacher Scholarships	1,608,500	2,554,000	2,554,000	1,595,000	1,595,000
Work-Study	1,000,000	1,500,000	1,500,000		
National Guard Tuition Awards	1,500,000			1,500,000	1,500,000
TOTAL EXPENDITURES	<u>32,850,000</u>	<u>46,250,000</u>	<u>48,492,000</u>	<u>30,603,200</u>	<u>30,603,200</u>

The Kentucky Higher Education Assistance Authority (KHEAA) administers the following student aid programs and the Kentucky Educational Savings Plan Trust at no cost to the General Fund.

The College Access Program (CAP) awards grants to Kentucky's financially-needy, undergraduate students enrolled in a public or private non-profit college, public vocational-technical schools, or proprietary schools.

The Kentucky Tuition Grant (KTG) program provides need-based grants to qualified Kentucky students who choose to attend one of the Commonwealth's 19 participating independent non-profit colleges and is designed to assist full-time students with tuition charges at these schools.

The Teacher Scholarship program is designed to assist highly qualified, financially-needy, Kentucky students with the postsecondary costs incurred while seeking initial teacher certification. Recipients must agree to render qualified teaching service in the Commonwealth.

The Work-Study program allows students to work and earn funds to apply toward college expenses while gaining valuable career-related work experience. It provides contacts in a student's career field and creates a valuable work ethic for the student.

The Kentucky National Guard Tuition Award program provides tuition assistance to active members of the Kentucky National Guard to attend Kentucky's state-supported postsecondary educational institutions. The Department of Military Affairs selects the recipients and KHEAA send the awards to the students.

Policy

The Governor's recommendation fully funds the request for the Kentucky National Guard Tuition Assistance program with an additional \$500,000 in General Funds in each year of the 1998-2000 biennium. Although requested in the Department of Military Affairs, KHEAA will continue to supply the grants to the students.

UNIVERSITY MISSION STATEMENTS

The Postsecondary Education Improvement Act of 1997 (House Bill 1) as enacted by the 1997 First Extraordinary Session of the General Assembly created the Council on Postsecondary Education. Among the duties enumerated for the new Council was the responsibility to "review, revise, and approve the missions of the state universities and the Kentucky Community and Technical College System" (KCTCS). The following mission statements were approved by the Council on Higher Education on July 11, 1994. During the 1998-2000 biennium these mission statements will be reviewed and revised as necessary by the new Council on Postsecondary Education. In addition, the Council on Postsecondary Education will develop a mission statement for the new entity, the Kentucky Community and Technical College System, created by House Bill 1.

Mission Statement Eastern Kentucky University Revised July 11, 1994

Eastern Kentucky University shall serve the citizens of the Commonwealth of Kentucky as a comprehensive, regional university, providing instruction, public service and research.

Geographic Region

In the development and offering of its programs and services, the University shall place priority on meeting the needs of the citizens of central, eastern, and southeastern Kentucky.

Institutional Admission Standards

Eastern Kentucky University shall admit students to the institution under selective admission standards which exceed the minimum guidelines established by the Council on Higher Education, with only limited exceptions. Institutional standards shall be consistent with the systemwide policy for admitting underprepared students, including the removal of academic deficiencies within a specified timeframe. Through this approach, the University seeks to provide both broad access and high-quality programs.

Degree Levels

The University shall offer selected undergraduate programs, pre-professional curricula, and selected master's and education specialist programs determined to meet demonstrated student interest and/or societal needs. Special attention shall be paid to the educational needs of the University's service region. Certificate programs shall not be offered unless they are integral to associate or baccalaureate programs.

Strategic Directions/ Program Priorities

Eastern Kentucky University shall: continue its tradition as an educator of classroom teachers and school administrators; support the needs of Kentucky's business community; respond to appropriate societal needs and public policy objectives; and respond to the region's technical education needs. These strategic directions translate into a core of liberal arts baccalaureate degree programs, in addition to degree program priorities at the certificate [C], associate [A], baccalaureate [B], master's [M], and education specialist [S] levels that may include the following: -- *[relevant categories from the Classification of Instructional Programs by level are included in brackets]* -- agricultural business [A, B - 01]; conservation and renewable natural resources [B - 03]; marketing [B - 08]; communications [B - 09]; computer and information sciences [B - 11]; education [A, B, M, S - 13]; engineering technologies [A, B, M - 15]; home economics [B, M - 19]; vocational home economics [A - 20]; legal studies [A, B - 22]; English and literature [M - 23]; liberal arts [B - 24]; biological sciences [B, M - 26]; mathematics [B, M - 27]; parks, recreation and leisure [B, M - 31]; physical sciences [M - 40]; psychology [M, S - 42]; protective services [C, A, B, M - 43]; public administration and services [B, M - 44]; social sciences [M - 45]; precision production trades [A - 48]; transportation [B - 49]; fine arts [B, M - 50]; health professions [C, A, B, M - 51]; and business management [A, B, M - 52].

Enhancement of Instruction

The primary mission of the University shall be to provide its students instruction of the highest possible quality. The University shall utilize information obtained through its assessment processes to enhance the quality of its instructional programs.

**Public Service and
Research Functions**

The public service efforts of Eastern Kentucky University shall be designed to meet the needs of its service region and be related to its academic programs and capabilities. The continuing education requirements of the region's public school personnel and assistance in economic development should receive special emphasis. Research shall support the primary function of instruction, supplement the University's public service efforts, and advance knowledge in the subject matter areas with which the University is concerned. The University shall develop cooperative applied research and teaching programs using such resources as Maywoods, Lilley Cornett Woods, and Pilot Knob Sanctuary.

Collaborative Ventures

As a member of the Commonwealth's higher education system, it is incumbent on the University to cooperate with the other institutions, the Council on Higher Education, and other state and federal agencies in fulfilling the strategic mission for higher education in Kentucky. This shall include the appropriate and efficient use of telecommunications technology. Further, to the extent possible, the University should foster articulation between its programs and those of other institutions, both public and private, which emphasizes the transfer of credits from other institutions toward degree completion.

**Efficiency and
Effectiveness**

Eastern Kentucky University shall insure that its resources are expended in a manner consistent with its mission. This shall include the promotion of cost effectiveness in academic programming and institutional management. Strategic planning shall include both the identification of programs which are no longer responsive to a societal need or are unnecessarily duplicative of those of another institution and the development of carefully selected new programs compatible with this mission. Measures of quality and performance shall be integral to the University's assessment and accountability systems which promote continuous improvement of programs and services.

**Mission Statement
Kentucky State University
Revised July 11, 1994**

Kentucky State University is the state's unique, small, liberal studies institution with the lowest student-faculty ratio in the state system. The University shall serve as a residential institution with a range of traditional collegiate programs appropriate to its unique role.

Geographic Region

Kentucky State University's geographic region shall be statewide for its liberal studies mission, its land grant functions, and its service to state government. In addition, Kentucky State University's primary service area for commuting students shall be for Franklin and contiguous counties.

Institutional Admission Standards

Kentucky State University shall admit students to the institution under selective admission standards which exceed the minimum guidelines established by the Council on Higher Education, with only limited exceptions. Institutional guidelines shall be consistent with the systemwide policy for admitting underprepared students, including the removal of academic deficiencies within a specified timeframe. Through this approach, the University seeks to provide broad access and high-quality programs.

Degree Levels

Selected associate degree and baccalaureate degree programs shall be oriented toward liberal studies and selected career opportunities related to state government services. Kentucky State University shall offer selected master's degree programs based on demonstrated need, with priority given to a public administration curriculum to meet the needs of state government.

**Strategic Directions/
Program Priorities**

The University shall focus on liberal studies programming. Drawing upon its African-American heritage, the University will promote the values and methods of interdisciplinary and multicultural education in its liberal studies offerings. All students shall participate in common curricula that explore the liberal studies. Drawing upon the multicultural strengths of the University, emphasis shall be placed on preparing minority students for careers in education and in other selected professions including business, computer science, nursing, human services, and public services. These strategic priorities translate into a core of liberal arts baccalaureate degree programs, in addition to degree program priorities at the associate [A], baccalaureate [B], and master's [M] levels that may include the following: -- *[relevant categories from the Classification of Instructional Programs by level are included in brackets]* -- education [B - 13]; business [B - 52]; computer science [A, B, - 11]; nursing [A - 51]; home economics [B - 19]; human services [B - 43, 45]; and public administration [B, M - 44].

Enhancement of Instruction

The University shall emphasize teaching. Meeting student needs shall be paramount. The University shall focus on the needs of its students, which include, but are not limited to, full-time and part-time residential students, commuting students from its primary service area, and state governmental employees.

Service and Research Functions

Kentucky State University, as the 1890 land grant institution in the system, shall carry out its responsibilities under federal law and participate fully in appropriate U.S. Department of Agriculture programs, in accord with the mission of the University.

Kentucky State University shall be the major repository for the collection of books, records, and artifacts relative to the history and status of African-American citizens of the Commonwealth and elsewhere. The University shall make such materials available for casual and scholarly study.

Kentucky State University shall focus on meeting the applied research and service needs of state government.

Collaborative Ventures

The priority master's degree program offered by Kentucky State University shall be carefully articulated with related doctoral programs offered by the doctoral-granting institutions in the system. The University shall develop and employ telecommunication resources to communicate with other institutions in the fulfillment of its mission. Curriculum development shall emphasize the transfer of credits from other institutions toward degree completion.

Efficiency and Effectiveness

Kentucky State University shall promote cost effectiveness in academic programming and institutional management. Strategic planning resulting in the elimination of duplicative or nonproductive programs is essential while the development of carefully selected new programs compatible with this mission is appropriate. Measures of quality and performance shall be the foundation of the University's accountability system which promotes the continuous improvement of programs and services.

**Mission Statement
Morehead State University
Revised July 11, 1994**

Morehead State University shall serve as a comprehensive, regionally focused university providing high-quality instruction at the undergraduate and master's degree levels.

Geographic Region

Its programs shall serve primarily the citizens of northeastern and eastern Kentucky.

Institutional Admission Standards

Morehead State University shall admit students to the institution under selective admission standards which exceed the minimum guidelines established by the Council on Higher Education, with only limited exceptions. Institutional guidelines shall be consistent with the systemwide policy for admitting underprepared students, including the removal of academic deficiencies within a specified timeframe. Through this approach, the University seeks to provide both broad access and high quality programs.

Degree Levels

The University shall offer selected baccalaureate degree programs and selected associate degree programs to meet the educational, economic, and cultural needs of the region. Subject to demonstrated need, selected master's degree programs as well as specialist programs in education shall be offered.

**Strategic Directions/
Program Priorities**

Recognizing the uniqueness of its service region, the University shall stress teacher-preparation programs. Based on constituent needs and on the academic strengths of Morehead State University, academic priorities in addition to programs in the traditional collegiate and liberal studies areas shall include business, nursing and allied health sciences, and fine arts. These strategic priorities translate into a core of liberal arts baccalaureate degree programs, in addition to degree program priorities at the associate [A], baccalaureate [B], master's [M] and education specialist [S] levels that may include the following: -- *[relevant categories from the Classification of Instructional Programs by level are included in brackets]* -- education [B, M, S - 13]; communications [M - 09]; English and literature [M - 23]; biological sciences [M - 26]; psychology [M - 42]; social sciences [B, M - 45]; business [A, B, M - 52]; nursing and allied health sciences [A, B, - 51]; fine arts [B, M - 50].

Enhancement of Instruction

Morehead State University recognizes teaching and meeting the academic needs of students as its paramount responsibilities.

Service and Research Functions

The University shall create centers to facilitate applied research, organized public service, and continuing education directly related to the needs of business, industry, and the local schools in the primary service region.

Collaborative Ventures

Emphasis shall be placed on developing and delivering cooperative programming with other higher education institutions and area school systems as well as partnerships with business and industry. The University shall develop and employ technological resources to communicate with other institutions in the fulfillment of its mission. Student advising, articulation agreements, curriculum development, and electronic technology will be employed to facilitate transfer of credits from other institutions toward degree completion.

Efficiency and Effectiveness

Morehead State University shall promote cost effectiveness in academic programming and institutional management. Strategic planning resulting in the elimination of duplicative or unproductive programs is essential while the development of carefully selected new programs compatible with this mission is appropriate. Measures of quality and performance shall be the foundation of the University's accountability system which promotes continuous improvement of programs and services.

**Mission Statement
Murray State University
Revised July 11, 1994**

Murray State University serves as a residential, regional university offering core programs in the liberal arts, humanities, sciences and selected high-quality professional programs.

Geographic Region

Murray State University's programs serve the west Kentucky region.

Institutional Admission Standards

Murray State University shall admit students to the institution under selective admission standards which exceed the minimum established by the Council on Higher Education, with only limited exceptions. Institutional guidelines shall be consistent with the systemwide policy for admitting underprepared students, including the removal of academic deficiencies within a specified timeframe. Through this approach, the University seeks to provide both broad access and high-quality programs.

Degree Levels

Murray State University shall emphasize selected undergraduate associate and baccalaureate programs of distinctive quality. Subject to demonstrated need, a limited number of master's degree programs as well as the specialist program in education shall be offered.

**Strategic Directions/
Program Priorities**

Murray State University shall prepare graduates who can function in a culturally diverse and increasingly interdependent world, by making a commitment to international education as an integral dimension of the university experience. The highest priority of the University is given to academic programs of distinctive quality in the core liberal arts and sciences, and to those programs that meet regional needs by preparing graduates in the essential professions of education, business, health services and applied technologies. In response to additional demonstrated demand, the University's academic priorities also include programs in communications, human services, and selected areas in agriculture. These strategic priorities translate into a core of liberal arts baccalaureate degree programs, in addition to degree program priorities at the associate [A], baccalaureate [B], master's [M] and education specialist [S] levels that may include the following: -- *[relevant categories from the Classification of Instructional Programs by degree level are included in brackets]* -- liberal arts and sciences [A, B - 24; B, M - 40; M - 23, 26, 27, 42, 45]; education [A, B, M, S - 13]; business [A, B, M - 52]; health services [B, M - 51]; applied technologies [B - 11, 14; A, B, M - 15]; communications [B, M - 09]; human services [B - 19; B, M - 31, 44]; and agriculture [A, B, M - 02].

Enhancement of Instruction

At Murray State University, instructional enhancement is based on continuous program review and assessment of individual student knowledge and performance. Fostering student-centered learning and development is the primary goal of faculty and staff. Through honors programs, international education, cooperative education/internship experiences, co-curricular activities, and projects that demonstrate creativity, research skills, and technical mastery, the University offers students a challenging academic environment.

Research and Service Functions

Murray State University shall assist the region with research and service and promote and support economic development. To assure quality regional services without diminishing the role of teaching, the University rewards differentiated faculty roles for teaching, research, and service. Faculty evaluation is based upon systematic portfolio review. Regional needs of schools, businesses, and health and human services are served by the University's priority programs. The University reaffirms its commitment to assisting schools with the implementation of Kentucky education reform. Fine arts and cultural programming provide the region with culturally diverse enrichment and entertainment.

Academic research is expected of all faculty for enhancement of instruction and currency in the discipline. Research and service related to the unique features and needs of the region are emphasized. Murray State University, as a designated Center of Excellence for Reservoir Research, places particular emphasis on research and service which support the objectives of the Center.

Collaborative Ventures

Murray State University shall seek cooperative programming with other institutions of higher education, regional industry, businesses, and schools. Curriculum development shall emphasize the transfer of credits from other institutions toward degree completion. Models for collaborative programming exist throughout the University. Especially significant is the telecommunications network in partnership with other institutions of higher education, schools, businesses, health and human service agencies, and training and testing services. The University also engages in exchange agreements with a number of foreign universities and with joint doctoral programs.

Efficiency and Effectiveness

Murray State University shall promote cost effectiveness in academic planning and institutional management by basing budget priorities on strategic planning and measures of quality of performance which promote continuous improvement of programs and services. Strategic planning resulting in the elimination of duplicative and unproductive programs is essential, while the development of carefully selected new programs compatible with this mission is appropriate.

Mission Statement
Northern Kentucky University
Revised July 11, 1994

Northern Kentucky University has a singular mission within the Commonwealth as a metropolitan and regional institution. Northern Kentucky University offers community college, baccalaureate, graduate, and professional programs addressing the educational needs of a large and diverse population. Through such programs, the University educates students to be productive citizens, to prepare them for success in careers and occupations, and to pursue a commitment to life-long learning. As an educational, cultural and social center, the University stimulates economic development and fosters the academic, artistic and personal freedoms vital to a free society.

Geographic Region

The University serves the citizens of northern Kentucky with a particular focus on the metropolitan area contiguous to greater Cincinnati. The University provides limited student residential services.

Institutional Admission Standards

Northern Kentucky University shall admit students to the institution under selective standards which exceed the minimum admission guidelines established by the Council on Higher Education, with only limited exceptions. The institutional standards shall be consistent with the systemwide policy for admitting underprepared students, including the removal of academic deficiencies within a specified timeframe. Through this approach, the University seeks to provide both broad access and high-quality programs and pursues a particular commitment to placebound and adult learners and to populations traditionally under-represented in higher education.

Degree Levels

The University shall offer selected programs leading to associate, baccalaureate, master's, and professional law degrees to meet specific metropolitan/regional needs.

**Strategic Directions/
Program Priorities**

Northern Kentucky University's distinctive metropolitan/regional mission requires that it maintain a broad range of offerings: occupational programs; a traditional arts and sciences baccalaureate curriculum; legal education through the Chase College of Law; and graduate programs to meet specific metropolitan/regional needs. The University's responsibility is to meet both the needs of northern Kentucky and the greater metropolitan area. Academic priorities include occupational programs, liberal arts and sciences, business, education, and law. These strategic priorities translate into a core of liberal arts baccalaureate degree programs, in addition to degree program priorities at the associate [A], baccalaureate [B], master's [M] and professional [P] levels that may include the following: -- *[relevant categories from the Classification of Instructional Programs by degree level are included in brackets]* -- occupational programs [A - 49; B - 11, 15, 43; B, M - 44; A, B, M - 51]; arts and sciences [B - 09, 45, 50]; education [B, M - 13]; law [P - 22]; and business [A, B, M - 52].

**Enhancement of
Instruction**

Teaching and learning are the primary focus of the University. The University offers a broad range of instructional and support services to promote the curricular and extracurricular development and success of its students. Community college programs address the needs of underprepared students, while extensive evening offerings and alternate means of course delivery expand opportunities for part-time, in-service commuting students.

**Service and Research
Functions**

Northern Kentucky University shall seek to develop creative and mutually beneficial partnerships with public and private enterprises in the metropolitan area and the region in support of economic growth and investment. The University is especially committed to offer training, applied research, and other services in support of business, industry, and government in the local metropolitan area. The University recognizes a special commitment to research and service in support of local elementary and secondary schools in the primary service area.

Collaborative Ventures

The University shall establish and maintain cooperative and mutually beneficial relationships with elementary and secondary schools, with other public higher education institutions in Kentucky, and with other higher education institutions in northern Kentucky and the interdependent metropolitan area. Curriculum development shall emphasize the transfer of credits from another institution toward degree completion.

Efficiency and Effectiveness

Northern Kentucky University shall address the educational needs of the region and its people effectively and efficiently. Planning, evaluation, assessment, and the prudent commitment of resources are essential to promote continuous improvement of programs and services. Strategic planning resulting in the elimination of duplicative or unproductive programs which do not serve metropolitan/regional needs is essential, while the development of carefully selected new programs compatible with this mission is appropriate.

**Mission Statement
University of Kentucky
University System
Revised July 11, 1994**

The University of Kentucky shall be the state's only statewide institution. It shall serve as a land grant institution, comprehensive research university, and as the governance authority for the community college system of 14 free-standing community colleges. In these capacities, it shall emphasize and serve as the principal graduate degree-granting university in the system.

Geographic Region

It shall serve as the principal institution for statewide instruction, research, and service programs without geographic limitation.

Institutional Admission Standards

The University of Kentucky shall admit students to the institution under very selective admission standards which significantly exceed the minimum guidelines established by the Council on Higher Education, with only very limited exceptions. The institutional guidelines shall be consistent with the systemwide policy for admitting underprepared students, including the removal of academic deficiencies within a specified timeframe. Through this approach, the University seeks to provide both broad access and high-quality programs.

Degree Levels

The University shall offer a range of baccalaureate programs. At this level, special emphasis shall be placed on enrolling high-achieving students. The University shall offer a range of master's, doctoral, professional, and postdoctoral programs based on demonstrated need.

**Strategic Directions/
Program Priorities**

The University shall establish and maintain a nationally recognized reputation for the quality of its teaching, research, service, and graduates. Based on the state's needs and in recognition of those areas in which the University excels, efforts will be focused on the sciences, humanities, arts, architecture, and business and economics, and will be concentrated on issues of concern to the Commonwealth and the nation including agriculture; engineering; law; culture; education, with special emphasis on the needs of the Kentucky Education Reform Act; energy and environment; comprehensive health sciences program, with an increasing focus on primary care disciplines; and computing and information technology. These strategic directions translate into a core of liberal arts baccalaureate degree programs, in addition to degree program priorities at the baccalaureate [B], master's [M], education specialist [S], doctoral [D], and professional [P] levels that may include the following: -- *[relevant categories from the Classification of Instructional Programs by level are included in brackets]* -- sciences [B, M, D - 26, 23; M, D - 40]; humanities [B - 05, 30; M, D - 38, 45; B, M, D - 16]; arts [B, M, D - 50] business and economics [B, M, D - 52, 44]; architecture [B - 04]; communications [B, M, D - 09]; mathematics [M, D - 27]; psychology [M, D - 42]; agriculture [B, M, D - 01, 02; B, M - 03, 19]; engineering [B, M, D - 14]; law [P - 22]; education [B, M, S, D - 13; M - 25]; health sciences focusing on primary care [B, M, D, P - 51]; and computing and information technology [B, M, D - 11].

Enhancement of Instruction

Meeting the expectations of the high-achieving students attending the institution shall be paramount. Students in need of remedial instruction shall enter the University of Kentucky after demonstrating academic success in another college or university.

Research and Public Service Functions

To serve the research and service needs of the state, the University of Kentucky shall conduct basic and applied research in a broad range of program areas with special emphasis on the needs of business and industry, agriculture, health care, government and schools.

Collaborative Ventures

The University shall emphasize opportunities for student transfer from state universities and community colleges, especially at the undergraduate level. In graduate programming, emphasis shall be placed on cooperative programming with other state universities. Opportunities for institutional and faculty collaboration in research and service areas shall be promoted. The University shall develop and employ telecommunications resources to communicate with other institutions in the fulfillment of its mission. Curriculum development shall emphasize the transfer of credits from other institutions toward degree completion.

Efficiency and Effectiveness

The University of Kentucky shall promote cost effectiveness in academic programs and institutional management. Strategic planning resulting in the elimination of duplicative or nonproductive programs is essential while the development of carefully selected new programs compatible with this mission is appropriate. Measures of quality and performance shall be the foundation of the University's accountability system which promotes continuous improvement of programs and services.

Mission Statement
University of Louisville
Revised July 11, 1994

The University of Louisville shall serve as Kentucky's urban/metropolitan university. Located in the Commonwealth's largest metropolitan area, it shall serve the specific educational, intellectual, cultural, service, and research needs of the greater Louisville region. It has a special obligation to serve the needs of a diverse population, including many ethnic minorities and placebound, part-time, nontraditional students.

Geographic Region

It shall serve as the principal university for instruction, research, and service programs in the Louisville metropolitan area. In addition, it shall help meet statewide educational, research, and service needs in medicine, dentistry, law, and urban affairs.

Institutional Admission Standards

The University of Louisville shall admit undergraduate students to its schools and colleges under selective admission standards that exceed the minimum guidelines established by the Council on Higher Education. In addition, the University shall admit a limited number of undergraduates who shall have an opportunity to remove their academic deficiencies within a limited time according to guidelines established by the Council on Higher Education. Through this approach, the University seeks to provide both broad access and programs of high quality for undergraduates. The University shall admit graduate and professional students using very selective or selective admission standards established by the various graduate and professional schools.

Degree Levels

At the undergraduate level, UofL shall offer selected degree programs closely related to the needs of its urban mission. At the master's level, it shall offer a range of programs responding directly to the advanced educational needs of its metropolitan area. At the doctoral level, it shall offer a limited number of rigorous programs that do not unnecessarily duplicate other doctoral programs in Kentucky. It may offer programs at the associate level, but certificate programs shall not be offered unless they are integral to community college programs, linked to degree programs, or well justified by the human resource needs of the Louisville metropolitan area.

**Strategic Directions/
Program Priorities**

The University of Louisville shall place a high priority on programs that have achieved academic excellence. The University shall build on program strength in business, dentistry, education, engineering, English, environmental studies, law, medicine, music, psychology, and urban affairs. It shall maintain national recognition in selected programs that have already attained such recognition. These strategic priorities translate into a core of liberal arts baccalaureate programs, in addition to degree program priorities at the baccalaureate [B], master's [M], education specialist [S], doctoral [D] and professional [P] levels that may include the following: -- *[relevant categories from the Classification of Instructional Programs by degree level are included in brackets]* -- business [B, M - 52]; dentistry [M, D, P - 51]; education [B, M, S, D - 13]; engineering [B, M, D - 14]; English [M, D - 23]; environmental studies [M, D - 26, 40]; law [P - 22]; medicine [M, D, P - 51]; music [B, M, D - 50]; psychology [M, D - 42]; urban affairs [D - 44].

**Enhancement of
Instruction**

The University shall emphasize teaching and educational services to the students admitted to its degree programs. It shall bring the intellectual excitement of research into its instructional programs whenever possible. It shall utilize technology to enhance teaching and increase productivity. It shall adopt teaching methods to serve the needs of students graduated from Kentucky's public schools, a statewide educational system that will change fundamentally as a result of the Commonwealth's educational reform efforts.

**Research and Service
Function**

The University of Louisville shall be a research university that places special emphasis on the research and service needs of Kentucky's urban areas. Research shall be encouraged, in particular, as part of doctoral and high-priority programs. Through its research and service efforts, it shall contribute to economic development, educational reform, and problem-solving initiatives in the Commonwealth.

Collaborative Ventures

Emphasis shall be placed on cooperative programming with the other state universities. Careful articulation of academic programming at Jefferson Community College and the University shall be developed. The University shall collaborate with the public schools in its service area to further education reform in Kentucky. It shall develop and employ telecommunication resources to communicate with other institutions in the fulfillment of its mission. Undergraduate curriculum development shall emphasize the transfer of credits from other institutions toward degree completion.

Efficiency and Effectiveness

The board of trustees shall promote cost effectiveness in academic programming and institutional management. Strategic planning and budgeting shall focus on reallocation and, where appropriate, restructuring to assure the prudent use of resources in maintaining quality, relevant curricula, and responsive programming. Processes to measure and evaluate outcomes in major activities shall be undertaken to assure accountability in the University's use of scarce resources. The elimination of duplicative or unproductive programs is essential, while the development of carefully selected new programs, which are consistent with UofL's mission, shall be appropriate. The University shall strive for continuous improvement of its programs and services.

Mission Statement
Western Kentucky University
Revised July 11, 1994

Western Kentucky University is a comprehensive regional university offering a broad spectrum of academic programs, engaging in scholarly activities, and providing professional services within an academic atmosphere that encourages intellectual excellence. It provides educational opportunities that foster intellectual and social development in a climate that recognizes human diversity. The University serves both residential and nontraditional placebound students.

Geographical Region

Western Kentucky University offers a nucleus of liberal arts and sciences programs for the citizens of south central and portions of western Kentucky and select graduate and undergraduate programs of exceptional quality for students of the Commonwealth and beyond.

Institutional Admission Standards

Western Kentucky University shall admit students to the institution under selective admission standards which exceed the minimum guidelines established by the Council on Higher Education, with only limited exceptions. Institutional guidelines shall be consistent with the systemwide policy for admitting underprepared students, including the removal of academic deficiencies within a specified timeframe. Through this approach, the University seeks to provide both broad access and high-quality programs.

Degree Levels

The University shall offer a range of selected undergraduate programs, selected master's and specialist's degree programs and a cooperative doctoral program in education with the University of Louisville. It also may offer a limited number of certificate programs only if they are integral to its undergraduate programs.

**Strategic Directions/
Program Priorities**

Western Kentucky University has identified a select number of prominent academic programs in which it will excel and a number of programs deemed essential to implementing its mission as a comprehensive university. Academic priorities include accounting, education, journalism, biological and chemical sciences, economics, history, psychology, and folk studies. These strategic priorities translate into a core of liberal arts baccalaureate degree programs, in addition to degree program priorities at the associate [A], baccalaureate [B], master's [M] and education specialist [S] levels that may include the following: -- *[relevant categories from the Classification of Instructional Programs by degree level are included in brackets]* -- accounting/business [B, M - 52]; education [A, B, M, S - 13]; journalism/communications [B - 09]; biological and chemical sciences [B, M - 26; M - 40]; social sciences [B, M - 45]; psychology [M - 42]; folk studies [M - 05]; and English and literature [B -23].

Enhancement of Instruction

While the University recognizes its primary mission as excellence in teaching and learning, it also understands the integral relationship of instruction and scholarship through both applied and theoretical research. It is dedicated to excellence in service which is also based upon creation of new knowledge and innovative applications.

Research and Service

Western Kentucky University places special emphasis upon service to the University's local region. By its very nature, research is comprehensive and relevant to the University's primary mission of teaching and learning.

Collaborative Ventures

Emphasis shall be placed on developing and delivering cooperative programming with other higher education institutions. The University shall develop and employ telecommunication resources to communicate with other institutions in the fulfillment of its mission. Curriculum development shall emphasize the transfer of credits from other institutions toward degree completion.

Efficiency and Effectiveness

Western Kentucky University promotes cost effectiveness in academic programming and institutional management through strategic planning. Regular, periodic reviews are conducted to eliminate unnecessary or nonproductive programs and to develop carefully selected new programs compatible with this mission. The University's accountability system will emphasize measures of quality and performance which promote continuous improvement of programs and services.

EXPENDITURE CLASSIFICATION FOR POSTSECONDARY EDUCATION

Instruction - Includes all funds expended for credit and non-credit courses for academic, vocational, and remedial purposes in regular, special, and extension sessions. Expenditures for departmental research and public service that are not separately budgeted are also included. This category includes subcategories for General Academic Instruction, Occupational/Technical Instruction, Summer and Special Session Instruction, Community Education, and Preparatory/Adult Basic Education.

Research - Includes all expenditures for activities specifically organized to produce research outcomes. This category includes subcategories for Institutes and Research Centers and Individual and Project Research.

Public Service - Includes expenditures for activities established primarily to provide non-instructional services beneficial to individuals outside the institution. This category includes subcategories for Community Service, Cooperative Extension Service, and Public Broadcasting Services.

Libraries - Includes expenditures for all activities that directly support the collection, cataloging, storage, and distribution of published materials in support of an institution's academic programs. To be included in this activity, a library should be separately organized and serve more than one academic department or activity.

Academic Support - Includes funds expended primarily to provide support services for the institution's primary missions-instruction, research, and public service. This category includes subcategories for Museums and Galleries, Audio/Visual Services, Academic Computing Support, Ancillary Support, Academic Administration, Academic Personnel Development, and Course and Curriculum Development.

Student Services - Includes funds for the Office of Admissions and Records and those activities whose primary purpose is to contribute to the student's intellectual, cultural, and social development outside the context of the formal instruction program. This category includes subcategories for Student Services Administration, Social and Cultural Development, Counseling and Career Guidance, Financial Aid Administration, Student Admissions, Student Records, Student Health Services, and Intercollegiate Athletics. Intercollegiate Athletics includes expenditures for the coaches, trainers, officiating, travel, grants-in-aid, ticket sales, advertising, and other expenditures necessary to maintain intercollegiate participation. An appropriate portion of the office and staff of the athletic director should be included. Excluded are those activities that relate to intramural athletics. Intercollegiate Athletics is categorized as an "education and general" expenditure unless it is operating as a self-supporting activity.

Institutional Support - Includes expenditures for those activities carried out to provide for both the day-to-day functioning and the long-range viability of the institution as an operating institution, exclusive of physical plant operations. This category includes subcategories for Executive Management, Fiscal Operations, General Administration and Logistical Services, Administrative Computing Support, and Public Relations/Development.

Operation and Maintenance of Plant - Includes all expenditures of current operating funds for the operation and maintenance of the physical plant, net amounts charged to Auxiliary Enterprises, Hospitals, and/or Independent Operations. This category includes subcategories for Physical Plant Administration, Building Maintenance, Custodial Service, Utilities, Landscape and Grounds Maintenance, and Major Repairs and Renovations.

Scholarships and Fellowships - Includes expenditures made in the form of outright grants to students selected by the institution and financed by current funds. This category includes subcategories for Scholarships (undergraduate awards) and Fellowships (graduate awards).

Mandatory Transfers - Includes transfers from the Current Funds group to other fund groups arising out of binding legal agreements related to the financing of educational plant and/or grant agreements that require matching funds. This category includes subcategories for Provision for Debt Service on Educational Plant, Loan Fund Matching Grants, and Other Mandatory Transfers.

Auxiliary Enterprises - Includes expenditures and transfers associated with the operation of auxiliary enterprises. An auxiliary enterprise is an entity that exists to furnish goods or services to students, faculty, or staff and may incidentally serve the general public as well. Fee charges are directly related to, though not necessarily equal to, the cost of the goods or services. This category includes subcategories for Auxiliary Enterprises-Student; Auxiliary Enterprises-Faculty Staff; Intercollegiate Athletics; and Mandatory Transfers/Auxiliary Enterprises.

Hospitals - Includes all expenditures and transfers associated with the patient-care operations of a university-operated hospital. Expenditures for those activities that take place within the hospital but are more appropriately classified as instruction or research are excluded. This category includes subcategories for Direct Patient Care, Health Care Supportive Services, Administration of Hospitals, Physical Plant Operations for Hospitals, and Mandatory Transfers/Hospitals.

SOURCE: Uniform Financial Reporting Manual for Kentucky's Institutions of Public Higher Education, adopted by the Council on Higher Education, January 1978.

**1999-2000 TUITION RATES
KENTUCKY POSTSECONDARY INSTITUTIONS**

	1997-98		1998-99		1999-2000	
	<u>Semester</u>	<u>Quarter</u>	<u>Semester</u>	<u>Quarter</u>	<u>Semester</u>	<u>Quarter</u>
RESIDENT						
Community College System	\$ 510		\$ 530		\$ 550	
Lexington Community College	810		810		810	
Postsecondary Technical Schools						
Per Week Contact Hours						
24 and over	310	155	320	160	330	165
18 - 23	260	130	270	135	280	140
12 - 17	210	105	220	110	230	115
7 - 11	160	80	170		180	
				85		90
Under 7	110	55	120		130	
				60		65
Regional Universities						
Undergraduate	900		960		1,010	
Graduate	990		1,060		1,110	
Doctoral Universities						
Undergraduate	1,200		1,340		1,480	
Graduate	1,320		1,470		1,630	
Annual Professional Rates						
Law	4,620		5,090		5,560	
Medicine	8,400		9,150		9,890	
Dentistry	6,630		7,400		8,160	
Pharm.D.	4,460		4,590		4,730	
NONRESIDENT						
Community College System	1,530		1,590		1,650	
Lexington Community College	2,430		2,430		2,430	
Postsecondary Technical Schools						
Per Week Contact Hours						
24 and over	620	310	640	320	660	330
18 - 23	520	260	540	270	560	280
12 - 17	420	210	440	220	460	230
7 - 11	320	160	340	170	360	180
Under 7	220	110	240	120	260	130
Regional Universities						
Undergraduate	2,700		2,880		3,030	
Graduate	2,970		3,180		3,330	
Doctoral Universities						
Undergraduate	3,600		4,020		4,440	
Graduate	3,960		4,410		4,890	
Annual Professional Rates						
Law	12,460		13,700		14,930	
Medicine	20,530		22,910		25,280	
Dentistry	17,580		19,110		20,640	
Pharm.D.	10,520		12,200		13,890	

FULL-TIME EQUIVALENT (FTE) ENROLLMENT

<u>Institution/Year (Fall of)</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>First Professional</u>				<u>House</u>	<u>Post</u>	<u>Total</u>
			<u>Law</u>	<u>Medicine</u>	<u>Dentistry</u>	<u>Pharm.D.</u>	<u>Staff</u>	<u>Doctoral</u>	
Eastern Kentucky University									
1992	11,795	959							12,754
1993	11,570	908							12,478
1994	11,504	921							12,425
1995	11,069	962							12,031
1996	10,697	936							11,633
1997*	10,805	916							11,721
1998*	10,830	930							11,760
1999*	10,860	940							11,800
Kentucky State University									
1992	1,841	38							1,879
1993	1,732	34							1,766
1994	1,831	35							1,866
1995	1,873	40							1,913
1996	1,809	43							1,852
1997*	1,767	45							1,812
1998*	1,767	45							1,812
1999*	1,767	45							1,812
Morehead State University									
1992	6,443	678							7,121
1993	6,241	701							6,942
1994	5,968	699							6,667
1995	5,820	668							6,488
1996	5,792	656							6,448
1997*	5,675	682							6,357
1998*	5,738	690							6,428
1999*	5,808	698							6,506
Murray State University									
1992	6,052	601							6,653
1993	5,976	643							6,619
1994	5,855	651							6,506
1995	5,911	737							6,648
1996	6,167	782							6,949
1997*	6,367	812							7,179
1998*	6,550	830							7,380
1999*	6,550	830							7,380
Northern Kentucky University									
1992	7,496	215	354						8,065
1993	7,665	209	399						8,273
1994	7,633	243	375						8,251
1995	7,458	258	361						8,077
1996	7,395	266	353						8,014
1997*	7,750	261	346						8,357
1998*	7,750	261	346						8,357
1999*	7,831	245	347						8,423
University of Kentucky									
1992	14,693	3,346	470	366	184	130	477	118	19,784
1993	14,877	3,395	426	380	188	151	468	137	20,022
1994	14,822	3,452	401	371	196	188	465	117	20,012
1995	14,811	3,597	447	375	203	278	464	115	20,290
1996	14,615	3,615	432	377	200	360	480	145	20,224
1997*	14,606	3,670	436	390	194	386	478	147	20,307
1998*	18,300	3,700	435	390	195	400	480	150	24,050
1999*	18,400	3,700	435	390	195	400	480	150	24,150

<u>Institution/Year (Fall of)</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>First Professional</u>				<u>House</u>	<u>Post</u>	<u>Total</u>
			<u>Law</u>	<u>Medicine</u>	<u>Dentistry</u>	<u>Pharm.D.</u>	<u>Staff</u>	<u>Doctoral</u>	
University of Louisville									
1992	11,072	1,988	503	521	236		561	32	14,913
1993	10,574	2,087	479	529	249		571	36	14,525
1994	10,415	2,136	466	547	254		573	41	14,432
1995	10,327	2,274	454	554	265		581	41	14,496
1996	10,138	2,439	494	566	273		583	38	14,531
1997*	10,050	2,312	464	560	277		570	29	14,262
1998*	9,750	2,300	465	560	285		570	35	13,965
1999*	9,750	2,300	465	560	293		570	35	13,973
Western Kentucky University									
1992	10,970	877							11,847
1993	10,554	939							11,493
1994	10,188	961							11,149
1995	10,150	961							11,111
1996	10,012	980							10,992
1997*	10,040	987							11,027
1998*	9,939	975							10,914
1999*	9,939	975							10,914
Total Universities									
1992	70,362	8,702	1,327	887	420	130	1,038	150	83,016
1993	69,189	8,916	1,304	909	437	151	1,039	173	82,118
1994	68,216	9,098	1,242	918	450	188	1,038	158	81,308
1995	67,419	9,497	1,262	929	468	278	1,045	156	81,054
1996	66,625	9,717	1,279	943	473	360	1,063	183	80,643
1997*	67,060	9,685	1,246	950	471	386	1,048	176	81,022
1998*	70,624	9,731	1,246	950	480	400	1,050	185	84,666
1999*	70,905	9,733	1,247	950	488	400	1,050	185	84,958
UK Community Colleges									
1992	26,808								26,808
1993	27,127								27,127
1994	25,868								25,868
1995	25,145								25,145
1996	25,202								25,202
1997*	24,730								24,730
1998*	21,100								21,100
1999*	21,000								21,000
Total									
1992	97,170	8,702	1,327	887	420	130	1,038	150	109,824
1993	96,316	8,916	1,304	909	437	151	1,039	173	109,245
1994	94,084	9,098	1,242	918	450	188	1,038	158	107,176
1995	92,564	9,497	1,262	929	468	278	1,045	156	106,199
1996	91,827	9,717	1,279	943	473	360	1,063	183	105,845
1997*	91,790	9,685	1,246	950	471	386	1,048	176	105,752
1998*	91,724	9,731	1,246	950	480	400	1,050	185	105,766
1999*	91,905	9,733	1,247	950	488	400	1,050	185	105,958

*Projected by institutions. Data for UK in 1998 and 1999 includes LCC; at UKCCS, data in these years are net of LCC.

NOTE: Prior to Fall 1998, LCC enrollment is included in UKCCS data. Beginning in Fall 1998, LCC will be included in UK data.

Data for the KY Technical schools are not part of the CPE data base at this time. Therefore, data for these institutions are not included.

These data will be provided in future biennia.

HEADCOUNT ENROLLMENT

<u>Institution/Year (Fall of)</u>	<u>Undergraduate</u>		<u>Graduate</u>		<u>First-Professional</u>		<u>House Staff</u>	<u>Post Doctoral</u>	<u>Total</u>
	<u>Full-Time</u>	<u>Part-Time</u>	<u>Full-Time</u>	<u>Part-Time</u>	<u>Full-Time</u>	<u>Part-Time</u>			
Eastern Kentucky University									
1992	11,615	3,315	505	1,431					16,866
1993	11,524	3,007	473	1,387					16,391
1994	11,476	2,677	466	1,441					16,060
1995	11,046	2,617	458	1,606					15,727
1996	10,666	2,509	439	1,547					15,161
1997*	10,654	2,759	408	1,604					15,425
1998*	10,664	2,789	418	1,629					15,500
1999*	10,675	2,850	425	1,650					15,600
Kentucky State University									
1992	1,629	835	22	58					2,544
1993	1,499	917	18	53					2,487
1994	1,635	862	22	45					2,564
1995	1,687	818	29	45					2,579
1996	1,668	612	31	45					2,356
1997*	1,560	648	32	52					2,292
1998*	1,560	648	32	52					2,292
1999*	1,560	648	32	52					2,292
Morehead State University									
1992	6,510	1,027	280	1,352					9,169
1993	6,311	982	315	1,291					8,899
1994	6,012	1,041	294	1,350					8,697
1995	5,929	937	273	1,315					8,454
1996	5,883	947	272	1,242					8,344
1997*	5,724	959	299	1,226					8,208
1998*	5,788	970	302	1,240					8,300
1999*	5,858	981	306	1,255					8,400
Murray State University									
1992	5,999	977	357	857					8,190
1993	5,935	956	399	830					8,120
1994	5,796	892	402	870					7,960
1995	5,845	933	486	902					8,166
1996	6,102	1,020	509	1,005					8,636
1997*	6,218	992	489	1,112					8,811
1998*	6,430	1,030	510	1,130					9,100
1999*	6,430	1,030	510	1,130					9,100
Northern Kentucky University									
1992	6,842	3,985	40	611	242	168			11,888
1993	7,112	3,832	36	598	273	173			12,024
1994	7,145	3,699	49	662	240	183			11,978
1995	7,084	3,376	42	726	234	175			11,637
1996	7,038	3,231	31	763	215	195			11,473
1997*	7,515	3,129	41	717	206	199			11,807
1998*	7,515	3,129	41	717	206	199			11,807
1999*	7,577	3,160	41	697	206	201			11,882
University of Kentucky									
1992	14,745	2,745	2,342	2,638	1,066	66	477	118	24,197
1993	14,931	2,609	2,385	2,626	1,055	77	468	137	24,288
1994	14,964	2,455	2,398	2,679	1,056	83	465	117	24,217
1995	14,890	2,499	2,454	2,671	1,199	86	464	115	24,378
1996	14,729	2,312	2,481	2,561	1,267	86	480	145	24,061
1997*	14,790	2,224	2,476	2,666	1,304	86	478	147	24,171
1998*	18,200	4,450	2,500	2,700	1,300	85	480	150	29,865
1999*	18,200	4,450	2,500	2,700	1,300	85	480	150	29,865

<u>Institution/Year (Fall of)</u>	<u>Undergraduate</u>		<u>Graduate</u>		<u>First-Professional</u>		<u>House Staff</u>	<u>Post Doctoral</u>	<u>Total</u>
	<u>Full-Time</u>	<u>Part-Time</u>	<u>Full-Time</u>	<u>Part-Time</u>	<u>Full-Time</u>	<u>Part-Time</u>			
University of Louisville									
1992	10,352	6,629	1,389	2,387	1,284	-	561	32	22,634
1993	9,844	6,245	1,510	2,347	1,271	2	571	36	21,826
1994	9,744	5,725	1,553	2,451	1,288	2	573	41	21,377
1995	9,652	5,537	1,681	2,430	1,291	5	581	41	21,218
1996	9,544	5,254	1,811	2,440	1,350	-	583	38	21,020
1997*	9,542	5,022	1,990	2,473	1,298		566	29	20,920
1998*	9,350	4,050	2,000	2,480	1,300		570	35	19,785
1999*	9,350	4,050	2,000	2,500	1,300		570	35	19,805
Western Kentucky University									
1992	10,685	3,026	419	1,620					15,750
1993	10,294	2,974	473	1,594					15,335
1994	9,960	2,749	515	1,541					14,765
1995	10,029	2,625	481	1,586					14,721
1996	9,825	2,650	483	1,655					14,613
1997*	9,810	2,529	440	1,764					14,543
1998*	9,755	2,396	436	1,741					14,328
1999*	9,755	2,396	436	1,741					14,328
Total Universities									
1992	68,377	22,539	5,354	10,954	2,592	234	1,038	150	111,238
1993	67,450	21,522	5,609	10,726	2,599	252	1,039	173	109,370
1994	66,732	20,100	5,699	11,039	2,584	268	1,038	158	107,618
1995	66,162	19,342	5,904	11,281	2,724	266	1,045	156	106,880
1996	65,455	18,535	6,057	11,258	2,832	281	1,063	183	105,664
1997*	65,813	18,262	6,175	11,614	2,808	285	1,044	176	106,177
1998*	69,262	19,462	6,239	11,689	2,806	284	1,050	185	110,977
1999*	69,405	19,565	6,250	11,725	2,806	286	1,050	185	111,272
UK Community Colleges									
1992	21,131	26,915							48,046
1993	21,645	26,725							48,370
1994	20,816	24,765							45,581
1995	20,620	22,999							43,619
1996	20,887	22,787							43,674
1997*	20,943	21,014							41,957
1998*	17,500	18,900							36,400
1999*	17,500	18,900							36,400
Total									
1992	89,508	49,454	5,354	10,954	2,592	234	1,038	150	159,284
1993	89,095	48,247	5,609	10,726	2,599	252	1,039	173	157,740
1994	87,548	44,865	5,699	11,039	2,584	268	1,038	158	153,199
1995	86,782	42,341	5,904	11,281	2,724	266	1,045	156	150,499
1996	86,342	41,322	6,057	11,258	2,832	281	1,063	183	149,338
1997*	86,756	39,276	6,175	11,614	2,808	285	1,044	176	148,134
1998*	86,762	38,362	6,239	11,689	2,806	284	1,050	185	147,377
1999*	86,905	38,465	6,250	11,725	2,806	286	1,050	185	147,672

*Projected by institutions.

NOTE: Prior to Fall 1998, LCC enrollment is included in UKCCS data. Beginning in Fall 1998, LCC will be included in UK data. Data for the KY Technical schools are not part of the CPE data base at this time. Therefore, data for these institutions are not included.

DEGREES AND OTHER FORMAL AWARDS CONFERRED

<u>Institution/Year</u>	<u>Undergraduate</u>			<u>Graduate</u>			<u>First Professional</u>				<u>Total Degrees</u>	<u>Other Awards</u>	<u>Total</u>	
	<u>Associate</u>	<u>Bachelor</u>	<u>Subtotal</u>	<u>Mast/Spec</u>	<u>Doctoral</u>	<u>Subtotal</u>	<u>Law</u>	<u>Medicine</u>	<u>Dentistry</u>	<u>Pharm.D.</u>				<u>Subtotal</u>
Eastern Kentucky University														
1992/93	262	1,704	1,966	385		385	-				-	2,351	-	2,351
1993/94	268	1,749	2,017	368		368	-				-	2,385	21	2,406
1994/95	261	1,771	2,032	368		368	-				-	2,400	5	2,405
1995/96	254	1,714	1,968	408		408	-				-	2,376		2,376
1996/97	267	1,786	2,053	449		449	-				-	2,502		2,502
1997/98*	270	1,800	2,070	455		455	-				-	2,525		2,525
1998/99*	275	1,810	2,085	460		460	-				-	2,545		2,545
1999/00*	280	1,825	2,105	470		470	-				-	2,575		2,575
Kentucky State University														
1992/93	81	180	261	24		24	-				-	285		285
1993/94	80	186	266	20		20	-				-	286		286
1994/95	73	212	285	24		24	-				-	309		309
1995/96	67	192	259	23		23	-				-	282		282
1996/97	73	183	256	21		21	-				-	277		277
1997/98*	75	185	260	18		18	-				-	278		278
1998/99*	75	185	260	18		18	-				-	278		278
1999/00*	75	185	260	18		18	-				-	278		278
Morehead State University														
1992/93	177	1,079	1,256	280		280	-				-	1,536		1,536
1993/94	191	1,032	1,223	298		298	-				-	1,521		1,521
1994/95	164	988	1,152	305		305	-				-	1,457		1,457
1995/96	154	1,021	1,175	336		336	-				-	1,511		1,511
1996/97	127	1,026	1,153	268		268	-				-	1,421		1,421
1997/98*	120	973	1,093	258		258	-				-	1,351		1,351
1998/99*	116	941	1,057	264		264	-				-	1,321		1,321
1999/00*	113	916	1,029	255		255	-				-	1,284		1,284
Murray State University														
1992/93	34	1,084	1,118	306		306	-				-	1,424		1,424
1993/94	45	1,137	1,182	336		336	-				-	1,518		1,518
1994/95	20	1,119	1,139	304		304	-				-	1,443		1,443
1995/96	46	1,059	1,105	375		375	-				-	1,480	1	1,481
1996/97	29	1,014	1,043	448		448	-				-	1,491		1,491
1997/98*	35	1,015	1,050	460		460	-				-	1,510		1,510
1998/99*	40	1,160	1,200	460		460	-				-	1,660		1,660
1999/00*	50	1,250	1,300	460		460	-				-	1,760		1,760

<u>Institution/Year</u>	<u>Undergraduate</u>			<u>Graduate</u>			<u>First Professional</u>					<u>Total Degrees</u>	<u>Other Awards</u>	<u>Total</u>
	<u>Associate</u>	<u>Bachelor</u>	<u>Subtotal</u>	<u>Mast/Spec</u>	<u>Doctoral</u>	<u>Subtotal</u>	<u>Law</u>	<u>Medicine</u>	<u>Dentistry</u>	<u>Pharm.D.</u>	<u>Subtotal</u>			
Northern Kentucky University														
1992/93	232	934	1,166	168		168	125				125	1,459		1,459
1993/94	312	1,033	1,345	150		150	127				127	1,622		1,622
1994/95	289	1,028	1,317	173		173	117				117	1,607	2	1,609
1995/96	310	1,093	1,403	181		181	128				128	1,712		1,712
1996/97	240	1,082	1,322	212		212	106				106	1,640		1,640
1997/98*	240	1,109	1,349	211		211	110				110	1,670		1,670
1998/99*	250	1,085	1,335	225		225	114				114	1,674		1,674
1999/00*	250	980	1,230	196		196	103				103	1,529		1,529
University of Kentucky														
1992/93		2,780	2,780	945	192	1,137	158	91	42	38	329	4,246		4,246
1993/94		2,781	2,781	961	229	1,190	155	91	43	37	326	4,297		4,297
1994/95		2,836	2,836	1,071	223	1,294	111	82	43	54	290	4,420		4,420
1995/96		3,003	3,003	1,033	236	1,269	137	89	50	77	353	4,625		4,625
1996/97		3,133	3,133	1,032	240	1,272	144	88	46	74	352	4,757		4,757
1997/98*	360	3,200	3,560	1,100	250	1,350	145	90	50	100	385	5,295		5,295
1998/99*	370	3,250	3,620	1,150	255	1,405	145	90	50	120	405	5,430		5,430
1999/00*	380	3,300	3,680	1,200	260	1,460	145	90	50	140	425	5,565		5,565
University of Louisville														
1992/93	176	1,977	2,153	782	54	836	137	115	53		305	3,294	128	3,422
1993/94	143	1,919	2,062	814	58	872	158	128	41		327	3,261	59	3,320
1994/95	142	1,766	1,908	877	61	938	161	116	55		332	3,178	76	3,254
1995/96	101	1,818	1,919	965	69	1,034	117	130	57		304	3,257	98	3,355
1996/97	93	1,836	1,929	1,015	63	1,078	154	140	60		354	3,361	114	3,475
1997/98*	90	1,840	1,930	1,025	68	1,093	150	140	62		352	3,375	100	3,475
1998/99*	90	1,840	1,930	1,035	70	1,105	150	140	64		354	3,389	100	3,489
1999/00*	90	1,840	1,930	1,040	73	1,113	140	140	66		346	3,389	100	3,489
Western Kentucky University														
1992/93	325	1,818	2,143	518		518					-	2,661		2,661
1993/94	303	1,828	2,131	498		498					-	2,629		2,629
1994/95	301	1,856	2,157	580		580					-	2,737		2,737
1995/96	286	1,709	1,995	537		537					-	2,532		2,532
1996/97	293	1,630	1,923	543		543					-	2,466	5	2,471
1997/98*	300	1,690	1,990	540		540					-	2,530		2,530
1998/99*	300	1,590	1,890	540		540					-	2,430		2,430
1999/00*	300	1,590	1,890	540		540					-	2,430		2,430

<u>Institution/Year</u>	<u>Undergraduate</u>			<u>Graduate</u>			<u>First Professional</u>					<u>Total</u>	<u>Other</u>	<u>Total</u>
	<u>Associate</u>	<u>Bachelor</u>	<u>Subtotal</u>	<u>Mast/Spec</u>	<u>Doctoral</u>	<u>Subtotal</u>	<u>Law</u>	<u>Medicine</u>	<u>Dentistry</u>	<u>Pharm.D.</u>	<u>Subtotal</u>	<u>Degrees</u>	<u>Awards</u>	
Total Universities														
1992/93	1,287	11,556	12,843	3,408	246	3,654	420	206	95	38	759	17,256	128	17,384
1993/94	1,342	11,665	13,007	3,445	287	3,732	440	219	84	37	780	17,519	80	17,599
1994/95	1,250	11,576	12,826	3,702	284	3,986	389	198	98	54	739	17,551	83	17,634
1995/96	1,218	11,609	12,827	3,858	305	4,163	382	219	107	77	785	17,775	99	17,874
1996/97	1,122	11,690	12,812	3,988	303	4,291	404	228	106	74	812	17,915	119	18,034
1997/98*	1,490	11,812	13,302	4,067	318	4,385	405	230	112	100	847	18,534	100	18,634
1998/99*	1,516	11,861	13,377	4,152	325	4,477	409	230	114	120	873	18,727	100	18,827
1999/00*	1,538	11,886	13,424	4,179	333	4,512	388	230	116	140	874	18,810	100	18,910
UK Community College System														
1992/93	3,597		3,597			-					-	3,597		3,597
1993/94	3,444		3,444			-					-	3,444		3,444
1994/95	3,687		3,687			-					-	3,687		3,687
1995/96	3,708		3,708			-					-	3,708		3,708
1996/97	3,956		3,956			-					-	3,956		3,956
1997/98*	3,390		3,390			-					-	3,390		3,390
1998/99*	3,230		3,230			-					-	3,230		3,230
1999/00*	3,220		3,220			-					-	3,220		3,220
Total														
1992/93	4,884	11,556	16,440	3,408	246	3,654	420	206	95	38	759	20,853	128	20,981
1993/94	4,786	11,665	16,451	3,445	287	3,732	440	219	84	37	780	20,963	80	21,043
1994/95	4,937	11,576	16,513	3,702	284	3,986	389	198	98	54	739	21,238	83	21,321
1995/96	4,926	11,609	16,535	3,858	305	4,163	382	219	107	77	785	21,483	22,452	43,935
1996/97	5,078	11,690	16,768	3,988	303	4,291	404	228	106	74	812	21,871	22,863	44,734
1997/98*	4,880	11,812	16,692	4,067	318	4,385	405	230	112	100	847	21,924	22,983	44,907
1998/99*	4,746	11,861	16,607	4,152	325	4,477	409	230	114	120	873	21,957	23,064	45,021
1999/00*	4,758	11,886	16,644	4,179	333	4,512	388	230	116	140	874	22,030	23,160	45,190

*Projected by institutions

NOTE: Prior to 1998/99, LCC degrees conferred included in UKCCS data. Beginning in 1998/99 LCC degrees are included in UK data.

In 1995/96 the number of Masters/Specialist degrees conferred at UofL includes 14 post-baccalaureate degrees.

Data for the KY Technical schools are not part of the CPE data base at this time. Therefore, data for these institutions are not included. These data will be provided in future biennia

POSTSECONDARY EDUCATION
Eastern Kentucky University

	<u>Revised FY 1998</u>	<u>Requested FY 1999</u>	<u>Requested FY 2000</u>	<u>Recommended FY 1999</u>	<u>Recommended FY 2000</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	59,817,700	63,825,700	65,726,700	63,825,700	65,726,700
Special Appropriation	3,016,100				
Total General Fund	<u>62,833,800</u>	<u>63,825,700</u>	<u>65,726,700</u>	<u>63,825,700</u>	<u>65,726,700</u>
Restricted Agency Funds					
Balance Forward	12,902,400				
Current Receipts	69,568,200	85,446,100	88,145,900	85,446,100	88,145,900
Total Restricted Agency Funds	<u>82,470,600</u>	<u>85,446,100</u>	<u>88,145,900</u>	<u>85,446,100</u>	<u>88,145,900</u>
Federal Funds					
Current Receipts	21,414,800	21,414,800	21,414,800	21,414,800	21,414,800
TOTAL FUNDS	<u>166,719,200</u>	<u>170,686,600</u>	<u>175,287,400</u>	<u>170,686,600</u>	<u>175,287,400</u>
EXPENDITURES BY CLASS					
Personnel Costs	91,459,100	95,117,500	98,443,600	95,117,500	98,443,600
Operating Expenses	34,626,200	35,596,100	36,859,400	35,596,100	36,859,400
Grants, Loans or Benefits	14,809,100	14,809,100	14,809,100	14,809,100	14,809,100
Debt Service	8,661,900	8,001,000	8,012,400	8,001,000	8,012,400
Capital Outlay	17,162,900	17,162,900	17,162,900	17,162,900	17,162,900
TOTAL EXPENDITURES	<u>166,719,200</u>	<u>170,686,600</u>	<u>175,287,400</u>	<u>170,686,600</u>	<u>175,287,400</u>
EXPENDITURES BY UNIT					
Instruction	54,274,700	56,368,100	58,303,800	56,368,100	58,303,800
Research	613,700	635,600	657,000	635,600	657,000
Public Service	8,573,200	8,883,600	9,180,300	8,883,600	9,180,300
Libraries	3,826,600	3,932,100	4,029,400	3,932,100	4,029,400
Academic Support	18,275,500	18,902,100	19,491,900	18,902,100	19,491,900
Student Services	8,263,100	8,575,400	8,870,100	8,575,400	8,870,100
Institutional Support	12,294,400	12,747,300	13,178,700	12,747,300	13,178,700
Operation and Maintenance of Plant	22,005,200	22,227,600	22,686,700	22,227,600	22,686,700
Scholarships and Fellowships	15,296,800	15,316,700	15,334,800	15,316,700	15,334,800
Mandatory Transfers	7,153,400	6,496,100	6,503,900	6,496,100	6,503,900
Non-Mandatory Transfers					
Auxiliary Enterprises	16,142,600	16,602,000	17,050,800	16,602,000	17,050,800
TOTAL EXPENDITURES	<u>166,719,200</u>	<u>170,686,600</u>	<u>175,287,400</u>	<u>170,686,600</u>	<u>175,287,400</u>

Eastern Kentucky University (EKU) was established by the 1906 General Assembly. The university's three primary responsibilities are: (1) to provide instruction in the arts and sciences, in business, in professional education, and in technical subjects; (2) to provide service to the community and region through the faculty serving as consultants in their fields of specialization and engaging in research dealing with problems of society; and (3) to engage in research to advance knowledge in the subject matter areas with which the various colleges of the university are concerned. These purposes of the university are accomplished by the College of Arts and Humanities; College of Business; College of Education; College of Applied Arts and Technology; College of Health, Physical Education, Recreation, and Athletics; College of Allied Health and Nursing; College of Law Enforcement; College of Natural and Mathematical Sciences; College of Social and Behavioral Sciences; and the Graduate School.

In keeping with its statutory mandates, its Council on Higher Education Mission Statement, and in harmony with the Strategic Plan for Higher Education in Kentucky, the ECU Board of Regents has adopted a strategic plan that clearly defines the institutional mission, goals, and strategic directions for the future.

Each college, department, and support unit of the university has developed unit goals and objectives that support the institutional aims and has translated these goals and objectives into operational plans. In the final analysis, these plans have a direct relationship to the three primary purposes of the institution.

POSTSECONDARY EDUCATION
Kentucky State University

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	19,798,700	20,364,100	20,872,800	20,364,100	20,872,800
Special Appropriation	125,800				
Total General Fund	19,924,500	20,364,100	20,872,800	20,364,100	20,872,800
Restricted Agency Funds					
Current Receipts	11,350,600	15,893,000	16,386,000	15,893,000	16,386,000
Federal Funds					
Current Receipts	11,289,900	11,617,300	11,942,500	11,617,300	11,942,500
TOTAL FUNDS	42,565,000	47,874,400	49,201,300	47,874,400	49,201,300
EXPENDITURES BY CLASS					
Personnel Costs	24,924,200	25,970,000	26,957,700	25,970,000	26,957,700
Operating Expenses	9,457,700	9,644,900	9,837,800	9,644,900	9,837,800
Grants, Loans or Benefits	4,218,700	4,353,400	4,484,400	4,353,400	4,484,400
Debt Service	2,654,600	2,555,100	2,528,700	2,555,100	2,528,700
Capital Outlay	1,309,800	5,351,000	5,392,700	5,351,000	5,392,700
TOTAL EXPENDITURES	42,565,000	47,874,400	49,201,300	47,874,400	49,201,300
EXPENDITURES BY UNIT					
Instruction	11,057,100	11,458,200	11,839,400	11,458,200	11,839,400
Research	2,517,800	2,590,900	2,663,500	2,590,900	2,663,500
Public Service	2,915,200	3,000,100	3,084,300	3,000,100	3,084,300
Libraries	883,400	916,600	947,900	916,600	947,900
Academic Support	1,201,300	1,244,700	1,286,100	1,244,700	1,286,100
Student Services	3,335,900	3,460,200	3,577,700	3,460,200	3,577,700
Institutional Support	6,234,200	6,458,600	6,672,200	6,458,600	6,672,200
Operation and Maintenance of Plant	3,814,500	7,957,800	8,093,100	7,957,800	8,093,100
Scholarships and Fellowships	4,218,700	4,353,400	4,484,400	4,353,400	4,484,400
Mandatory Transfers	2,295,400	2,223,800	2,224,600	2,223,800	2,224,600
Auxiliary Enterprises	4,091,500	4,210,100	4,328,100	4,210,100	4,328,100
TOTAL EXPENDITURES	42,565,000	47,874,400	49,201,300	47,874,400	49,201,300

Kentucky State College was established in 1886 by an Act of the Kentucky General Assembly. In its early years, the institution's purpose was to train Negro teachers for the Negro public schools in the Commonwealth. With the passage of the 1890 Morrill Act by the U.S. Congress, the college became a land-grant institution. A tripartite mission was instituted: teaching, research, and public service.

The 1972 General Assembly elevated the college to university status, effective July 1, 1973. Since that time, the General Assembly has amended Kentucky Revised Statute 164.290 to further read . . . "It is the intent of the general assembly that Kentucky State University shall serve as a four-year residential institution emphasizing a program of liberal studies appropriate to its size and resources." In sum, Kentucky State University (KSU) is a multipurpose institution with state and land-grant standing. The university is authorized to provide both undergraduate and graduate programs of instruction and is accredited by regional and national accreditation agencies.

Student enrollment has stabilized at approximately 2,600. The student body is fully integrated, serving both white and black residential students and a significant number of commuting students representing the ethnic and geographic diversity of the Commonwealth.

POSTSECONDARY EDUCATION
Morehead State University

	<u>Revised FY 1998</u>	<u>Requested FY 1999</u>	<u>Requested FY 2000</u>	<u>Recommended FY 1999</u>	<u>Recommended FY 2000</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	35,496,700	36,439,500	37,399,500	36,439,600	37,399,700
Special Appropriation	1,326,400				
Total General Fund	<u>36,823,100</u>	<u>36,439,500</u>	<u>37,399,500</u>	<u>36,439,600</u>	<u>37,399,700</u>
Restricted Agency Funds					
Balance Forward	1,164,000				
Current Receipts	31,782,500	34,597,000	36,164,000	34,597,000	36,164,000
Total Restricted Agency Funds	<u>32,946,500</u>	<u>34,597,000</u>	<u>36,164,000</u>	<u>34,597,000</u>	<u>36,164,000</u>
Federal Funds					
Current Receipts	31,478,500	33,173,500	35,555,000	33,173,500	35,555,000
TOTAL FUNDS	<u>101,248,100</u>	<u>104,210,000</u>	<u>109,118,500</u>	<u>104,210,100</u>	<u>109,118,700</u>
EXPENDITURES BY CLASS					
Personnel Costs	47,816,100	50,097,500	52,475,000	50,097,600	52,475,200
Operating Expenses	14,943,500	15,240,500	15,325,000	15,240,500	15,325,000
Grants, Loans or Benefits	27,683,500	29,198,500	31,390,500	29,198,500	31,390,500
Debt Service	7,088,500	5,957,000	6,211,500	5,957,000	6,211,500
Capital Outlay	3,716,500	3,716,500	3,716,500	3,716,500	3,716,500
TOTAL EXPENDITURES	<u>101,248,100</u>	<u>104,210,000</u>	<u>109,118,500</u>	<u>104,210,100</u>	<u>109,118,700</u>
EXPENDITURES BY UNIT					
Instruction	25,984,600	26,531,500	27,555,000	26,531,600	27,555,200
Research	521,000	539,000	568,000	539,000	568,000
Public Service	4,585,500	4,796,000	5,101,500	4,796,000	5,101,500
Libraries	2,250,500	2,294,000	2,375,500	2,294,000	2,375,500
Academic Support	3,870,500	3,952,500	4,103,500	3,952,500	4,103,500
Student Services	6,612,500	6,767,500	7,047,000	6,767,500	7,047,000
Institutional Support	9,901,000	10,093,000	10,469,500	10,093,000	10,469,500
Operation and Maintenance of Plant	5,403,500	5,501,500	5,699,000	5,501,500	5,699,000
Scholarships and Fellowships	27,841,500	29,203,000	31,157,000	29,203,000	31,157,000
Mandatory Transfers	4,645,000	4,715,500	4,870,000	4,715,500	4,870,000
Non-Mandatory Transfers	698,000	710,500	735,500	710,500	735,500
Auxiliary Enterprises	8,934,500	9,106,000	9,437,000	9,106,000	9,437,000
TOTAL EXPENDITURES	<u>101,248,100</u>	<u>104,210,000</u>	<u>109,118,500</u>	<u>104,210,100</u>	<u>109,118,700</u>

Morehead State University's (MoSU) roots extend back to its days as a private normal school in the late-1800s. In 1922, the institution became a state normal school to meet expanded higher education needs for teacher training in Kentucky. After several name changes and an expanded perspective on higher education, MoSU was granted university status in 1966 to provide undergraduate and selected master's and specialist programs for the citizens of northern and eastern Kentucky. MoSU has grown both in size and in the quality of its instructional, research, and public service programs and activities.

MoSU has operationalized its mission through the adoption of seven statements of ideals which accent the intellectual, creative, ethical, and technical development of students; the discovery and integration of knowledge; the development of leadership qualities, the utilization of past achievements and values to respond to the challenges of the future; and a commitment to excellence and integrity.

The university's four divisions -- Academic Affairs, Student Life, Administrative and Fiscal Services, and University Advancement -- work in harmony to implement strategies to fulfill the institution's ongoing strategic goals for quality education. The university's accreditation was reaffirmed in 1990 by the Southern Association of Colleges and Schools and programs in veterinary technology, social work, radiologic technology, teacher education, nursing, and music are accredited through individual professional agencies.

The MoSU campus is located in the Appalachian foothills with main campus facilities in the city of Morehead and an agricultural center in Rowan County. Art and music facilities provide cultural programs and activities for the campus, community, and surrounding area. A modern student athletic center provides health, physical education, and recreation opportunities for students, employees, and members of the community. Over 47 percent of the university's students live in 13 residence halls and the university provides extensive student development programs to meet the needs of a holistic education for all students.

POSTSECONDARY EDUCATION
Murray State University

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	43,701,300	45,409,500	44,739,000	45,409,300	44,739,100
Special Appropriation	224,900				
Total General Fund	43,926,200	45,409,500	44,739,000	45,409,300	44,739,100
Restricted Agency Funds					
Current Receipts	45,417,300	47,564,500	49,372,000	47,564,500	49,372,000
Federal Funds					
Current Receipts	7,467,500	6,819,000	7,214,500	6,819,000	7,214,500
TOTAL FUNDS	96,811,000	99,793,000	101,325,500	99,792,800	101,325,600
EXPENDITURES BY CLASS					
Personnel Costs	55,906,000	57,347,500	58,987,500	57,347,300	58,987,600
Operating Expenses	26,731,500	25,465,000	26,797,000	25,465,000	26,797,000
Grants, Loans or Benefits	8,012,000	9,012,000	9,012,000	9,012,000	9,012,000
Debt Service	4,241,500	6,048,500	4,197,000	6,048,500	4,197,000
Capital Outlay	1,920,000	1,920,000	2,332,000	1,920,000	2,332,000
TOTAL EXPENDITURES	96,811,000	99,793,000	101,325,500	99,792,800	101,325,600
EXPENDITURES BY UNIT					
Instruction	32,424,000	32,695,000	33,591,000	32,694,800	33,591,100
Research	1,452,500	1,469,500	1,507,000	1,469,500	1,507,000
Public Service	4,222,000	4,270,500	4,380,500	4,270,500	4,380,500
Libraries	2,417,500	2,445,000	2,508,500	2,445,000	2,508,500
Academic Support	3,657,500	3,699,500	3,795,000	3,699,500	3,795,000
Student Services	6,025,000	6,043,500	6,202,000	6,043,500	6,202,000
Institutional Support	8,455,500	8,502,000	8,674,000	8,502,000	8,674,000
Operation and Maintenance of Plant	8,983,500	8,782,500	9,529,000	8,782,500	9,529,000
Scholarships and Fellowships	11,182,000	11,380,500	11,693,000	11,380,500	11,693,000
Mandatory Transfers	4,241,500	6,048,000	4,197,000	6,048,000	4,197,000
Non-Mandatory Transfers	461,500	438,000	458,500	438,000	458,500
Auxiliary Enterprises	13,288,500	14,019,000	14,790,000	14,019,000	14,790,000
TOTAL EXPENDITURES	96,811,000	99,793,000	101,325,500	99,792,800	101,325,600

Murray State University (MuSU) was created by the Kentucky General Assembly in 1922 as Murray State Normal School. The university's role has expanded since its founding, as indicated by changes in its name: Murray State Teachers' College (1930), Murray State College (1948), and Murray State University (1966). The MuSU tradition of quality education through close interaction between students and faculty has been maintained as the institution has enlarged its mission at the direction of the Board of Regents and the General Assembly. Today MuSU serves West Kentucky as an educational and cultural center whose achievements continue to improve the quality of life of citizens in its region.

To carry out its mission of instruction, research, and service most effectively, MuSU has established an on-going strategic planning process to evaluate all institutional policies and activities. A new strategic plan approved by the Board of Regents in November 1990 sets four major goals for the university in the areas of demonstrated baccalaureate excellence, effective regional service, fiscal accountability, and personnel involvement and support. A comprehensive program of assessment of institutional effectiveness supports the achievement of the plan.

The central focus of the university's educational mission is its degree programs at the associate, baccalaureate, master's, and specialist levels; its nondegree professional and technical programs; and its joint doctoral programs with the University of Kentucky and the University of Louisville. MuSU's commitment to quality is evident in each of these programs.

Fifty-seven degree programs have achieved accreditation from 14 national professional organizations. Degrees are conferred through the six colleges: Business and Public Affairs, Education, Fine Arts and Communication, Humanistic Studies, Industry and Technology, and Science.

Through its academic and research programs which focus on Kentucky Lake, the Center of Excellence for Reservoir Research serves as a national model for quality instruction, applied research and service to economic development.

Through the Center for Continuing Education and Academic Outreach, MuSU provides access to learning for adults in the region who are placebound or have other special needs. The Paducah Extended-Campus Center achieved that designation from the Council on Higher Education in 1990. The Eastern Rim Extended Campus Center, with sites in Madisonville, Hopkinsville, and Fort Campbell was recognized but not funded in 1992. Building on community college programs, the centers offer baccalaureate-degree programs in nursing, English, and business in addition to secondary certification programs and the Master of Business Administration and the Master of Science in Nursing. Additional programs are under development.

MuSU also serves the West Kentucky region through the Breathitt Veterinary Center, the West Kentucky Small Business Development Center, the National Aeronautics and Space Administration (NASA) Teacher Resource Center, the National Scouting Museum, Wrather West Kentucky Museum, and WKMS-FM.

POSTSECONDARY EDUCATION
Northern Kentucky University

	<u>Revised FY 1998</u>	<u>Requested FY 1999</u>	<u>Requested FY 2000</u>	<u>Recommended FY 1999</u>	<u>Recommended FY 2000</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	32,326,600	33,903,000	34,722,000	33,902,900	34,721,700
Special Appropriation	929,700				
Total General Fund	<u>33,256,300</u>	<u>33,903,000</u>	<u>34,722,000</u>	<u>33,902,900</u>	<u>34,721,700</u>
Restricted Agency Funds					
Current Receipts	44,329,200	46,341,500	48,500,500	46,341,600	48,500,800
Federal Funds					
Current Receipts	4,761,500	4,761,500	4,761,500	4,761,500	4,761,500
TOTAL FUNDS	<u>82,347,000</u>	<u>85,006,000</u>	<u>87,984,000</u>	<u>85,006,000</u>	<u>87,984,000</u>
EXPENDITURES BY CLASS					
Personnel Costs	49,868,500	51,661,000	53,725,000	51,661,000	53,725,000
Operating Expenses	12,916,500	13,658,000	14,259,000	13,658,000	14,259,000
Grants, Loans or Benefits	8,787,000	8,908,000	9,033,000	8,908,000	9,033,000
Debt Service	6,852,500	6,686,000	6,697,000	6,686,000	6,697,000
Capital Outlay	3,922,500	4,093,000	4,270,000	4,093,000	4,270,000
TOTAL EXPENDITURES	<u>82,347,000</u>	<u>85,006,000</u>	<u>87,984,000</u>	<u>85,006,000</u>	<u>87,984,000</u>
EXPENDITURES BY UNIT					
Instruction	28,531,000	29,641,000	31,178,000	29,641,000	31,178,000
Research	258,500	259,500	260,500	259,500	260,500
Public Service	1,841,000	1,907,500	1,950,500	1,907,500	1,950,500
Libraries	3,860,500	4,034,500	4,169,000	4,034,500	4,169,000
Academic Support	3,967,500	4,142,500	4,303,500	4,142,500	4,303,500
Student Services	5,972,000	6,180,000	6,415,000	6,180,000	6,415,000
Institutional Support	11,441,500	12,086,500	12,461,000	12,086,500	12,461,000
Operation and Maintenance of Plant	6,379,500	6,568,500	6,784,500	6,568,500	6,784,500
Scholarships and Fellowships	7,977,500	8,098,500	8,223,500	8,098,500	8,223,500
Mandatory Transfers	5,253,500	5,087,500	5,098,500	5,087,500	5,098,500
Non-Mandatory Transfers	716,000	716,000	716,000	716,000	716,000
Auxiliary Enterprises	6,148,500	6,284,000	6,424,000	6,284,000	6,424,000
TOTAL EXPENDITURES	<u>82,347,000</u>	<u>85,006,000</u>	<u>87,984,000</u>	<u>85,006,000</u>	<u>87,984,000</u>

Northern Kentucky University (NKU) is a comprehensive institution of higher education located in a large metropolitan area. NKU, therefore, recognizes an obligation to serve as a multipurpose, metropolitan institution. In order to meet the needs of the eight-county northern Kentucky region, the university provides programs at the associate, bachelor's, master's, and first-professional degree levels. The university started in 1948 as an extension center of the University of Kentucky (UK) and later as part of the University of Kentucky's Community College System, and became an autonomous senior institution in 1968 by an act of the Kentucky General Assembly.

A Board of Regents was appointed, and subsequently, the Board of Trustees of the University of Kentucky turned over the Covington facilities and assets of Northern Community College to Northern Kentucky State College. These facilities, along with the community college faculty and students, formed the nucleus of Northern.

Limited space at the Covington campus and a rapidly growing enrollment necessitated the move to a new campus, built in Highland Heights. Beginning in the fall semester 1972, most baccalaureate classes were moved to the Highland Heights campus, with the first bachelor's degrees awarded in the spring of 1973.

In 1976, Northern Kentucky State College was changed to Northern Kentucky University by KRS 164.290. The programs of study offered by the university are those of a multipurpose state institution. There are 68 undergraduate degree programs offered in the arts and sciences, in business, and in professional studies areas. Master's degrees in education, business administration, public administration, nursing, and a joint JD/MBA degree are offered as well as a juris doctor degree. The NKU Graduate Center, created in response to NKU's special mission of exploring experimental methods of delivering education, offers degree programs in community nutrition (with Eastern Kentucky University), library science (with UK), nursing (with UK), and social work (with UK).

NKU also works closely with vocational schools in the area in joint programs in the areas of industrial education, nursing, and data processing to avoid duplication of facilities and to facilitate student movement between the vocational school and the university.

In 1981, the Commonwealth of Kentucky and the state of Ohio entered into a reciprocal tuition agreement at the graduate and first-professional degree levels. The agreement permits citizens of northern Kentucky and Cincinnati to attend either NKU or the University of Cincinnati at resident tuition rates. In 1991, a reciprocity agreement was developed to include selected undergraduate programs at the University of Cincinnati, Cincinnati Technical College, and NKU. Approximately 600 students from northern Kentucky are taking advantage of over 200 University of Cincinnati programs now available to them.

POSTSECONDARY EDUCATION
University of Kentucky

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	271,143,000	284,806,600	288,687,000	285,626,700	289,530,300
Special Appropriation	1,480,000				
Total General Fund	272,623,000	284,806,600	288,687,000	285,626,700	289,530,300
Restricted Agency Funds					
Current Receipts	656,442,000	683,978,500	703,883,000	683,978,500	703,883,000
Federal Funds					
Current Receipts	75,418,000	81,237,500	82,831,000	81,237,500	82,831,000
TOTAL FUNDS	1,004,483,000	1,050,022,600	1,075,401,000	1,050,842,700	1,076,244,300
EXPENDITURES BY CLASS					
Personnel Costs	577,024,600	608,201,000	628,040,000		
Operating Expenses	321,861,400	332,482,100	340,322,500		
Grants, Loans or Benefits	31,532,000	37,361,000	38,684,000		
Debt Service	29,340,500	26,294,000	22,042,500		
Capital Outlay	44,724,500	45,684,500	46,312,000		
TOTAL EXPENDITURES	1,004,483,000	1,050,022,600	1,075,401,000		
EXPENDITURES BY UNIT					
Instruction	215,422,100	231,563,000	238,069,000		
Research	131,458,000	136,878,000	142,447,000		
Public Service	136,758,000	140,397,500	143,626,500		
Libraries	21,923,500	23,269,500	24,292,500		
Academic Support	43,796,000	45,992,500	47,524,500		
Student Services	17,770,000	19,158,000	19,691,500		
Institutional Support	35,522,500	37,958,100	39,106,000		
Operation and Maintenance of Plant	36,907,400	39,953,500	41,369,500		
Scholarships and Fellowships	31,532,000	37,361,000	38,684,000		
Mandatory Transfers	20,761,000	17,677,000	13,496,500		
Auxiliaries Enterprises	59,861,000	61,556,000	63,200,000		
Hospital	252,771,500	258,258,500	263,894,000		
TOTAL EXPENDITURES	1,004,483,000	1,050,022,600	1,075,401,000		

The University of Kentucky University System (UKUS) serves as the principal graduate degree granting institution in the Commonwealth's system of higher education for statewide instruction, research, and public service programs in all fields without geographic limitation. Kentucky Revised Statute (KRS) 164.125 authorizes the university to offer baccalaureate, professional, master's, specialist, doctoral, and postdoctoral programs and to conduct joint doctoral programs in cooperation with other institutions. It designates the university as the Commonwealth's principal institution to conduct statewide research and service programs.

As the Commonwealth's only comprehensive land-grant university with a statewide mission, the University of Kentucky exists to ensure the citizens of the Commonwealth and, by extension, the nation and the world the finest opportunities for education and the greatest benefits of knowledge. The university creates, preserves, and disseminates knowledge. It seeks to provide an optimal environment for teaching, learning, and research. The university aspires to develop a community of scholars that promotes cultural understanding, ethical behavior, civic virtue, and international citizenship.

Research and Service functions are further defined by state and federal statutes as necessary and appropriate for the Commonwealth's land-grant institution in accordance with the Morrill Act of 1862. KRS 164.100 is Kentucky's Land-Grant Act; the Hatch Act of 1887 and KRS 164.110 support research and agricultural extension; KRS 164.120 supports instruction and the Smith-Lever Act, KRS 164.605, and KRS 164.675 support cooperative extension.

Pursuant to the provisions of the Postsecondary Education Improvement Act of 1997, the University of Kentucky Community College system, in future biennia, will be a branch of the newly created Kentucky Community and Technical College System. The Lexington Community College will remain under the jurisdiction of the University of Kentucky. The recommended General Fund appropriation above includes \$829,100 in fiscal year 1999 and \$852,300 in fiscal year 2000 for the Lexington Community College.

POSTSECONDARY EDUCATION
University of Louisville

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	151,460,500	157,537,500	162,697,500	157,537,500	162,697,500
Special Appropriation	2,719,200				
Continuing Appropriation	33,900				
Total General Fund	154,213,600	157,537,500	162,697,500	157,537,500	162,697,500
Restricted Agency Funds					
Balance Forward	38,165,000				
Current Receipts	178,577,500	222,614,500	229,174,500	222,614,500	229,174,500
Total Restricted Agency Funds	216,742,500	222,614,500	229,174,500	222,614,500	229,174,500
Federal Funds					
Current Receipts	25,121,000	25,121,000	25,121,500	25,121,000	25,121,500
TOTAL FUNDS	396,077,100	405,273,000	416,993,500	405,273,000	416,993,500
EXPENDITURES BY CLASS					
Personnel Costs	256,718,000	263,704,500	271,760,500	263,704,500	271,760,500
Operating Expenses	90,605,600	92,477,500	95,139,000	92,477,500	95,139,000
Grants, Loans or Benefits	17,685,000	18,734,000	19,733,500	18,734,000	19,733,500
Debt Service	15,933,000	15,221,500	15,225,000	15,221,500	15,225,000
Capital Outlay	15,135,500	15,135,500	15,135,500	15,135,500	15,135,500
TOTAL EXPENDITURES	396,077,100	405,273,000	416,993,500	405,273,000	416,993,500
EXPENDITURES BY UNIT					
Instruction	140,660,200	144,494,500	149,098,000	144,494,500	149,098,000
Research	22,699,500	22,781,500	22,885,500	22,781,500	22,885,500
Public Service	42,993,500	43,182,000	43,420,000	43,182,000	43,420,000
Libraries	11,398,000	11,622,000	11,905,500	11,622,000	11,905,500
Academic Support	29,407,500	30,378,500	31,050,500	30,378,500	31,050,500
Student Services	9,503,500	9,812,000	10,202,500	9,812,000	10,202,500
Institutional Support	43,562,500	45,887,000	49,124,000	45,887,000	49,124,000
Operation and Maintenance of Plant	19,221,000	19,780,500	21,411,000	19,780,500	21,411,000
Scholarships and Fellowships	18,827,000	19,876,500	19,876,500	19,876,500	19,876,500
Mandatory Transfers	15,933,000	15,221,500	15,225,000	15,221,500	15,225,000
Auxiliary Enterprises	21,220,000	21,220,000	21,220,000	21,220,000	21,220,000
Hospitals	20,651,400	21,017,000	21,575,000	21,017,000	21,575,000
TOTAL EXPENDITURES	396,077,100	405,273,000	416,993,500	405,273,000	416,993,500

The University of Louisville (U of L) is a state-supported university located in Kentucky's largest metropolitan area. It is one of the largest universities in the Commonwealth and was a municipally supported public institution for many decades prior to joining the state university system in 1970.

The university has three campuses. The 169 acre Belknap Campus is three miles from downtown Louisville and houses eight of the university's 12 colleges, schools, and divisions. The Health Sciences Center is situated in downtown Louisville's medical complex and houses the university's health-related programs and the University of Louisville Hospital. On the 243 acre Shelby Campus located in eastern Jefferson County, are the National Crime Prevention Institute and the University Center for Continuing and Professional Education.

From its inception, U of L has been dedicated to providing programs related to the needs of the Louisville metropolitan area. The mission statement adopted by the Council on Higher Education (CHE) July 11, 1994 reflects this historical role and gives U of L a distinctive mandate. This mandate includes building on program strengths in business, dentistry, education, engineering, English, environmental studies, law, medicine, music, psychology, and metropolitan affairs.

As a major institution of higher learning, the university is committed to the values that generally characterize universities everywhere. However, U of L is a distinctive kind of university, a "metropolitan university". This means much more than simply being a university located in an metropolitan area. For U of L, it implies a commitment to those functions and values traditionally associated with major universities and to expressing these commitments in instructional, research, and service modes that focus on the needs of the Louisville metropolitan area and of metropolitan communities everywhere.

U of L, through its programs of instruction, research, and service, responds to the educational needs of the citizens of the metropolitan area and the Commonwealth. Its beneficiaries include the following: traditional and nontraditional students from its metropolitan area, from other parts of Kentucky, other states and other countries; U of L alumni; Kentucky citizens, businesses, governmental agencies, service agencies, and cultural organizations; employers and professions; and individuals, foundations, corporations, and businesses who contribute private financial support.

POSTSECONDARY EDUCATION
Western Kentucky University

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	55,852,900	57,972,500	59,489,500	57,972,500	59,489,500
Special Appropriation	761,300				
Total General Fund	56,614,200	57,972,500	59,489,500	57,972,500	59,489,500
Restricted Agency Funds					
Current Receipts	55,837,300	58,503,000	60,560,000	58,026,000	59,806,000
Non-Revenue Receipts	4,685,500	4,685,500	4,685,500	4,685,500	4,685,500
Total Restricted Agency Funds	60,522,800	63,188,500	65,245,500	62,711,500	64,491,500
Federal Funds					
Current Receipts	12,437,500	13,942,500	13,942,500	12,437,500	12,437,500
Non-Revenue Receipts	1,257,500	1,257,500	1,257,500	1,257,500	1,257,500
Total Federal Funds	13,695,000	15,200,000	15,200,000	13,695,000	13,695,000
TOTAL FUNDS	130,832,000	136,361,000	139,935,000	134,379,000	137,676,000
EXPENDITURES BY CLASS					
Personnel Costs	81,219,500	85,067,500	88,179,000	84,285,000	87,396,500
Operating Expenses	25,157,500	26,327,000	26,292,000	25,694,500	25,659,500
Grants, Loans or Benefits	14,473,000	14,821,500	15,038,000	14,821,500	15,038,000
Debt Service	6,905,000	6,785,000	6,789,000	6,423,000	6,427,000
Capital Outlay	3,077,000	3,360,000	3,637,000	3,155,000	3,155,000
TOTAL EXPENDITURES	130,832,000	136,361,000	139,935,000	134,379,000	137,676,000
EXPENDITURES BY UNIT					
Instruction	48,784,000	52,557,000	54,495,000	50,575,000	52,236,000
Research	2,466,000	2,466,000	2,466,000	2,466,000	2,466,000
Public Service	7,724,500	7,753,000	7,781,000	7,753,000	7,781,000
Libraries	4,615,000	4,760,000	4,908,000	4,760,000	4,908,000
Academic Support	5,075,000	5,237,500	5,403,000	5,237,500	5,403,000
Student Services	10,412,500	10,635,000	10,860,000	10,635,000	10,860,000
Institutional Support	11,778,500	12,213,500	12,572,000	12,213,500	12,572,000
Operation and Maintenance of Plant	9,418,000	10,183,000	10,540,000	10,183,000	10,540,000
Scholarships and Fellowships	12,498,500	12,847,000	13,063,000	12,847,000	13,063,000
Mandatory Transfers	4,693,000	4,211,000	4,215,000	4,211,000	4,215,000
Auxiliary Enterprises	13,367,000	13,498,000	13,632,000	13,498,000	13,632,000
TOTAL EXPENDITURES	130,832,000	136,361,000	139,935,000	134,379,000	137,676,000

Western Kentucky University (WKU) is a center of learning where qualified students may receive general and specialized postsecondary education at the undergraduate and graduate levels. The university's programs are designed to provide a broad spectrum of educational opportunities within an academic climate intended to promote the legitimate objectives of liberal education, democratic citizenship, character development, and the pursuit of excellence.

WKU is authorized to offer the following programs as set forth in Kentucky Revised Statute 164.295: baccalaureate programs of instruction; graduate programs of instruction at the master's degree level in education, business, and the arts and sciences; programs to meet the educational requirements for teachers, school leaders, and other certified personnel; research and service programs related to the needs of its primary geographical area; and community college programs.

Organizationally, the university has been divided into the areas of academic affairs, student affairs, finance and administration, and institutional advancement to facilitate the offering of programs and services. Four academic colleges, the Community College, graduate studies, and a variety of academic support offices are administered through the Office of Academic Affairs.

Undergraduate offerings include baccalaureate degrees, associate degrees, and certificate programs. Associate degree programs are offered leading to Associate of Applied Science, Associate of Arts, Associate of Science, and Associate of General Studies degrees in 22 areas. One-year certificate programs are available in Real Estate and Agricultural Equipment Technology. WKU offers the Bachelor of Arts, Bachelor of Science, Bachelor of Music, Bachelor of Science in Nursing, Bachelor of Fine Arts, and Bachelor of General Studies with more than 80 areas of baccalaureate study available to students. Minor programs are available in most of the major areas of study and in certain special areas. Pre-professional programs are also available.

Graduate instruction is offered through the separate academic colleges at the master's and specialist levels. At the master's level, the following degrees are offered: Master of Music, Master of Public Service, Master of Public Administration, Master of Arts, Master of Science, and Master of Arts in Education. Cooperative master's degree programs are offered in nursing with the University of Kentucky and in criminal justice with Eastern Kentucky University. Two non-degree programs at the graduate level are the fifth-year (Rank II) program and the Rank I Teacher Certificate program in the College of Education and Behavioral Sciences. The Specialist Degree (Ed.S.) is offered in Education.

Instruction is provided for students in joint doctoral programs in education with the University of Kentucky and in aquatic biology and fossil fuel chemistry with the University of Louisville. Additionally, in 1993 the Council on Higher Education authorized a cooperative doctoral program with the University of Louisville which has an educational administration emphasis.

POSTSECONDARY EDUCATION
Kentucky Community and Technical College System

	<u>Revised FY 1998</u>	<u>Requested FY 1999</u>	<u>Requested FY 2000</u>	<u>Recommended FY 1999</u>	<u>Recommended FY 2000</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		156,559,200	161,943,000	155,729,900	161,090,400
Special Appropriation	11,768,700				
Restricted Agency Funds					
Balance Forward			530,500		530,500
Current Receipts		88,480,500	91,154,000	88,480,500	91,154,000
Non-Revenue Receipts		698,500		698,500	
Total Restricted Agency Funds		<u>89,179,000</u>	<u>91,684,500</u>	<u>89,179,000</u>	<u>91,684,500</u>
Federal Funds					
Current Receipts		37,804,500	38,283,000	37,804,500	38,283,000
Non-Revenue Receipts		-10,500	-11,500	-10,500	-11,500
Total Federal Funds		<u>37,794,000</u>	<u>38,271,500</u>	<u>37,794,000</u>	<u>38,271,500</u>
TOTAL FUNDS	<u>11,768,700</u>	<u>283,532,200</u>	<u>291,899,000</u>	<u>282,702,900</u>	<u>291,046,400</u>
EXPENDITURES BY CLASS					
Personnel Costs	1,324,500	170,624,500	177,012,500		
Operating Expenses	10,329,200	54,416,700	56,306,000		
Grants, Loans or Benefits		37,122,500	37,584,000		
Debt Service		11,214,500	11,247,000		
Capital Outlay	115,000	9,623,500	9,100,500		
TOTAL EXPENDITURES	<u>11,768,700</u>	<u>283,001,700</u>	<u>291,250,000</u>		
EXPENDITURES BY UNIT					
Office of the President	11,768,700	2,939,500	3,022,000	2,939,500	3,021,800
Technical Institutions Branch		94,787,500	98,610,500	94,787,300	98,610,400
UK Community College Branch		185,274,700	189,617,500	184,445,600	188,765,200
TOTAL EXPENDITURES	<u>11,768,700</u>	<u>283,001,700</u>	<u>291,250,000</u>	<u>282,172,400</u>	<u>290,397,400</u>

The Postsecondary Education Improvement Act of 1997 created the Kentucky Community and Technical College System (KCTCS) with a mission that assures, in conjunction with other postsecondary institutions, access throughout the Commonwealth to a two-year course of general studies designed for transfer to a baccalaureate program, the training necessary to develop a workforce with skills to meet the needs of new and existing industries, and remedial and continuing education to improve the employability of citizens.

KCTCS is a new, ninth institution of postsecondary education in Kentucky to be composed of the 13 University of Kentucky Community Colleges (Lexington Community College will remain under the jurisdiction of UK) and 25 postsecondary technical schools formerly a part of Kentucky Tech in the Workforce Development Cabinet.

POSTSECONDARY EDUCATION
University of Kentucky Community College System

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	87,404,500				
Restricted Agency Funds					
Current Receipts	74,860,000				
Federal Funds					
Current Receipts	29,766,000				
TOTAL FUNDS	192,030,500				
EXPENDITURES BY CLASS					
Personnel Costs	103,440,400				
Operating Expenses	34,828,600				
Grants, Loans or Benefits	33,734,500				
Debt Service	12,318,000				
Capital Outlay	7,709,000				
TOTAL EXPENDITURES	192,030,500				
EXPENDITURES BY UNIT					
Instruction	77,503,100				
Public Service	8,445,300				
Libraries	4,877,500				
Academic Support	8,969,500				
Student Services	9,125,000				
Institutional Support	13,750,000				
Operation and Maintenance of Plant	14,369,600				
Scholarships and Fellowships	33,734,500				
Mandatory Transfers	12,318,000				
Auxiliary Enterprises	8,938,000				
TOTAL EXPENDITURES	192,030,500				

Pursuant to the provisions of the Postsecondary Education Improvement Act of 1997, the University of Kentucky Community College System, in future biennia, will be a branch of the newly created Kentucky Community and Technical College System.

PUBLIC PROTECTION AND REGULATION CABINET

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	38,197,700	46,065,000	45,240,500	42,170,400	42,175,900
Current Year Appropriation	690,500				
Continuing Appropriation	427,200				
Total General Fund	39,315,400	46,065,000	45,240,500	42,170,400	42,175,900
Restricted Agency Funds					
Balance Forward	119,651,000	115,037,400	118,146,100	122,959,300	128,238,500
Current Receipts	43,606,300	47,064,700	48,064,000	47,071,200	48,072,500
Non-Revenue Receipts	83,719,900	79,398,000	80,534,500	75,829,500	77,647,000
Total Restricted Agency Funds	246,977,200	241,500,100	246,744,600	245,860,000	253,958,000
Federal Funds					
Balance Forward	160,000	34,000	28,500	58,500	156,500
Current Receipts	2,165,900	2,211,500	2,234,500	2,326,500	2,355,000
Non-Revenue Receipts	84,100	46,000	46,000	46,000	46,000
Total Federal Funds	2,410,000	2,291,500	2,309,000	2,431,000	2,557,500
TOTAL FUNDS	288,702,600	289,856,600	294,294,100	290,461,400	298,691,400
EXPENDITURES BY CLASS					
Personnel Costs	64,884,800	73,601,000	77,361,500	72,861,800	76,095,300
Operating Expenses	58,601,200	62,267,500	61,728,400	53,114,100	53,061,100
Grants, Loans or Benefits	41,133,800	33,228,500	33,268,500	34,488,500	35,593,500
Debt Service	457,000				109,000
Capital Outlay	108,000	1,854,000	123,600	1,102,000	121,000
Construction	500,000	500,000	500,000	500,000	500,000
TOTAL EXPENDITURES	165,684,800	171,451,000	172,982,000	162,066,400	165,479,900
EXPENDITURES BY UNIT					
Claims/Crime Victims'					
Compensation Board	2,115,700	2,276,000	2,314,000	2,171,400	2,208,400
Alcoholic Beverage Control	2,825,400	4,809,500	4,257,500	3,329,400	3,409,900
Financial Institutions	9,385,500	7,661,000	8,114,000	7,056,000	7,307,500
Racing Commission	16,793,300	15,318,000	15,347,500	15,436,100	15,076,400
Housing, Buildings and					
Construction	32,671,100	32,977,000	33,476,000	28,874,000	31,003,300
Insurance	22,133,500	22,415,500	23,092,000	22,574,000	23,206,500
Mines and Minerals	11,323,300	13,251,500	12,742,000	11,648,800	11,296,400
Public Advocacy	18,595,600	20,939,500	21,425,000	19,611,100	20,257,100
Public Service Commission	7,952,500	9,133,500	8,818,500	9,118,900	8,907,900
Secretary	41,347,700	42,258,500	42,972,500	41,836,500	42,384,500
Tax Appeals	541,200	411,000	423,000	410,200	422,000
TOTAL EXPENDITURES	165,684,800	171,451,000	172,982,000	162,066,400	165,479,900

The agencies comprising the Public Protection and Regulation Cabinet have principal responsibility for the supervision and regulation of various aspects of industries providing services to the citizens of the Commonwealth. This includes the enforcement of statutes and/or regulations ensuring the integrity of supervised industries and the safety of both the employees and the persons they serve.

PUBLIC PROTECTION AND REGULATION CABINET
Claims/Crime Victims' Compensation

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	474,000	549,000	562,500	399,900	411,900
Restricted Agency Funds					
Balance Forward	785,000	1,059,000	1,386,000	1,059,000	1,341,500
Current Receipts	1,564,500	1,703,000	1,727,500	1,703,000	1,727,500
Total Restricted Agency Funds	2,349,500	2,762,000	3,113,500	2,762,000	3,069,000
Federal Funds					
Balance Forward	14,500	14,500	14,500	14,500	14,500
Current Receipts	351,200	351,000	351,000	351,000	351,000
Total Federal Funds	365,700	365,500	365,500	365,500	365,500
TOTAL FUNDS	3,189,200	3,676,500	4,041,500	3,527,400	3,846,400
EXPENDITURES BY CLASS					
Personnel Costs	724,000	879,500	914,000	786,000	819,000
Operating Expenses	1,389,200	1,394,000	1,397,400	1,385,400	1,389,400
Capital Outlay	2,500	2,500	2,600		
TOTAL EXPENDITURES	2,115,700	2,276,000	2,314,000	2,171,400	2,208,400
EXPENDITURES BY UNIT					
Claims	788,000	958,500	996,500	854,000	891,000
Crime Victims' Compensation	1,327,700	1,317,500	1,317,500	1,317,500	1,317,500
EMPOWER Kentucky General Fund Savings				-100	-100
TOTAL EXPENDITURES	2,115,700	2,276,000	2,314,000	2,171,400	2,208,400

The Board of Claims functions pursuant to KRS Chapter 44 and is the only forum in which a citizen can sue the state for alleged negligence. Awards under \$500 are paid from funds of the Agency at fault; awards over \$500 are paid from appropriations out of the General Fund and awards against the Transportation Cabinet are paid from the Road Fund. The maximum award on a single claim is \$100,000 and there is a cap of \$250,000 on multiple claims arising from the same incident.

The Crime Victims' Compensation Board, under KRS Chapter 346, is empowered to reimburse innocent crime victims up to \$25,000 for their medical expenses, and lost wages that are not paid by any other source. In death cases, the Board may make awards for funeral expenses up to \$3,500.

The two Boards are composed of the same five members, and the same offices and staff serve them both.

PUBLIC PROTECTION AND REGULATION
Alcoholic Beverage Control

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,817,800	4,082,000	3,520,000	2,526,900	2,622,400
Current Year Appropriation	340,500				
Total General Fund	2,158,300	4,082,000	3,520,000	2,526,900	2,622,400
Restricted Agency Funds					
Balance Forward	140,500	245,100	245,100	246,100	171,100
Current Receipts	465,500	476,500	486,500	476,500	486,500
Non-Revenue Receipts	307,200	251,000	251,000	251,000	251,000
Total Restricted Agency Funds	913,200	972,600	982,600	973,600	908,600
TOTAL FUNDS	3,071,500	5,054,600	4,502,600	3,500,500	3,531,000
EXPENDITURES BY CLASS					
Personnel Costs	2,237,900	3,242,500	3,286,000	2,722,500	2,843,500
Operating Expenses	575,000	1,075,500	971,500	606,900	566,400
Capital Outlay	12,500	491,500			
TOTAL EXPENDITURES	2,825,400	4,809,500	4,257,500	3,329,400	3,409,900
EXPENDITURES BY UNIT					
Administration, Enforcement and License	2,557,200	4,548,500	3,996,500	3,068,500	3,149,000
Tobacco Enforcement	268,200	261,000	261,000	261,000	261,000
EMPOWER Kentucky General Fund Savings				-100	-100
TOTAL EXPENDITURES	2,825,400	4,809,500	4,257,500	3,329,400	3,409,900

The Department of Alcoholic Beverage Control administers and enforces the laws and regulations relating to the manufacture, sale, transportation, storage, advertising and trafficking of alcoholic beverages, except for the collection of taxes, as set out in Chapters 241-244 of the Kentucky Revised Statutes and Title 804 of the Kentucky Administrative Regulations. Executive Order 97-26 reorganized the Department in order to provide more efficient oversight and enforcement of the alcoholic beverage laws.

The Commissioner of the Department is its executive officer and serves as Chairman of the Alcoholic Beverage Control (ABC) Board, which also includes the Administrators of the Malt Beverage and Distilled Spirits units, all three of whom are appointed by the Governor.

In exercising its quasi-judicial authority, the ABC Board may suspend, revoke, or cancel for cause, after hearing, any license issued relating to violation of alcoholic beverage laws; subpoena witnesses, administer and examine any person under oath, and require the production of documents; conduct hearings for and appeals from an applicant whose license is refused by city or county administrators; and revoke licenses and render decisions.

The Department has a complement of enforcement officers assigned throughout the state who conduct investigations, make regular inspections and otherwise monitor compliance with ABC laws.

The Department receives restricted funds from the Kentucky Department of Agriculture as a result of a Memorandum of Agreement to implement laws relating to the sale and use of tobacco products, pursuant to KRS 438.330.

Policy

A current year appropriation in the amount of \$340,500 is recommended to hire four additional staff as a result of the Department's reorganization. A detailed breakdown of expenditures includes \$301,500 for personnel and \$39,000 for operating. Recurring expenditures associated with the current year appropriation are \$260,000 in fiscal year 1999 and \$220,000 in fiscal year 2000.

PUBLIC PROTECTION AND REGULATION
Financial Institutions

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	3,100,000	1,364,000	2,037,500	1,901,500	3,418,000
Current Receipts	7,650,500	8,212,000	8,171,000	8,212,000	8,171,000
Non-Revenue Receipts	536,500	360,500	447,500	360,500	447,500
TOTAL FUNDS	11,287,000	9,936,500	10,656,000	10,474,000	12,036,500
EXPENDITURES BY CLASS					
Personnel Costs	4,983,500	6,329,000	6,861,500	5,807,000	6,083,000
Operating Expenses	4,402,000	1,332,000	1,252,500	1,249,000	1,224,500
TOTAL EXPENDITURES	9,385,500	7,661,000	8,114,000	7,056,000	7,307,500
EXPENDITURES BY UNIT					
Commissioner	1,327,600	1,116,000	1,204,500	940,000	952,500
Administrative Services	965,900	834,500	897,000	751,000	774,500
Financial Institutions	5,639,500	4,267,500	4,478,000	4,124,500	4,318,000
Securities	1,452,500	1,443,000	1,534,500	1,240,500	1,262,500
TOTAL EXPENDITURES	9,385,500	7,661,000	8,114,000	7,056,000	7,307,500

The Department of Financial Institutions, established under KRS 287 administers the state supervisory and regulatory functions pertaining to banks, credit unions, savings and loans, consumer loan companies, industrial loan companies, mortgage loan companies, securities issuers, broker-dealers, agents and investment advisors. The Department is headed by a Commissioner, appointed by the Governor. Executive Order 97-723 reorganized the Department into the following units:

- The Commissioner's Office is responsible for planning and monitoring progress thereof, managing, setting policies and determining the direction of the agency. Other functions of the office consists of the General Counsel's Office which provides legal support to the agency. The Public Affairs branch coordinates all communications with the media and acts as the agency's ombudsman in responding to complaints and requests for information.
- The Division of Securities handles the registration of various security offerings for sale in the state, or where appropriate, and the registration and/or regulation of broker-dealers, agents, and investment advisers who either resides or conducts business in the state.
- The Division of Financial Institutions is charged with licensing/chartering, examination and regulation of both state-chartered depository institutions and non-depository financial institutions.
- The Division of Administrative Services is charged with the administration of the accounting, purchasing, inventory control, budgeting, payroll and personnel management functions for the Department. The Division is also responsible for the development of computer examination programs, system upgrade planning, maintenance of the computer network, and computer usage education for employees.

**PUBLIC PROTECTION AND REGULATION
Racing Commission**

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	894,100	1,250,500	1,281,500	1,419,100	1,356,900
Current Year Appropriation	350,000				
Total General Fund	1,244,100	1,250,500	1,281,500	1,419,100	1,356,900
Restricted Agency Funds					
Balance Forward	5,209,000	2,005,600	1,268,000	2,549,800	1,862,700
Current Receipts	1,335,000	1,209,900	1,757,000	1,209,900	1,757,000
Non-Revenue Receipts	11,555,000	12,120,000	12,465,000	12,120,000	12,465,000
Total Restricted Agency Funds	18,099,000	15,335,500	15,490,000	15,879,700	16,084,700
TOTAL FUNDS	19,343,100	16,586,000	16,771,500	17,298,800	17,441,600
EXPENDITURES BY CLASS					
Personnel Costs	1,592,000	1,645,000	1,724,500	1,893,000	1,972,000
Operating Expenses	746,000	668,000	678,000	588,100	594,400
Grants, Loans or Benefits	14,434,300	13,005,000	12,945,000	12,955,000	12,510,000
Capital Outlay	21,000				
TOTAL EXPENDITURES	16,793,300	15,318,000	15,347,500	15,436,100	15,076,400
EXPENDITURES BY UNIT					
Administration and Regulation of Racing	2,303,000	2,235,500	2,321,500	2,404,500	2,487,500
Breeders Award Fund	4,120,100	2,500,000	2,900,000	2,500,000	2,500,000
Equine Drug Research Council	27,000	255,000	255,000	255,000	255,000
Standardbred Development Fund	378,500	453,500	503,500	453,500	503,500
Thoroughbred Development Fund	9,500,000	9,500,000	9,000,000	9,500,000	9,000,000
Backside Improvement Commission	304,700	191,500	170,000	141,000	133,500
County Fair Purses	60,000	60,000	65,000	60,000	65,000
Standardbred Horsemen Fees	100,000	120,000	130,000	120,000	130,000
Quarterhorse Development Fund		2,500	2,500	2,500	2,500
EMPOWER Kentucky General Fund Savings				-400	-600
TOTAL EXPENDITURES	16,793,300	15,318,000	15,347,500	15,436,100	15,076,400

Under KRS 230, the Kentucky Racing Commission is responsible for the regulation of thoroughbred and harness horse racing and the fostering of thoroughbred and harness horse breeding within the Commonwealth.

The Commission has the authority to prescribe rules, regulations, and conditions under which all legitimate thoroughbred, harness horse, Quarter Horse, Appaloosa, and Arabian racing and wagering may be conducted in the Commonwealth.

The 1982 General Assembly, under KRS 230.265, created the Equine Drug Council to advise the Commission on research programs. Funding is provided under KRS 138.510, where one-tenth of one percent of the thoroughbred pari-mutuel handle is to be disbursed under the direction of the Racing Commission.

The Thoroughbred Development Fund was created by the 1978 General Assembly and operates under the provisions of KRS 230.400. The Fund was created to promote interest in raising and racing thoroughbred horses in the Commonwealth; to attract breeders from other states to send their breeding stock to Kentucky; and to improve the caliber of breeding and racing stock in the Commonwealth. The program is funded by three-fourths of one percent of the total pari-mutuel handle.

The Standardbred Development Fund was created to promote the raising and racing of harness horses sired by stallions standing in Kentucky; to attract breeders from other states to send their breeding stock to Kentucky; to increase the number of owners in Kentucky; and to increase the number of horses bred in Kentucky. One percent of the pari-mutuel handle from the harness horse racing tracks is deposited in a revolving fund account for the Standardbred Development Fund.

Under the authority of KRS 230.398, the County Fair Purse Fund receives funding from uncashed pari-mutuel tickets and redistributes the funds in the form of purse supplements to county fairs.

The Backside Improvement Commission was created by the 1980 General Assembly and operates under provisions of KRS 230.218. KRS 138.510 stipulates that, racing associations with an average handle of \$1,200,000 or less per racing day are required to pay one-half of one percent to the Fund. Racing Associations with an average handle of \$1,200,000 or more per racing day are required to pay three and one-half percent to the Fund. The Backside Improvement Commission is charged with promoting, enhancing and improving the conditions of the backsides of Turfway and Ellis Parks.

The Breeders' Award Fund was created by the 1992 General Assembly as an incentive for the Kentucky breeding industry. The program makes awards to the owners of dams and stallions of eligible Kentucky horses which race in the state. Total receipts for this fund are divided in the following manner: Ninety percent to thoroughbred breeders; seven percent to harness sires' stakes races; and three percent to harness purses at county fairs. Kentucky's off-track betting network provides the total funding for this program.

Policy

The Governor's recommended budget suspends KRS 230.217(3), which guarantees a balance each year of \$3,750,000 effective July 1, 1993, for the Breeders' Award Fund and requires the General Fund to supplement restricted funds in the event that the balance is not met. Suspension of this statute relieves any General Fund obligation.

A current year appropriation in the amount of \$350,000 is recommended for the remainder of fiscal year 1998 to offset the costs incurred in the sponging of horses. A detailed breakdown of expenditures includes \$245,000 for personnel to hire three additional positions and \$105,000 for operating. Recurring expenditures associated with this current year appropriation are \$343,000 in fiscal year 1999 and \$347,000 in fiscal year 2000.

PUBLIC PROTECTION AND REGULATION
Housing, Buildings, and Construction

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	3,446,100	3,484,000	3,588,000	3,480,500	3,576,800
Restricted Agency Funds					
Balance Forward	7,231,000	7,552,000	7,108,500	7,655,600	8,026,100
Current Receipts	7,249,100	7,467,500	7,442,000	7,467,500	7,442,000
Non-Revenue Receipts	22,400,500	21,582,000	21,604,000	18,296,500	19,028,000
Total Restricted Agency Funds	36,880,600	36,601,500	36,154,500	33,419,600	34,496,100
TOTAL FUNDS	40,326,700	40,085,500	39,742,500	36,900,100	38,072,900
EXPENDITURES BY CLASS					
Personnel Costs	9,892,800	10,396,000	10,947,000	10,670,000	11,210,500
Operating Expenses	2,863,300	10,436,000	10,182,000	2,995,000	3,016,800
Grants, Loans or Benefits	19,915,000	12,024,000	12,226,000	15,088,000	16,655,000
Capital Outlay		121,000	121,000	121,000	121,000
TOTAL EXPENDITURES	32,671,100	32,977,000	33,476,000	28,874,000	31,003,300
EXPENDITURES BY UNIT					
General Administration and Support	1,006,500	1,036,500	1,067,500	1,034,000	1,061,000
Plumbing	3,177,500	3,437,000	3,599,000	3,383,000	3,530,000
Building Codes Enforcement	1,716,400	1,908,000	1,968,000	1,908,000	1,965,500
Firefighters Foundation Fund	22,400,000	21,583,000	21,605,000	17,490,000	19,184,000
Regulation of Minimum Safety Standards	4,075,800	4,580,500	4,791,000	4,659,500	4,848,500
HVAC	294,900	432,000	445,500	400,500	416,500
EMPOWER Kentucky General Fund Savings				-1,000	-2,200
TOTAL EXPENDITURES	32,671,100	32,977,000	33,476,000	28,874,000	31,003,300

The Department of Housing, Buildings, and Construction was created by Executive Order 77-1156 and derives its authority from KRS 198B. Its primary purpose is to devise and enforce an effective building inspection program as well as to prevent fire and life-safety hazards. In this regard, the Board of Housing, Buildings, and Construction was established to adopt a uniform building code for Kentucky.

The General Administration and Support program provides overall planning, management, policy, direction, legal counsel, and support services for the Department.

The Regulation of Minimum Safety Standards program enforces life safety codes and state and federal laws and regulations including performing property inspections, reviewing plans for remodeled or improved property, regulating the use and storage of hazardous materials and responding to related emergencies. The program also includes the inspection and plan review of boilers and pressure piping as well as elevators, monitoring the construction and sales of mobile homes and recreational vehicles, testing and licensing of electrical inspectors, boiler contractors, underground petroleum storage tank contractors, and sprinkler system contractors.

The Building Codes Enforcement program was created by Executive Order 79-1146 to provide overall coordination and enforcement of the Kentucky Uniform Building Code and provides inspection, plans review and technical services to the building community. The Program is funded primarily from plans review fees.

The Plumbing Division, a fee-supported program, has the responsibility to fulfill the mandate of the State Plumbing Law; i.e., the inspection of plumbing systems in all buildings throughout the state, the approval of plans in all types of public buildings, the renewal of master and journeyman plumber's licenses, assisting the State Plumbing Code Committee in its review of the plumbing code regulations and in the review and approval of new materials and techniques. This Division is also responsible for the annual licensing and oversight of the activities of heating, ventilation, and air conditioning contractors, mechanics and apprentices.

The Firefighters' Foundation Fund program was created by the 1992 General Assembly by combining the Professional Firefighters Foundation Program Fund and the State Aid Program for qualified volunteer fire departments. The Program strives to reduce and prevent the loss of life or property by fire and other hazards through a better trained and equipped professional and volunteer firefighting force for the Commonwealth. The Program provides educational incentive pay for firefighters, grants to volunteer fire departments, workers' compensation for volunteer firefighters, regional training facility grants, a revolving low interest loan program for volunteer fire departments, survivor's benefits to families of deceased firefighters, and Hepatitis B inoculations for all firefighters.

Policy

Additional funding includes (Restricted Funds):

Building Code Enforcement - \$70,500 in fiscal year 1999 and \$70,000 in fiscal year 2000 for an additional inspector and administrative support position; \$30,000 in fiscal year 1999 and \$20,000 in fiscal year 2000 for new imaging software and hardware; and \$45,000 in fiscal year 1999 and \$30,000 in fiscal year 2000 for computers and furniture.

HVAC - \$43,000 in fiscal year 1999 and \$41,500 in fiscal year 2000 for a HVAC Field Supervisor; and \$26,000 in fiscal year 1999 and \$26,000 in fiscal year 2000 for four new vehicles.

Regulation of Minimum Safety Standards - \$160,500 in fiscal year 1999 and \$162,000 in fiscal year 2000 for five additional General Inspection positions; and \$95,000 in fiscal year 1999 and \$95,000 in fiscal year 2000 for ten new vehicles for Hazardous Material Inspectors.

Plumbing - Continuation of \$161,000 in fiscal year 1999 and \$160,000 in fiscal year 2000 for additional investigator positions and four student co-ops.

Firefighter's Foundation Fund - Continuation of \$200,000 in fiscal years 1999 and 2000 for Regional Training Centers; increase State Aid Grants to volunteer fire departments to \$6,500 in fiscal year 1999 and \$7,500 in fiscal year 2000; increase incentive payments for paid firefighters to \$2,750 in fiscal year 1999 and \$3,000 in fiscal year 2000.

PUBLIC PROTECTION AND REGULATION
Insurance

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
Restricted Agency Funds					
Balance Forward	8,043,000	6,370,000	6,388,000	13,103,600	13,225,600
Current Receipts	18,702,600	20,032,000	20,431,000	20,064,500	20,465,500
Non-Revenue Receipts	8,491,500	2,401,500	2,388,500	2,631,500	2,607,500
TOTAL FUNDS	35,237,100	28,803,500	29,207,500	35,799,600	36,298,600
EXPENDITURES BY CLASS					
Personnel Costs	18,919,700	19,294,500	19,971,500	19,809,500	20,410,500
Operating Expenses	3,203,800	3,121,000	3,120,500	2,764,500	2,796,000
Capital Outlay	10,000				
TOTAL EXPENDITURES	22,133,500	22,415,500	23,092,000	22,574,000	23,206,500
EXPENDITURES BY UNIT					
Administrative Services	1,391,000	1,671,500	1,726,500	1,561,500	1,616,500
Agent Licensing	778,700	825,500	856,500	782,500	819,000
Health Purchasing Alliance	8,266,100	7,592,000	7,833,000	8,523,000	8,567,000
Commissioner	435,500	584,000	611,000	579,000	604,000
Consumer Protection	359,500	941,500	984,000	869,500	911,500
Consumer Information	40,000	40,000	40,000	40,000	40,000
General Counsel	1,990,000	2,112,500	2,178,500	2,090,000	2,156,500
Fraud Investigation	765,000	800,000	837,500	738,000	773,000
Life and Health	1,991,500	1,860,000	1,902,000	1,847,000	1,893,500
Mine Subsidence Insurance	364,100	366,000	369,000	331,000	336,000
Property and Casualty	628,600	738,500	772,500	697,000	802,000
State Risk and Insurance Services	537,500	559,000	582,500	522,500	543,500
Financial Standards and Examinations	4,586,000	4,325,000	4,399,000	3,993,000	4,144,000
TOTAL EXPENDITURES	22,133,500	22,415,500	23,092,000	22,574,000	23,206,500

The Department of Insurance has authority under KRS 304 to license, supervise, and regulate insurance companies doing business in Kentucky. The Department is comprised of two appropriations: General Operations and the Health Purchasing Alliance. General Operations consists of 12 other functions within the Department of Insurance.

The Division of Administrative Services provides general support including personnel, payroll, purchasing, inventory, building maintenance, data processing, accounts receivable, accounts payable, and fiscal functions for the Department.

The Division of Agent Licensing administers insurance laws and regulations which regulate the licensing of insurance agents. The objectives of this program are to examine prospective agents as to their knowledge of insurance laws, regulations, and ethics; to issue licenses; to renew licenses; and to enforce the insurance laws and regulations as specified under KRS 304.9.

The Financial Standards and Examinations Division assumes all functions of admission and licensing of insurers and is responsible for the financial and audit functions of insurers authorized to do business in Kentucky.

The Office of the General Counsel reviews agent and corporate activity, formation of new companies, changes in existing companies, rehabilitation, and insolvencies for compliance with the Kentucky Insurance Code.

The Life and Health Division protects insurance buyers through application of Kentucky Insurance Laws and Regulations pursuant to KRS 304 and KAR 806. The Division regulates all admitted life and health insurers by approving or disapproving all policy filings, forms, rates, and advertising.

The Property and Casualty Division reviews and passes approval or disapproval judgment on the property and casualty coverage forms, rating manuals, and the company's underwriting guidelines to be used by insurers admitted to do business in the Commonwealth.

The Insurance Fraud Investigation Division is charged with the responsibility of investigating and prosecuting fraudulent acts involving all types of insurance claims, agents' activities, and workers' compensation.

The Consumer Information program bears the responsibility for publishing consumer information reports per KRS 304.14-560.

The State Risk and Insurance Services Division determines state properties to be to be insured through State Fire and Tornado Fund. It appraises and values state properties and determines premium rates to be charged.

Pursuant to KRS 304 subchapter 44, the Kentucky Mine Subsidence Insurance Fund is established to provide insurance to protect against losses to property due to mine subsidence in the areas of Kentucky that have been underground coal mines.

The Consumer Protection and Education Division was created as a result of Executive Order 97-1609. The Division's primary responsibility is to improve regulatory protection of the buying public. An Ombudsman is located in this division and serves as a point of contact for those citizens that need additional assistance.

The Health Purchasing Alliance was created in July, 1995 under KRS 304.17A-020. It operates a statewide health purchasing alliance for public sector employers, small business commercial employers, and individuals located throughout the Commonwealth. Executive Order 96-884 reorganized the Health Purchasing Alliance and transferred the Alliance and its duties from the Human Resources Cabinet to the Department of Insurance, Public Protection and Regulation Cabinet.

Policy

The Governor's recommended budget for the Health Purchasing Alliance exceeds request due to an appropriation increase approved after the budget request was submitted.

**PUBLIC PROTECTION AND REGULATION
Mines and Minerals**

	<u>Revised FY 1998</u>	<u>Requested FY 1999</u>	<u>Requested FY 2000</u>	<u>Recommended FY 1999</u>	<u>Recommended FY 2000</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,785,200	11,812,000	11,341,000	10,209,300	9,895,400
Restricted Agency Funds					
Balance Forward	781,500	795,000	786,000	796,500	787,500
Current Receipts	873,100	801,000	801,000	801,000	801,000
Non-Revenue Receipts	9,000				
Total Restricted Agency Funds	<u>1,663,600</u>	<u>1,596,000</u>	<u>1,587,000</u>	<u>1,597,500</u>	<u>1,588,500</u>
Federal Funds					
Balance Forward	24,500			24,500	24,500
Current Receipts	671,000	629,500	591,000	629,500	591,000
Total Federal Funds	<u>695,500</u>	<u>629,500</u>	<u>591,000</u>	<u>654,000</u>	<u>615,500</u>
TOTAL FUNDS	<u>12,144,300</u>	<u>14,037,500</u>	<u>13,519,000</u>	<u>12,460,800</u>	<u>12,099,400</u>
EXPENDITURES BY CLASS					
Personnel Costs	8,830,800	9,867,500	10,346,000	8,878,500	9,286,500
Operating Expenses	2,492,500	2,437,500	2,396,000	2,063,800	2,009,900
Capital Outlay		946,500		706,500	
TOTAL EXPENDITURES	<u>11,323,300</u>	<u>13,251,500</u>	<u>12,742,000</u>	<u>11,648,800</u>	<u>11,296,400</u>
EXPENDITURES BY UNIT					
Commissioner	784,800	897,500	943,000	739,500	770,500
Administration and Support	418,500	361,000	341,500	326,000	302,500
Mine Licensing	289,500	308,500	317,500	269,500	276,000
Explosives and Blasting	733,000	819,500	865,000	747,500	780,500
Mine Safety Analysis	1,888,500	1,933,500	1,980,500	1,650,500	1,716,500
Training, Education and Certification	1,152,000	1,278,500	1,319,000	1,115,500	1,166,000
Mine Safety Inspection	4,730,000	6,116,000	5,299,000	5,468,500	4,911,500
Oil and Gas Conservation	1,327,000	1,537,000	1,676,500	1,338,500	1,382,000
EMPOWER Kentucky General Fund Savings				-6,700	-9,100
TOTAL EXPENDITURES	<u>11,323,300</u>	<u>13,251,500</u>	<u>12,742,000</u>	<u>11,648,800</u>	<u>11,296,400</u>

The Department of Mines and Minerals, established in 1880 by KRS 351, is responsible for the regulation of mining practices for the prevention of injuries and fatalities in underground, strip, and auger mines. Executive Order 97-1386 reorganized the Department into the following units:

The Commissioner's Office provides executive policy and management guidance for the Department. Additional duties of the Office include operating as Chief Mine Inspector and providing Legal Counsel for the Department.

The Division of Administration and Support provides personnel administration, accounting, budgeting, and other support services for the Department.

The Division of Mine Licensing is responsible for issuance of mine licenses and special permits. In addition, the Division develops and maintains databases to track various information about each mining operation including the number of miners employed by the mine, type of operations, type of worker's compensation insurance, and the number and type of mining law violations, closures, and abatements for each mine and/or mine operator.

The Division of Mine Safety Inspection is required by law to conduct a minimum of two inspections per mine annually and additional inspections as needed to correct deficiencies; to license all commercial coal and clay mines in the Commonwealth; to investigate all serious and fatal accidents occurring in the Commonwealth's coal and clay mining operations; to investigate all reported fires, ignitions, and explosions occurring in the Commonwealth's coal and clay mining operations; and to investigate all complaints. The Division operates six mine rescue stations and twelve rescue teams across the state that augment company maintained rescue teams during emergencies.

The Oil and Gas Conservation program is responsible for the conservation of oil and gas resources of the Commonwealth and for the protection of correlative rights of mineral owners. The Program is also charged with the collection of geological data, obtained from the drilling of oil and gas wells, for deposit in the Kentucky Geological Survey.

In response to the 1976 Scotia mine disaster, the Deep Mining Safety Commission was created to investigate the causes of mine disasters and recommend changes to stop accidents such as Scotia from happening again. From the recommendations of the Deep Mining Safety Commission, the Division of Mine Safety Analysis was created by the 1976 Extraordinary Session of the General Assembly and is charged with the enforcement of KRS 351 regarding the regulations of mining operations by analyzing the work habits of the underground coal and/or clay miners.

The Division of Explosives and Blasting regulates the manufacture, sale, transport, storage, and use of explosives within the Commonwealth. The Division also trains, tests, and licenses those applicants qualified to be blasters.

The Division of Miner Training, Education, and Certification, also created by the 1976 Extraordinary Session of the General Assembly, is charged with the enforcement of KRS 351 concerning the training, education, and certification by the Board of Miner Training, Education, and Certification of underground coal and clay miners. The Program is funded through a grant from the U. S. Department of Labor, Mine Safety Health Administration. It provides training and education courses to mine personnel to support the industry, which is required to maintain certification for local miners.

Policy

An additional General Fund appropriation of \$706,500 is provided in fiscal year 1999 to purchase new oxygen breathing apparatuses for the twelve rescue teams.

PUBLIC PROTECTION AND REGULATION
Public Advocacy

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	13,643,200	15,584,500	15,957,500	14,847,100	15,234,100
Restricted Agency Funds					
Balance Forward	2,257,000	1,497,000	829,500	1,497,500	979,500
Current Receipts	1,642,500	2,051,000	2,089,000	2,025,000	2,063,000
Non-Revenue Receipts	1,463,200	1,566,000	1,599,000	1,146,000	1,169,000
Total Restricted Agency Funds	5,362,700	5,114,000	4,517,500	4,668,500	4,211,500
Federal Funds					
Balance Forward	50,500	19,500	14,000	19,500	117,500
Current Receipts	1,010,200	1,012,000	1,063,500	1,127,000	1,184,000
Non-Revenue Receipts	46,000	46,000	46,000	46,000	46,000
Total Federal Funds	1,106,700	1,077,500	1,123,500	1,192,500	1,347,500
TOTAL FUNDS	20,112,600	21,776,000	21,598,500	20,708,100	20,793,100
EXPENDITURES BY CLASS					
Personnel Costs	9,851,000	10,558,000	11,222,000	11,314,300	11,950,300
Operating Expenses	1,960,100	2,164,000	2,105,500	1,851,300	1,878,300
Grants, Loans or Benefits	6,784,500	8,199,500	8,097,500	6,445,500	6,428,500
Capital Outlay		18,000			
TOTAL EXPENDITURES	18,595,600	20,939,500	21,425,000	19,611,100	20,257,100
EXPENDITURES BY UNIT					
Law Operations	986,500	1,489,000	1,412,500	1,066,000	1,112,500
Defense Services	16,169,100	17,932,500	18,425,000	17,095,500	17,663,500
Protection and Advocacy	1,440,000	1,518,000	1,587,500	1,495,000	1,561,000
EMPOWER Kentucky General Fund Savings				-45,400	-79,900
TOTAL EXPENDITURES	18,595,600	20,939,500	21,425,000	19,611,100	20,257,100

The Kentucky Department of Public Advocacy (DPA) was established by the 1972 General Assembly when it enacted KRS Chapter 31 to provide for the representation of indigent persons accused of crimes or mental states which may result in their incarceration or confinement.

Kentucky's mandated public defender services are delivered by a "mixed" system consisting of full-time state employed public defenders, full-time non-state public defenders, and part-time private attorneys contracting with the Department to provide services.

The Law Operations Division provides budget, strategic planning, personnel, administrative, training, library services, research, and management support for the efficient and effective delivery of defender and protection and advocacy services pursuant to KRS 31 and KRS 31.030(7)(8)(10).

The Defense Services 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 and all needy persons faced with involuntary commitments due to mental state or condition.

The Department's Protection and Advocacy Division was established pursuant to Public Law 99-319, Public Law 101-496, and KRS 31.030 and provides for the legal, administrative, and other appropriate remedies to insure the protection of Kentuckians with developmental disabilities and mental illnesses. Most of the funds in this division's budget are federal funds that have strict non-supplanting requirements.

Policy

Additional funding in the amount of \$493,500 in fiscal year 1999 and \$490,000 in fiscal year 2000 is provided for seven positions in Capital Post-Conviction. This function was defunded with the loss of a federal grant at the beginning of fiscal year 1998. In addition, \$340,000 in fiscal year 1999 and \$340,000 in fiscal year 2000 is transferred from the Department of Juvenile Justice to the Department of Public Advocacy to fund the Juvenile program. This program was established to comply with the Federal Consent Decree. During the last biennium, the Justice Cabinet contracted with the Department to provide legal representation for juveniles.

PUBLIC PROTECTION AND REGULATION
Public Service Commission

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,260,700	8,892,000	8,567,000	8,877,400	8,656,400
Continuing Appropriation	427,200				
Total General Fund	7,687,900	8,892,000	8,567,000	8,877,400	8,656,400
Restricted Agency Funds					
Current Receipts	22,500	22,500	22,500	22,500	22,500
Federal Funds					
Balance Forward	70,500				
Current Receipts	133,500	219,000	229,000	219,000	229,000
Non-Revenue Receipts	38,100				
Total Federal Funds	242,100	219,000	229,000	219,000	229,000
TOTAL FUNDS	7,952,500	9,133,500	8,818,500	9,118,900	8,907,900
EXPENDITURES BY CLASS					
Personnel Costs	6,223,200	7,480,000	7,849,500	7,480,000	7,849,500
Operating Expenses	1,227,300	1,379,000	969,000	1,364,400	949,400
Debt Service	457,000				109,000
Capital Outlay	45,000	274,500		274,500	
TOTAL EXPENDITURES	7,952,500	9,133,500	8,818,500	9,118,900	8,907,900
EXPENDITURES BY UNIT					
Executive Director	1,088,500	1,341,500	1,300,000	1,341,500	1,300,000
Administrative Services	758,200	809,000	429,000	809,000	538,000
Legal Counsel	576,000	685,500	715,000	685,500	715,000
Financial Analysis	1,386,200	1,571,500	1,648,500	1,571,500	1,648,500
Gas Pipeline Safety	446,100	438,000	458,000	438,000	458,000
Research	402,000	533,500	556,500	533,500	556,500
Commissioner	621,000	667,500	700,000	667,500	700,000
Engineering	1,251,500	1,681,500	1,544,000	1,681,500	1,544,000
Filings	677,000	901,500	944,500	901,500	944,500
Consumer Services	289,000	504,000	523,000	504,000	523,000
Building	457,000				
EMPOWER Kentucky General Fund Savings				-14,600	-19,600
TOTAL EXPENDITURES	7,952,500	9,133,500	8,818,500	9,118,900	8,907,900

The Public Service Commission is a three-member administrative body with quasi-legislative and quasi-judicial duties.

Created by the 1934 General Assembly, the Commission regulates the intrastate rates and services of over 500 investor-owned electric, natural gas, telephone, water and sewage utilities, rural electric and telephone cooperatives, and water districts. The Commission performs its regulatory functions through written orders following adjudicative and rulemaking procedures outlined in Chapter 278 of the Kentucky Revised Statutes and administrative regulations promulgated by the Commission in Chapter 807 of the Kentucky Administrative Regulations.

The Commission's goal is to ensure that every utility charges fair, just and reasonable rates for the services rendered and that those services are adequate, efficient and reasonable.

The agency is funded by an assessment of all utilities under the Commission's jurisdiction based on the annual gross intrastate revenues.

Policy

Included in the above General Fund appropriation is \$109,000 in fiscal year 2000 for debt service for a new office building.

Additional funding includes: \$100,000 in fiscal year 1999 and \$10,000 in fiscal year 2000 for a video conference unit; \$39,500 in fiscal year 1999 to replace outdated and inoperative inspection equipment; \$29,500 in fiscal year 1999 for a gas chromatograph used to test gas samples; and \$130,000 in fiscal year 1999 for standard calibration equipment used to calibrate electric watt-hour reference standards.

**PUBLIC PROTECTION AND REGULATION
Secretary**

	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	335,400				
Restricted Agency Funds					
Balance Forward	92,104,000	94,149,700	98,097,500	94,149,700	98,426,500
Current Receipts	4,101,000	5,089,300	5,136,500	5,089,300	5,136,500
Non-Revenue Receipts	38,957,000	41,117,000	41,779,500	41,024,000	41,679,000
Total Restricted Agency Funds	135,162,000	140,356,000	145,013,500	140,263,000	145,242,000
TOTAL FUNDS	135,497,400	140,356,000	145,013,500	140,263,000	145,242,000
EXPENDITURES BY CLASS					
Personnel Costs	1,154,600	3,563,000	3,881,500	3,157,500	3,316,000
Operating Expenses	39,676,100	38,195,500	38,591,000	38,179,000	38,568,500
Capital Outlay	17,000				
Construction	500,000	500,000	500,000	500,000	500,000
TOTAL EXPENDITURES	41,347,700	42,258,500	42,972,500	41,836,500	42,384,500
EXPENDITURES BY UNIT					
General Operations	335,400	1,576,000	1,654,500	1,483,000	1,554,000
Petroleum Storage Tank Environmental Assurance Fund	41,012,300	40,682,500	41,318,000	40,353,500	40,830,500
TOTAL EXPENDITURES	41,347,700	42,258,500	42,972,500	41,836,500	42,384,500

The Office of the Secretary serves the Governor as advisor and liaison for the overall direction and coordination of the ten departments, boards, commissions, and the Petroleum Storage Tank Environmental Assurance Fund under this Cabinet as outlined in KRS 12.265. The Secretary guides Cabinet agencies in policy and program implementation and is responsible for operating each agency in the most efficient and cost effective manner possible while maintaining a high quality of service to the public. The Secretary is also responsible for providing Cabinet agencies with legislative leadership and for establishing good working relationships with members of the Kentucky General Assembly and other state and federal agencies.

The Office of the Secretary is comprised of two appropriations: General Operations and the Petroleum Storage Tank Environmental Assurance Fund. Executive Order 97-1092 reorganized the Secretary's Office (General Operations). General Operations incorporates all functions in the Office which include the Secretary's Office, the Office of General Counsel, and the Division of Administrative Services.

The Secretary's Office is responsible for policy development and implementation, oversight and implementation of the budget, and strategic planning functions for the Cabinet.

The Office of General Counsel provides legal counsel to the Cabinet Secretary, reviews regulations and statutes, and represents the Cabinet in legal hearings.

The Division of Administrative Services is responsible for budget preparation and the processing of all fiscal and personnel transactions.

KRS 224.60-100 through 224.60-160 created and specified the duties and authority of the Petroleum Storage Tank Environmental Assurance Fund. The Fund serves as a mechanism for petroleum storage tank owners or operators to demonstrate compliance with federal financial assistance responsibility requirements of 40CFR, subpart H. In addition, the Fund provides financial assistance to owners or operators in performing remedial cleanups at contaminated facilities. Executive Order 96-485 transferred the Petroleum Storage Tank Environmental Assurance Fund and its duties from the Natural Resources and Environmental Protection Cabinet to the Office of the Secretary, Public Protection and Regulation Cabinet.

Policy

The Secretary's Office will fund its operations with 100 percent restricted funds by assessing the agencies in the Cabinet an administrative fee.

Additional funding includes \$978,000 in fiscal year 1999 and \$895,500 in fiscal year 2000 for the Petroleum Storage Tank Environmental Assurance Fund to hire 16 additional Environmental Technologists to monitor on a statewide basis, the site investigation and contamination cleanup activities performed by remedial contractors.

PUBLIC PROTECTION AND REGULATON
Tax Appeals

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	541,200	411,000	423,000	410,200	422,000
EXPENDITURES BY CLASS					
Personnel Costs	475,300	346,000	358,000	343,500	354,500
Operating Expenses	65,900	65,000	65,000	66,700	67,500
TOTAL EXPENDITURES	541,200	411,000	423,000	410,200	422,000
EXPENDITURES BY UNIT					
Tax Appeals	541,200	411,000	423,000	411,000	423,000
EMPOWER Kentucky General Fund Savings				-800	-1,000
TOTAL EXPENDITURES	541,200	411,000	423,000	410,200	422,000

The Board of Tax Appeals was created by the 1964 General Assembly as an independent administrative review agency with exclusive jurisdiction to hear and determine appeals from final rulings, orders, and determinations of any agency of state or county government relating to revenue and taxation as detailed in KRS 131.

The Board consists of three members appointed by the Governor for staggered four-year terms. One member is designated by the Governor as chairman.

Any party aggrieved by a final order, decision, or determination of the Board of Tax Appeals, except on appeals from a county board of assessment appeals, may file an appeal with the Franklin Circuit Court or the Circuit Court of the county in which the aggrieved party resides or operates their place of business. Persons aggrieved by final rulings of cases appealed to the Board from county boards of assessment appeals, may appeal to the Circuit Court in the county where the appeals originated.

REVENUE

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	77,699,400	85,615,500	87,550,500	79,549,900	82,709,400
Restricted Agency Funds					
Balance Forward	3,523,000	3,257,000	2,385,500	3,307,200	2,153,200
Current Receipts	4,944,500	3,968,000	3,946,000	4,161,500	4,229,000
Total Restricted Agency Funds	8,467,500	7,225,000	6,331,500	7,468,700	6,382,200
Federal Funds					
Current Receipts	90,000	40,000	40,000	40,000	40,000
Road Fund					
Regular Appropriation	1,352,000	1,352,000	1,352,000	1,352,000	1,352,000
TOTAL FUNDS	87,608,900	94,232,500	95,274,000	88,410,600	90,483,600
EXPENDITURES BY CLASS					
Personnel Costs	64,333,900	68,508,500	71,848,500	66,584,600	69,905,800
Operating Expenses	19,816,800	23,168,500	21,885,500	19,672,800	19,467,100
Capital Outlay	151,000	170,000	170,000		
TOTAL EXPENDITURES	84,301,700	91,847,000	93,904,000	86,257,400	89,372,900
EXPENDITURES BY UNIT					
Secretary	18,881,500	24,839,000	24,238,000	19,585,000	19,136,500
Tax Administration	24,998,300	25,036,000	26,022,000	25,213,500	26,523,500
Property Valuation	6,444,800	5,557,500	5,718,000	5,965,500	6,080,500
Law	8,895,000	8,987,000	9,404,000	9,219,500	9,634,500
Information Technology	2,527,500	2,594,500	2,717,000	3,395,500	3,551,000
Property Valuation Administrators	22,554,600	24,833,000	25,805,000	23,789,500	25,022,000
EMPOWER Kentucky General Fund Savings				-911,100	-575,100
TOTAL EXPENDITURES	84,301,700	91,847,000	93,904,000	86,257,400	89,372,900

The Revenue Cabinet is the statutory agency of state government responsible for the thorough and equitable administration of all state revenue laws, and for the assessment and collection of 44 separate state taxes. In fulfilling this responsibility, the Cabinet seeks to ensure the taxpayer's voluntary compliance with the revenue laws, to enforce such laws in those instances where necessary, and to supervise and assist county property valuation administrators in their implementation of the property tax laws.

The Revenue Cabinet is a central service agency with its level of effort depending on the requirements of the various tax laws it administers and the needs of taxpayers in complying with those laws. The principal beneficiaries of the programs managed by the Cabinet are all Kentucky taxpayers.

There are two separate appropriations included in the Revenue Cabinet: Revenue Cabinet and the Property Valuation Administrators.

Executive Order 97-715 reorganized the Cabinet. The new structure consists of: Office of the Secretary, Department of Law, Department of Tax Administration, Department of Information Technology, Department of Property Valuation, and the Property Valuation Administrators .

**REVENUE
Secretary**

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	18,861,500	24,779,000	24,218,000	19,510,000	19,101,500
Restricted Agency Funds					
Balance Forward	51,500	41,500	11,500	41,500	17,000
Current Receipts	10,000	30,000	10,000	50,500	18,000
Total Restricted Agency Funds	61,500	71,500	21,500	92,000	35,000
TOTAL FUNDS	18,923,000	24,850,500	24,239,500	19,602,000	19,136,500
EXPENDITURES BY CLASS					
Personnel Costs	3,304,500	5,627,000	5,909,500	2,935,000	3,133,500
Operating Expenses	15,426,000	19,042,000	18,158,500	16,650,000	16,003,000
Capital Outlay	151,000	170,000	170,000		
TOTAL EXPENDITURES	18,881,500	24,839,000	24,238,000	19,585,000	19,136,500

The Office of the Secretary is comprised of the functions that include the Secretary's Office staff, Ombudsman, Internal Auditor, and the Office of Financial and Administrative Services. Each office functions as a separate unit and reports directly to the Cabinet Secretary.

The Office of the Secretary established under KRS 131 is responsible for the management and leadership of all Cabinet employees in fulfilling the agency's mission. The Secretary provides strategic direction to the Cabinet and is responsible for the effectiveness of programs and the efficient management of resources. The Secretary sets program priorities and is responsible for providing the Executive and Legislative branches with timely revenue information.

The Office of the Taxpayer Ombudsman ensures the rights of taxpayers under KRS 131.041-131.081, the Kentucky Taxpayers' Bill of Rights.

The Office of Financial and Administrative Services has the responsibility for providing general management support services for all Cabinet programs. Functions of the Office include: budgeting, purchasing, personnel and payroll, property and mail services, employee training and development, public information, tax forms management, and Cabinet publications development. The Office is also responsible for assisting Property Valuation Administrators in budgetary and personnel matters.

REVENUE
Tax Administration

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	23,065,300	23,160,000	24,146,000	23,168,500	24,482,000
Restricted Agency Funds					
Balance Forward	218,500	271,500	311,500	271,500	160,500
Current Receipts	830,000	810,000	810,000	828,000	825,000
Total Restricted Agency Funds	1,048,500	1,081,500	1,121,500	1,099,500	985,500
Federal Funds					
Current Receipts	90,000	40,000	40,000	40,000	40,000
Road Fund					
Regular Appropriation	1,066,000	1,066,000	1,066,000	1,066,000	1,066,000
TOTAL FUNDS	25,269,800	25,347,500	26,373,500	25,374,000	26,573,500
EXPENDITURES BY CLASS					
Personnel Costs	23,005,300	23,107,500	24,158,500	23,439,000	24,554,500
Operating Expenses	1,993,000	1,928,500	1,863,500	1,774,500	1,969,000
TOTAL EXPENDITURES	24,998,300	25,036,000	26,022,000	25,213,500	26,523,500
EXPENDITURES BY UNIT					
Field Operations	10,183,000	10,695,000	11,201,000	10,595,000	10,910,500
Revenue Operations	5,711,300	5,780,000	5,908,500	5,712,000	5,789,500
Compliance and Taxpayer Assistance	9,104,000	8,561,000	8,912,500	8,906,500	9,823,500
TOTAL EXPENDITURES	24,998,300	25,036,000	26,022,000	25,213,500	26,523,500

The Department of Tax Administration was reorganized by Executive Order 97-715. Legislation has been submitted for the Regular Session of the 1998 General Assembly to ratify the organizational proposal. Under authority granted the Revenue Cabinet in KRS 131.030 and 131.130, the Department of Tax Administration consists of three divisions: Field Operations, Tax Administration, and Revenue Operations.

The Division of Field Operations has 11 offices located throughout the state and is responsible for field audits and providing taxpayer assistance.

The Division of Tax Administration is responsible for conducting office audits of tax returns, administering compliance, providing liaison with federal and state agencies, and rendering taxpayer assistance.

The Division of Revenue Operations' duties include: the processing of all tax receipts, documents and correspondence; registration of businesses; individual income tax returns and refund processing; and maintaining appropriate storage, retrieval and management of all related tax records for the Commonwealth.

Policy

The Governor's budget recommendation includes funding in the amount of \$111,000 in fiscal year 1999 and \$110,500 in fiscal year 2000, generated pursuant to KRS 365.390, is recommended for Revenue Cabinet administrative purposes. This will be accomplished through a 1999-2000 statutory suspension of KRS 365.390 which will permit the aforementioned funds to be used, on a one-time basis, for purposes beyond those provided in the statutes.

REVENUE
Property Valuation

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	4,277,000	3,959,500	4,120,000	4,090,500	4,393,000
Restricted Agency Funds					
Balance Forward	1,058,000	1,071,000	634,000	1,121,200	532,200
Current Receipts	1,945,000	875,000	775,000	1,000,000	975,000
Total Restricted Agency Funds	3,003,000	1,946,000	1,409,000	2,121,200	1,507,200
Road Fund					
Regular Appropriation	286,000	286,000	286,000	286,000	286,000
TOTAL FUNDS	7,566,000	6,191,500	5,815,000	6,497,700	6,186,200
EXPENDITURES BY CLASS					
Personnel Costs	5,137,000	4,809,500	4,976,500	5,034,500	5,256,500
Operating Expenses	1,307,800	748,000	741,500	931,000	824,000
TOTAL EXPENDITURES	6,444,800	5,557,500	5,718,000	5,965,500	6,080,500

The Department of Property Valuation was reorganized by Executive Order 97-715. Legislation has been submitted for the Regular Session of the 1998 General Assembly to ratify the organizational proposal.

The Department of Property Valuation administers and supervises the programs and processes involved in state and local property tax assessment and in state property tax collection. Numerous provisions in KRS 131, 132, 133, 134, and 136 define and describe the Department's responsibilities. These include providing administrative support, technical assistance, and supervision to 120 Property Valuation Administrator (PVA) offices, and coordinating the property tax activities of sheriffs, county clerks, and other local officials. In addition, the Department directly assesses public service companies and several other classes of property.

The Department also administers the centralized Motor Vehicle Tax System (MOTAX), the Personal Property Tax Assessment System, and a program to audit taxpayer compliance in listing intangible and tangible personal property. In addition, the Department initiates various compliance programs to collect delinquent and omitted property taxes as well as mapping property throughout the state.

Policy

The Governor's budget recommends that funding be made available for Revenue Cabinet administrative purposes in the amount of \$189,000 in fiscal year 1999 and \$89,500 in fiscal year 2000, pursuant to KRS 136.180. This will be accomplished through a 1998-2000 statutory suspension of KRS 136.180 which will permit the aforementioned funds to be used, on a one-time basis, for purposes beyond those provided in the statute.

**REVENUE
Law**

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	8,585,000	8,677,000	9,094,000	8,894,500	9,284,500
Restricted Agency Funds					
Balance Forward	106,500	86,500	66,500	86,500	81,500
Current Receipts	290,000	290,000	290,000	320,000	350,000
Total Restricted Agency Funds	396,500	376,500	356,500	406,500	431,500
TOTAL FUNDS	8,981,500	9,053,500	9,450,500	9,301,000	9,716,000
EXPENDITURES BY CLASS					
Personnel Costs	8,323,000	8,405,000	8,842,000	8,721,000	9,156,500
Operating Expenses	572,000	582,000	562,000	498,500	478,000
TOTAL EXPENDITURES	8,895,000	8,987,000	9,404,000	9,219,500	9,634,500
EXPENDITURES BY UNIT					
Tax Policy, Protest Resolution, Research, and Legal Collections	3,310,500	3,483,500	3,654,000	3,400,500	3,541,500
	5,584,500	5,503,500	5,750,000	5,819,000	6,093,000
TOTAL EXPENDITURES	8,895,000	8,987,000	9,404,000	9,219,500	9,634,500

The Department of Law was established by Executive Order 97-715. Legislation has been submitted for the Regular Session of the 1998 General Assembly to ratify the organizational proposal.

The duties of the Department include: establishing tax policy, providing legal services, administering the legislative program, conducting tax research, and administering protested audits. In addition, this department is responsible for collecting delinquent taxes through both legal and administrative methods.

The Department of Law consists of five divisions: Legal Services, Tax Policy, Research, Protest Resolution, and Collections.

REVENUE
Information Technology

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	2,527,500	2,594,500	2,717,000	3,395,500	3,551,000
EXPENDITURES BY CLASS					
Personnel Costs	2,471,500	2,538,500	2,669,000	3,339,500	3,503,000
Operating Expenses	56,000	56,000	48,000	56,000	48,000
TOTAL EXPENDITURES	2,527,500	2,594,500	2,717,000	3,395,500	3,551,000

The Department of Information Technology was established by Executive Order 97-715. Legislation has been submitted for the Regular Session of the 1998 General Assembly to ratify the organizational proposal.

The duties of the Department of Information Technology include: information technology, planning and implementation, computer application, development and analysis, network administration, technology procurement and installation, and mainframe systems oversight.

The Department is headed by a Chief Information Officer who is responsible for providing senior management with leadership and direction in information technology.

REVENUE
Property Valuation Administrators

SOURCE OF FUNDS	Revised FY 1998	Requested FY 1999	Requested FY 2000	Recommended FY 1999	Recommended FY 2000
General Fund					
Regular Appropriation	20,383,100	22,445,500	23,255,500	21,402,000	22,472,500
Restricted Agency Funds					
Balance Forward	2,088,500	1,786,500	1,362,000	1,786,500	1,362,000
Current Receipts	1,869,500	1,963,000	2,061,000	1,963,000	2,061,000
Total Restricted Agency Funds	<u>3,958,000</u>	<u>3,749,500</u>	<u>3,423,000</u>	<u>3,749,500</u>	<u>3,423,000</u>
TOTAL FUNDS	<u>24,341,100</u>	<u>26,195,000</u>	<u>26,678,500</u>	<u>25,151,500</u>	<u>25,895,500</u>
EXPENDITURES BY CLASS					
Personnel Costs	22,092,600	24,021,000	25,293,000	23,277,500	24,510,000
Operating Expenses	462,000	812,000	512,000	512,000	512,000
TOTAL EXPENDITURES	<u>22,554,600</u>	<u>24,833,000</u>	<u>25,805,000</u>	<u>23,789,500</u>	<u>25,022,000</u>
EXPENDITURES BY UNIT					
Property Valuation Administrators	20,383,100	22,445,500	23,255,500	21,402,000	22,472,500
PVA Personnel Hiring Program	2,141,500	2,307,500	2,469,500	2,307,500	2,469,500
PVA Operating Expense	30,000	30,000	30,000	30,000	30,000
CKA SKA Deputies		50,000	50,000	50,000	50,000
TOTAL EXPENDITURES	<u>22,554,600</u>	<u>24,833,000</u>	<u>25,805,000</u>	<u>23,789,500</u>	<u>25,022,000</u>

Each of the state's 120 counties has a locally elected Property Valuation Administrator (PVA). The PVA and an appointed staff is responsible for locating, identifying and assessing at fair market value all taxable real (land and improvements), tangible personal, and intangible personal property in the county. The Revenue Cabinet is responsible for the supervision and coordination of this program. Substantial portions of KRS 132 and 133 cover the duties of the PVAs and their offices.