

Government Operations

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	12,263,000	12,556,400	13,179,000	13,022,700	12,889,300
Tobacco Settlement - I				114,251,100	49,910,700
Current Year Appropriation	200,000				
Reorganization Adjustments	-300,000				
Total General Fund	12,163,000	12,556,400	13,179,000	127,273,800	62,800,000
Restricted Funds					
Balance Forward	1,120,200	1,080,200	780,200	1,080,200	780,200
Non-Revenue Receipts	1,149,000	1,284,000	1,323,000	1,821,600	1,873,000
Total Restricted Funds	2,269,200	2,364,200	2,103,200	2,901,800	2,653,200
Federal Funds					
Balance Forward	3,200	3,200	3,200	3,200	3,200
Current Receipts	105,500	223,400	111,700	373,400	261,700
Total Federal Funds	108,700	226,600	114,900	376,600	264,900
TOTAL SOURCE OF FUNDS	14,540,900	15,147,200	15,397,100	130,552,200	65,718,100
EXPENDITURES BY CLASS					
Personnel Cost	9,457,100	10,448,200	11,047,600	11,122,600	11,681,400
Operating Expenses	2,851,900	2,767,600	2,719,100	4,165,900	3,357,500
Grants, Loans or Benefits	1,128,500	1,148,000	887,000	114,480,300	49,935,800
Capital Outlay	20,000				
TOTAL EXPENDITURES	13,457,500	14,363,800	14,653,700	129,768,800	64,974,700
EXPENDITURES BY FUND SOURCE					
General Fund	12,163,000	12,556,400	13,179,000	127,273,800	62,800,000
Restricted Funds	1,189,000	1,584,000	1,363,000	2,121,600	1,913,000
Federal Funds	105,500	223,400	111,700	373,400	261,700
TOTAL EXPENDITURES	13,457,500	14,363,800	14,653,700	129,768,800	64,974,700
EXPENDITURES BY UNIT					
Office of the Governor	8,910,500	9,519,800	9,542,700	123,960,900	59,643,400
Office of State Budget Director	4,047,000	4,344,000	4,611,000	5,307,900	4,831,300
State Planning Fund	500,000	500,000	500,000	500,000	500,000
TOTAL EXPENDITURES	13,457,500	14,363,800	14,653,700	129,768,800	64,974,700

The Governor serves as the chief administrator of the state and, in addition to other powers and duties, acts as Commander-in-Chief of all state military forces, makes appointments for vacancies of executive offices and memberships on boards and commissions authorized by statute, and has the power to grant pardons and commutations. As chief administrator of Kentucky, the Governor ensures that state government provides needed services to the citizens of the Commonwealth at minimum cost to the taxpayer.

**Government Operations
Office of the Governor**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,705,000	8,636,400	9,031,000	8,138,800	8,521,000
Tobacco Settlement - I				114,251,100	49,910,700
Reorganization Adjustments	-300,000				
Total General Fund	8,405,000	8,636,400	9,031,000	122,389,900	58,431,700
Restricted Funds					
Balance Forward	959,500	959,500	699,500	959,500	699,500
Non-Revenue Receipts	400,000	400,000	400,000	937,600	950,000
Total Restricted Funds	1,359,500	1,359,500	1,099,500	1,897,100	1,649,500
Federal Funds					
Balance Forward	3,200	3,200	3,200	3,200	3,200
Current Receipts	105,500	223,400	111,700	373,400	261,700
Total Federal Funds	108,700	226,600	114,900	376,600	264,900
TOTAL SOURCE OF FUNDS	9,873,200	10,222,500	10,245,400	124,663,600	60,346,100
EXPENDITURES BY CLASS					
Personnel Cost	6,506,200	7,208,000	7,512,500	7,668,700	7,926,100
Operating Expenses	1,775,800	1,663,800	1,643,200	2,311,900	2,281,500
Grants, Loans or Benefits	628,500	648,000	387,000	113,980,300	49,435,800
TOTAL EXPENDITURES	8,910,500	9,519,800	9,542,700	123,960,900	59,643,400
EXPENDITURES BY FUND SOURCE					
General Fund	8,405,000	8,636,400	9,031,000	122,389,900	58,431,700
Restricted Funds	400,000	660,000	400,000	1,197,600	950,000
Federal Funds	105,500	223,400	111,700	373,400	261,700
TOTAL EXPENDITURES	8,910,500	9,519,800	9,542,700	123,960,900	59,643,400
EXPENDITURES BY UNIT					
Governor	4,742,800	5,086,800	5,328,500	5,086,800	5,328,500
Governor's Office Expense Allowance	21,000	21,000	21,000	21,000	21,000
Lieutenant Governor	450,500	493,400	518,700	493,400	518,700
Lieutenant Governor's Expense Allowance	11,500	11,500	11,500	11,500	11,500
Secretary of the Cabinet	876,400	722,000	756,700	722,000	756,700
EMPOWER Kentucky	534,000	580,400	604,000	580,400	604,000
Champions Against Drugs	294,600	421,700	319,000	421,700	319,000
Kentucky Commission on Military Affairs	543,500	313,600	324,900	313,600	324,900
Coal Marketing and Export Council	838,500	865,200	885,900	865,200	885,900
Sexual and Domestic Violence Services	173,000	179,600	188,600	179,600	188,600
Early Childhood Development	144,200	210,900	217,900	2,960,000	3,565,600
Kentucky Appalachian Commission	280,500	613,700	366,000	613,700	366,000
Governor's Office of Agricultural Policy				109,192,000	44,253,000
Smoking Cessation Program				2,500,000	2,500,000
TOTAL EXPENDITURES	8,910,500	9,519,800	9,542,700	123,960,900	59,643,400

The Governor serves as the chief administrator of the Commonwealth and, in addition to other powers and duties, acts as Commander-in-Chief of all state military forces, makes appointments for vacancies to executive offices and memberships on boards and commissions authorized by statute, and has the power to grant pardons and commutations. As chief administrator of Kentucky, the Governor ensures that state government provides needed services to the citizens of the Commonwealth at minimum cost to the taxpayer.

The Lieutenant Governor is a constitutional officer elected for a term of four years and is eligible for election to the next succeeding term. Among the duties assigned, the Lieutenant Governor is to assume the duties and responsibilities of the Office of the Governor should the Governor be impeached or removed from Office, die, fail to qualify, resign, or be unable to discharge the duties of that office. KRS 11.400 describes additional duties and responsibilities for the Lieutenant Governor including serving on various boards and commissions, serving on Kentucky delegations to several interstate compact commissions, and appointing members to various boards. The Kentucky Constitution was amended effective November 1992, mandating that the Governor and the Lieutenant Governor be elected jointly. As a result, the appropriations for these two offices are combined.

The Secretary of the Executive Cabinet develops and implements the major program decisions for the Executive Branch of government. As part of these duties, the Secretary of the Cabinet oversees the administration of the various cabinets and agencies of state government. This role promotes cooperation and coordination among all agencies and programs of state government.

The Kentucky Council on Domestic Violence was created by Executive Order in January 1996. As an extension of the Council, the Governor's Office of Child Abuse and Domestic Violence Services was created by the 1998 General Assembly and codified in KRS 12.350. This office is responsible for planning, implementation and direction of legal and human services systems of community support and services related to domestic violence. The office was established to address the need to increase the efficiency and accountability of state and community systems responsible for the provision of services to victims of child abuse, domestic violence, and rape or sexual assault.

Also attached to the Governor's Office is the Kentucky Appalachian Commission (KAC). This commission, originally created by Executive Order in October 1995 and codified by the 1998 General Assembly in KRS 11.180, exists for the purpose of developing a comprehensive plan for the Appalachian Region of Kentucky in the context of development planning for the Commonwealth as a whole. The goal of the commission is the unification of resources from both public and private sectors to achieve sustainable economic development and an improved quality of life in the region.

Upon recommendation of the Governor, the 1998 General Assembly appropriated funds in House Bill 321 for the establishment of an Office for Early Childhood Development. The purpose of this office is to provide support and policy recommendations to the Governor and General Assembly for programs serving children ages zero to five years. Based on recommendations of the Early Childhood Task Force, a major initiative related to service expansions of program to benefit young children is included in the budget. The Office for Early Childhood Development will serve as the lead agency in promoting interagency collaboration and coordination of services and policies related to early childhood programs.

The Military Affairs Commission (KRS 154.12-203) has been a part of the Office of the Governor since 1996. The commission serves in an advisory capacity to the Governor, the General Assembly, the Kentucky Congressional Delegation and other appropriate government officials. This commission is designed to continue state government's support of the U.S. Military's widespread presence in Kentucky and to recognize its contribution to the economy and well being of the Commonwealth. Among the installations and operations eligible for support are: Fort Knox, Fort Campbell, Bluegrass Station in Lexington, National Guard and Reserve operations throughout the state, and Bluegrass Army Depot in Richmond.

Attached to the Governor's Office is the Coal Marketing and Export Council (KRS 154.12-250). The Council provides direction to the Governor in marketing efforts targeted to increasing opportunities for Kentucky coal. KRS 132.020(9) directs that \$400,000 each year from the property tax on unmined coal be paid to the Council for the purpose of public education of coal related issues.

The Governor's Office for a Drug-Free Kentucky is responsible for coordinating alcohol awareness and other drug abuse awareness efforts statewide.

Policy

The 2000-2002 Budget of the Commonwealth includes Phase I Tobacco Settlement funds of \$137,800,000 in fiscal year 2000. Fifty percent is to be forwarded to fiscal year 2001 and appropriated to the Kentucky Agricultural Development Fund for one-time agricultural development expenditures. Fifty percent is to be appropriated to the General Fund Surplus Account, five-sixths of which is to be dedicated to the Endowment program of the Research Challenge Trust Fund of the Council on Postsecondary Education, and one-sixth of which is to be dedicated to the Endowment program at the Regional University Excellence Trust Fund of the Council on Postsecondary Education. All Phase I Tobacco Settlement appropriations are subject to actual receipts.

The 2000-2002 Budget of the Commonwealth includes Phase I Tobacco Settlement funds of \$25,275,000 in fiscal year 2001 and \$30,400,000 in fiscal year 2002 for early childhood initiatives. This represents 25 percent of the estimated Phase I Tobacco Settlement dollars in each fiscal year. The funds will be deposited to the Early Childhood Development Fund. That fund will be administered by a board which will consolidate several existing early childhood councils attached to various state agencies in addition to administering to the Early Childhood Development Fund. Initiatives to be funded include an improved quality day care licensing system, funds to increase the number of low income families who are eligible for day care subsidies, incentives for centers that achieve increases in quality, a scholarship program for day care workers, a home visitation program for first time at-risk mothers, a folic acid supplement program to reduce birth defects (particularly spina bifida), and funds to be awarded to local early childhood partnerships and increased vaccine coverage.

Those initiatives to be implemented directly by the Office for Early Childhood Development include: partnerships (\$1,690,300 in fiscal year 2001 and \$2,345,800 in fiscal year 2002); partnership staffing and operating (\$227,800 in fiscal year 2001 and \$213,500 in fiscal year 2002); a business council to encourage businesses to develop and support family friendly business practices (\$50,000 each year); a professional development council to develop standards and a "seamless" continuum and professional career ladder for child care workers, so that each educational/credentialing achievement can be used as a foundation toward more advanced training/credentials and/or degrees (\$157,000 in fiscal year 2001; \$110,000 in fiscal year 2002) and the board (\$180,000 in fiscal year 2001 and \$188,400 in fiscal year 2002) which will administer the Early Childhood Development Fund. Finally, provisions will be made for developing baseline measures and outcomes in order to evaluate the various initiatives (\$250,000 each year). Also included in the budget is additional General Fund in the amount of \$60,000 in fiscal year 2001 and \$60,000 in fiscal year 2002 to support one additional employee for the Office for Early Childhood Development. Funds for the existing Headstart Collaborative will be reallocated from the Department of Education (\$40,000 General Fund; \$150,000 federal funds to the Governor's Office for Early Childhood Development) beginning in fiscal year 2001. All Phase I Tobacco Settlement appropriations are subject to actual receipts as allocated by the board.

The 2000-2002 Budget of the Commonwealth includes Phase I Tobacco Settlement funds of \$50,550,000 in fiscal year 2001 and \$60,800,000 in fiscal year 2002 for agricultural development initiatives. This represents 50 percent of the estimated Phase I Tobacco Settlement dollars in each fiscal year. The funds will be deposited to the Kentucky Agricultural Development Fund. This fund will be administered by a board. The fund shall exist for the purpose of receipt and expenditure of funds to improve and promote agricultural development in Kentucky. All Phase I Tobacco Settlement appropriations are subject to actual receipts as allocated by the board.

The 2000-2002 Budget of the Commonwealth includes Phase I Tobacco Settlement funds in the amount of \$300,000 in fiscal year 2001 and \$300,000 in fiscal year 2002 from the Kentucky Agricultural Development Fund for the newly created Governor's Office of Agricultural Policy. This office will advise the Governor on issues directly affecting the agricultural industry in Kentucky. The office functions as a conduit of information from the Governor to the agricultural community and vice-versa. It serves as the administrative support arm for the following organizations: the Kentucky Tobacco Settlement Trust Corporation, the state entity in the National Tobacco Growers Settlement Trust, the \$5.15 billion fund established to offset income loss incurred by tobacco farmers as demand for their product decreases; the Governor's Commission on Family Farms, a group established to advise the Governor, the legislature and the public on issues and concerns unique to Kentucky's farm families; and the Kentucky Agricultural Resource Development Authority, the body designated by statute to advise policy makers on issues of importance to the Kentucky agricultural economy. The Office of Agricultural Policy will serve as administrative support for an oversight board to be established to supervise the use of Master Settlement Agreement funds for state rural and agricultural development efforts.

The 2000-2002 Budget of the Commonwealth includes Phase I Tobacco Settlement funds of \$25,275,000 in fiscal year 2001 and \$30,400,000 in fiscal year 2002 for healthcare improvement initiatives. This represents 25 percent of the estimated Phase I Tobacco Settlement dollars in each fiscal year. The funds will be deposited to the Kentucky Health Care Improvement Fund. That fund will be administered by a board. The Fund shall exist for the purpose of the receipt and expenditure of funds to improve health care and access to health insurance. Dollars are allocated for smoking cessation; the Kentucky Access Insurance program; and for lung cancer research. Those dollars are reflected in the recommended appropriations of the Department for Public Health, the Kentucky Agency for Substance Abuse Policy, the Department of Insurance, and the Council on Postsecondary Education. All Phase I Tobacco Settlement appropriations are subject to actual receipts as allocated by the board.

Included in the 2000-2002 Budget of the Commonwealth is additional General Fund support in the amount of \$59,100 in fiscal year 2001 and \$57,800 in fiscal year 2002 for one additional staff for the Kentucky Appalachian Commission.

Government Operations
Office of State Budget Director

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,058,000	3,420,000	3,648,000	4,383,900	3,868,300
Current Year Appropriation	200,000				
Total General Fund	3,258,000	3,420,000	3,648,000	4,383,900	3,868,300
Restricted Funds					
Balance Forward	160,700	120,700	80,700	120,700	80,700
Non-Revenue Receipts	749,000	884,000	923,000	884,000	923,000
Total Restricted Funds	909,700	1,004,700	1,003,700	1,004,700	1,003,700
TOTAL SOURCE OF FUNDS	4,167,700	4,424,700	4,651,700	5,388,600	4,872,000
EXPENDITURES BY CLASS					
Personnel Cost	2,950,900	3,240,200	3,535,100	3,453,900	3,755,300
Operating Expenses	1,076,100	1,103,800	1,075,900	1,854,000	1,076,000
Capital Outlay	20,000				
TOTAL EXPENDITURES	4,047,000	4,344,000	4,611,000	5,307,900	4,831,300
EXPENDITURES BY FUND SOURCE					
General Fund	3,258,000	3,420,000	3,648,000	4,383,900	3,868,300
Restricted Funds	789,000	924,000	963,000	924,000	963,000
TOTAL EXPENDITURES	4,047,000	4,344,000	4,611,000	5,307,900	4,831,300
EXPENDITURES BY UNIT					
Office of State Budget Director	4,047,000	4,344,000	4,611,000	5,295,000	4,812,000
Wage Equity				12,900	19,300
TOTAL EXPENDITURES	4,047,000	4,344,000	4,611,000	5,307,900	4,831,300

The Office of State Budget Director, in accordance with KRS 11.068, is headed by the State Budget Director and includes the Governor's Office for Policy and Management. The primary responsibility of the Governor's Office for Policy and Management (GOPM) is to assist the Governor, the State Budget Director, and the Executive Cabinet by providing analysis and coordination for policy formulation, state management, budget preparation and execution, and a variety of related financial processes. The Office provides this assistance by serving as staff to the Governor, the State Budget Director, the Secretary of the Cabinet, and the Secretary of the Finance and Administration Cabinet. The Governor's Office for Policy and Management assists the Governor in the development of the "Executive Budget," the overall financial plan for state government, for submission, review, modification, and approval by the General Assembly. The preparation of the budget includes the transmittal of information and necessary forms to state agencies, assisting those agencies in the preparation of their budget requests, analyzing the requests, and making recommendations to the Governor. Following the approval of the state's financial plan and its enactment into law by the General Assembly in the form of an appropriations act, the Governor and all Executive Branch agencies are assisted in the execution of the plan through the implementation of appropriations, monitoring of agency expenditures, review of program activities, and monitoring of program performance.

Executive Order 99-1439 created the Governor's Office for Policy Research (GOPR). This Office was created to assist the State Budget Director in providing policy research, information and analysis to the Governor on public policy issues which impact the Commonwealth. The State Budget Director identifies and directs the research to be completed and provided by this Office. The Office performs and facilitates policy and economic analysis and research on national and state-specific issues, which may include but are not limited to health care, retirement, criminal justice, tax policy, social services, public protection, economic development, tourism, education, environmental, workforce, labor, and transportation issues.

Executive Order 99-1439 also moved the Revenue Estimating and Economic Analysis function from the Finance and Administration Cabinet to the Office of State Budget Director. The Governor's Office for Economic Analysis (GOEA) provides timely, accurate General Fund and Road Fund estimates, by detailed account, for primary use in the state's budgetary process and provides descriptive studies and research on issues relating to the structure of the Kentucky economy and relevant fiscal policy issues while subject to the applicable provisions of KRS 42.014, KRS 48.120-140, and KRS 176.270. On October 15 of each odd-numbered year a preliminary detailed estimate of revenues for the two upcoming fiscal years must be presented to the head of the budgeting agencies for each branch of state government. Then, the following January, at the same time the Executive Budget recommendation is provided the General Assembly, a revised estimate is also required.

Policy

Included in the 2000-2002 Budget of the Commonwealth is \$200,000 in fiscal year 2000 as a current year appropriation to pay the initial start-up cost for the Governor's Office for Policy Research and transition costs associated with the Governor's Office for Economic Analysis. Also included is \$200,000 in fiscal year 2001 and \$200,000 in fiscal year 2002 to fund the ongoing costs of the Governor's Office for Policy Research and the Governor's Office for Policy and Management.

Included in the 2000-2002 Budget of the Commonwealth is \$750,000 in fiscal year 2000-2001 for the Performance Budgeting Pilot Project. Notwithstanding KRS 45.229, any unexpended appropriation for this effort in fiscal year 2000-2001 shall not lapse and shall be carried forward into fiscal year 2001-2002.

**Government Operations
State Planning Fund**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	500,000	500,000	500,000	500,000	500,000
Total General Fund	500,000	500,000	500,000	500,000	500,000
TOTAL SOURCE OF FUNDS	500,000	500,000	500,000	500,000	500,000
EXPENDITURES BY CLASS					
Grants, Loans or Benefits	500,000	500,000	500,000	500,000	500,000
TOTAL EXPENDITURES	500,000	500,000	500,000	500,000	500,000
EXPENDITURES BY FUND SOURCE					
General Fund	500,000	500,000	500,000	500,000	500,000
TOTAL EXPENDITURES	500,000	500,000	500,000	500,000	500,000

The State Planning Fund is a central source of funds available to provide support for statewide planning projects designed to improve the delivery of government services. Under Chapter 147 of the Kentucky Revised Statutes, overall planning and development functions are a responsibility of the Governor's Cabinet. KRS 147.075 delegated these functions to a Cabinet committee, designated as the State Planning Committee, which fulfills this responsibility through its management of the State Planning Fund. The State Planning Committee includes the Governor, representatives from the various program cabinets, and the State Budget Director. The Governor serves as the Chairman of the Committee and the State Budget Director serves as its Secretary. In addition to the State Budget Director serving as Secretary, the Governor's Office for Policy and Management has the responsibility to review proposed planning projects, to make recommendations for funding to the Governor and the other members of the State Planning Committee, and to provide staff support to the Committee.

**Government Operations
Veterans' Affairs**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,744,400	9,041,700	14,282,600	7,484,300	14,139,800
Total General Fund	6,744,400	9,041,700	14,282,600	7,484,300	14,139,800
Restricted Funds					
Balance Forward	3,736,300	3,158,800	2,079,100	3,158,800	1,904,100
Current Receipts	10,727,000	11,027,000	15,594,000	11,202,000	14,469,000
Total Restricted Funds	14,463,300	14,185,800	17,673,100	14,360,800	16,373,100
TOTAL SOURCE OF FUNDS	21,207,700	23,227,500	31,955,700	21,845,100	30,512,900
EXPENDITURES BY CLASS					
Personnel Cost	14,719,400	16,843,700	25,316,100	16,113,100	24,285,900
Operating Expenses	3,065,200	3,855,400	5,874,800	3,291,600	5,761,200
Grants, Loans or Benefits	69,300	69,300	69,300	381,300	69,300
Debt Service					66,000
Capital Outlay	195,000	380,000	330,000	155,000	315,000
TOTAL EXPENDITURES	18,048,900	21,148,400	31,590,200	19,941,000	30,497,400
EXPENDITURES BY FUND SOURCE					
General Fund	6,744,400	9,041,700	14,282,600	7,484,300	14,139,800
Restricted Funds	11,304,500	12,106,700	17,307,600	12,456,700	16,357,600
TOTAL EXPENDITURES	18,048,900	21,148,400	31,590,200	19,941,000	30,497,400
EXPENDITURES BY UNIT					
Veterans' Affairs	835,000	1,387,800	1,596,500	1,541,300	1,456,000
Kentucky Veterans' Centers	17,213,900	19,760,600	29,993,700	18,399,700	29,041,400
TOTAL EXPENDITURES	18,048,900	21,148,400	31,590,200	19,941,000	30,497,400

The Kentucky Department of Veterans' Affairs (KDVA), established by KRS 36.300, was created to assist over 350,000 Kentucky veterans and their families in applying for federal, state and local veteran's benefits in accordance with KRS 36.330 and 36.350 to 370. Services include benefits counseling and claims processing regarding the existence or availability of educational, training, and retraining facilities; health, medical rehabilitation, and housing services and facilities; employment and reemployment services; and provisions of federal, state, and local laws affording rights, privileges, and benefits to eligible veterans and their dependents. These services are supported by a cooperative network of Veterans' Benefits Field Representatives, volunteers, and personal service contracts with numerous major veterans' organizations.

House Bill 90, passed by the 1996 General Assembly, established the KDVA and attached the new department to the Office of the Governor. This bill eliminated the Kentucky Center for Veterans' Affairs, which was then a division in the Department of Military Affairs. During the 1998 Regular Session of the General Assembly, House Bill 360, affirming Executive Order 97-733, established the Office of the Commissioner in the Department of Veterans' Affairs. On October 1, 1998 the KDVA Commissioner was appointed. Senate Bill 22 also required the KDVA to establish and maintain Kentucky state veterans' cemeteries.

Executive Order 98-1594 created the Office of Kentucky Veterans' Centers within the KDVA to manage the Kentucky state veterans' nursing homes which serve the long term nursing care needs of Kentucky's elderly veteran population – approximately 110,000 of Kentucky's 355,000 plus veterans. The Executive Order transferred additional responsibility of operating Kentucky state veterans' nursing homes from the Finance and Administration Cabinet to the KDVA.

The Thomson-Hood Veterans' Center is currently the only operating state veterans' nursing home in Kentucky. The facility, located in Wilmore in Jessamine County, is a 300-bed long-term nursing care facility specifically for Kentucky's elderly veteran population. There are two in-house physicians, two in-house nurse practitioners, a nursing staff numbering in excess of 200 employees, an in-house pharmacy, rehab therapy department, barber shop, library, gift shop, laundry facility, a dietary department, and an employee child care facility, all of which operate seven days per week. The facility officially opened in July 1991 and began accepting residents soon after. Since September 1995, the facility has been operating at full capacity of 290.

Pursuant to House Bill 51 and House Bill 321, the 1998 Regular Session of the General Assembly also authorized the construction of two new state veterans' nursing homes. One home, located in Perry County, will serve Eastern Kentucky. The other, located in Hopkins County, will serve Western Kentucky. Each of the new facilities are currently under construction with completion and resident occupancy expected to occur in August 2001 and full occupancy by April 2002. Each facility will employ approximately 156 full time employees including a physician, a nurse practitioner, a nursing staff numbering nearly 100, and staffing for an in-house pharmacy, rehab therapy department, barber shop, library, gift shop, laundry facility, a dietary department, and an employee child care facility.

Policy

Included in the above General Fund appropriation is \$203,400 in fiscal year 2001 and \$3,527,300 in fiscal year 2002 for personnel and operating costs for the Eastern Kentucky Veterans' Center; \$203,400 in fiscal year 2001 and \$3,445,900 in fiscal year 2002 for personnel and operating costs for the Western Kentucky Veterans' Center; \$381,000 in each fiscal year for additional staffing for the Commissioner's Office and Field Services; 206,000 in fiscal year 2002 for personnel and operating costs for the Western Kentucky Veterans' Cemetery; \$66,000 in fiscal year 2002 for debt service for additional construction costs at the Eastern and Western Kentucky Veterans Centers; and \$312,000 in fiscal year 2001 to provide grant funds to support the World War II War Memorial in Washington, D.C.

Government Operations
Governor's Office for Technology

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		2,826,800	2,834,200		1,267,000
Reorganization Adjustments	300,000				
Total General Fund	300,000	2,826,800	2,834,200		1,267,000
Restricted Funds					
Balance Forward	4,504,700				
Non-Revenue Receipts	55,448,200	66,330,400	68,224,600	61,690,600	63,420,700
Total Restricted Funds	59,952,900	66,330,400	68,224,600	61,690,600	63,420,700
Road Fund					
Regular Appropriation	125,000	125,000	125,000	125,000	125,000
Total Road Fund	125,000	125,000	125,000	125,000	125,000
TOTAL SOURCE OF FUNDS	60,377,900	69,282,200	71,183,800	61,815,600	64,812,700
EXPENDITURES BY CLASS					
Personnel Cost	30,284,600	32,944,200	34,486,800	32,043,000	33,585,000
Operating Expenses	24,318,100	30,521,100	30,730,300	23,954,600	23,994,700
Grants, Loans or Benefits	125,000	125,000	125,000	125,000	125,000
Debt Service					1,267,000
Capital Outlay	672,800	677,300	723,300	678,000	723,000
Construction	4,977,400	5,014,600	5,118,400	5,015,000	5,118,000
TOTAL EXPENDITURES	60,377,900	69,282,200	71,183,800	61,815,600	64,812,700
EXPENDITURES BY FUND SOURCE					
General Fund	300,000	2,826,800	2,834,200		1,267,000
Restricted Funds	59,952,900	66,330,400	68,224,600	61,690,600	63,420,700
Road Fund	125,000	125,000	125,000	125,000	125,000
TOTAL EXPENDITURES	60,377,900	69,282,200	71,183,800	61,815,600	64,812,700
EXPENDITURES BY UNIT					
Chief Information Officer	2,226,100	4,810,700	4,862,500	2,491,000	3,810,000
Administrative Services	9,878,900	10,175,300	10,480,600	10,176,000	10,480,000
Policy and Customer Relations	3,499,100	3,600,300	3,704,600	3,601,000	3,705,000
Infrastructure Services	30,894,200	36,460,800	37,514,600	31,311,600	32,196,700
Consulting and Management Services	13,879,600	14,235,100	14,621,500	14,236,000	14,621,000
TOTAL EXPENDITURES	60,377,900	69,282,200	71,183,800	61,815,600	64,812,700

The Governor's Office for Technology was established October 1, 1999, by Executive Order 99-1359. This reorganization included the Office of Chief Information Officer, the Department of Information Systems (DIS), the Office for the Kentucky Information Resource Management Commission (KIRM), and the Office of Geographic Information Systems (OGIS). The Commercial Mobile Radio Service Emergency Telecommunications Board (CMRS) is attached for administrative purposes.

The Governor's Office for Technology (GOT) provides leadership, policy direction, and technical support to all executive branch agencies of state government in the application of information technology and the delivery of information services in fulfillment of the Commonwealth's missions and objectives. This broad statement of responsibility encompasses major information resource functions, such as data center operations, voice, data, and video communications, application development, data

administration, computer and data communications hardware selection and installation, and related end user and customer support services. The workload for GOT is highly sensitive to agency programmatic shifts, particularly changes mandated by state and federal legislation.

The Governor's Office for Technology provides support for major management systems, such as:

- Automated Management and Administrative Reporting System (MARS)
- Automated Management and Eligibility System (KAMES)
- Automated Support and Enforcement System (KASES)
- Kentucky Vehicle Information System (AVIS)
- Revenue Integrated Tax System
- Driver's License System
- Uniform Payroll and Personnel System
- Kentucky State Police Systems
- Education Technology System

The Governor's Office for Technology consists of five offices: Chief Information Officer (CIO); Administrative Services; Policy and Customer Relations; Infrastructure Services; and, Consulting and Project Management. The Commercial Mobile Radio Service Emergency Telecommunications Board is attached for administrative purposes.

The Office of the Chief Information Officer is responsible for developing strategies and policies to support and promote the effective applications of information technology within state government as a means of saving money, increasing employee productivity and improving state services to the public, including electronic access to information of the Commonwealth. Within the Office of the Chief Information Officer is the Office of Human Resources Management and Development. This Office is responsible for the oversight and administration of personnel matters. The Office of Geographic Information Systems is also within the Office of the Chief Information Officer. The Office of Geographic Information Systems provides coordination, technical support and planning assistance for government agencies and their instrumentalities in geo-spatial information resources development and deployment.

The Office of Administrative Services is responsible for the financial and business operations of the Governor's Office for Technology. These duties include the preparation of the biennial budget request, procurement assistance, fiscal administration and facilities support. This Office is also responsible for establishing and maintaining a federally approved cost allocation plan in which each state agency shares in the cost of services provided by the Governor's Office for Technology.

The Office of Policy and Customer Relations is responsible for the statewide strategic information technology plan and development of the agency information resources planning model and plan review. Other responsibilities include the formulation of information technology policy, enterprise architecture and standards, enterprise capacity planning, and research and development. Customer Relations activities include enterprise technical training, educational seminars, knowledge management and customer and vendor relationship management.

The Office of Infrastructure Services is responsible for the operation of the enterprise computing environment. This Office includes the daily operation of the Commonwealth Data Center, operation and maintenance of the Kentucky Information Highway, and all communication services, including data, voice, video and wireless.

The Office of Consulting and Project Management is responsible for providing comprehensive systems analysis, design and development services, and applications consulting services to designated state agencies. This Office provides cost effective application systems support to state programmatic agencies for accomplishment of requirements defined in each agency's Information Resources Plan.

The CMRS Board, via the approximately 20 wireless carriers providing wireless telephone service in Kentucky, collects user fees monthly from subscribers. These funds will be used to fund technology upgrades at Kentucky's enhanced 911 centers and to enhance the networks operated by the carriers.

The Governor's Office for Technology operates as an internal service fund agency with budgetary support being derived primarily through the application of a federally approved cost allocation plan, which distributes costs to user agencies based upon utilization of services.

Policy

The 2000-2002 Budget of the Commonwealth includes restricted funds in the amount of \$200,000 in fiscal year 2001 and \$200,000 in fiscal year 2002 to fund a statewide 911 coordination effort. Various state agencies will provide monetary support to this effort through the Governor's Office for Technology's cost recovery process.

The 2000-2002 Budget of the Commonwealth replaces the General Fund allotment to the Governor's Office for Technology through the reorganization for personnel costs with restricted funds.

With the above exceptions and exempting professional services rates which are assumed to increase according to market rates, the 2000-2002 Budget of the Commonwealth assumes all rates charged to user agencies will remain constant through fiscal biennium 2000-2002. Although the rates charged are budgeted to remain constant, usage by the agencies is expected to increase enough to fund the increase in expenditures

**Government Operations
Secretary of State**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,354,300	2,410,800	2,468,700	2,425,100	2,491,400
Total General Fund	2,354,300	2,410,800	2,468,700	2,425,100	2,491,400
Restricted Funds					
Balance Forward	1,128,200	1,642,700	2,188,700	642,700	688,700
Current Receipts	660,000	700,000	780,000	700,000	780,000
Non-Revenue Receipts	-1,000,000			-500,000	-500,000
Total Restricted Funds	788,200	2,342,700	2,968,700	842,700	968,700
TOTAL SOURCE OF FUNDS	3,142,500	4,753,500	5,437,400	3,267,800	3,460,100
EXPENDITURES BY CLASS					
Personnel Cost	1,831,500	2,035,600	2,143,600	2,049,900	2,166,300
Operating Expenses	568,300	529,200	490,100	529,200	490,100
Capital Outlay	100,000				
TOTAL EXPENDITURES	2,499,800	2,564,800	2,633,700	2,579,100	2,656,400
EXPENDITURES BY FUND SOURCE					
General Fund	2,354,300	2,410,800	2,468,700	2,425,100	2,491,400
Restricted Funds	145,500	154,000	165,000	154,000	165,000
TOTAL EXPENDITURES	2,499,800	2,564,800	2,633,700	2,579,100	2,656,400
EXPENDITURES BY UNIT					
General Administration	1,185,000	1,261,700	1,293,800	1,261,700	1,293,800
General Operations	1,125,300	1,105,100	1,130,900	1,105,100	1,130,900
Limited Liability Companies	145,500	154,000	165,000	154,000	165,000
Restoration of Land Grant Books	44,000	44,000	44,000	44,000	44,000
Wage Equity				14,300	22,700
TOTAL EXPENDITURES	2,499,800	2,564,800	2,633,700	2,579,100	2,656,400

The Secretary of State is the constitutional officer entrusted with filing, maintaining, and preserving the important documents and records of the Commonwealth. The Secretary also keeps the Seal of the Commonwealth and affixes it to all communications and commissions issued in the name of the state. The Office of the Secretary of State consists of two units: General Administration and Restoration of Land Grant Books.

General Administration

The General Administration unit consists of three programs: General Administration and Support, General Operations and Kentucky Business Law, and Limited Liability Companies.

The General Administration and Support program is responsible for central policy research, planning, and implementation. The program also prepares and records official documents for the Governor and administers election laws pertaining to the Secretary of State.

The General Operations and Kentucky Business Law is responsible for the administration and incorporation of businesses, both domestic and foreign, profit and non-profit, including the administration of documents of merger, dissolution, name changes, and certain stock matters. The program administers Kentucky's Notary Public Law, Kentucky's Uniform Commercial Code Law, laws regarding the service of summonses and complaints, and laws pertaining to trademarks and service marks. This program also issues commissions, pardons, commutations, extraditions, and the registration of trademarks.

The Limited Liability Companies program functions in the capacity of the filing officer for limited liability companies and registered limited liability partnerships. These companies and partnerships must file articles of organization with the Secretary of State. They must also file any amendments, mergers and dissolutions.

Restoration of Land Grant Books

The objective of the Restoration of Land Grant Books program is to preserve Kentucky land grant records and fulfill daily requests for copies of those records. The restoration process consists of indexing, de-acidifying, laminating, and bonding; thus safely preserving Kentucky's original land grants

Policy

From the Limited Liability Companies program, restricted funds in the amount of \$1,000,000 in fiscal year 1999-2000, \$500,000 in fiscal year 2000-2001, and \$500,000 in fiscal year 2001-2002 shall be transferred to the General Fund

At the close of fiscal year 2000, any restricted funds received in the Limited Liability Companies program in excess of \$154,000 shall be transferred to the General Fund. At the close of fiscal year 2001, any restricted fund amount received in the Limited Liability Companies program in excess of \$165,000 shall be transferred to the General Fund. The above provisions are in accordance with KRS 14.140.

Included in the 2000-2002 Budget of the Commonwealth is an allocation from the General Fund in the amount of \$14,300 in fiscal year 2001 and \$22,700 in fiscal year 2002 for the Wage Equity Plan.

The 2000 General Assembly adopted revised Article 9 of the Uniform Commercial Code (UCC) with passage of Senate Bill 11. Thus, effective July 1, 2001, Kentucky will become a central filing state for UCC filings and the Office of the Secretary of State will become the central filing office for these documents

**Government Operations
Board of Elections**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,172,100	4,858,100	5,250,000	3,542,500	3,945,600
Mandated Allotments	106,100				
Total General Fund	4,278,200	4,858,100	5,250,000	3,542,500	3,945,600
Restricted Funds					
Balance Forward	111,000	111,000	111,000	111,000	111,000
Current Receipts	40,000	40,000	60,000	40,000	60,000
Total Restricted Funds	151,000	151,000	171,000	151,000	171,000
TOTAL SOURCE OF FUNDS	4,429,200	5,009,100	5,421,000	3,693,500	4,116,600
EXPENDITURES BY CLASS					
Personnel Cost	890,500	910,000	952,000	919,100	965,300
Operating Expenses	486,600	524,600	540,200	532,600	579,300
Grants, Loans or Benefits	2,941,100	3,463,500	3,817,800	2,130,800	2,461,000
TOTAL EXPENDITURES	4,318,200	4,898,100	5,310,000	3,582,500	4,005,600
EXPENDITURES BY FUND SOURCE					
General Fund	4,278,200	4,858,100	5,250,000	3,542,500	3,945,600
Restricted Funds	40,000	40,000	60,000	40,000	60,000
TOTAL EXPENDITURES	4,318,200	4,898,100	5,310,000	3,582,500	4,005,600
EXPENDITURES BY UNIT					
General Administration and Support	1,377,100	1,434,600	1,492,200	1,442,600	1,531,300
State Share of County Election Expenses	1,680,000	2,332,400	2,374,500	999,700	1,017,700
State Share of Voter Registration Expenses	1,261,100	1,127,100	1,443,300	1,127,100	1,443,300
Presidential Electors		4,000		4,000	
Wage Equity				9,100	13,300
TOTAL EXPENDITURES	4,318,200	4,898,100	5,310,000	3,582,500	4,005,600

The State Board of Elections administers the election laws of the state (KRS 116, 117, 118, 118A, 119, and 120) and supervises the registration and purgation of voters within the state. The Board is responsible for canvassing returns, certifying successful candidates, maintaining the statewide list of registered voters, and implementing legislation relating to election expenditures.

The Board is directed by the Secretary of State, an ex-officio member, with other members appointed by the Governor.

General Administration and Support

The General Administration and Support program objectives are to maintain an up-to-date computerized record of registered voters in the state, certify election results, produce precinct rosters, issue certification of nomination and election, train county clerks in election duties, and conduct a nonpartisan voter education program.

State Share of Voter Registration Expenses

The State Share of Voter Registration Expenses program pays each eligible county the state's statutory share of voter registration expenses. Payments of 25 cents are made for each new voter registration. Payments of up to 50 cents for each registered voter are made for costs associated with the conduct of elections.

State Share of County Election Expenses

The State Share of County Election Expenses program is mandated to pay all precincts eligible under law the state's statutory share of county election expenses. Pursuant to House Bill 502, payment is made on the basis of a maximum state payment of \$300 per precinct per election to each precinct using voting machines.

Policy

Included in the above General Fund appropriation is \$150,000 in fiscal year 2001 and \$152,700 in fiscal year 2002 to provide an increase to all eligible precincts for election expenses. Notwithstanding KRS 117.345(2), the maximum state payment rate is increased this biennium from the current level of \$255 to \$300 per precinct per election to each precinct using voting machines.

Included in the General Fund appropriation is \$2,126,800 in fiscal year 2001 and \$2,461,000 in fiscal year 2002 to pay the state's share of county election expenses and the state's share of voter registration expenses. Any unexpended balance remaining at the close of each fiscal year shall lapse to the credit of the General Fund. Any amount that the state is required to pay in excess of the above amounts, for the purpose of reimbursing the county clerks for voter registration expense, shall be deemed a necessary government expense and shall be paid from the General Fund Surplus Account or the Budget Reserve Trust Fund. Special elections and creation of additional precincts due to redistricting or reapportionment shall be deemed necessary governmental expenses and be paid from General Fund Surplus.

Included in the General Fund appropriation is \$4,000 in fiscal year 2001 to pay the expense incurred every year of a Presidential election. In accordance with KRS 118.455 the state is required to pay per diem and mileage costs to each elector of President and Vice President of the United States, for each day they are at the State Capitol as an elector. They receive the same per diem and mileage costs as allowed to members of the General Assembly, to be paid out of the State Treasury.

Costs associated with special elections and additional precincts created by redistricting shall be deemed Necessary Governmental Expenses and be paid from the General Fund Surplus Account (KRS 48.700).

Included in the 2000-2002 Budget of the Commonwealth is an allocation from the General Fund in the amount of \$9,100 in fiscal year 2001 and \$13,300 in fiscal year 2002 for the Wage Equity Plan.

Government Operations
Treasury

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,285,200	2,412,300	2,506,900	2,239,200	2,402,000
Total General Fund	2,285,200	2,412,300	2,506,900	2,239,200	2,402,000
Restricted Funds					
Balance Forward	60,000			60,000	
Non-Revenue Receipts				731,900	731,900
Total Restricted Funds	60,000			791,900	731,900
TOTAL SOURCE OF FUNDS	2,345,200	2,412,300	2,506,900	3,031,100	3,133,900
EXPENDITURES BY CLASS					
Personnel Cost	1,894,800	2,010,100	2,112,300	2,108,700	2,200,300
Operating Expenses	390,400	402,200	394,600	922,400	933,600
TOTAL EXPENDITURES	2,285,200	2,412,300	2,506,900	3,031,100	3,133,900
EXPENDITURES BY FUND SOURCE					
General Fund	2,285,200	2,412,300	2,506,900	2,239,200	2,402,000
Restricted Funds				791,900	731,900
TOTAL EXPENDITURES	2,285,200	2,412,300	2,506,900	3,031,100	3,133,900
EXPENDITURES BY UNIT					
General Administration and Support	1,289,400	1,364,900	1,369,400	1,707,300	1,756,400
Disbursements and Accounting	568,000	563,500	608,500	460,800	486,300
Abandoned Property Administration	427,800	483,900	529,000	852,900	874,500
Wage Equity				10,100	16,700
TOTAL EXPENDITURES	2,285,200	2,412,300	2,506,900	3,031,100	3,133,900

The Treasury Department is the central administrative state agency responsible for the receipt and custody of all revenues collected by state government, as outlined in Chapter 41 of the Kentucky Revised Statutes, and for the writing of all checks and disbursement of state funds.

The Treasury Department is headed by the State Treasurer who is a constitutional officer as provided in Section 91 of the State Constitution. The Treasurer also serves on the State Investment Commission. The Treasury Department reviews and records, for accounting purposes, all investment transactions of the Commonwealth.

The General Administration and Support Division provides management support for Treasury, including: fiscal control, personnel administration, and policy development and implementation. The three functions of General Administration and Support are information storage and retrieval, information systems and technology, and administrative services. The Division issues over 7,000,000 checks each year, reconciles the various Commonwealth bank accounts, reconciles daily with the State Depository, administers and records court-ordered withholdings, and produces wire transfers for state government.

The Disbursements and Accounting Division receives all funds of the Commonwealth including fees, grants, taxes, federal funds, and fees from officials in counties over 75,000 in population, as well as fees from various boards and commissions. This program also receives, balances, and deposits all withholdings, and all U. S. Savings Bond deductions from state agency payrolls. A computer analysis is maintained on daily receipts and disbursements, which subsequently is submitted to the Finance and Administration Cabinet for accounting posting.

The Abandoned Property program is responsible for administering the provisions of KRS Chapter 393 related to the Escheats Law. This program receives unclaimed property reports from holders and potential holders of unclaimed property, collects unclaimed property, pursues the location and collection of the property, and attempts to locate the rightful property owner.

Policy

The 2000-2002 Budget of the Commonwealth provides restricted funds in accordance with Kentucky Revised Statute 393.3250 for the administration of the Unclaimed Property Program in the amount of \$731,900 in each year of the biennium. This action reflects the movement of available off-budget restricted funds to on-budget status to support ongoing activities of the Unclaimed Property Program.

Included in the enacted budget is an allocation from the General Fund in the amount of \$10,100 in fiscal year 2001 and \$16,700 in fiscal year 2002 for the Wage Equity Plan

**Government Operations
Attorney General**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	12,710,200	14,530,900	16,311,200	13,066,000	13,751,400
Mandated Allotments	249,100				
Total General Fund	12,959,300	14,530,900	16,311,200	13,066,000	13,751,400
Restricted Funds					
Balance Forward	1,232,300	1,107,000	652,600	1,107,000	652,600
Current Receipts	2,412,500	2,774,800	2,787,300	2,774,800	2,787,300
Non-Revenue Receipts	4,244,100	4,313,100	4,465,400	4,313,100	4,465,400
Total Restricted Funds	7,888,900	8,194,900	7,905,300	8,194,900	7,905,300
Federal Funds					
Balance Forward	6,100				
Current Receipts	1,240,600	1,222,100	1,283,200	1,222,100	1,283,200
Non-Revenue Receipts	1,228,700	1,272,200	1,300,800	1,272,200	1,300,800
Total Federal Funds	2,475,400	2,494,300	2,584,000	2,494,300	2,584,000
TOTAL SOURCE OF FUNDS	23,323,600	25,220,100	26,800,500	23,755,200	24,240,700
EXPENDITURES BY CLASS					
Personnel Cost	15,988,600	18,148,000	20,097,100	16,951,800	17,789,200
Operating Expenses	2,837,000	3,002,100	3,073,600	2,733,400	2,821,700
Grants, Loans or Benefits	3,251,000	3,298,000	3,398,400	3,298,000	3,398,400
Debt Service	80,000	119,400	123,000	119,400	123,000
Capital Outlay	60,000				
TOTAL EXPENDITURES	22,216,600	24,567,500	26,692,100	23,102,600	24,132,300
EXPENDITURES BY FUND SOURCE					
General Fund	12,959,300	14,530,900	16,311,200	13,066,000	13,751,400
Restricted Funds	6,781,900	7,542,300	7,796,900	7,542,300	7,796,900
Federal Funds	2,475,400	2,494,300	2,584,000	2,494,300	2,584,000
TOTAL EXPENDITURES	22,216,600	24,567,500	26,692,100	23,102,600	24,132,300
EXPENDITURES BY UNIT					
Administrative Services	2,388,200	2,477,900	2,596,400	2,364,500	2,477,000
Criminal Services	7,781,300	8,491,200	8,892,000	8,724,100	9,138,000
Advocacy Services	4,632,400	5,497,000	5,888,600	4,520,800	4,687,800
Civil Services	3,357,700	3,869,700	4,936,700	3,185,600	3,339,300
Uninsured Employers Fund	4,057,000	4,231,700	4,378,400	4,231,700	4,378,400
Wage Equity				75,900	111,800
TOTAL EXPENDITURES	22,216,600	24,567,500	26,692,100	23,102,600	24,132,300

The Attorney General, as the Commonwealth's Constitutional chief law enforcement officer, performs a range of legal, investigative and administrative duties. The Office has five major programmatic areas: Administrative Services, Criminal Services, Advocacy Services, Civil Services, and the Uninsured Employers Fund. A total of 14 organizational units support the relevant programmatic focus of each area.

The Administrative Services program area contains the Administrative Services Division and the Prosecutor's Advisory Council Services Division. The Administrative Services Division duties include: personnel, payroll, fiscal, budget, state and federal grants, and training. The Prosecutors Advisory Council Services Division duties include: personnel, payroll, fiscal, budget, state and federal grants, and legal education, related to the Unified Prosecutorial System (UPS), along with the maintenance of child sexual abuse caseload and statistics, and the responsibility for the Victim and Witness Protection Program

The Criminal Services program area contains the following Divisions: Criminal Appellate, Medicaid Fraud and Abuse Control, Special Investigations, Special Prosecutions, and Financial Integrity Enforcement. The Criminal Appellate Division, as mandated by KRS 15.020, provides representation by the Attorney General for the Commonwealth in all criminal appeals in which the Commonwealth has an interest in both state and federal courts. The Medicaid Fraud and Abuse Control Division investigates and prosecutes cases of Medicaid Provider fraud pursuant to KRS 194.500-900 and KRS 205, and further complaints of abuse, neglect, and exploitation of residents in Medicaid facilities. The Special Investigations Division investigates specialized, primarily white-collar criminal activity and welfare recipient fraud. The Special Prosecutions Division, pursuant too KRS 15.190 - 71! prosecutes complex criminal cases when local prosecutors need assistance, disqualification from the case, prosecution of thefts from the Commonwealth by employees or elected officials, election law violations, and ethics law violations. The Financial Integrity Enforcement Division investigates the fraudulent use of social security numbers and other personal information to obtain cash, goods, or services illegally, food stamp fraud, sale of counterfeit items, untaxed cigarettes, and election frau

The Advocacy Services program area contains the following Divisions, Offices, or Commissions: Consumer Protection, Office of Rate Intervention, Office of Senior Protection, Victim's Advocacy, and Child Support Enforcement Commission. The Consumer Protection Division enforces the provisions of the Consumer Protection Act that prohibit unfair, false, misleading, and deceptive acts or practices in trade or commerce. The Office of Rate Intervention is responsible for representing the interests of consumers before federal, state, and local rate-making and regulatory bodies in the areas of utilities and health care insurance. The Office of Senior Protection coordinates with other law enforcement agencies to provide instructional and educational methods of crime prevention to senior citizens. The Victim's Advocacy Division administers the victims advocate program and provides support services to victims of crime. The Child Support Enforcement Commission, pursuant to KRS 15.290, advises the Governor on child support enforcement issues and provides special investigations into child support evasior

The Civil Services program area contains the Civil and Environmental Law Division and the Administrative Hearings Division. The Civil Law Division represents the state's boards and agencies, issues formal opinions, represents state officials, elected prosecutors and the judiciary in legal proceedings, and intervenes in constitutional challenges to state statutes; furthermore, the Division serves as the legal representative of the Uninsured Employer's Fund in all proceedings to enforce workers' compensation claims against or for the Fund. The Administrative Hearings Division provides hearing officer services to state agencies.

The Uninsured Employer's Fund, pursuant to KRS 342.760, is part of the Commonwealth's workers' compensation system. The Fund is responsible for payment of workers' compensation to employees when the employer does not have worker compensation insurance.

Policy

Additional restricted funds of \$125,000 in fiscal year 2001 and \$129,400 in fiscal year 2002 are provided for personnel and operating expenditures related to the expansion of the Financial Integrity Enforcement initiative

Additional restricted funds of \$155,000 in fiscal year 2001 and \$157,500 in fiscal year 2002 are provided for personnel and operating expenditures related to the Office of Senior Protection.

Additional restricted funds of \$60,000 in fiscal year 2001 and \$62,100 in fiscal year 2002 are provided for personnel and operating expenditures related to KRS 431.660, requiring the establishment of a director position for the Multidisciplinary Child Sexual Abuse Commission, which was not previously funded.

Additional restricted funds of \$30,000 in fiscal year 2001 and \$31,000 in fiscal year 2002 are provided for personnel and operating expenditures related to the Tobacco Master Settlement Agreement Compliance Advisory Boarc

Included in the enacted budget is an allocation from the General Fund in the amount of \$75,900 in fiscal year 2001 and \$111,800 in fiscal year 2002 for the Wage Equity Plan

**Government Operations
Unified Prosecutorial System**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	38,441,400	46,121,700	50,413,300	41,824,000	44,588,600
Continuing Appropriation	241,900				
Total General Fund	38,683,300	46,121,700	50,413,300	41,824,000	44,588,600
Restricted Funds					
Balance Forward	784,000	917,400	655,300	917,400	655,300
Non-Revenue Receipts	479,200	103,000	103,000	103,000	103,000
Total Restricted Funds	1,263,200	1,020,400	758,300	1,020,400	758,300
Federal Funds					
Balance Forward	26,800	29,000	21,900	29,000	21,900
Non-Revenue Receipts	831,600	874,000	866,000	874,000	866,000
Total Federal Funds	858,400	903,000	887,900	903,000	887,900
TOTAL SOURCE OF FUNDS	40,804,900	48,045,100	52,059,500	43,747,400	46,234,800
EXPENDITURES BY CLASS					
Personnel Cost	36,513,900	42,792,600	47,090,000	40,069,500	43,197,800
Operating Expenses	3,199,600	4,253,800	4,097,900	2,418,800	1,905,000
Grants, Loans or Benefits	145,000	321,500	318,100	581,900	578,500
TOTAL EXPENDITURES	39,858,500	47,367,900	51,506,000	43,070,200	45,681,300
EXPENDITURES BY FUND SOURCE					
General Fund	38,683,300	46,121,700	50,413,300	41,824,000	44,588,600
Restricted Funds	345,800	365,100	220,300	365,100	220,300
Federal Funds	829,400	881,100	872,400	881,100	872,400
TOTAL EXPENDITURES	39,858,500	47,367,900	51,506,000	43,070,200	45,681,300
EXPENDITURES BY UNIT					
Commonwealth's Attorneys	21,263,500	25,049,800	26,974,300	23,003,700	24,291,600
County Attorneys	18,595,000	22,318,100	24,531,700	20,066,500	21,389,700
TOTAL EXPENDITURES	39,858,500	47,367,900	51,506,000	43,070,200	45,681,300

Pursuant to KRS 15.700 the Unified Prosecutorial System was established January 1, 1978, to encourage cooperation among law enforcement officers and to provide for the general supervision of criminal justice by the Attorney General, as chief law enforcement officer and chief prosecutor of the Commonwealth. Also, its role is to maintain uniform and efficient enforcement of the criminal law and administration of criminal justice throughout the Commonwealth.

The Unified Prosecutorial System is administered by the Prosecutors Advisory Council with the Attorney General serving as chairman. The Unified Prosecutorial System is comprised of the 56 Commonwealth's Attorneys for the purpose of prosecuting criminal cases in Kentucky's circuit and district courts.

**Government Operations
Commonwealth's Attorneys**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	20,092,400	24,098,100	26,186,100	22,052,000	23,503,400
Continuing Appropriation	241,900				
Total General Fund	20,334,300	24,098,100	26,186,100	22,052,000	23,503,400
Restricted Funds					
Balance Forward	695,600	837,500	615,000	837,500	615,000
Non-Revenue Receipts	476,200	100,000	100,000	100,000	100,000
Total Restricted Funds	1,171,800	937,500	715,000	937,500	715,000
Federal Funds					
Balance Forward	18,600	21,700	15,500	21,700	15,500
Non-Revenue Receipts	598,000	623,000	604,000	623,000	604,000
Total Federal Funds	616,600	644,700	619,500	644,700	619,500
TOTAL SOURCE OF FUNDS	22,122,700	25,680,300	27,520,600	23,634,200	24,837,900
EXPENDITURES BY CLASS					
Personnel Cost	18,528,900	21,682,700	23,800,800	20,403,300	22,205,200
Operating Expenses	2,594,600	3,050,600	2,857,000	2,023,500	1,509,500
Grants, Loans or Benefits	140,000	316,500	316,500	576,900	576,900
TOTAL EXPENDITURES	21,263,500	25,049,800	26,974,300	23,003,700	24,291,600
EXPENDITURES BY FUND SOURCE					
General Fund	20,334,300	24,098,100	26,186,100	22,052,000	23,503,400
Restricted Funds	334,300	322,500	179,900	322,500	179,900
Federal Funds	594,900	629,200	608,300	629,200	608,300
TOTAL EXPENDITURES	21,263,500	25,049,800	26,974,300	23,003,700	24,291,600

Pursuant to KRS 15.725, the Commonwealth's Attorneys attend each circuit court held in the judicial circuit. The Commonwealth's Attorneys, except as provided by KRS 15.715, also have the duty to prosecute all violations of the criminal and penal laws which are tried in the circuit court. In addition, the Commonwealth's Attorney's have the primary responsibility within the judicial circuit to present evidence to the grand jury concerning such violations.

In accordance with KRS 15.735, the Commonwealth's Attorneys also serve as special prosecutors in cases where the regularly elected prosecutor has been disqualified.

The Commonwealth's Attorney program is made up of 56 elected Commonwealth's Attorneys, one for each circuit, and each having a staff. Fifteen circuits have full-time Commonwealth's Attorneys, with the remaining being part-time. The prosecution of each felony requires a thorough investigation that involves extensive research and trial preparation by the prosecutor. Witness interviews, motions, conferences, plea-bargaining, case studies, and continuing legal education are a part of each prosecutor's responsibility in representing the Commonwealth and citizens of Kentucky as the state's attorney.

Policy

The enacted budget provides General Fund resources of \$564,700 in fiscal year 2001 and \$592,900 in fiscal year 2002 for the transition of six part-time Commonwealth Attorney's offices to full-time status.

The enacted budget provides General Fund resources of \$208,500 in fiscal year 2001 and \$627,100 in fiscal year 2002 for staff salary increases.

Additional General Fund revenues of \$436,900 in each year of the 2000-2002 biennium are provided in the enacted budget to fund medical examination fees associated with the Rape Victims Assistance program.

Additional General Fund resources of \$299,700 in each year of the 2000-2002 biennium are provided in the enacted budget to support an increase of \$500 per month for the office expense allowance for each Commonwealth's Attorney.

**Government Operations
County Attorneys**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	18,349,000	22,023,600	24,227,200	19,772,000	21,085,200
Total General Fund	18,349,000	22,023,600	24,227,200	19,772,000	21,085,200
Restricted Funds					
Balance Forward	88,400	79,900	40,300	79,900	40,300
Non-Revenue Receipts	3,000	3,000	3,000	3,000	3,000
Total Restricted Funds	91,400	82,900	43,300	82,900	43,300
Federal Funds					
Balance Forward	8,200	7,300	6,400	7,300	6,400
Non-Revenue Receipts	233,600	251,000	262,000	251,000	262,000
Total Federal Funds	241,800	258,300	268,400	258,300	268,400
TOTAL SOURCE OF FUNDS	18,682,200	22,364,800	24,538,900	20,113,200	21,396,900
EXPENDITURES BY CLASS					
Personnel Cost	17,985,000	21,109,900	23,289,200	19,666,200	20,992,600
Operating Expenses	605,000	1,203,200	1,240,900	395,300	395,500
Grants, Loans or Benefits	5,000	5,000	1,600	5,000	1,600
TOTAL EXPENDITURES	18,595,000	22,318,100	24,531,700	20,066,500	21,389,700
EXPENDITURES BY FUND SOURCE					
General Fund	18,349,000	22,023,600	24,227,200	19,772,000	21,085,200
Restricted Funds	11,500	42,600	40,400	42,600	40,400
Federal Funds	234,500	251,900	264,100	251,900	264,100
TOTAL EXPENDITURES	18,595,000	22,318,100	24,531,700	20,066,500	21,389,700

Pursuant to KRS 15.725(2), the County Attorney attends the district court in the county and prosecutes all violations of criminal and penal laws within the jurisdiction of that district court. In accordance with KRS 15.735, County Attorneys also serve as special prosecutors in cases where the regular elected prosecutor has been disqualified.

The County Attorney is statutorily responsible for handling felony cases until the case is transferred to circuit court. The County Attorney must complete misdemeanors, juvenile and traffic cases, warrant preparation, motions, investigations, and witness interviews. The County Attorney frequently mediates local complaints; thus, many of the services provided may never appear on a court docket.

Policy

The enacted budget provides General Fund resources of \$521,300 in fiscal year 2001 and \$547,300 in fiscal year 2002 for additional staffing needs of the County Attorney offices.

The enacted budget provides General Fund resources of \$163,900 in fiscal year 2001 and \$533,900 in fiscal year 2002 for Assistant County Attorney salary improvements.

Additional General Fund resources of \$360,000 in each year of the 2000-2002 biennium are provided in the enacted budget to support an increase of \$250 per month for the office expense allowance for each County Attorney.

**Government Operations
Auditor of Public Accounts**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,749,400	5,868,400	5,986,600	5,895,400	5,911,600
Total General Fund	5,749,400	5,868,400	5,986,600	5,895,400	5,911,600
Restricted Funds					
Balance Forward	1,136,900	1,965,500	1,006,500	1,965,500	1,006,500
Current Receipts	3,978,500	3,750,000	3,750,000	3,750,000	3,750,000
Total Restricted Funds	5,115,400	5,715,500	4,756,500	5,715,500	4,756,500
TOTAL SOURCE OF FUNDS	10,864,800	11,583,900	10,743,100	11,610,900	10,668,100
EXPENDITURES BY CLASS					
Personnel Cost	7,440,600	8,252,900	8,676,300	8,279,900	8,601,300
Operating Expenses	1,165,800	1,242,500	1,226,300	1,242,500	1,226,300
Capital Outlay	292,900	1,082,000	489,000	1,082,000	489,000
TOTAL EXPENDITURES	8,899,300	10,577,400	10,391,600	10,604,400	10,316,600
EXPENDITURES BY FUND SOURCE					
General Fund	5,749,400	5,868,400	5,986,600	5,895,400	5,911,600
Restricted Funds	3,149,900	4,709,000	4,405,000	4,709,000	4,405,000
TOTAL EXPENDITURES	8,899,300	10,577,400	10,391,600	10,604,400	10,316,600
EXPENDITURES BY UNIT					
Administration	1,891,300	2,244,000	2,184,500	2,223,000	2,161,500
Examination and Information Technology	1,077,200	1,280,600	1,239,800	1,265,600	1,223,800
Financial Audit	5,321,500	6,326,700	6,246,800	6,232,600	6,149,200
Performance Audit	609,300	726,100	720,500	846,100	720,500
Wage Equity				37,100	61,600
TOTAL EXPENDITURES	8,899,300	10,577,400	10,391,600	10,604,400	10,316,600

The Auditor of Public Accounts is a constitutionally elected official charged with the responsibility for auditing all state agencies and county governments, pursuant to KRS Chapter 43. Statutory responsibility requires that the Auditor's Office audit the state general accounts, the accounts of all state agencies, all private and semi-private agencies receiving or handling state funds and all state revenue collections. Furthermore, the Auditor must examine the management and control of all institutions and public works in which the state has financial interest or legal power; the safe custody and proper accounting of all state property must be ensured, pursuant to KRS 43.050.

The Auditor's Office is responsible for assisting state and local officials in establishing and maintaining proper accounting records, internal controls, and administrative controls over public funds. In addition, requests from public officials, the general public, the Legislative Research Commission, and the Governor's Office are made concerning financial matters, program matters, special audits, and investigations.

The Auditor of Public Accounts has four distinct programmatic areas: Administration, Division of Examination and Technology, Division of Financial Audit, and the Division of Performance Audit.

The Administration area includes: the Office of the State Auditor, support staff, policy staff, and General Counsel; the Office of Planning and Management with the budget, fiscal, and personnel duties; and the Office of Quality Assurance and Consultation, which is responsible for the development of audit procedures, audit quality control, internal training, and external training.

The Division of Examination and Information Technology is responsible for internal technology systems, state and public entities, data processing systems, special examinations of complaints, and public investment analysis.

The Division of Financial Audit is responsible for financial audits of state agency transactions, pursuant to KRS 43.050; county officials such as fiscal courts, sheriffs, county clerks, property valuation administrators, county attorneys, circuit clerks, and special districts per KRS 43.070. The Single Audit Act of 1984 as enacted by the United States Congress is also one of the responsibilities for the Auditor of Public Accounts

The Division of Performance Audit conducts audits of public entities to increase the effectiveness of the delivery of services and to reduce the costs of service delivery to the public

Policy

The enacted budget provides restricted funds of \$359,000 for fiscal year 2001 and \$377,800 for fiscal year 2002 to implement an aggressive turnover prevention strategy

Restricted funds of \$1,082,000 for fiscal year 2001 and \$489,000 for fiscal year 2002 are provided for upgrades in computer hardware and software which will allow the Auditor of Public Accounts to create an expert auditing system and begin on-line auditing.

The enacted budget provides for a General Fund appropriation of \$120,000 for fiscal year 2001 for a performance budgeting pilot project.

Government Operations
Agriculture

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	19,575,000	24,671,600	25,223,600	20,214,100	21,167,400
Continuing Appropriation	3,580,400				
Total General Fund	23,155,400	24,671,600	25,223,600	20,214,100	21,167,400
Restricted Funds					
Balance Forward	3,220,700	3,148,000	3,109,200	3,148,000	3,166,200
Current Receipts	2,319,500	2,319,500	2,319,500	2,319,500	2,319,500
Non-Revenue Receipts	80,700	85,200	85,200	85,200	85,200
Total Restricted Funds	5,620,900	5,552,700	5,513,900	5,552,700	5,570,900
Federal Funds					
Balance Forward	121,000		9,300	110,000	119,300
Current Receipts	2,098,000	2,044,300	2,054,300	2,044,300	2,054,300
Non-Revenue Receipts	-121,000				
Total Federal Funds	2,098,000	2,044,300	2,063,600	2,154,300	2,173,600
TOTAL SOURCE OF FUNDS	30,874,300	32,268,600	32,801,100	27,921,100	28,911,900
EXPENDITURES BY CLASS					
Personnel Cost	15,422,400	16,375,600	17,101,400	15,984,100	16,770,900
Operating Expenses	4,865,700	5,190,300	5,240,500	5,140,300	5,190,500
Grants, Loans or Benefits	6,773,200	6,423,200	6,423,200	2,923,200	3,232,100
Capital Outlay	155,000	398,000	150,000	188,000	150,000
Construction	400,000	1,000,000	1,000,000	400,000	400,000
TOTAL EXPENDITURES	27,616,300	29,387,100	29,915,100	24,635,600	25,743,500
EXPENDITURES BY FUND SOURCE					
General Fund	23,155,400	24,671,600	25,223,600	20,214,100	21,167,400
Restricted Funds	2,472,900	2,671,200	2,637,200	2,386,500	2,541,300
Federal Funds	1,988,000	2,044,300	2,054,300	2,035,000	2,034,800
TOTAL EXPENDITURES	27,616,300	29,387,100	29,915,100	24,635,600	25,743,500
EXPENDITURES BY UNIT					
Strategic Planning and Administration	3,230,800	8,236,100	8,295,800	3,448,200	3,588,200
Motor Fuel Inspection and Testing	267,200	267,200	267,200	263,800	264,100
Environmental Outreach	4,327,300	4,353,000	4,473,200	4,331,600	4,408,600
Consumer and Public Service	5,552,900	5,743,600	5,892,700	5,887,500	6,128,600
State Veterinarian	3,987,300	4,080,200	4,171,100	4,511,800	4,666,600
Universities	1,626,000	1,626,000	1,626,000	826,000	826,000
Rural Rehabilitation Fund	80,000	80,000	80,000	80,000	80,000
Market Promotion and Protection	93,200	93,200	93,200	91,800	91,900
Mexico Office	203,700	100,000	100,000	100,000	100,000
Rural Development Grant	16,500				
PACE Agricultural Enhancement Fund	400,000	400,000	400,000	400,000	400,000
Agriculture Marketing and Product Promotion	7,831,400	4,407,800	4,515,900	4,628,600	5,090,300
Wage Equity				66,300	99,200
TOTAL EXPENDITURES	27,616,300	29,387,100	29,915,100	24,635,600	25,743,500

The Department of Agriculture, as defined in KRS Chapter 246, is headed by the Commissioner of Agriculture, a Constitutional Officer. In addition, the State Board of Agriculture, appointed by the Governor, acts as an advisory body to the elected Commissioner. The Department of Agriculture is divided into five service units:

The Office for Environmental Outreach fosters understanding and cooperation between Kentucky's agriculture community and federal/state enforcement entities. This Office is responsible for conducting various pest and noxious weed control programs, enforcing federal/state laws and regulations pertaining to the control of pesticide use and application, and providing an avenue of discussion and negotiation between the regulator and those being regulated.

The Office for Consumer and Public Service directs programs which have a direct bearing on agricultural revenue. The Office conducts the hay grading program, certifies all sales made by solid weight or liquid volume, licenses all egg wholesalers, and inspects all amusement rides operating within the Commonwealth. Further duties include the distribution of commodity foods to qualifying institutions and individuals on behalf of the USDA.

The Office of the State Veterinarian protects the livestock industry pursuant to KRS Chapter 257. The Office formulates and regulates all disease policies and investigates all disease outbreaks.

The Office for Agricultural Marketing and Product Promotion develops and manages programs which promote Kentucky-produced agricultural products, including grading and inspecting of specific products and commodities and reporting of market news. Additional responsibilities include the research and development of new and/or expanded outlets for Kentucky's agricultural products, administration of the Kentucky logo labeling program, administration of the Shows and Fairs Promotion Division, and the regulation of the ginseng industry through dealer registration and export certification.

The Office for Strategic Planning and Administration manages for personnel functions, financial operations, public relations, and technology systems.

Policy

The 2000-2002 Budget of the Commonwealth provides additional General Fund support in the amount of \$221,500 in fiscal year 2001 and \$229,600 in fiscal year 2002 for the expansion of the Department of Agriculture's marketing and promotion program.

The enacted budget includes General Fund dollars in the amount of \$50,000 in both fiscal years of the biennium to increase support for 4-H and FFA shows.

The enacted budget provides General Fund dollars in the amount of \$66,300 in fiscal year 2001 and \$99,200 in fiscal year 2002 to support the Wage Equity Plan.

Included in the enacted budget is a General Fund appropriation in the amount of \$500,000 in both years of the biennium to provide funding for grants to local governments or humane societies for the construction or expansion of animal shelters.

**Government Operations
Military Affairs**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,854,300	13,993,000	13,990,000	10,899,500	11,170,300
Mandated Allotments	6,695,000				
Total General Fund	17,549,300	13,993,000	13,990,000	10,899,500	11,170,300
Restricted Funds					
Balance Forward	1,978,500	885,400	653,600	885,400	653,600
Current Receipts	13,399,300	16,233,400	16,545,500	15,963,400	16,415,800
Non-Revenue Receipts	625,000	500,000	500,000	500,000	500,000
Total Restricted Funds	16,002,800	17,618,800	17,699,100	17,348,800	17,569,400
Federal Funds					
Balance Forward	21,000				
Current Receipts	23,939,000	9,175,000	9,395,200	9,175,000	9,395,200
Total Federal Funds	23,960,000	9,175,000	9,395,200	9,175,000	9,395,200
TOTAL SOURCE OF FUNDS	57,512,100	40,786,800	41,084,300	37,423,300	38,134,900
EXPENDITURES BY CLASS					
Personnel Cost	17,990,100	17,444,800	18,274,300	17,003,700	17,746,600
Operating Expenses	12,416,600	13,713,000	13,412,100	11,708,600	11,605,500
Grants, Loans or Benefits	26,045,000	8,697,900	8,827,600	7,933,900	8,189,500
Debt Service	175,000	2,216,000	2,216,000		23,000
Capital Outlay		277,500	56,000	123,500	56,000
TOTAL EXPENDITURES	56,626,700	42,349,200	42,786,000	36,769,700	37,620,600
EXPENDITURES BY FUND SOURCE					
General Fund	17,549,300	13,993,000	13,990,000	10,899,500	11,170,300
Restricted Funds	15,117,400	16,965,200	17,184,800	16,695,200	17,055,100
Federal Funds	23,960,000	9,175,000	9,395,200	9,175,000	9,395,200
TOTAL EXPENDITURES	56,626,700	40,133,200	40,570,000	36,769,700	37,620,600
EXPENDITURES BY UNIT					
General Administration and Support	2,915,700	3,100,700	3,166,400	3,020,500	3,100,100
Property Management	7,759,600	10,584,700	10,739,400	8,166,800	8,316,000
Bluegrass Station	3,269,900	3,390,200	3,502,500	3,390,200	3,502,500
General Administration	4,822,500	5,187,800	5,058,100	4,767,200	4,978,300
100% Federal Programs	7,350,000	7,530,500	7,709,800	7,530,500	7,709,800
Kentucky Emergency Response Commission	340,000	348,200	356,600	348,200	356,600
Federal / State Partnership Program	445,000	455,600	466,600	449,900	460,600
DES - Disaster Accounts	18,370,000				
DES - Emergency	250,000				
DES - Kentucky Community Crisis Response Bd	196,500	256,400	264,600	197,000	201,700
Air Transportation	1,768,600	1,825,600	1,876,200	1,799,900	1,849,100
National Guard Statewide Special Event	975,000				
National Guard Emergencies and Disasters	1,900,000				
National Guard Drug Eradication	200,000				
HIDTA	473,000	493,000	493,000	493,000	493,000
Military Burial Honors				100,000	

Youth Challenge	2,000,000	3,070,000	2,929,700	2,800,000	2,800,000
Guard Materials Management Center	1,172,800	1,221,400	1,258,300	1,221,400	1,258,300
Central Clothing Distribution Facility	2,418,100	2,485,100	2,553,800	2,485,100	2,553,800
National Guard Tuition Assistance		2,400,000	2,411,000		
Wage Equity					40,800
TOTAL EXPENDITURES	56,626,700	42,349,200	42,786,000	36,769,700	37,620,600

The Department of Military Affairs is the state agency responsible for all military matters and disaster and emergency service coordination in the Commonwealth. The Governor is constitutional Commander-in-Chief of the forces that are on duty in the state. He appoints the Adjutant General who commands the Kentucky National Guard (Army and Air), and directs and coordinates all programs of the Department.

The Department has the responsibility for organizing, equipping, training, and housing units of the Kentucky National Guard which may be called to duty by the Governor in the event of civil strife or disorder, or the occurrence of natural or man-made disasters.

The Department consists of these organizational units: Office of Management and Administration, containing the Division of Administrative Services, Division of Facilities, Bluegrass Station Division, Kentucky Guard Youth Challenge Division, and Division of Air Transport; Division of Disaster and Emergency Management; Office of Kentucky Community Crisis Response Board; Office of the Chief of Staff for Federal Army Guard; Office of Chief of Staff for Federal Aid Guard; and Kentucky Civil Air Patrol.

Policy

Included in the above appropriation is \$100,000 in fiscal year 2001 and \$200,000 in fiscal year 2002 for Disaster and Emergency Management County Offices.

General Fund support in the amount of \$19,700 in fiscal year 2001 and \$20,000 in fiscal year 2002 is provided to support the Air National Guard Facility Management Agreement.

General Fund support in the amount of \$100,000 in fiscal year 2001 is provided for the Military Burial Honors program. Notwithstanding KRS 45.229, any unexpended balance of funds provided for the Military Burial Honors program in fiscal year 2001 shall not lapse and shall be carried forward into fiscal year 2002.

Debt service funds in the amount of \$23,000 in fiscal year 2002 from the General Fund are provided to support bond funds totaling \$174,000 for the Environmental Pool.

The National Guard Tuition Assistance program will receive restricted funds of \$336,000 in fiscal year 2001 and \$572,900 in fiscal year 2002 from the Kentucky Educational Excellence Scholarship Program.

Included in the above General Fund appropriation is \$40,800 in fiscal year 2002 for the Wage Equity Plan.

**Government Operations
Personnel Board**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	544,200	582,000	593,300	583,600	595,400
Total General Fund	544,200	582,000	593,300	583,600	595,400
Restricted Funds					
Balance Forward	8,600	6,100	3,600	6,100	3,600
Current Receipts	2,500	2,500	2,500	2,500	2,500
Total Restricted Funds	11,100	8,600	6,100	8,600	6,100
TOTAL SOURCE OF FUNDS	555,300	590,600	599,400	592,200	601,500
EXPENDITURES BY CLASS					
Personnel Cost	461,100	500,200	519,500	501,800	521,600
Operating Expenses	88,100	86,800	79,900	86,800	79,900
TOTAL EXPENDITURES	549,200	587,000	599,400	588,600	601,500
EXPENDITURES BY FUND SOURCE					
General Fund	544,200	582,000	593,300	583,600	595,400
Restricted Funds	5,000	5,000	6,100	5,000	6,100
TOTAL EXPENDITURES	549,200	587,000	599,400	588,600	601,500
EXPENDITURES BY UNIT					
Personnel Board	549,200	587,000	599,400	587,000	599,400
Wage Equity				1,600	2,100
TOTAL EXPENDITURES	549,200	587,000	599,400	588,600	601,500

Created by the 1982 General Assembly as a separate state agency through KRS 18A.045, the Personnel Board is composed of seven members, five who are appointed by the Governor and two of whom are classified employees elected by their colleagues. The Board serves in a quasi-judicial capacity and assists the Department of Personnel in the development and amendment of administrative regulations as they pertain to the classified service.

The Personnel Board administers the appeals process of applicants for classified positions and conducts hearings for any classified employee who is dismissed, demoted, suspended or otherwise penalized after completing a probationary period of service and for those unclassified employees who are dismissed, demoted, suspended or otherwise penalized for cause.

Policy

Included in the above General Fund appropriation is \$1,600 in fiscal year 2001 and \$2,100 in fiscal year 2002 for the Wage Equity Plan.

**Government Operations
Local Government**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,182,900	13,701,500	15,713,100	11,452,900	12,189,300
Total General Fund	10,182,900	13,701,500	15,713,100	11,452,900	12,189,300
Restricted Funds					
Balance Forward	1,023,100	918,400	867,500	918,400	948,000
Current Receipts	1,124,300	500,400	500,800	695,000	746,700
Total Restricted Funds	2,147,400	1,418,800	1,368,300	1,613,400	1,694,700
Federal Funds					
Balance Forward	41,900				
Current Receipts	43,046,100	47,092,300	44,105,600	47,080,800	44,080,800
Total Federal Funds	43,088,000	47,092,300	44,105,600	47,080,800	44,080,800
TOTAL SOURCE OF FUNDS	55,418,300	62,212,600	61,187,000	60,147,100	57,964,800
EXPENDITURES BY CLASS					
Personnel Cost	4,885,300	4,702,400	4,756,300	4,298,900	3,954,800
Operating Expenses	793,100	755,600	738,300	878,100	1,238,900
Grants, Loans or Benefits	48,273,500	53,387,100	50,362,600	54,022,100	51,141,800
Debt Service	478,000	2,500,000	4,500,000		606,000
Capital Outlay	70,000				
TOTAL EXPENDITURES	54,499,900	61,345,100	60,357,200	59,199,100	56,941,500
EXPENDITURES BY FUND SOURCE					
General Fund	10,182,900	13,701,500	15,713,100	11,452,900	12,189,300
Restricted Funds	1,229,000	551,300	538,500	665,400	671,400
Federal Funds	43,088,000	47,092,300	44,105,600	47,080,800	44,080,800
TOTAL EXPENDITURES	54,499,900	61,345,100	60,357,200	59,199,100	56,941,500
EXPENDITURES BY UNIT					
Commissioner	1,887,000	3,398,600	5,392,700	2,496,100	3,097,000
Support Services	1,680,800	1,253,800	1,273,300	1,312,800	1,360,600
Community Programs	44,767,000	48,914,400	45,938,100	48,230,200	45,240,000
Financial Services	1,143,100	1,197,500	1,257,600	1,927,700	1,990,700
Training and ADD Services	5,022,000	6,580,800	6,495,500	5,183,400	5,183,700
Wage Equity				48,900	69,500
TOTAL EXPENDITURES	54,499,900	61,345,100	60,357,200	59,199,100	56,941,500

The Department for Local Government, pursuant to KRS 147A.002, is an independent agency attached to the Office of the Governor. Its functions and the organizational structure were redefined on October 21, 1997, when Governor Patton signed Executive Order 97-1391. The order was ratified by the 1998 General Assembly with the passage of Senate Bill 154. The Department serves as the liaison between the Governor and local units of government. It coordinates and resolves local government problems. The Department administers grants-in-aid, and serves as the cognizant state agency for Kentucky's fifteen Area Development Districts. These responsibilities are carried out through the Commissioner's Office and four Divisions.

The Division of Community Development administers the agency's grant management functions. The programs assigned to the Division include: Community Development Block Grant-Small Cities Component; Appalachian Regional Commission Grants; Renaissance Kentucky Program; Disaster Recovery Initiative; the Land and Water Conservation Fund; the Kentucky Trails Grant Program and Special Fund supported grants.

The Division of Support Services performs those administrative functions necessary for the Department to operate in an efficient manner. The Division has responsibility for personnel administration, payroll, purchasing, library management and accounting for the entire agency. The Division provides information technology support to the Department and to local government units. In addition, technical assistance and funding is provided to the Local Government Law Center at Northern Kentucky University.

The Division of Training and Area Development (ADD) Services provides for training programs for local governments across the Commonwealth in conjunction with other governmental agencies, associations and the Area Development Districts. The Division maintains the Commonwealth's Clearinghouse for all federal grants and administers the Joint Funding Agreement Grant. Also within the Division of Training and ADD Services is the Flood Control Advisory Commission. The Commission perform floodplain management activities, reviews and approves projects for the Flood Control Matching Fund. In partnership with federal and local agencies, the matching program lessens flood damage losses by providing structural and nonstructural assistance to Kentucky communities. The Fund ensures that matching funds required by the U.S. Army Corp of Engineers, Federal Emergency Management Agency (FEMA) and the Natural Resources Conservation Service are available for vital projects.

The Division of Financial Services provides technical assistance on local fiscal matters. The Division is responsible for the management and distribution of the Local Government Economic Assistance Fund, the Local Government Economic Development Fund and the County Municipal Road Aid Program. The Division carries out a number of statutory duties including: the calculation of maximum compensation for elected officials; the dissemination, collection and compilation of uniform financial information form all cities, counties and special taxing districts; the establishment of the standard chart of accounts; and the collection of annual audits and financial statements form all municipalities.

The Commissioner's Office formulates policy that governs the direction of programs administered by the Department. Its objectives include: providing integration and control of all departmental programs and administrative concerns, serving as a liaison with state and federal agencies that deal with each of the Kentucky's 120 counties, 435 cities, 1400 special districts and the 15 Area Development Districts. Administered within the Commissioner's Office are the functions of legal staff, financial management and budget preparation.

Policy

The 2000-2002 Budget of the Commonwealth relocates the Water Resources Development Commission and its associated administrative functions to the Kentucky Infrastructure Authority.

Included in the enacted budget is an allocation from the General Fund in the amount of \$250,000 in each year of the biennium for the Knott County Arts and Crafts Grant

Included in the enacted budget is an allocation from the General Fund in the amount of \$100,000 in each year of the biennium for the Richmond Arts Center.

Included in the enacted budget is an allocation from the General Fund in the amount of \$1,000,000 in each year of the biennium for the Trover Clinic Grant. NOTE: These General Fund dollars are derived from severance tax collection:

Included in the enacted budget is an allocation from the General Fund for debt service in the amount of \$606,000 in fiscal year 2002 which will be used to support \$6,000,000 in bond funds for the expansion of the Renaissance Kentucky program. The bonds will be issued in fiscal year 2001.

Included in the enacted budget is an allocation from the General Fund in the amount of \$136,500 in fiscal year 2001 and \$121,200 in fiscal year 2002 for two positions to support the local officials training program implemented under House Bill 810 enacted by the 1998 General Assembly

Included in the enacted budget is an allocation from the General Fund in the amount of \$48,900 in fiscal year 2001 and \$69,500 in fiscal year 2002 for the Wage Equity Plan

Government Operations
Local Government - Special Funds

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	66,374,500	65,561,400	68,280,500	63,680,900	66,705,000
Other	-8,377,900				
Total General Fund	57,996,600	65,561,400	68,280,500	63,680,900	66,705,000
TOTAL SOURCE OF FUNDS	57,996,600	65,561,400	68,280,500	63,680,900	66,705,000
EXPENDITURES BY CLASS					
Grants, Loans or Benefits	57,996,600	65,561,400	68,280,500	63,680,900	66,705,000
TOTAL EXPENDITURES	57,996,600	65,561,400	68,280,500	63,680,900	66,705,000
EXPENDITURES BY FUND SOURCE					
General Fund	57,996,600	65,561,400	68,280,500	63,680,900	66,705,000
TOTAL EXPENDITURES	57,996,600	65,561,400	68,280,500	63,680,900	66,705,000
EXPENDITURES BY UNIT					
Local Government Economic Assistance Fund	28,675,400	28,567,300	28,430,300	27,375,600	28,996,400
Local Government Economic Development Fund	28,321,200	31,994,100	34,850,200	33,305,300	36,708,600
Area Development Fund	1,000,000	5,000,000	5,000,000	3,000,000	1,000,000
TOTAL EXPENDITURES	57,996,600	65,561,400	68,280,500	63,680,900	66,705,000

The Special Funds program includes: the Local Government Economic Assistance Fund (LGEAF), the Local Government Economic Development Fund (LGEDF), and the Area Development Fund. Under current law, quarterly transfers from coal severance tax revenues for these two programs are made after the annual \$19 million severance tax allocation is credited to the Workers' Compensation Funding Commission.

Policy

The 2000-2002 Budget of the Commonwealth budget provides that \$1,420,000 in fiscal year 2001 and \$1,379,500 in fiscal year 2002 be set aside from coal severance revenues prior to the LGEAF and LGEDF quarterly allocations. These funds will be used to support the Osteopathic Medicine Scholarship Program. The scholarship program provides eligible students grants equal to the difference between the average amount charged for in-state tuition at the University of Kentucky and University of Louisville medical schools and tuition at the Osteopathic School of Medicine. Participants must be Kentucky residents and agree to render one year of service as a primary care physician in Kentucky for every year that they receive grants.

Local Government Economic Assistance Fund (LGEAF) Pursuant to KRS 42.450-42.495, the 1980 General Assembly created the Local Government Assistance Fund (LGEAF) to return a portion of the coal severance and mineral severance taxes to local governments in areas where the minerals were extracted. These funds are used to strengthen and diversify the communities' economy and to improve the quality of life of their residents. Counties, and cities within those counties, that are involved in the production of coal and/or minerals such as natural gas, oil, stone, etc. are eligible to receive LGEAF payments. Likewise, counties and their cities affected by the transportation of coal are eligible to receive a portion of the returned severance taxes.

The coal severance tax program currently returns funds to 72 counties and approximately 318 cities at the end of each fiscal quarter. Quarterly allocations are made according to such criteria as population, income, the amount and distance coal is transported over local areas, and taxes collected from the county.

The minerals severance tax program currently returns funds to 100 counties and approximately 359 cities at the end of each fiscal quarter. In accordance with Kentucky statute, an amount equal to 50 percent of the taxes collected annually on the sale

and processing of minerals, exclusive of coal, is transferred into the LGEAF for subsequent allocation and distribution to local governments. Quarterly payments to counties are determined by the amounts of mineral taxes paid. Distribution to cities is based on relative population.

Current Kentucky law provides that an amount not less than 13 percent of taxes collected on the severance and processing of coal be transferred into the LGEAF for subsequent allocation and distribution to county and city governments. The enacted budget suspends the increase in the minimum LGEAF allocation to 14 percent begun in the fiscal year 1999 budget during fiscal year 2001. The 14 percent minimum LGEAF allocation is restored in fiscal year 2002. The General Assembly also allocates an additional \$500,000 from the General Fund in fiscal year 2002 to be distributed to eligible local governments through LGEAF.

Local Government Development Fund Pursuant to KRS 42.458-42.495, the 1992 General Assembly created the Local Government Economic Development Fund (LGEDF) to return a portion of coal severance tax receipts to coal producing counties through a grant process intended to enhance industrial development. Under this program, funds are allocated quarterly to coal producing counties, but distribution to a county may occur only after approval of a grant application submitted by a county. Fund allocations to counties are made according to such criteria as coal severance taxes paid, surplus labor rate, relative mining earnings and relative mining employment

The Department for Local Government is responsible for LGEDF financial management, accounting, fund allocation and reporting. The Cabinet for Economic Development reviews and approves the LGEDF grant applications and oversees those projects.

During fiscal year 2000, 24 percent of coal severance tax receipts were transferred to LGEDF. The enacted budget increases the LGEDF allocation to 27 percent in fiscal year 2001 and 30 percent in fiscal year 2002.

Notwithstanding KRS 42.4588(2) and (4), beginning in fiscal year 2000 and continuing throughout the biennium, 20 percent of the payments from LGEDF made to those single county funds identified in the appropriations bill will be set aside for job training grants within coal counties. The grants will be administered through the Office of Coal County Development

Pursuant to KRS 42.485, the continuing appropriation amount from fiscal year 2000 to fiscal year 2001 and from fiscal 2001 to fiscal year 2002 will equal the cash balance in the LGEDF and LGEAF accounts at the close of the preceding fiscal year.

Note: Since payments from the LGEAF and LGEDF to local governments are made on a quarterly basis after collection of the taxes, fiscal year 2000 allocations include one quarterly payment from the last three months of fiscal year 1999 collections and three payments from collections made during the first nine months of fiscal year 2000. This process continues in fiscal year 2001 with that year including a payment from the last three months of fiscal year 2000 collections and three payments from the collections made during first nine months of fiscal year 2001.

Fiscal year 2000 expenditures are expected to be less than appropriated due to the January, 2000 revision of the coal severance tax estimate.

The amounts reflected above for the LGEAF and the LGEDF are calculated using January, 2000 revenue estimates and the enacted rate and transfer policy (see chart on following page). It should be noted that LGEDF appropriations reflect agency fund transfers to East and West Kentucky Corporations, the Governor's Office, the Coal County Development Corporation, and the Secondary Wood Products Corporation

Notwithstanding KRS 42.350, the recommended budget allocates \$1 million from the General Fund to the Area Development Fund in each year of the biennium. An additional \$2 million is provided from the General Fund in fiscal year 2001

The enacted budget authorizes the Cabinet for Economic Development to expend up to \$4 million for the purpose of supporting the Appalachian Regional Hospital expansion projected from multi-county LGEDF funds.

**Government Operations
Commission on Human Rights**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,962,400	2,324,500	2,373,200	2,036,000	2,088,300
Total General Fund	1,962,400	2,324,500	2,373,200	2,036,000	2,088,300
Restricted Funds					
Balance Forward	28,900	7,400	3,900	7,400	3,900
Current Receipts	8,500	8,500	8,500	8,500	8,500
Total Restricted Funds	37,400	15,900	12,400	15,900	12,400
Federal Funds					
Balance Forward	53,200	53,200	47,300	53,200	47,300
Current Receipts	189,500	123,500	123,500	123,500	123,500
Total Federal Funds	242,700	176,700	170,800	176,700	170,800
TOTAL SOURCE OF FUNDS	2,242,500	2,517,100	2,556,400	2,228,600	2,271,500
EXPENDITURES BY CLASS					
Personnel Cost	1,675,000	1,852,200	1,941,100	1,731,200	1,820,300
Operating Expenses	506,900	613,800	615,300	446,200	451,200
TOTAL EXPENDITURES	2,181,900	2,466,000	2,556,400	2,177,400	2,271,500
EXPENDITURES BY FUND SOURCE					
General Fund	1,962,400	2,324,600	2,373,200	2,036,000	2,088,300
Restricted Funds	30,000	12,000	12,400	12,000	12,400
Federal Funds	189,500	129,400	170,800	129,400	170,800
TOTAL EXPENDITURES	2,181,900	2,466,000	2,556,400	2,177,400	2,271,500
EXPENDITURES BY UNIT					
General Administration and Support	738,300	878,700	897,800	754,700	774,400
Enforcement Branch	731,200	726,900	761,700	713,300	747,400
Research and Information	394,900	418,100	439,600	408,500	429,100
Legal Affairs	317,500	442,300	457,300	280,800	294,200
Wage Equity				20,100	26,400
TOTAL EXPENDITURES	2,181,900	2,466,000	2,556,400	2,177,400	2,271,500

The Kentucky Commission on Human Rights, pursuant to KRS Chapter 344, investigates complaints of discrimination in the areas of employment, housing, public accommodation and credit based on race, religion, national origin, age, disability, familial status, sex, and smoking status. The Commission also endeavors to foster mutual understanding and respect through education, technical assistance, and report writing. The Commission is divided into four service units including General Administration and Support, Enforcement, Research and Information, and Legal Services.

General Administration and Support performs personnel and fiscal activities and serves as a liaison with the Governor's Office and legislators as well as other agencies in state government. The development of internal policy directives and legislative initiatives are also functions of this unit.

The Enforcement Branch consists of two sections: Employment and Housing. Employees assigned to these sections investigate complaints of discrimination filed in the areas of employment, housing, public accommodation, and credit transactions.

The Research and Information Branch provides technical assistance and education throughout the state to local citizen groups, employers, public accommodations staff, educational institutions, local human rights commissions, and government officials. The staff conducts seminars and workshops on such topics as sexual harassment, the Kentucky Civil Rights Act, cultural diversity, and the Americans with Disabilities Act

The Legal Services Branch provides legal advice to inquiries, sworn complaints, and file closures. The legal staff takes depositions of witnesses, prepares legal briefs, and appeals.

Policy

Included in the above General Fund appropriation is \$20,100 in fiscal year 2001 and \$26,400 in fiscal year 2002 for the Wage Equity Plan.

**Government Operations
Commission on Women**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	253,600	259,700	265,900	262,500	269,900
Total General Fund	253,600	259,700	265,900	262,500	269,900
Restricted Funds					
Balance Forward	3,200	3,200	3,200	3,200	3,200
Total Restricted Funds	3,200	3,200	3,200	3,200	3,200
Federal Funds					
Balance Forward	200	200	100	200	100
Total Federal Funds	200	200	100	200	100
TOTAL SOURCE OF FUNDS	257,000	263,100	269,200	265,900	273,200
EXPENDITURES BY CLASS					
Personnel Cost	172,800	178,600	187,100	181,400	191,100
Operating Expenses	80,800	81,200	82,100	81,200	82,100
TOTAL EXPENDITURES	253,600	259,800	269,200	262,600	273,200
EXPENDITURES BY FUND SOURCE					
General Fund	253,600	259,700	265,900	262,500	269,900
Restricted Funds			3,200		3,200
Federal Funds		100	100	100	100
TOTAL EXPENDITURES	253,600	259,800	269,200	262,600	273,200
EXPENDITURES BY UNIT					
Commission on Women	253,600	259,800	269,200	259,800	269,200
Wage Equity				2,800	4,000
TOTAL EXPENDITURES	253,600	259,800	269,200	262,600	273,200

The Commission on Women serves in an advisory capacity to state agencies, the Governor, the Legislature, and the private sector. It supports research on issues of interest to women, such as health care, spouse abuse, employment, and economic issues as well as sends mailings and newsletters to various organizations to promote women's interests.

Policy

Included in the above General Fund appropriation is \$2,800 in fiscal year 2001 and \$4,000 in fiscal year 2002 for the Wage Equity Plan.

**Government Operations
Kentucky Retirement Systems**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
Restricted Funds					
Non-Revenue Receipts	16,132,400	11,713,400	13,863,000	11,713,400	13,863,000
Total Restricted Funds	16,132,400	11,713,400	13,863,000	11,713,400	13,863,000
TOTAL SOURCE OF FUNDS	16,132,400	11,713,400	13,863,000	11,713,400	13,863,000
EXPENDITURES BY CLASS					
Personnel Cost	14,085,200	9,501,000	11,050,400	9,501,000	11,050,400
Operating Expenses	1,819,600	2,166,900	2,801,100	2,166,900	2,801,100
Capital Outlay	227,600	45,500	11,500	45,500	11,500
TOTAL EXPENDITURES	16,132,400	11,713,400	13,863,000	11,713,400	13,863,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	16,132,400	11,713,400	13,863,000	11,713,400	13,863,000
TOTAL EXPENDITURES	16,132,400	11,713,400	13,863,000	11,713,400	13,863,000

Kentucky Retirement Systems administers three retirement systems which are qualified governmental defined benefit plans under Section 401(a) of the Internal Revenue Code: Kentucky Employees Retirement System (state employees, universities, health departments, certain boards) governed by KRS 61.510-61.705; County Employees Retirement System (employees of cities, counties, local government entities, and classified employees of school boards) governed by KRS 78.510-78.852 and State Police Retirement System (uniformed officers of Kentucky State Police) governed by KRS 16.505-16.652. Medical insurance benefits are governed by KRS 61.701-61.702. The systems were established in the 1950's to provide a pension that, when coupled with Social Security, would provide the career employee with sufficient income to maintain his or her pre-retirement standard of living.

Kentucky Retirement Systems is administered by a nine-member board of trustees consisting of the Secretary of the state Personnel Cabinet, three members appointed by the Governor and five members elected by employees and retirees of the three retirement systems. The Board is responsible for collection and investment of contributions. Members of the Board are considered fiduciaries and are required to administer the funds in the sole interest of the members and beneficiaries of the systems. The Board is required to invest the funds under the Prudent Person Rule. Investments are diversified among common stock, government and private bonds, real estate and cash equivalents. An audit is also done.

Employers contribute a percentage of gross payroll determined by the actuarial valuation. Employees contribute at a fixed rate set in the statutes. The assets of the system are considered trust funds. All expenses are paid from the trust.

Policy

As a result of the aging of the state's workforce and the retirement benefit enhancements enacted by the 1998 Regular Session of the General Assembly, there has been a significant increase in member requests for retirement determinations, including purchase cost calculations, benefit estimates and other services.

In fiscal year 1999, service purchase cost calculations increased 70 percent and actual service purchases increased by 216 percent, with over 9,000 purchases made. Initial retirements increased 45 percent, with more than 4,000 retirements occurring in fiscal year 1999. Retirement calculations for members of the Kentucky Retirement Systems increased 65 percent, and benefit estimates increased 61 percent in fiscal year 1999.

Currently, a waiting period exists (as long as 9-12 months) for retirement counseling and other services. In order to improve response times and assist in reducing member request backlogs, restricted funds in the amount of \$2,018,100 are provided in fiscal year 2002 to support salaries and operating costs for 65 additional positions.

A total of 59 additional benefit counselors are provided to perform benefit and service purchase calculations, answer member inquiries by phone, e-mail and letter, and perform post-retirement counseling services. The remaining six are Retirement Investment Specialists who will perform duties related to service purchases, auditing and investments:

In fiscal year 2001, restricted funds totaling \$250,000 are provided in Part II, Capital Projects Budget, for an Information Technology System upgrade.

In addition, House Bill 502, Part II, Capital Projects Budget, authorizes two leases of real property in Franklin County, each with costs that exceed \$200,000 annually

**Government Operations
Registry of Election Finance**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,409,000	1,517,300	1,560,800	482,900	1,557,200
Continuing Appropriation				1,000,000	
Total General Fund	2,409,000	1,517,300	1,560,800	1,482,900	1,557,200
Restricted Funds					
Balance Forward	569,300	592,500	415,700	592,500	415,700
Current Receipts	23,200	23,200	23,200	23,200	23,200
Total Restricted Funds	592,500	615,700	438,900	615,700	438,900
TOTAL SOURCE OF FUNDS	3,001,500	2,133,000	1,999,700	2,098,600	1,996,100
EXPENDITURES BY CLASS					
Personnel Cost	984,500	1,100,400	1,156,300	1,066,000	1,152,700
Operating Expenses	424,500	616,900	424,500	416,900	404,500
Capital Outlay				200,000	20,000
TOTAL EXPENDITURES	1,409,000	1,717,300	1,580,800	1,682,900	1,577,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,409,000	1,517,300	1,560,800	1,482,900	1,557,200
Restricted Funds		200,000	20,000	200,000	20,000
TOTAL EXPENDITURES	1,409,000	1,717,300	1,580,800	1,682,900	1,577,200
EXPENDITURES BY UNIT					
General Administration and Support	1,409,000	1,517,300	1,560,800	1,478,000	1,550,400
Election Campaign Fund		200,000	20,000	200,000	20,000
Wage Equity				4,900	6,800
TOTAL EXPENDITURES	1,409,000	1,717,300	1,580,800	1,682,900	1,577,200

The primary role of the Registry of Election Finance is to assure the citizens of the Commonwealth of the integrity of the electoral process by making certain there is full public access to campaign financial data and financial disclosure reports and by administering the statutes pertaining to political campaigns and election financing. The Registry consists of two programs: General Administration and Support and the Election Campaign Fund.

The General Administration and Support program notifies all interested parties of the statutory requirements for reporting information pertinent to election campaign financing on a timely basis, and monitors this information for accuracy. Its second responsibility is to maintain an information retrieval system whereby information is made accessible to the public and publish a summary of election financial transactions.

As part of campaign finance reform, a program of partial public financing was established (KRS 121A.030) through which a participating slate of candidates for Governor and Lieutenant Governor may obtain matching funds based on a threshold amount generated through qualifying contributions. The laws also require that a slate which intends to accept public funds must agree to abide by a maximum expenditure limit of \$1.8 million for each election which shall increase or decrease in accordance with the consumer price index for all urban workers, and the Registry shall make that adjustment in a year in which a Governor and Lieutenant Governor are elected not later than the filing deadline for the primary election. Also, if no candidate receives 40% of the total votes cast in his party's primary, a runoff primary must be conducted 35 days following the date of the primary election.

Policy

Notwithstanding KRS 45.229, \$1,000,000 of the General Fund appropriation from fiscal year 1999-2000 shall not lapse and shall carry forward to year 2000-2001.

It is the intent of the General Assembly that the Election Campaign Finance Fund be supported and continued

Included in the 2000-2002 Budget of the Commonwealth is an allocation from the General Fund in the amount of \$4,900 in fiscal year 2001 and \$6,800 in fiscal year 2002 for the Wage Equity Plan.

**Government Operations
Boards and Commissions**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	16,856,200	15,178,200	15,060,450	14,588,300	14,396,600
Current Receipts	11,479,600	14,391,400	13,194,900	14,396,100	13,199,000
Non-Revenue Receipts	55,000	55,000	55,000	55,000	55,000
Total Restricted Funds	28,390,800	29,624,600	28,310,350	29,039,400	27,650,600
TOTAL SOURCE OF FUNDS	28,390,800	29,624,600	28,310,350	29,039,400	27,650,600
EXPENDITURES BY CLASS					
Personnel Cost	9,500,700	10,165,150	10,690,750	10,261,300	10,794,600
Operating Expenses	3,413,300	3,887,500	3,870,800	3,887,500	3,870,800
Grants, Loans or Benefits	845,000	455,500	455,500	455,500	455,500
Capital Outlay	43,500	38,500	29,000	38,500	29,000
TOTAL EXPENDITURES	13,802,500	14,546,650	15,046,050	14,642,800	15,149,900
EXPENDITURES BY FUND SOURCE					
Restricted Funds	13,802,500	14,546,700	15,046,100	14,642,800	15,149,900
TOTAL EXPENDITURES	13,802,500	14,546,700	15,046,100	14,642,800	15,149,900
EXPENDITURES BY UNIT					
Accountancy	561,500	778,900	722,900	782,300	723,900
Alcohol and Drug Counselors	77,500	78,300	89,700	78,300	89,700
Architects	202,500	204,600	218,600	204,700	218,800
Art Therapists	7,000	9,600	11,100	9,600	11,100
Athletic Commission	78,500	118,700	130,900	118,700	130,900
Auctioneers	268,500	338,600	349,200	340,600	351,000
Barbering	222,500	207,600	205,400	210,700	209,000
Chiropractic Examiners	139,500	156,000	162,100	162,400	173,800
Dentistry	412,500	435,300	459,800	436,300	461,500
Dietitians and Nutritionists	43,000	58,700	67,800	58,800	68,000
Embalmers and Funeral Home Directors	170,500	200,900	209,600	202,400	209,900
Engineers and Land Surveyors	1,033,000	1,081,000	1,125,300	1,092,400	1,134,100
Certification of Fee-Based Pastoral Counselors	20,000	17,200	20,600	17,200	20,600
Geologists	137,000	142,500	155,700	142,600	155,800
Hairdressers and Cosmetologists	876,000	959,800	993,200	981,800	1,041,300
Hearing Instrument Specialists	32,000	52,900	60,900	53,000	61,100
Board of Interpreters for Deaf & Hard of Hearing	60,000	71,400	79,500	71,400	79,500
Landscape Architecture	47,000	51,400	53,400	51,800	54,200
Marriage and Family Therapists	34,000	64,000	72,400	64,100	72,500
Medical Licensure	1,669,500	1,750,000	1,821,800	1,759,200	1,827,300
Nursing	3,284,000	3,257,900	3,347,900	3,277,700	3,354,100
Nursing Home Administrators	80,500	84,900	88,800	85,000	89,000
Occupational Therapy	51,500	66,700	76,500	66,800	76,600
Ophthalmic Dispensers	36,500	46,500	54,500	46,800	55,200
Optometric Examiners	135,500	145,600	143,400	146,700	143,800
Pharmacy	716,000	750,700	786,600	752,800	786,600
Physical Therapy	255,000	296,700	301,100	297,800	301,100
Podiatry	9,500	13,500	13,500	13,500	13,500
Professional Counselors	20,000	41,900	46,600	42,000	46,800

Psychology	190,500	195,500	207,700	195,600	207,900
Real Estate Appraisers Board	474,500	492,000	510,000	495,500	511,700
Real Estate Commission	2,093,000	1,882,300	1,902,200	1,888,800	1,911,400
Respiratory Care	80,500	100,500	111,100	100,600	111,300
Social Workers	94,000	122,900	139,800	123,000	140,000
Speech Pathologists and Audiologists	62,000	96,800	108,800	96,900	109,000
Veterinary Examiners	127,500	174,900	197,700	175,000	197,900
TOTAL EXPENDITURES	13,802,500	14,546,700	15,046,100	14,642,800	15,149,900

The 36 Occupational and Professional Licensing and Regulatory Boards and Commissions were created to safeguard the life, health, safety, and welfare of the people of the Commonwealth who avail themselves of the services licensed or regulated by the Boards. Appointed by the Governor, board members represent both industry and consumer interests.

The general objectives of the Boards and Commissions are: to examine and license all qualified applicants; to enforce the professional standards and regulations of the Boards as well as the statutes against unethical or illegal practices; to ensure compliance with licensure requirements; and to administer the programs of the Boards in an efficient manner. The Boards will operate solely from agency receipts to fulfill these objectives.

**Government Operations
Governmental Services Center**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	480,500	198,500	109,300	198,500	109,300
Current Receipts	1,100,000	1,389,000	1,403,000	1,388,800	1,402,800
Total Restricted Funds	1,580,500	1,587,500	1,512,300	1,587,300	1,512,100
TOTAL SOURCE OF FUNDS	1,580,500	1,587,500	1,512,300	1,587,300	1,512,100
EXPENDITURES BY CLASS					
Personnel Cost	1,060,300	1,156,100	1,215,700	1,156,000	1,216,000
Operating Expenses	313,700	314,100	288,500	314,000	288,000
Capital Outlay	8,000	8,000	8,000	8,000	8,000
TOTAL EXPENDITURES	1,382,000	1,478,200	1,512,200	1,478,000	1,512,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	1,382,000	1,478,200	1,512,200	1,478,000	1,512,000
TOTAL EXPENDITURES	1,382,000	1,478,200	1,512,200	1,478,000	1,512,000

The Governmental Services Center, established by KRS 164.357, is responsible for the development, coordinating, content, approval, and implementation of all training, employee development, and related programs for state government.

The Office designs and implements career development programs for state government's managerial, professional, technical, and clerical employees and provides job-related training in management, data processing, technical, and clerical subjects.

Policy

Included in the 2000-2002 Budget of the Commonwealth are agency funds in the amount of \$63,000 in fiscal year 2001 and \$63,000 in fiscal year 2002 to fund a virtual training initiative. With this change, the budget assumes a billing rate to affected agencies of \$33.64 per employee.

**Government Operations
Executive Branch Ethics Commission**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	281,400	311,200	320,600	295,000	310,000
Total General Fund	281,400	311,200	320,600	295,000	310,000
Restricted Funds					
Balance Forward	9,700	9,700	6,700	9,700	6,700
Current Receipts	3,000	3,000	3,000	3,000	3,300
Total Restricted Funds	12,700	12,700	9,700	12,700	10,000
TOTAL SOURCE OF FUNDS	294,100	323,900	330,300	307,700	320,000
EXPENDITURES BY CLASS					
Personnel Cost	264,900	286,200	298,300	271,000	288,000
Operating Expenses	19,500	31,000	32,000	30,000	32,000
TOTAL EXPENDITURES	284,400	317,200	330,300	301,000	320,000
EXPENDITURES BY FUND SOURCE					
General Fund	281,400	311,200	320,600	295,000	310,000
Restricted Funds	3,000	6,000	9,700	6,000	10,000
TOTAL EXPENDITURES	284,400	317,200	330,300	301,000	320,000

The Executive Branch Ethics Commission, established by Senate Bill 63 in the 1992 Regular Session of the General Assembly and operating under KRS 11A, is responsible for reviewing the personal financial status of the constitutional officers and major management personnel in state government to prevent conflicts of interest in state government. The Commission will also investigate any alleged violation of KRS 11A.

Government Operations
Appropriations Not Otherwise Classified

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,503,500	4,941,500	4,775,500	5,216,500	5,050,500
Current Year Appropriation	470,000				
Mandated Allotments	1,426,000				
Total General Fund	6,399,500	4,941,500	4,775,500	5,216,500	5,050,500
TOTAL SOURCE OF FUNDS	6,399,500	4,941,500	4,775,500	5,216,500	5,050,500
EXPENDITURES BY CLASS					
Personnel Cost	3,296,000	2,994,000	2,828,000	2,994,000	2,828,000
Operating Expenses	3,601,400	1,945,000	1,945,000	2,220,000	2,220,000
Grants, Loans or Benefits	2,500	2,500	2,500	2,500	2,500
TOTAL EXPENDITURES	6,899,900	4,941,500	4,775,500	5,216,500	5,050,500
EXPENDITURES BY FUND SOURCE					
General Fund	6,899,900	4,941,500	4,775,500	5,216,500	5,050,500
TOTAL EXPENDITURES	6,899,900	4,941,500	4,775,500	5,216,500	5,050,500
EXPENDITURES BY UNIT					
Attorney General Expense	620,000	150,000	150,000	225,000	225,000
Board of Claims Award	600,000	400,000	400,000	600,000	600,000
Guardian Ad Litem	2,500,000	2,000,000	2,000,000	2,000,000	2,000,000
Prior Year Claims	906,400	400,000	400,000	400,000	400,000
Unredeemed Checks Refunded	920,000	500,000	500,000	500,000	500,000
Involuntary Commitments-ICF/MR	60,000	50,000	50,000	50,000	50,000
Frankfort In Lieu of Taxes	195,000	195,000	195,000	195,000	195,000
Frankfort Cemetery	2,500	2,500	2,500	2,500	2,500
Police and Firefighters Life Insurance	300,000	250,000	250,000	250,000	250,000
Master Commissioner Employers Retirement	280,000	240,000	264,000	240,000	264,000
Master Commissioners Social Security	166,000	216,000	226,000	216,000	226,000
Workers Compensation	290,000	288,000	288,000	288,000	288,000
Insurance Reimbursements	60,000	50,000	50,000	50,000	50,000
Blanket Employee Bonds		200,000		200,000	
TOTAL EXPENDITURES	6,899,900	4,941,500	4,775,500	5,216,500	5,050,500

Appropriations Not Otherwise Classified (ANOC) is a grouping of appropriations not related to particular programs; however, each item within this category has been given program status so that expenditures can be budgeted and accounted for separately. It includes such items as Attorney General expenses for defending employees of the Commonwealth and prior year claims for legal obligations of the Commonwealth. Any expenditures over the above amounts that are required to pay the costs of items included within this classification are to be paid from the General Fund Surplus account as a Necessary Government Expense.

Although separate budget presentations are included elsewhere for the Judiciary and the Unified Prosecutorial System, the ANOC category will still include the employer's share of social security, retirement and workers' compensation costs for master commissioners, and workers' compensation costs for county court clerks, sheriffs, and jailers in counties having a population of 70,000 or more.

**Government Operations
ANOC-Judgments**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		20,000,000	20,000,000	25,000,000	
Continuing Appropriation	68,584,100	21,000,000		21,000,000	
Total General Fund	68,584,100	41,000,000	20,000,000	46,000,000	
TOTAL SOURCE OF FUNDS	68,584,100	41,000,000	20,000,000	46,000,000	
EXPENDITURES BY CLASS					
Operating Expenses	47,584,100	41,000,000	20,000,000	46,000,000	
TOTAL EXPENDITURES	47,584,100	41,000,000	20,000,000	46,000,000	
EXPENDITURES BY FUND SOURCE					
General Fund	47,584,100	41,000,000	20,000,000	46,000,000	
TOTAL EXPENDITURES	47,584,100	41,000,000	20,000,000	46,000,000	

The revised fiscal year 2000 appropriation includes individual contingent liabilities and judgments identified by the Office of the Controller in the Finance and Administration Cabinet. These appropriations shall not lapse but be carried forward into the 2000-2002 biennium. In addition, there is also reserved \$25 million of judgment appropriations in fiscal year 2001, with continuing appropriation authority into fiscal year 2002 should the full amount not be expended. Notwithstanding any other statute to the contrary, it is also recommended that, should any other Appropriations Not Otherwise Classified account have an insufficient appropriation in fiscal biennium 2000-2002, any unneeded funds in this account shall be used before any allocations are made from either the General Fund Surplus or the Budget Reserve Trust Fund. Any additional judgments or contingent liabilities for fiscal biennium 2000-2002, beyond the amount recommended, will be accommodated through the General Fund Surplus Account (unappropriated surplus) or the Budget Reserve Trust Fund, if necessary.

Policy

House Bill 502 in Part X (the General Fund Surplus Expenditure Plan) states the following, "In the event that the General Fund surplus income balance exceeds \$130,000,000 at the close of fiscal year 1999-2000, the amount up to \$6 million that exceeds \$130,000,000 shall be credited to the court-ordered Judgments Funding Account."

**Government Operations
Budget Reserve Trust Fund**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Surplus Expenditure Plan	8,750,400				
Continuing Appropriation	230,533,000	239,283,400	239,283,400	239,283,400	239,283,400
Total General Fund	239,283,400	239,283,400	239,283,400	239,283,400	239,283,400
TOTAL SOURCE OF FUNDS	239,283,400	239,283,400	239,283,400	239,283,400	239,283,400

The Budget Reserve Trust Fund has a General Fund appropriation of \$239,283,400 for the three combined fiscal years 2000, 2001, and 2002. These funds are appropriated and available in the event that actual General Fund revenue receipts during fiscal year 2000 and/or the upcoming biennium are not sufficient to meet the General Fund appropriation levels authorized in the budget.

In the event that these appropriations are not required and revenue receipts meet or exceed the revenue estimates for the current fiscal year, the \$239,283,400 would be carried forward into the 2000-2002 biennium. It is not an additional \$239,283,400 each year.

This level of funding (\$239,283,400) represents approximately 3.7 percent of estimated General Fund revenue receipts in fiscal year 2000.

Policy

House Bill 502 in Part X (the General Fund Surplus Expenditure Plan) states the following, "In the event that the total General Fund surplus income balance exceeds \$136,000,000 at the close of fiscal year 1999-2000, the amount of the balance that exceeds \$136,000,000 shall be credited to the Budget Reserve Trust Fund."

Economic Development

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	16,093,000	14,547,800	17,154,900	13,183,400	13,535,800
Continuing Appropriation	9,215,100	9,400,500	7,991,500	9,400,000	9,400,000
Total General Fund	25,308,100	23,948,300	25,146,400	22,583,400	22,935,800
Restricted Funds					
Balance Forward	1,275,400	513,200	322,300	513,200	56,500
Current Receipts	1,853,600	1,914,000	1,970,500	2,885,300	3,259,000
Non-Revenue Receipts	773,000	1,270,600	1,528,700	1,937,000	2,148,000
Total Restricted Funds	3,902,000	3,697,800	3,821,500	5,335,500	5,463,500
Federal Funds					
Balance Forward	16,900	16,900	16,900	16,900	16,900
Current Receipts	328,000	160,000	160,000	160,000	160,000
Total Federal Funds	344,900	176,900	176,900	176,900	176,900
TOTAL SOURCE OF FUNDS	29,555,000	27,823,000	29,144,800	28,095,800	28,576,200
EXPENDITURES BY CLASS					
Personnel Cost	9,456,300	10,640,900	11,316,100	10,341,400	11,080,800
Operating Expenses	2,263,800	2,539,500	2,428,500	2,696,000	2,463,000
Grants, Loans or Benefits	7,220,800	6,256,900	6,524,400	5,570,000	4,990,000
Debt Service	666,000		2,380,000		612,000
Capital Outlay	18,000	55,000	10,000	15,000	
TOTAL EXPENDITURES	19,624,900	19,492,300	22,659,000	18,622,400	19,145,800
EXPENDITURES BY FUND SOURCE					
General Fund	15,908,100	15,956,800	18,774,800	13,183,400	13,535,800
Restricted Funds	3,388,800	3,375,500	3,724,200	5,279,000	5,450,000
Federal Funds	328,000	160,000	160,000	160,000	160,000
TOTAL EXPENDITURES	19,624,900	19,492,300	22,659,000	18,622,400	19,145,800
EXPENDITURES BY UNIT					
Secretary	4,491,000	3,029,600	3,018,700	5,118,000	4,392,000
Administration and Support	2,231,000	2,329,500	2,391,700	2,264,500	2,358,700
Business Development	2,581,000	3,111,800	3,084,500	2,503,400	2,571,800
Financial Incentives	6,167,300	7,369,800	7,745,100	5,437,400	5,527,200
Debt Service	666,000		2,380,000		612,000
Community Development	3,488,600	3,651,600	4,039,000	3,299,100	3,684,100
TOTAL EXPENDITURES	19,624,900	19,492,300	22,659,000	18,622,400	19,145,800

The structure of the Cabinet for Economic Development is consistent with House Bill 89, KRS 154, as enacted by the 1992 General Assembly.

The governing body of the Cabinet, the Kentucky Economic Development Partnership, consists of 11 voting members and two non-voting members. The 11 voting members are the Governor, who shall be chairman, the Secretary of the Finance and Administration Cabinet, the Secretary of the Natural Resources and Environmental Protection Cabinet, and eight private sector members representing all facets of the economic development community, who are appointed by the Governor. The Secretary of the Cabinet for Economic Development, nominated and appointed by the Governor, and the Secretary of the Tourism Development Cabinet serve as nonvoting members.

The Mission Statement and the Goals for the Commonwealth's economic development programs as defined by the Partnership Statewide Strategic Plan for Economic Development are as follows:

To Create More and Higher Quality Opportunities for all Kentuckians by Building an Expanding Sustainable Economy

The five goals are:

- 1) Build and maintain consensus to implement the mission. The economic development strategic plan must be accepted and internalized by all segments of the Commonwealth to succeed.
- 2) Reduce unemployment and increase per capita income. Economic development should emphasize the welfare of all the citizens of the Commonwealth, and an important part of the welfare is a good job and the ability to support one's family.
- 3) Create a globally competitive business environment. Kentucky must be an active participant in the developing world economy.
- 4) Manage resources to maximize return on investment. Investments in economic development must be made in the most efficient and effective manner possible for the plan to have an impact.
- 5) Manage Kentucky's natural resources and cultural assets to ensure long-term productivity and quality of life. Economic development extends to all segments of the economy, including agriculture, tourism, and natural resource base industries.

The primary functions of the Cabinet shall be organized into five major areas: Office of the Secretary, Business Development, Financial Incentives, Administration and Support Services, and Community Development.

**Economic Development
Secretary**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,491,000	3,029,600	3,018,700	1,955,000	1,392,000
Total General Fund	4,491,000	3,029,600	3,018,700	1,955,000	1,392,000
Restricted Funds					
Current Receipts				1,364,000	1,250,000
Non-Revenue Receipts				1,799,000	1,750,000
Total Restricted Funds				3,163,000	3,000,000
TOTAL SOURCE OF FUNDS	4,491,000	3,029,600	3,018,700	5,118,000	4,392,000
EXPENDITURES BY CLASS					
Personnel Cost	1,370,000	1,735,800	1,800,600	2,074,000	2,158,000
Operating Expenses	321,000	478,800	418,100	829,000	614,000
Grants, Loans or Benefits	2,800,000	800,000	800,000	2,200,000	1,620,000
Capital Outlay		15,000		15,000	
TOTAL EXPENDITURES	4,491,000	3,029,600	3,018,700	5,118,000	4,392,000
EXPENDITURES BY FUND SOURCE					
General Fund	4,491,000	3,029,600	3,018,700	1,955,000	1,392,000
Restricted Funds				3,163,000	3,000,000
TOTAL EXPENDITURES	4,491,000	3,029,600	3,018,700	5,118,000	4,392,000
EXPENDITURES BY UNIT					
Executive Policy & Mgmt	3,691,000	2,229,600	2,218,700	4,199,000	3,453,000
East/West Corp Financial Assistance	800,000	800,000	800,000	919,000	939,000
TOTAL EXPENDITURES	4,491,000	3,029,600	3,018,700	5,118,000	4,392,000

The Secretary's Office provides the central coordination and administrative direction for planning and management of the programs and entities within the Cabinet. The Office is responsible for developing plans to assure orderly growth and improved management, to recommend executive actions and legislative measures, and to evaluate budget requests. Funding for the Cabinet's advertising and marketing program is included in this program area.

Policy

Included in the 2000-2002 Budget of the Commonwealth is money from the General Fund in the amount of \$250,000 in fiscal year 2001 to fund the Strategic Technology Capacity component of the Governor's Knowledge Based Economy initiative (House Bill 572). These funds are provided to a) conduct a study to develop a knowledge based economy strategy, b) focus on recruitment of research and development companies, c) attract high-tech research and development centers to Kentucky, d) support the growth and creation of high-tech, innovative companies from within the Commonwealth, and e) build and promote networks of technology-driven and research intensive industries with their related suppliers, with the goal of creating clusters of innovation-driven industries in Kentucky.

Included in the 2000-2002 Budget of the Commonwealth is \$350,000 in fiscal year 2001 to fund the Modernization component of the Governor's Knowledge Based Economy Initiative (House Bill 572). These funds are provided to assist small and medium-sized manufacturers to become more competitive in the global marketplace. Kentucky Technology Services will attempt to attract high-tech, innovation-based firms to the state and promote high-tech clusters.

Included in the 2000-2002 Budget of the Commonwealth is money allocated from restricted funds in the amount of \$683,000 in fiscal year 2001 and \$569,000 in fiscal year 2002 to fund the administrative expenses associated with the Governor's Knowledge Based Economy Initiative. Notwithstanding KRS 154.20-30 to KRS 154.20-570, interest income earned on balances in the High Technology Construction Pool and the Kentucky Economic Development Finance Authority High Technology Investment Fund shall be used to support the Office of the Commissioner for the New Economy.

Included in the 2000-2002 Budget of the Commonwealth is \$381,000 in restricted funds each fiscal year for the Louisville Waterfront Development Corporation. The source of these restricted funds is the Economic Development Bond repayments.

Included in the 2000-2002 Budget of the Commonwealth is \$300,000 in restricted funds each fiscal year for the Kentucky Technology Service Grant program. The source of these restricted funds is the Economic Development Bond repayments.

Included in the 2000-2002 Budget of the Commonwealth is \$880,000 in restricted funds in fiscal year 2001 and \$811,000 in restricted funds in fiscal year 2002 for the Coal County Development Office. Notwithstanding KRS 42.4592, the Coal County Development Office will be funded from the Local Government Economic Development Fund prior to any other statutory distribution from the fund.

Included in the 2000-2002 Budget of the Commonwealth is \$461,000 in fiscal year 2001 and \$472,000 in fiscal year 2002 for the East Kentucky Jobs Creation Corporation and \$458,000 in fiscal year 2001 and \$467,000 in fiscal year 2002 for the West Kentucky Jobs Creation Corporation. Notwithstanding KRS 42.4592, the restricted fund appropriations for these two corporations will be funded from the Local Government Economic Development Fund prior to any other statutory distribution from the fund.

**Economic Development
Administration and Support**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,008,000	2,169,500	2,231,700	2,104,500	2,198,700
Total General Fund	2,008,000	2,169,500	2,231,700	2,104,500	2,198,700
Restricted Funds					
Balance Forward	64,400				
Current Receipts	158,600	160,000	160,000	160,000	160,000
Total Restricted Funds	223,000	160,000	160,000	160,000	160,000
TOTAL SOURCE OF FUNDS	2,231,000	2,329,500	2,391,700	2,264,500	2,358,700
EXPENDITURES BY CLASS					
Personnel Cost	1,551,200	1,641,800	1,686,400	1,576,500	1,653,700
Operating Expenses	679,800	687,700	705,300	688,000	705,000
TOTAL EXPENDITURES	2,231,000	2,329,500	2,391,700	2,264,500	2,358,700
EXPENDITURES BY FUND SOURCE					
General Fund	2,008,000	2,169,500	2,231,700	2,104,500	2,198,700
Restricted Funds	223,000	160,000	160,000	160,000	160,000
TOTAL EXPENDITURES	2,231,000	2,329,500	2,391,700	2,264,500	2,358,700
EXPENDITURES BY UNIT					
Administration and Support	2,231,000	2,329,500	2,391,700	2,257,000	2,351,000
Wage Equity				7,500	7,700
TOTAL EXPENDITURES	2,231,000	2,329,500	2,391,700	2,264,500	2,358,700

The Department of Administration provides support services to all other departmental units, including all purchasing controls, property management, information resources, accounting and budgetary functions, as well as all personnel functions including oversight of training and counseling.

The Department provides analytical services and economic and community data to support economic development activities in Kentucky. The Department also compiles data and publishes an international trade directory, economic statistics, and general information on Kentucky. Other printed materials include informational handouts on subjects relating to economic development, including business incentives, financing, taxes, labor supply, education and training, and transportation. Original research is also conducted in response to specific requests from within the Cabinet, as well as from industrial prospects, existing businesses, local development groups, and local government officials. These research projects include special tax computations and comparisons, economic impact studies, and detailed economic and community data. In addition, the Department compiles and publishes community resource data for approximately 200 communities in the state. The "Resources for Economic Development" booklets are prepared for communities with available industrial sites, as determined by the Site Evaluation Division, Department of Business Development. These booklets are used by Cabinet personnel, other state agencies, local economic developers, businesses, and the public.

**Economic Development
Business Development**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,413,000	3,111,800	3,084,500	2,503,400	2,571,800
Total General Fund	2,413,000	3,111,800	3,084,500	2,503,400	2,571,800
Federal Funds					
Current Receipts	168,000				
Total Federal Funds	168,000				
TOTAL SOURCE OF FUNDS	2,581,000	3,111,800	3,084,500	2,503,400	2,571,800
EXPENDITURES BY CLASS					
Personnel Cost	2,044,400	2,440,800	2,527,200	2,058,400	2,172,800
Operating Expenses	523,600	631,000	552,300	445,000	399,000
Capital Outlay	13,000	40,000	5,000		
TOTAL EXPENDITURES	2,581,000	3,111,800	3,084,500	2,503,400	2,571,800
EXPENDITURES BY FUND SOURCE					
General Fund	2,413,000	3,111,800	3,084,500	2,503,400	2,571,800
Federal Funds	168,000				
TOTAL EXPENDITURES	2,581,000	3,111,800	3,084,500	2,503,400	2,571,800
EXPENDITURES BY UNIT					
Business Development	2,581,000	3,111,800	3,084,500	2,497,000	2,565,000
Wage Equity				6,400	6,800
TOTAL EXPENDITURES	2,581,000	3,111,800	3,084,500	2,503,400	2,571,800

The Department for Business Development is responsible for coordinating the recruitment of new industries and businesses to Kentucky. This task includes but is not limited to: compiling research data for prospective sites; targeting and contacting specific industries and businesses outside of Kentucky; meeting and corresponding with business representatives; and, coordinating site location referrals and visits. This process also involves coordinating the exchange of information for specific areas such as financing, training, and regulatory requirements with Cabinet officials, program personnel and local representatives.

A Site Evaluation Division compiles statistical information and other relevant materials such as site maps and listings of available buildings and possible sites for new construction. These activities are supported by Geographic Information Systems-based applications. A Division of Industrial Development contacts and communicates with industrial prospects, both foreign and domestic. Existing contractual offices/agents are located in Japan and Brussels to assist in this endeavor.

**Economic Development
Financial Incentives**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,353,000	2,935,800	2,760,200	3,669,400	3,693,200
Continuing Appropriation	9,215,100	9,400,500	7,991,500	9,400,000	9,400,000
Total General Fund	12,568,100	12,336,300	10,751,700	13,069,400	13,093,200
Restricted Funds					
Balance Forward	1,090,900	421,700	268,300	421,700	
Current Receipts	1,695,000	1,739,000	1,795,500	1,346,300	1,834,000
Non-Revenue Receipts	635,000	1,132,600	1,390,700		
Total Restricted Funds	3,420,900	3,293,300	3,454,500	1,768,000	1,834,000
TOTAL SOURCE OF FUNDS	15,989,000	15,629,600	14,206,200	14,837,400	14,927,200
EXPENDITURES BY CLASS					
Personnel Cost	1,994,800	2,189,200	2,285,000	2,052,400	2,132,200
Operating Expenses	286,000	292,900	299,900	285,000	295,000
Grants, Loans or Benefits	3,881,500	4,887,700	5,155,200	3,100,000	3,100,000
Capital Outlay	5,000		5,000		
TOTAL EXPENDITURES	6,167,300	7,369,800	7,745,100	5,437,400	5,527,200
EXPENDITURES BY FUND SOURCE					
General Fund	3,168,100	4,344,800	4,380,100	3,669,400	3,693,200
Restricted Funds	2,999,200	3,025,000	3,365,000	1,768,000	1,834,000
TOTAL EXPENDITURES	6,167,300	7,369,800	7,745,100	5,437,400	5,527,200
EXPENDITURES BY UNIT					
Financial Incentives	2,108,200	2,282,500	2,373,800	1,768,000	1,834,000
Bluegrass State Skills	4,059,100	5,087,300	5,371,300	3,669,000	3,693,000
Wage Equity				400	200
TOTAL EXPENDITURES	6,167,300	7,369,800	7,745,100	5,437,400	5,527,200

The Department of Financial Incentives coordinates all financial and tax credits made available on behalf of business and industry. The Department is charged with the development of new initiatives, as well as streamlining and coordinating existing programs, to see that a balanced, efficient use of state dollars and credits is available for job creation and preservation.

The primary purpose of this Department is to structure financial incentive packages which are most beneficial to either an existing or new business or industry, while ensuring the reasonable and efficient use of state programs. Working in concert to accomplish this mission is the Grants Program Division, Tax Incentive Programs Division, Direct Loan Programs Division, Program Servicing Division, and the Bluegrass State Skills Corporation. The Kentucky Economic Development Finance Authority (KEDFA) through this Department, encourages economic development, business expansion, and job creation by providing financial support for business and industry through an array of financial assistance and tax credit programs.

In accordance with enabling legislation of the 1992 Kentucky General Assembly, the requirements, policies, and intent of each of the following shall be responsibilities of KEDFA

- The Kentucky Job Development Act (KRS 154.24-010)
- The Kentucky Industrial Revitalization Act (KRS 154.26)
- The Kentucky Rural Economic Development Act (KRS 154.22)
- The Kentucky Industrial Development Act (KRS 154.28)
- The Local Government Economic Development Programs (KRS 42.4582-42.4595)
- The Direct Loan program (KRS 154.20-030)
- Kentucky Tourism Development Act (KRS 154.29-0100)
- Kentucky Investment Fund Act (KRS 154.20-250)

The Bluegrass State Skills Corporation (BSSC) was established in 1984 by the General Assembly as an independent, de jure corporation to stimulate economic development through programs of skills training to meet the needs of business and industry. The BSSC works with business and industry and the state's educational institutions to establish programs of skills training. The BSSC is under the Cabinet for Economic Development, Department of Financial Incentives in recognition of the relationship between economic development and the need to address the skills training efforts of Kentucky's new, expanding, and existing industries. The current statutory authority for the BSSC is found in KRS 154.12-204 through 154.12-208.

The Enterprise Zone Authority of Kentucky was established in 1982 by the General Assembly to revitalize economically depressed areas of the state. The Department employs staff which serves the Authority and carries out the administrative duties and functions as directed by the Authority. The statutory authority for the Enterprise Zone Authority is found in KRS 154.45-00 through KRS 154.45-120.

**Economic Development
Debt Service**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	666,000		2,380,000		612,000
Total General Fund	666,000		2,380,000		612,000
TOTAL SOURCE OF FUNDS	666,000		2,380,000		612,000
EXPENDITURES BY CLASS					
Debt Service	666,000		2,380,000		612,000
TOTAL EXPENDITURES	666,000		2,380,000		612,000
EXPENDITURES BY FUND SOURCE					
General Fund	666,000		2,380,000		612,000
TOTAL EXPENDITURES	666,000		2,380,000		612,000

The purpose of the Economic Development Bond program as authorized in KRS 154.12-100 is to utilize bond proceeds to leverage private investment to promote the overall economic development of the Commonwealth. This includes, but is not limited to, the development of public projects such as industrial parks, riverports, and tourism facilities.

Unexpended authorization may carry forward to succeeding fiscal years if sufficient debt service is appropriated, according to Attorney General Opinion 81-242.

Policy

The Debt Service for the previously authorized portion of the Economic Development Bonds Pool is authorized in the Finance and Administration Cabinet's budget. Included in the 2000-2002 Budget of the Commonwealth are additional General Funds in the amount of \$0 in fiscal year 2001 and \$406,000 in fiscal year 2002 as new debt service to support \$4 million in new bond authorization for the Economic Development Bond Program.

Also included in the 2000-2002 Budget of the Commonwealth is \$206,000 in additional General Funds in fiscal year 2001-2002 as new debt service to support \$2 million for the Economic Opportunity Zone program.

**Economic Development
Community Development**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,162,000	3,301,100	3,679,800	2,951,100	3,068,100
Total General Fund	3,162,000	3,301,100	3,679,800	2,951,100	3,068,100
Restricted Funds					
Balance Forward	120,100	91,500	54,000	91,500	56,500
Current Receipts		15,000	15,000	15,000	15,000
Non-Revenue Receipts	138,000	138,000	138,000	138,000	398,000
Total Restricted Funds	258,100	244,500	207,000	244,500	469,500
Federal Funds					
Balance Forward	16,900	16,900	16,900	16,900	16,900
Current Receipts	160,000	160,000	160,000	160,000	160,000
Total Federal Funds	176,900	176,900	176,900	176,900	176,900
TOTAL SOURCE OF FUNDS	3,597,000	3,722,500	4,063,700	3,372,500	3,714,500
EXPENDITURES BY CLASS					
Personnel Cost	2,495,900	2,633,300	3,016,900	2,580,100	2,964,100
Operating Expenses	453,400	449,100	452,900	449,000	450,000
Grants, Loans or Benefits	539,300	569,200	569,200	270,000	270,000
TOTAL EXPENDITURES	3,488,600	3,651,600	4,039,000	3,299,100	3,684,100
EXPENDITURES BY FUND SOURCE					
General Fund	3,162,000	3,301,100	3,679,800	2,951,100	3,068,100
Restricted Funds	166,600	190,500	199,200	188,000	456,000
Federal Funds	160,000	160,000	160,000	160,000	160,000
TOTAL EXPENDITURES	3,488,600	3,651,600	4,039,000	3,299,100	3,684,100
EXPENDITURES BY UNIT					
Business & Entrepreneurship	712,900	727,000	739,500	424,000	436,000
Executive Policy & Management	352,100	420,200	436,100	412,000	427,000
Small & Minority Business	416,700	436,400	454,100	430,000	447,000
Regional Offices	1,018,000	1,074,600	1,124,300	1,051,000	1,097,000
International Trade	477,200	441,100	709,300	435,000	708,000
Procurement Assistance	360,100	376,800	391,500	369,000	383,000
Bus Info Clearinghouse	151,600	175,500	184,200	173,000	181,000
Wage Equity				5,100	5,100
TOTAL EXPENDITURES	3,488,600	3,651,600	4,039,000	3,299,100	3,684,100

The Department of Community Development is responsible for the retention and expansion of existing businesses, entrepreneurship, and community development efforts in Kentucky.

The Department of Community Development includes: the International Trade Division, Small and Minority Business Division, the Division of Business and Entrepreneurship including the Procurement Assistance Branch, the Business Information Clearinghouse, the Business and Technology Branch, the Regulatory Expediting Center, and the three Regional Offices – East, West, and Central.

The International Trade Division (ITD) is responsible for educating, promoting, and assisting Kentucky companies in becoming more competitive in global markets. The ITD places great emphasis on trade awareness and education. Staff provide assistance to Kentucky companies on trade-related issues and participates in trade missions. In addition, the division provide training to local economic development groups on how to develop trade assistance programs at the local level, thus creating multiplier effect.

- The Kentucky Agricultural and Commercial Trade Office located in Guadalajara, Mexico, is responsible for promoting the exports of Kentucky manufactured goods, services and agricultural products throughout Mexico. This office is funded and operated as a cooperative effort between the Kentucky Cabinet for Economic Development and the Kentucky Department of Agriculture.
- The Commonwealth of Kentucky Far East Representative Office located in Tokyo, Japan, is responsible for promoting the exports of Kentucky manufactured goods and services throughout Japan

The Small and Minority Business Division (SMBD) continues to provide a consistent level of technical assistance to Kentucky small and minority owned businesses. The SMBD offers procurement assistance to minority firms interested in becoming minority procurement contractor. Financial assistance is provided by the SMBD through the Small Business Administration's 5C Loan program and the Linked Deposit program. The SMBD also offers assistance through the Investment Capital Network program. The Small Business Development Center at the University of Kentucky will continue to receive \$50,000 each year to assist with these program activities.

The Regulatory Expediting Center (REC) serves as a business ombudsman for addressing regulatory issues encountered with the Kentucky business community.

The Division of Business and Entrepreneurship (DBE) provides the following services:

- The Business Information Clearinghouse (BIC) provides licenses and permitting assistance to new and expanding Kentucky businesses. They are funded by a \$10 General Business License fee of which \$1 is retained by the Revenue Cabinet, which collects the fee.
- The Kentucky Procurement Assistance Program (KPAP) provides technical assistance to businesses in procuring federal and state government contracts.
- The Business and Technology Branch (BTB) in cooperation with other entities such as businesses, universities, and other government agencies seeks to identify and coordinate the distribution of technological information. A major portion of resources in this branch is targeted toward providing and building business networks to enhance the efficiency and productivity of Kentucky businesses. Networks are created to address business profitability and competitive issues such as supplier chains, exporting and trade, ISO9000 and advancements in technology

The three Regional Offices, East, West, and Central, focus on the retention and expansion of Kentucky's manufacturing and value added business base. These offices offer the only statewide industry visitation program. Through this program, staff assist Kentucky's business and industry base with expansion issues and address potential issues that affect competitiveness. Assisting communities and local economic development groups with infrastructure needs and industrial site development is also a focus for regional staff.

In addition to direct contact with Kentucky companies, the Regional Office staff serve as a business advocate to state and local retention efforts through programs such as the Kentucky Expansion and Existing Business Program (KEEP) and Community Assessment Team Visits.

Policy

Included in the 2000-2002 Budget of the Commonwealth is \$210,000 in restricted funds in fiscal year 2002 to establish a new International Trade Office in South America. Also included is \$50,000 in restricted funds in fiscal year 2002 for a new trade representative.

Education

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,713,675,100	2,802,773,700	2,874,498,700	2,795,884,700	2,861,097,500
Surplus Expenditure Plan	28,478,300				
Current Year Appropriation	865,400				
Total General Fund	2,743,018,800	2,802,773,700	2,874,498,700	2,795,884,700	2,861,097,500
Restricted Funds					
Balance Forward	2,486,500	2,244,355	2,235,855	2,480,500	2,210,500
Current Receipts	5,599,700	5,731,900	5,867,000	5,731,900	5,867,000
Non-Revenue Receipts	1,099,000	1,120,000	1,112,700	1,120,000	1,108,100
Total Restricted Funds	9,185,200	9,096,255	9,215,555	9,332,400	9,185,600
Federal Funds					
Balance Forward	4,492,300	848,800	887,000	848,800	887,000
Current Receipts	422,428,000	465,214,600	476,228,000	465,064,600	476,067,100
Total Federal Funds	426,920,300	466,063,400	477,115,000	465,913,400	476,954,100
TOTAL SOURCE OF FUNDS	3,179,124,300	3,277,933,355	3,360,829,255	3,271,130,500	3,347,237,200
EXPENDITURES BY CLASS					
Personnel Cost	52,146,400	62,100,400	65,231,900	58,286,600	60,454,900
Operating Expenses	13,889,500	20,268,800	20,390,700	16,274,600	15,945,100
Grants, Loans or Benefits	3,109,759,100	3,191,461,300	3,271,804,800	3,193,411,800	3,266,394,500
Debt Service					1,278,000
Capital Outlay		980,000	250,000	60,000	
TOTAL EXPENDITURES	3,175,795,000	3,274,810,500	3,357,677,400	3,268,033,000	3,344,072,500
EXPENDITURES BY FUND SOURCE					
General Fund	2,743,018,800	2,802,773,700	2,874,498,700	2,795,884,700	2,861,097,500
Restricted Funds	6,704,700	6,860,400	6,990,800	7,121,900	6,986,200
Federal Funds	426,071,500	465,176,400	476,187,900	465,026,400	475,988,800
TOTAL EXPENDITURES	3,175,795,000	3,274,810,500	3,357,677,400	3,268,033,000	3,344,072,500
EXPENDITURES BY UNIT					
Support Education Excellence in Kentucky (SEEK)	2,184,668,000	2,202,669,700	2,232,546,100	2,208,786,300	2,236,293,600
Executive Policy and Management	3,296,400	3,714,400	3,782,400	3,603,500	3,653,800
Management Support Services	527,810,000	575,422,000	614,231,200	575,045,900	609,064,200
Learning Support Services	460,020,600	493,004,400	507,117,700	480,597,300	495,060,900
TOTAL EXPENDITURES	3,175,795,000	3,274,810,500	3,357,677,400	3,268,033,000	3,344,072,500

In enacting the Kentucky Education Reform Act (KERA), the 1990 General Assembly provided for a reconstituted Department of Education to implement KERA along with other existing programs. As a consequence of House Bill 940, the Department of Education is headed by an appointed Commissioner of Education selected by the Kentucky Board of Education.

The Department of Education underwent a reorganization effective December 1998 via Executive Order 98-1671. The reorganization was intended to shift resources from initial implementation of the new KERA programs and processes to providing more specific academic support for teachers and school districts. The reorganization also provided for centralization of budget and fiscal activities. Finally, the reorganization provides for an increased focus on equity issues.

The Department of Education consists of the following major program areas: Executive Policy and Management; Management Support Services; and Learning Support Services.

Education
Support Education Excellence in Kentucky (SEEK)

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,184,668,000	2,202,669,700	2,232,546,100	2,208,786,300	2,236,293,600
Total General Fund	2,184,668,000	2,202,669,700	2,232,546,100	2,208,786,300	2,236,293,600
TOTAL SOURCE OF FUNDS	2,184,668,000	2,202,669,700	2,232,546,100	2,208,786,300	2,236,293,600
EXPENDITURES BY CLASS					
Grants, Loans or Benefits	2,184,668,000	2,202,669,700	2,232,546,100	2,208,786,300	2,236,293,600
TOTAL EXPENDITURES	2,184,668,000	2,202,669,700	2,232,546,100	2,208,786,300	2,236,293,600
EXPENDITURES BY FUND SOURCE					
General Fund	2,184,668,000	2,202,669,700	2,232,546,100	2,208,786,300	2,236,293,600
TOTAL EXPENDITURES	2,184,668,000	2,202,669,700	2,232,546,100	2,208,786,300	2,236,293,600
EXPENDITURES BY UNIT					
Base Funding	1,573,075,600	1,585,114,500	1,607,898,300	1,572,050,600	1,594,762,000
Pupil Transportation	189,859,500	189,859,500	189,859,500	194,322,200	198,876,200
Equalized Facilities	41,137,800	41,754,900	42,381,200	47,640,800	44,809,300
Tier I Equalization	118,834,100	120,616,600	122,425,900	125,929,500	121,121,800
State-Run Vocational Schools Reimbursement	20,545,000	20,490,000	21,474,500	20,468,500	21,452,600
Vocational Education Transportation	2,346,000	2,381,200	2,416,900	2,381,200	2,416,900
Local District Teachers Retirement Match	238,870,000	242,453,000	246,089,800	245,993,500	252,854,800
TOTAL EXPENDITURES	2,184,668,000	2,202,669,700	2,232,546,100	2,208,786,300	2,236,293,600

The 1990 General Assembly, responding to the Kentucky Supreme Court's mandate to equalize funding for schoolchildren regardless of economic circumstances or place of birth, created a new mechanism for providing state support to local school districts. The Support Education Excellence in Kentucky (SEEK) program replaced the Minimum Foundation Program as well as the Power Equalization program.

Under the SEEK financing program, the state sets a fixed base guarantee amount (\$2,924 in fiscal year 2000) per student in average daily attendance. The amount of revenue per pupil guaranteed by SEEK is then adjusted in each local school district to reflect a set of factors that affect the cost of providing services to pupils.

- An adjustment (currently an additional 15 percent revenue per pupil) is made to reflect the higher than average costs associated with educating at risk/economically deprived students.
- The per pupil guarantee is also increased by the cost of providing services for exceptional children, based on a series of weights designed to reflect the additional costs of providing services based on different exceptionalities. The costs associated with exceptional children are based on the count of pupils with different disabilities, a state-determined exceptional pupil-teacher ratio for each disability or service, and a resulting state-determined per pupil cost.

The per pupil guarantee is also supplemented by the costs determined under the pupil transportation calculation procedures.

With regard to the equalization component of the SEEK program, every local school district is required to levy a minimum equivalent local tax effort of 30 cents per hundred dollars of assessed valuation. This tax level may be attained via local property taxes, available alternative taxes (occupational, utility, or income/excise), or any combination thereof. The yield from this tax effort serves as a deduction against the revenues guaranteed under SEEK. This results in a greater proportion of the per pupil revenues being provided by the state in those districts with lower property wealth per pupil.

Those districts which choose to impose taxes sufficient to generate revenues up to 15 percent beyond those generated under base SEEK are eligible for additional revenues from the state equal to the additional local revenue generated equalized at 15 percent of the statewide average per pupil property assessment. The local tax increase under this provision -- known as Tier I -- is not subject to voter recall. Additionally, local school districts, upon a majority vote of eligible voters, may raise up to an additional 30 percent in local revenues beyond base SEEK and Tier I to support their education program. This provision is known as Tier II. These funds are not matched by the state.

The SEEK program also includes an equalized facilities support component (Facilities Support Program of Kentucky) for the purpose of providing a supplemental funding source for each local school district to finance school building/renovation projects and/or debt service expenditures. To qualify for participation, a district must levy a minimum equivalent tax rate of five cents per hundred dollars of assessed valuation. Only revenue generated by this tax which is actually used to finance capital construction projects or debt service on bonds is equalized by the state under SEEK. Such revenue is also equalized at 150 percent of the statewide average per pupil property assessment.

Policy

The 2000-2002 Budget of the Commonwealth includes funding to increase the base SEEK per pupil guarantee amount from fiscal year 2000's \$2,924 to \$2,994 (a 2.4 percent increase) in fiscal year 2001 and to \$3,066 (an additional 2.4 percent increase) in fiscal year 2002. The enacted budget is sufficient to accommodate the Department of Education's projected (revised in February 2000) number of pupils in average daily attendance: 571,807 in both years of the 2000-2002 biennium. Funding is included to cover the additional costs associated with educating at-risk and exceptional children. Also included is funding to provide every school district with at least the same amount of state SEEK funding per pupil in both years of the 2000-2002 biennium as was received in fiscal year 1991-92 (a "hold-harmless" guarantee).

The 2000-2002 Budget of the Commonwealth includes \$125,929,500 in fiscal year 2001 and \$121,121,800 in fiscal year 2002 to provide Tier I equalization funding. This funding is projected to be sufficient to equalize local revenues raised under this program at a level of \$470,000 of assessed valuation per student (150 percent of the projected statewide average per pupil assessment) during the 2000-2002 biennium. The enacted budget incorporates the Revenue Cabinet's estimates of statewide assessed valuation of \$174,318,163,500 for fiscal year 2001 and \$184,275,779,800 for fiscal year 2002.

The enacted budget includes funding for pupil transportation of \$194,322,200 in fiscal year 2001 and \$198,876,200 in fiscal year 2002.

The 2000-2002 Budget of the Commonwealth provides state support for the Facilities Support Program of Kentucky of \$46,640,800 in fiscal year 2001 and to \$44,809,300 in fiscal year 2002. This funding level is projected to be sufficient to equalize local district revenues raised under this program at a level of \$470,000 of assessed valuation per student.

The enacted budget phases out the "deduct" applied against the per pupil guarantee amounts in those instances where a pupil spends a portion of the school day at a state-operated vocational center. The existing deduct of 30 percent is applied to the portion of the school day spent at the state-operated center. The deduct will be reduced to 15 percent in fiscal year 2001 and eliminated altogether in fiscal year 2002.

The budget as enacted provides funding of \$20,468,500 in fiscal year 2001 and \$21,452,600 in fiscal year 2002 to reimburse state-operated vocational facilities for the costs incurred in providing course offerings to students from local school districts. Funding for vocational transportation is budgeted at a level of \$2,381,200 in fiscal 2001 and \$2,416,900 in fiscal 2002.

Included within the totals appropriated for the SEEK program area is \$245,993,500 in fiscal year 2001 and \$252,854,800 in fiscal year 2002 for the Teachers' Retirement employer match on behalf of local school district certified personnel.

Education
Executive Policy and Management

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,364,700	2,760,300	2,805,500	2,637,700	2,676,900
Total General Fund	2,364,700	2,760,300	2,805,500	2,637,700	2,676,900
Restricted Funds					
Balance Forward	117,600	117,600	117,600	117,600	105,900
Current Receipts	405,700	415,500	425,400	415,500	425,400
Total Restricted Funds	523,300	533,100	543,000	533,100	531,300
Federal Funds					
Balance Forward	2,200	2,200	2,200	2,200	2,200
Current Receipts	526,000	538,600	551,500	538,600	551,500
Total Federal Funds	528,200	540,800	553,700	540,800	553,700
TOTAL SOURCE OF FUNDS	3,416,200	3,834,200	3,902,200	3,711,600	3,761,900
EXPENDITURES BY CLASS					
Personnel Cost	2,331,600	2,620,500	2,724,400	2,529,500	2,611,600
Operating Expenses	438,800	555,300	506,500	535,400	490,700
Grants, Loans or Benefits	526,000	538,600	551,500	538,600	551,500
TOTAL EXPENDITURES	3,296,400	3,714,400	3,782,400	3,603,500	3,653,800
EXPENDITURES BY FUND SOURCE					
General Fund	2,364,700	2,760,300	2,805,500	2,637,700	2,676,900
Restricted Funds	405,700	415,500	425,400	427,200	425,400
Federal Funds	526,000	538,600	551,500	538,600	551,500
TOTAL EXPENDITURES	3,296,400	3,714,400	3,782,400	3,603,500	3,653,800
EXPENDITURES BY UNIT					
Commissioner	533,000	591,600	599,300	603,300	599,300
Kentucky Board of Education	106,500	100,000	100,000	100,000	100,000
Legal Services	413,900	481,400	441,600	481,400	441,600
Communications	2,243,000	2,541,400	2,641,500	2,418,800	2,512,900
TOTAL EXPENDITURES	3,296,400	3,714,400	3,782,400	3,603,500	3,653,800

The Executive Policy and Management major program area includes a number of key functions and offices which provide policy direction and leadership for Kentucky's public elementary and secondary education system as well as for the Department of Education.

**Education
Executive Policy and Management
Commissioner**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	533,000	591,600	599,300	591,600	582,800
Total General Fund	533,000	591,600	599,300	591,600	582,800
Restricted Funds					
Balance Forward				11,700	
Total Restricted Funds				11,700	
TOTAL SOURCE OF FUNDS	533,000	591,600	599,300	603,300	582,800
EXPENDITURES BY CLASS					
Personnel Cost	478,500	537,100	544,800	548,800	528,300
Operating Expenses	54,500	54,500	54,500	54,500	54,500
TOTAL EXPENDITURES	533,000	591,600	599,300	603,300	582,800
EXPENDITURES BY FUND SOURCE					
General Fund	533,000	591,600	599,300	591,600	582,800
Restricted Funds				11,700	
TOTAL EXPENDITURES	533,000	591,600	599,300	603,300	582,800

The Kentucky Education Reform Act, enacted by the 1990 General Assembly, provided for the appointment of a Commissioner of Education by the Kentucky Board of Education to serve as the chief state school officer.

The Commissioner of Education's qualifications and compensation are set by the Kentucky Board of Education. The Commissioner serves at the pleasure of the Board. The Commissioner is responsible for carrying out all duties assigned by the legislature, for executing education policy as directed by the State Board, and also directing the work of all persons employed by the Department of Education.

Education
Executive Policy and Management
Kentucky Board of Education

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	106,500	100,000	100,000	100,000	100,000
Total General Fund	106,500	100,000	100,000	100,000	100,000
TOTAL SOURCE OF FUNDS	106,500	100,000	100,000	100,000	100,000
EXPENDITURES BY CLASS					
Personnel Cost	25,000	20,000	20,000	20,000	20,000
Operating Expenses	81,500	80,000	80,000	80,000	80,000
TOTAL EXPENDITURES	106,500	100,000	100,000	100,000	100,000
EXPENDITURES BY FUND SOURCE					
General Fund	106,500	100,000	100,000	100,000	100,000
TOTAL EXPENDITURES	106,500	100,000	100,000	100,000	100,000

The 1990 General Assembly, in enacting House Bill 940, provided for a Kentucky Board of Education consisting of 11 members appointed by the Governor and confirmed by both houses of the General Assembly; the Executive Director of the Council on Postsecondary Education serves as an ex-officio non-voting member. Seven members represent each of the state's Supreme Court districts while four members represent the state at large. Each appointed member serves a four-year term. Terms for Board members are staggered. New appointments are submitted to the General Assembly for confirmation.

Overall policy regarding public elementary and secondary education in Kentucky is set by the Kentucky Board of Education within the legal framework established by the General Assembly.

Education
Executive Policy and Management
Legal Services

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	413,900	481,400	441,600	481,400	441,600
Total General Fund	413,900	481,400	441,600	481,400	441,600
TOTAL SOURCE OF FUNDS	413,900	481,400	441,600	481,400	441,600
EXPENDITURES BY CLASS					
Personnel Cost	357,400	372,800	381,600	372,800	381,600
Operating Expenses	56,500	108,600	60,000	108,600	60,000
TOTAL EXPENDITURES	413,900	481,400	441,600	481,400	441,600
EXPENDITURES BY FUND SOURCE					
General Fund	413,900	481,400	441,600	481,400	441,600
TOTAL EXPENDITURES	413,900	481,400	441,600	481,400	441,600

The Office of Legal Services provides in-house counsel and advice for the Commissioner of Education, all offices of the Department of Education, the Kentucky Board of Education, and the Education Professional Standards Board. The Office of Legal Services provides legal representation for the Department of Education and the two boards before administrative agencies and courts of law. Additionally, it provides informal legal advice to local school districts and members of the general public.

Policy

The 2000-2002 Budget of the Commonwealth includes \$50,000 in funding in fiscal year 2001 for updating the Kentucky School Laws reference book. This book is distributed to local school districts, education administrators and policy makers. The update will reflect actions of the 2000 Regular Session of the General Assembly.

**Education
Executive Policy and Management
Communications**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,311,300	1,587,300	1,664,600	1,464,700	1,536,000
Total General Fund	1,311,300	1,587,300	1,664,600	1,464,700	1,536,000
Restricted Funds					
Balance Forward	117,600	117,600	117,600	105,900	105,900
Current Receipts	405,700	415,500	425,400	415,500	425,400
Total Restricted Funds	523,300	533,100	543,000	521,400	531,300
Federal Funds					
Balance Forward	2,200	2,200	2,200	2,200	2,200
Current Receipts	526,000	538,600	551,500	538,600	551,500
Total Federal Funds	528,200	540,800	553,700	540,800	553,700
TOTAL SOURCE OF FUNDS	2,362,800	2,661,200	2,761,300	2,526,900	2,621,000
EXPENDITURES BY CLASS					
Personnel Cost	1,470,700	1,690,600	1,778,000	1,587,900	1,665,200
Operating Expenses	246,300	312,200	312,000	292,300	296,200
Grants, Loans or Benefits	526,000	538,600	551,500	538,600	551,500
TOTAL EXPENDITURES	2,243,000	2,541,400	2,641,500	2,418,800	2,512,900
EXPENDITURES BY FUND SOURCE					
General Fund	1,311,300	1,587,300	1,664,600	1,464,700	1,536,000
Restricted Funds	405,700	415,500	425,400	415,500	425,400
Federal Funds	526,000	538,600	551,500	538,600	551,500
TOTAL EXPENDITURES	2,243,000	2,541,400	2,641,500	2,418,800	2,512,900
EXPENDITURES BY UNIT					
Associate Commissioner	415,300	448,300	469,400	452,300	473,400
Public Information	1,370,700	1,412,300	1,457,600	1,412,300	1,457,600
Media Services	246,800	377,000	395,500	372,000	390,500
Community Relations	210,200	303,800	319,000	182,200	191,400
TOTAL EXPENDITURES	2,243,000	2,541,400	2,641,500	2,418,800	2,512,900

The Office of Communications, Planning and Government Relations brings together in one location the related functions of information and media services as well as community relations. The Associate Commissioner heading this Office reports directly to the Commissioner of Education.

**Education
Executive Policy and Management
Communications
Associate Commissioner**

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	415,300	448,300	469,400	452,300	473,400
Total General Fund	415,300	448,300	469,400	452,300	473,400
TOTAL SOURCE OF FUNDS	415,300	448,300	469,400	452,300	473,400
EXPENDITURES BY CLASS					
Personnel Cost	395,300	417,800	438,900	417,800	438,900
Operating Expenses	20,000	30,500	30,500	34,500	34,500
TOTAL EXPENDITURES	415,300	448,300	469,400	452,300	473,400
EXPENDITURES BY FUND SOURCE					
General Fund	415,300	448,300	469,400	452,300	473,400
TOTAL EXPENDITURES	415,300	448,300	469,400	452,300	473,400

The Associate Commissioner reports directly to the Commissioner of Education and provides overall direction and coordination to the work of the Public Information, Media Services, and Community Relations divisions.

**Education
Executive Policy and Management
Communications
Public Information**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	439,000	458,200	480,700	458,200	480,700
Total General Fund	439,000	458,200	480,700	458,200	480,700
Restricted Funds					
Balance Forward	117,600	117,600	117,600	105,900	105,900
Current Receipts	405,700	415,500	425,400	415,500	425,400
Total Restricted Funds	523,300	533,100	543,000	521,400	531,300
Federal Funds					
Balance Forward	2,200	2,200	2,200	2,200	2,200
Current Receipts	526,000	538,600	551,500	538,600	551,500
Total Federal Funds	528,200	540,800	553,700	540,800	553,700
TOTAL SOURCE OF FUNDS	1,490,500	1,532,100	1,577,400	1,520,400	1,565,700
EXPENDITURES BY CLASS					
Personnel Cost	652,100	644,400	677,900	644,400	677,900
Operating Expenses	192,600	229,300	228,200	229,300	228,200
Grants, Loans or Benefits	526,000	538,600	551,500	538,600	551,500
TOTAL EXPENDITURES	1,370,700	1,412,300	1,457,600	1,412,300	1,457,600
EXPENDITURES BY FUND SOURCE					
General Fund	439,000	458,200	480,700	458,200	480,700
Restricted Funds	405,700	415,500	425,400	415,500	425,400
Federal Funds	526,000	538,600	551,500	538,600	551,500
TOTAL EXPENDITURES	1,370,700	1,412,300	1,457,600	1,412,300	1,457,600
EXPENDITURES BY UNIT					
Public Information	844,700	873,700	906,100	873,700	906,100
Chista McAuliffe Scholarships	526,000	538,600	551,500	538,600	551,500
TOTAL EXPENDITURES	1,370,700	1,412,300	1,457,600	1,412,300	1,457,600

The Division of Public Information produces materials explaining the purpose and the progress of the Kentucky Education Reform Act to parents and other interested parties. The Division also creates print and electronic products to supplement the professional development of educators.

Education
Executive Policy and Management
Communications
Media Services

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	246,800	377,000	395,500	372,000	390,500
Total General Fund	246,800	377,000	395,500	372,000	390,500
TOTAL SOURCE OF FUNDS	246,800	377,000	395,500	372,000	390,500
EXPENDITURES BY CLASS					
Personnel Cost	221,800	352,000	370,500	352,000	365,500
Operating Expenses	25,000	25,000	25,000	20,000	25,000
TOTAL EXPENDITURES	246,800	377,000	395,500	372,000	390,500
EXPENDITURES BY FUND SOURCE					
General Fund	246,800	377,000	395,500	372,000	390,500
TOTAL EXPENDITURES	246,800	377,000	395,500	372,000	390,500

The Division of Media Services provides technical assistance and produces videotape programs for the Department, local school districts, education agencies, and the public. These videos provide instruction and professional development information relating to specific reform areas and exemplary practices occurring in local districts. This Division works with Kentucky Educational Television and other television outlets to coordinate video services for educators, parents, and the public.

Education
Executive Policy and Management
Communications
Community Relations

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	210,200	303,800	319,000	182,200	191,400
Total General Fund	210,200	303,800	319,000	182,200	191,400
TOTAL SOURCE OF FUNDS	210,200	303,800	319,000	182,200	191,400
EXPENDITURES BY CLASS					
Personnel Cost	201,500	276,400	290,700	173,700	182,900
Operating Expenses	8,700	27,400	28,300	8,500	8,500
TOTAL EXPENDITURES	210,200	303,800	319,000	182,200	191,400
EXPENDITURES BY FUND SOURCE					
General Fund	210,200	303,800	319,000	182,200	191,400
TOTAL EXPENDITURES	210,200	303,800	319,000	182,200	191,400

The Division of Community Relations provides staff support to the Commissioner and the Department of Education in disseminating accurate and timely information on subjects such as the state's system of assessment and accountability. The Division also solicits suggestions and ideas from citizens as well as educators in an ongoing program of public involvement.

**Education
Management Support Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	356,157,200	400,009,300	434,681,700	399,499,900	429,519,300
Surplus Expenditure Plan	28,478,300				
Total General Fund	384,635,500	400,009,300	434,681,700	399,499,900	429,519,300
Restricted Funds					
Balance Forward	929,200	922,255	922,255	929,200	795,900
Current Receipts	1,794,000	1,837,200	1,881,400	1,837,200	1,881,400
Non-Revenue Receipts	1,099,000	1,120,000	1,112,700	1,120,000	1,108,100
Total Restricted Funds	3,822,200	3,879,455	3,916,355	3,886,400	3,785,400
Federal Funds					
Balance Forward	3,643,500				
Current Receipts	136,638,000	172,455,500	176,555,400	172,455,500	176,555,400
Total Federal Funds	140,281,500	172,455,500	176,555,400	172,455,500	176,555,400
TOTAL SOURCE OF FUNDS	528,739,200	576,344,255	615,153,455	575,841,800	609,860,100
EXPENDITURES BY CLASS					
Personnel Cost	9,687,900	11,308,800	11,847,200	11,004,100	11,377,600
Operating Expenses	5,904,800	6,514,000	7,115,300	5,776,200	5,872,000
Grants, Loans or Benefits	512,217,300	557,599,200	595,268,700	558,265,600	590,536,600
Debt Service					1,278,000
TOTAL EXPENDITURES	527,810,000	575,422,000	614,231,200	575,045,900	609,064,200
EXPENDITURES BY FUND SOURCE					
General Fund	384,635,500	400,009,300	434,681,700	399,499,900	429,519,300
Restricted Funds	2,893,000	2,957,200	2,994,100	3,090,500	2,989,500
Federal Funds	140,281,500	172,455,500	176,555,400	172,455,500	176,555,400
TOTAL EXPENDITURES	527,810,000	575,422,000	614,231,200	575,045,900	609,064,200
EXPENDITURES BY UNIT					
Deputy Commissioner	183,500	188,700	191,200	322,000	125,400
Human Resources and Equity	2,692,400	4,145,700	4,254,200	3,038,400	4,427,300
District Support Services	470,964,100	545,036,200	583,377,500	540,816,000	578,244,900
Education Technology	48,018,200	19,843,800	19,992,800	24,753,400	19,923,200
Budget and Financial Management	5,951,800	6,207,600	6,415,500	6,116,100	6,277,600
Wage Equity					65,800
TOTAL EXPENDITURES	527,810,000	575,422,000	614,231,200	575,045,900	609,064,200

The Management Support Services major program area, as a consequence of the 1998 reorganization of the Department via Executive Order 98-1671, consists of the Offices of Human Resources and Equity, District Support Services, Education Technology, and Budget and Financial Management . The Deputy Commissioner for Management Support Services reports directly to the Commissioner of Education.

**Education
Management Support Services
Deputy Commissioner**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	183,500	188,700	191,200	188,700	125,400
Total General Fund	183,500	188,700	191,200	188,700	125,400
Restricted Funds					
Balance Forward				133,300	
Total Restricted Funds				133,300	
TOTAL SOURCE OF FUNDS	183,500	188,700	191,200	322,000	125,400
EXPENDITURES BY CLASS					
Personnel Cost	173,700	180,700	183,200	314,000	117,400
Operating Expenses	9,800	8,000	8,000	8,000	8,000
TOTAL EXPENDITURES	183,500	188,700	191,200	322,000	125,400
EXPENDITURES BY FUND SOURCE					
General Fund	183,500	188,700	191,200	188,700	125,400
Restricted Funds				133,300	
TOTAL EXPENDITURES	183,500	188,700	191,200	322,000	125,400

The Deputy Commissioner and associated support staff provide policy and administrative direction for the Management Support Services major program area. The December 1998 reorganization of the Department of Education provided for the following Offices within Management Support Services: Human Resources and Equity; District Support Services; Education Technology; and the Office of Budget and Financial Management. The Deputy Commissioner reports directly to the Commissioner of Education.

**Education
Management Support Services
Human Resources and Equity**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,594,900	3,021,800	3,103,200	1,914,500	3,276,300
Total General Fund	1,594,900	3,021,800	3,103,200	1,914,500	3,276,300
Restricted Funds					
Balance Forward	150,200	150,200	150,200	150,200	150,200
Current Receipts	1,059,500	1,085,000	1,111,100	1,085,000	1,111,100
Non-Revenue Receipts	38,000	38,900	39,900	38,900	39,900
Total Restricted Funds	1,247,700	1,274,100	1,301,200	1,274,100	1,301,200
TOTAL SOURCE OF FUNDS	2,842,600	4,295,900	4,404,400	3,188,600	4,577,500
EXPENDITURES BY CLASS					
Personnel Cost	1,745,700	2,038,400	2,144,600	1,923,700	2,024,200
Operating Expenses	946,700	1,127,300	1,129,600	934,700	939,600
Grants, Loans or Benefits		980,000	980,000	180,000	185,500
Debt Service					1,278,000
TOTAL EXPENDITURES	2,692,400	4,145,700	4,254,200	3,038,400	4,427,300
EXPENDITURES BY FUND SOURCE					
General Fund	1,594,900	3,021,800	3,103,200	1,914,500	3,276,300
Restricted Funds	1,097,500	1,123,900	1,151,000	1,123,900	1,151,000
TOTAL EXPENDITURES	2,692,400	4,145,700	4,254,200	3,038,400	4,427,300
EXPENDITURES BY UNIT					
Associate Commissioner	231,200	350,900	366,800	313,600	329,500
Administrative Services	1,534,500	1,588,600	1,631,200	1,588,600	2,909,200
Human Resources	541,000	617,000	647,000	617,000	647,000
Equity	385,700	1,589,200	1,609,200	519,200	541,600
TOTAL EXPENDITURES	2,692,400	4,145,700	4,254,200	3,038,400	4,427,300

The December 1998 reorganization of the Department of Education in Executive Order 98-1671 provided for a new Office of Human Resources and Equity. The Office consists of three divisions: Administrative Services; Human Resources; and Equity.

**Education
Management Support Services
Human Resources and Equity
Associate Commissioner**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	220,200	339,600	355,200	302,300	317,900
Total General Fund	220,200	339,600	355,200	302,300	317,900
Restricted Funds					
Non-Revenue Receipts	11,000	11,300	11,600	11,300	11,600
Total Restricted Funds	11,000	11,300	11,600	11,300	11,600
TOTAL SOURCE OF FUNDS	231,200	350,900	366,800	313,600	329,500
EXPENDITURES BY CLASS					
Personnel Cost	220,200	302,300	317,900	302,300	317,900
Operating Expenses	11,000	48,600	48,900	11,300	11,600
TOTAL EXPENDITURES	231,200	350,900	366,800	313,600	329,500
EXPENDITURES BY FUND SOURCE					
General Fund	220,200	339,600	355,200	302,300	317,900
Restricted Funds	11,000	11,300	11,600	11,300	11,600
TOTAL EXPENDITURES	231,200	350,900	366,800	313,600	329,500

Under the provisions of Executive Order 98-1671, the Office of Internal Administration was renamed the Office of Human Resources and Equity. The Office is responsible for the efficient and effective operations of the Divisions of Administrative Services, Human Resources, and Equity. The Associate Commissioner provides leadership and policy direction to the Office of Human Resources and Equity.

**Education
Management Support Services
Human Resources and Equity
Administrative Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	490,000	519,000	535,900	519,000	1,813,900
Total General Fund	490,000	519,000	535,900	519,000	1,813,900
Restricted Funds					
Balance Forward	144,600	144,600	144,600	144,600	144,600
Current Receipts	1,044,500	1,069,600	1,095,300	1,069,600	1,095,300
Total Restricted Funds	1,189,100	1,214,200	1,239,900	1,214,200	1,239,900
TOTAL SOURCE OF FUNDS	1,679,100	1,733,200	1,775,800	1,733,200	3,053,800
EXPENDITURES BY CLASS					
Personnel Cost	665,800	732,800	771,500	732,800	771,500
Operating Expenses	868,700	855,800	859,700	855,800	859,700
Debt Service					1,278,000
TOTAL EXPENDITURES	1,534,500	1,588,600	1,631,200	1,588,600	2,909,200
EXPENDITURES BY FUND SOURCE					
General Fund	490,000	519,000	535,900	519,000	1,813,900
Restricted Funds	1,044,500	1,069,600	1,095,300	1,069,600	1,095,300
TOTAL EXPENDITURES	1,534,500	1,588,600	1,631,200	1,588,600	2,909,200
EXPENDITURES BY UNIT					
Program Services	1,182,500	1,228,100	1,262,100	1,228,100	2,540,100
Facilities Maintenance	352,000	360,500	369,100	360,500	369,100
TOTAL EXPENDITURES	1,534,500	1,588,600	1,631,200	1,588,600	2,909,200

The Division of Administrative Services is responsible for: processing documents to archives; insurance, leasing and managing leased property; telecommunications; managing equipment owned or leased by the Department of Education, helping staff maintain safe and healthful conditions in facilities; providing mail pick-up and delivery for local Department offices; furnishing Department offices with supplies; and providing receiving and distribution services for printed and stored materials.

**Education
Management Support Services
Human Resources and Equity
Human Resources**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	514,000	589,400	618,700	589,400	618,700
Total General Fund	514,000	589,400	618,700	589,400	618,700
Restricted Funds					
Balance Forward	5,600	5,600	5,600	5,600	5,600
Non-Revenue Receipts	27,000	27,600	28,300	27,600	28,300
Total Restricted Funds	32,600	33,200	33,900	33,200	33,900
TOTAL SOURCE OF FUNDS	546,600	622,600	652,600	622,600	652,600
EXPENDITURES BY CLASS					
Personnel Cost	489,000	564,400	593,700	564,400	593,700
Operating Expenses	52,000	52,600	53,300	52,600	53,300
TOTAL EXPENDITURES	541,000	617,000	647,000	617,000	647,000
EXPENDITURES BY FUND SOURCE					
General Fund	514,000	589,400	618,700	589,400	618,700
Restricted Funds	27,000	27,600	28,300	27,600	28,300
TOTAL EXPENDITURES	541,000	617,000	647,000	617,000	647,000

The Division of Personnel Services was renamed the Division of Human Resources by Executive Order 98-1671. KRS 18A and KRS 156.017 authorized the Department of Education to implement a personnel system to employ individuals who provide essential services to the local school districts and other education providers. These services include: management of the KRS 18A Merit System, coordination of memoranda of agreement with education providers, implementation of minority recruitment programs, implementation of employee benefit programs and implementation of employee training through the Governmental Services Center.

**Education
Management Support Services
Human Resources and Equity
Equity**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	370,700	1,573,800	1,593,400	503,800	525,800
Total General Fund	370,700	1,573,800	1,593,400	503,800	525,800
Restricted Funds					
Current Receipts	15,000	15,400	15,800	15,400	15,800
Total Restricted Funds	15,000	15,400	15,800	15,400	15,800
TOTAL SOURCE OF FUNDS	385,700	1,589,200	1,609,200	519,200	541,600
EXPENDITURES BY CLASS					
Personnel Cost	370,700	438,900	461,500	324,200	341,100
Operating Expenses	15,000	170,300	167,700	15,000	15,000
Grants, Loans or Benefits		980,000	980,000	180,000	185,500
TOTAL EXPENDITURES	385,700	1,589,200	1,609,200	519,200	541,600
EXPENDITURES BY FUND SOURCE					
General Fund	370,700	1,573,800	1,593,400	503,800	525,800
Restricted Funds	15,000	15,400	15,800	15,400	15,800
TOTAL EXPENDITURES	385,700	1,589,200	1,609,200	519,200	541,600

The Division of Equity was established under the provisions of Executive Order 98-1671. The mission of the Division of Equity is to provide technical assistance, leadership, advocacy, professional development, and multicultural education to meet the diverse needs of Kentucky schools and communities. This includes addressing cultural, emotional, social, and educational needs through a variety of resources. These resources include: the implementation of the Education Equity Plan which affects eight distinct areas of learning and communities; maintaining the Equitable Schools Institute that draws participation from all eight regional service centers; the Martin Luther King Project; the technical assistance for Title IX and gender fair instruction; maintenance of a resource center; development of a CD-ROM; and a virtual museum and web site.

**Education
Management Support Services
District Support Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	332,029,600	373,960,000	408,234,500	369,734,800	403,101,900
Total General Fund	332,029,600	373,960,000	408,234,500	369,734,800	403,101,900
Restricted Funds					
Balance Forward	159,200	159,155	159,155	159,200	159,200
Current Receipts	734,500	752,200	770,300	752,200	770,300
Total Restricted Funds	893,700	911,355	929,455	911,400	929,500
Federal Funds					
Balance Forward	3,643,500				
Current Receipts	134,556,500	170,324,000	174,372,700	170,324,000	174,372,700
Total Federal Funds	138,200,000	170,324,000	174,372,700	170,324,000	174,372,700
TOTAL SOURCE OF FUNDS	471,123,300	545,195,355	583,536,655	540,970,200	578,404,100
EXPENDITURES BY CLASS					
Personnel Cost	5,014,600	6,066,000	6,357,200	5,642,700	5,912,600
Operating Expenses	1,698,000	1,946,200	2,437,200	1,682,900	1,686,800
Grants, Loans or Benefits	464,251,500	537,024,000	574,583,100	533,490,400	570,645,500
TOTAL EXPENDITURES	470,964,100	545,036,200	583,377,500	540,816,000	578,244,900
EXPENDITURES BY FUND SOURCE					
General Fund	332,029,600	373,960,000	408,234,500	369,739,800	403,101,900
Restricted Funds	734,500	752,200	770,300	752,200	770,300
Federal Funds	138,200,000	170,324,000	174,372,700	170,324,000	174,372,700
TOTAL EXPENDITURES	470,964,100	545,036,200	583,377,500	540,816,000	578,244,900
EXPENDITURES BY UNIT					
Associate Commissioner	532,500	391,500	410,400	391,500	410,400
Finance	266,925,800	299,092,300	328,259,700	298,577,700	327,237,700
Facilities Management	497,400	527,300	552,900	527,300	552,900
School and Community Nutrition	142,244,000	174,362,200	178,416,200	173,892,100	178,071,100
Pupil Transportation	1,527,400	1,512,100	1,535,900	1,512,100	1,535,900
Management Assistance	1,122,000	1,107,700	1,107,000	1,107,700	1,107,000
Student, Family, & Community Support Services	48,115,000	53,043,100	53,095,400	52,807,600	57,329,900
Safe Schools	10,000,000	15,000,000	20,000,000	12,000,000	12,000,000
TOTAL EXPENDITURES	470,964,100	545,036,200	583,377,500	540,816,000	578,244,900

The Office of District Support Services, as reorganized in December 1998, provides administrative and technical assistance on behalf of local school districts throughout the state and consists of the following divisions: Finance; Facilities Management; School and Community Nutrition Services; Pupil Transportation; Management Assistance; and Student, Family and Community Relations. The Safe Schools program initiative is also housed within this office for administrative purposes.

Education
Management Support Services
District Support Services
Associate Commissioner

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	532,500	391,500	410,400	391,500	410,400
Total General Fund	532,500	391,500	410,400	391,500	410,400
TOTAL SOURCE OF FUNDS	532,500	391,500	410,400	391,500	410,400
EXPENDITURES BY CLASS					
Personnel Cost	507,500	366,500	385,400	366,500	385,400
Operating Expenses	25,000	25,000	25,000	25,000	25,000
TOTAL EXPENDITURES	532,500	391,500	410,400	391,500	410,400
EXPENDITURES BY FUND SOURCE					
General Fund	532,500	391,500	410,400	391,500	410,400
TOTAL EXPENDITURES	532,500	391,500	410,400	391,500	410,400

The Associate Commissioner for District Support Services reports to the Commissioner of Education through the Deputy Commissioner for Management Support Services. The Associate Commissioner is responsible for directing the work of, and providing policy direction to, the following divisions: Finance; Facilities Management; School and Community Nutrition; Pupil Transportation; Management Assistance; and Student, Family and Community Support Services.

**Education
Management Support Services
District Support Services
Finance**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	266,925,800	299,092,300	328,259,700	298,577,700	327,237,700
Total General Fund	266,925,800	299,092,300	328,259,700	298,577,700	327,237,700
TOTAL SOURCE OF FUNDS	266,925,800	299,092,300	328,259,700	298,577,700	327,237,700
EXPENDITURES BY CLASS					
Personnel Cost	1,257,500	2,068,900	2,175,900	1,645,600	1,731,300
Operating Expenses	215,400	452,700	939,800	209,400	209,400
Grants, Loans or Benefits	265,452,900	296,570,700	325,144,000	296,722,700	325,297,000
TOTAL EXPENDITURES	266,925,800	299,092,300	328,259,700	298,577,700	327,237,700
EXPENDITURES BY FUND SOURCE					
General Fund	266,925,800	299,092,300	328,259,700	298,577,700	327,237,700
TOTAL EXPENDITURES	266,925,800	299,092,300	328,259,700	298,577,700	327,237,700
EXPENDITURES BY UNIT					
Finance	1,208,400	2,260,600	2,842,400	1,746,000	1,820,400
District Administrative Services	264,500	261,000	273,300	261,000	273,300
Out of District	10,800,000	10,800,000	10,800,000	10,800,000	10,800,000
District Audits	446,500	446,500	446,500	446,500	446,500
Textbooks	23,643,000	23,643,000	23,643,000	23,643,000	23,643,000
Health Insurance	227,127,500	258,172,600	286,671,400	258,172,600	286,671,400
Life Insurance	3,029,500	3,102,200	3,176,700	3,102,200	3,176,700
Classified Retirement Benefits	256,400	256,400	256,400	256,400	256,400
Jefferson County Literacy	150,000	150,000	150,000	150,000	150,000
TOTAL EXPENDITURES	266,925,800	299,092,300	328,259,700	298,577,700	327,237,700

The Division of Finance's objectives include: the provision of technical assistance to 176 local school districts on matters of budgeting, accounting, reporting and composing salary schedules; distribution of state SEEK funds to local districts; providing guidance in planning the financing of local school building construction and providing other financial management and accounting assistance.

The Division of Finance, through the Out-of-District program, provides funds to defray the costs of educating students placed through the courts or appropriate state agencies in treatment programs outside the school district where their parents or guardians reside.

The State School Audit Committee is provided funds to reimburse the state share of the cost of the annual audits of various local school district accounts. These funds are budgeted within the Division of Finance, which also receives, reviews, analyzes, and corrects any exceptions noted in the audits.

The Division of Finance has responsibility for administering the program, providing qualified and participating local school district employees with health and life insurance coverage.

Policy

The 2000-2002 Budget of the Commonwealth provides General Fund support for the Out-of-District program at current – \$10.8 million annually – funding levels. This program assists with the cost of educating children living in state day treatment and residential facilities as well as children/students residing in private care facilities.

The enacted budget includes \$23,643,000 in General Funds each year of the 2000-2002 biennium to continue the current level of state support for the P-8 textbook/instructional materials program.

The budget as enacted includes support from the General Fund in the amount of \$261,274,800 in fiscal year 2001 and \$289,848,100 in fiscal year 2002 to provide health and life insurance coverage for local school district employees.

The 2000-2002 Budget of the Commonwealth continues General Fund support in the amount of \$150,000 each year of the biennium for three literacy and direct instruction projects in Jefferson County.

The enacted budget provides General Fund support for the following local school district initiatives and activities: \$12,000 in fiscal year 2001 and \$13,000 in fiscal year 2002 for Alcohol, Tobacco and Drug Education Programs in the Johnson County school system; \$100,000 each year of the 2000-2002 biennium for Child Assault Prevention (CAPS) programs in the Boyd, Bullitt, Elliott, Franklin, Jefferson, Johnson, Lawrence, Madison and Martin local school districts; and \$40,000 each year of the 2000-2002 biennium for Southgate Independent School District program expenses.

Education
Management Support Services
District Support Services
Facilities Management

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	497,400	527,300	552,900	527,300	552,900
Total General Fund	497,400	527,300	552,900	527,300	552,900
TOTAL SOURCE OF FUNDS	497,400	527,300	552,900	527,300	552,900
EXPENDITURES BY CLASS					
Personnel Cost	460,200	492,300	517,900	492,300	517,900
Operating Expenses	37,200	35,000	35,000	35,000	35,000
TOTAL EXPENDITURES	497,400	527,300	552,900	527,300	552,900
EXPENDITURES BY FUND SOURCE					
General Fund	497,400	527,300	552,900	527,300	552,900
TOTAL EXPENDITURES	497,400	527,300	552,900	527,300	552,900

The Division of Facilities Management reviews, oversees, and approves all new buildings, additions, and alterations of existing public school buildings. This division also provides guidance in preparing each local district's facility plan and assists in updating and amending district plans. The Division of Facilities Management also compiles information as to local school district construction needs each biennium for use by the School Facilities Construction Commission.

Education
Management Support Services
District Support Services
School and Community Nutrition

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,399,500	4,402,200	4,416,200	3,932,100	4,071,100
Total General Fund	4,399,500	4,402,200	4,416,200	3,932,100	4,071,100
Federal Funds					
Balance Forward	3,643,500				
Current Receipts	134,201,000	169,960,000	174,000,000	169,960,000	174,000,000
Total Federal Funds	137,844,500	169,960,000	174,000,000	169,960,000	174,000,000
TOTAL SOURCE OF FUNDS	142,244,000	174,362,200	178,416,200	173,892,100	178,071,100
EXPENDITURES BY CLASS					
Personnel Cost	1,138,900	1,316,200	1,384,700	1,316,200	1,384,700
Operating Expenses	913,000	896,300	895,300	896,300	895,300
Grants, Loans or Benefits	140,192,100	172,149,700	176,136,200	171,679,600	175,791,100
TOTAL EXPENDITURES	142,244,000	174,362,200	178,416,200	173,892,100	178,071,100
EXPENDITURES BY FUND SOURCE					
General Fund	4,399,500	4,402,200	4,416,200	3,932,100	4,071,100
Federal Funds	137,844,500	169,960,000	174,000,000	169,960,000	174,000,000
TOTAL EXPENDITURES	142,244,000	174,362,200	178,416,200	173,892,100	178,071,100

The Division of School and Community Nutrition oversees the administration of the following National School Lunch Act and Child Nutrition Act programs in local school districts and other eligible agencies: National School Lunch Program; School Breakfast Program; Special Milk Program; Child Care Food Program; Summer Food Service Program; and the Nutrition Education and Training Program. Approximately 1,600 Kentucky schools (public and non-public) participate in one or more of these programs.

**Education
Management Support Services
District Support Services
Pupil Transportation**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,429,400	1,411,700	1,433,100	1,411,700	1,433,100
Total General Fund	1,429,400	1,411,700	1,433,100	1,411,700	1,433,100
Restricted Funds					
Balance Forward	41,600	41,600	41,600	41,600	41,600
Current Receipts	98,000	100,400	102,800	100,400	102,800
Total Restricted Funds	139,600	142,000	144,400	142,000	144,400
TOTAL SOURCE OF FUNDS	1,569,000	1,553,700	1,577,500	1,553,700	1,577,500
EXPENDITURES BY CLASS					
Personnel Cost	350,500	375,300	394,800	375,300	394,800
Operating Expenses	171,400	162,800	165,200	162,800	165,200
Grants, Loans or Benefits	1,005,500	974,000	975,900	974,000	975,900
TOTAL EXPENDITURES	1,527,400	1,512,100	1,535,900	1,512,100	1,535,900
EXPENDITURES BY FUND SOURCE					
General Fund	1,429,400	1,411,700	1,433,100	1,411,700	1,433,100
Restricted Funds	98,000	100,400	102,800	100,400	102,800
TOTAL EXPENDITURES	1,527,400	1,512,100	1,535,900	1,512,100	1,535,900
EXPENDITURES BY UNIT					
Program Services	686,900	711,700	733,100	711,700	733,100
School Bus Driver Training	98,000	100,400	102,800	100,400	102,800
Blind/Deaf Travel	742,500	700,000	700,000	700,000	700,000
TOTAL EXPENDITURES	1,527,400	1,512,100	1,535,900	1,512,100	1,535,900

The Division of Pupil Transportation provides technical assistance as well as regulatory and coordinative services to local school districts to facilitate the safe and efficient transporting of pupils to and from school. The Division also sets forth the procedures for centralized purchasing of school buses through established price contract agreements. Additionally, the Division provides training for instructors, bus inspectors, and drivers.

Education
Management Support Services
District Support Services
Management Assistance

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,122,000	1,107,700	1,107,000	1,107,700	1,107,000
Total General Fund	1,122,000	1,107,700	1,107,000	1,107,700	1,107,000
TOTAL SOURCE OF FUNDS	1,122,000	1,107,700	1,107,000	1,107,700	1,107,000
EXPENDITURES BY CLASS					
Personnel Cost	712,000	750,400	768,800	750,400	768,800
Operating Expenses	120,000	146,000	146,000	146,000	146,000
Grants, Loans or Benefits	290,000	211,300	192,200	211,300	192,200
TOTAL EXPENDITURES	1,122,000	1,107,700	1,107,000	1,107,700	1,107,000
EXPENDITURES BY FUND SOURCE					
General Fund	1,122,000	1,107,700	1,107,000	1,107,700	1,107,000
TOTAL EXPENDITURES	1,122,000	1,107,700	1,107,000	1,107,700	1,107,000

Pursuant to KRS 156.132, KRS 158.780 and KRS 158.785, the Division of Management Assistance has three primary responsibilities. The first responsibility is to provide voluntary assistance to districts requesting services in management areas related to the operations of a school district. The second responsibility is that of involuntary assistance to those districts determined to have significant management problems. The third area of responsibility is for those districts identified through an intensive audit process as having a pattern of ineffective and inefficient management practices and in need of state management assistance for delivery of services to students. The division receives, processes and investigates, if necessary, written and telephone complaints/allegations from citizens, parents and educators regarding any allegation or concerns about any aspect of school operations including violations of regulations and statutes. The division receives, processes and investigates all complaints/allegations associated with the administering of the mandated Commonwealth Accountability Testing System (CATS). The division coordinates the Exemplary Partnership program where districts are recognized for exemplary practices in the areas of transportation, school and community nutrition, finance and school facilities. Finally, the division is responsible for the posting of all certified vacancies that occur in local districts as required by KRS 160.380. The division enforces class size requirements as set forth in KRS 157.360.

Education
Management Support Services
District Support Services
Student, Family, & Community Support Services

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	47,123,000	52,027,300	52,055,200	51,786,800	56,289,700
Total General Fund	47,123,000	52,027,300	52,055,200	51,786,800	56,289,700
Restricted Funds					
Balance Forward	117,600	117,555	117,555	117,600	117,600
Current Receipts	636,500	651,800	667,500	651,800	667,500
Total Restricted Funds	754,100	769,355	785,055	769,400	785,100
Federal Funds					
Current Receipts	355,500	364,000	372,700	364,000	372,700
Total Federal Funds	355,500	364,000	372,700	364,000	372,700
TOTAL SOURCE OF FUNDS	48,232,600	53,160,655	53,212,955	52,920,200	57,447,500
EXPENDITURES BY CLASS					
Personnel Cost	588,000	696,400	729,700	696,400	729,700
Operating Expenses	216,000	228,400	230,900	208,400	210,900
Grants, Loans or Benefits	47,311,000	52,118,300	52,134,800	51,902,800	56,389,300
TOTAL EXPENDITURES	48,115,000	53,043,100	53,095,400	52,807,600	57,329,900
EXPENDITURES BY FUND SOURCE					
General Fund	47,123,000	52,027,300	52,055,200	51,791,800	56,289,700
Restricted Funds	636,500	651,800	667,500	651,800	667,500
Federal Funds	355,500	364,000	372,700	364,000	372,700
TOTAL EXPENDITURES	48,115,000	53,043,100	53,095,400	52,807,600	57,329,900
EXPENDITURES BY UNIT					
Program Services	979,700	1,046,400	1,085,500	1,170,400	1,353,500
Dropout Prevention	776,500	776,500	776,500	976,500	976,500
Family Resource & Youth Service Centers	43,554,800	48,403,300	48,403,300	47,743,800	51,869,800
Community Education	1,267,500	1,267,500	1,267,500	1,367,500	1,567,500
Job for Kentucky's Graduates	1,536,500	1,549,400	1,562,600	1,549,400	1,562,600
TOTAL EXPENDITURES	48,115,000	53,043,100	53,095,400	52,807,600	57,329,900

The Division of Student, Family and Community Support Services was established as part of the December 1998 reorganization of the Department of Education via Executive Order 98-1671. The Division administers state and federal programs that remove barriers to student learning by providing resources and support to children, families and communities. Programs within the Division include: Dropout Prevention; Family Resource and Youth Services Centers; Community Education; Jobs for Kentucky's Graduates and Safe Schools. The Division also has responsibility for the federal Safe and Drug Free Schools and Communities (Title IV) program, the federal America Reads program, and various other programs such as No Pass/No Drive.

Policy

The 2000-2002 Budget of the Commonwealth includes \$4,189,000 in increased General Fund support in fiscal year 2001 and \$8,315,000 in fiscal year 2002 compared to current funding for the Family Resource and Youth Services Centers program. The increased funding will make possible the opening of 47 new Family Resource and Youth Services Centers in fiscal year 2001 and an additional 47 (for a biennial total of 94) new centers in fiscal year 2002 as well as cost-of-living increases for existing centers.

The enacted budget also includes new General Fund allocations in the amount of \$144,000 in fiscal year 2001 and \$288,000 in fiscal year 2002 to support the Middle-Grades School Demonstration Network. The primary goal of the Middle-Grades School Demonstration Network is to improve student achievement by directly responding to the needs of low performing schools. The network will give educators in middle-grades schools access to working examples of successful practices. The proposed funding will assist in the linkage between demonstration schools and partner schools that will serve in a mentoring role.

The budget as enacted includes a General Fund increase of \$200,000 each year of the biennium for grants to local school districts for dropout prevention programs.

The 2000-2002 Budget of the Commonwealth includes General Fund increases of \$100,000 in fiscal year 2001 and \$300,000 in fiscal year 2002 to support five additional Community Education programs in fiscal year 2001 and an additional programs in fiscal year 2002 five (for a biennial total of ten).

**Education
Management Support Services
District Support Services
Safe Schools**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,000,000	15,000,000	20,000,000	12,000,000	12,000,000
Total General Fund	10,000,000	15,000,000	20,000,000	12,000,000	12,000,000
TOTAL SOURCE OF FUNDS	10,000,000	15,000,000	20,000,000	12,000,000	12,000,000
EXPENDITURES BY CLASS					
Grants, Loans or Benefits	10,000,000	15,000,000	20,000,000	12,000,000	12,000,000
TOTAL EXPENDITURES	10,000,000	15,000,000	20,000,000	12,000,000	12,000,000
EXPENDITURES BY FUND SOURCE					
General Fund	10,000,000	15,000,000	20,000,000	12,000,000	12,000,000
TOTAL EXPENDITURES	10,000,000	15,000,000	20,000,000	12,000,000	12,000,000

The General Assembly, during the 1998 Regular Session, recognized that state as well as local resources are needed to enlarge the capacities for research, effective programming, and program evaluation directed toward safety and discipline in Kentucky's schools. The Safe Schools Program provides funding to local school districts in an effort to support substance abuse and violence reduction programming. Much like initiatives at the federal level, this program seeks to prevent violence in and around schools, and support programs that prevent the illegal use of alcohol, tobacco and drugs through a school and community-based environment.

The Center for School Safety, in collaboration with the Department of Education, distributes funds to local school districts, with an emphasis on community-based programs, intensive academic intervention programs, programs utilizing school resource officers, and training programs for certified and classified staff, students, parents, and community members.

Policy

The 2000-2002 Budget of the Commonwealth includes an additional \$2 million in General Funds each year of the biennium to support initiatives designed to prevent violence in and around schools as well as to support programs that prevent the illegal use of alcohol, tobacco and drugs through a school and community-based environment.

**Education
Management Support Services
Education Technology**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	17,116,900	17,362,600	17,452,000	22,272,200	17,382,400
Surplus Expenditure Plan	28,478,300				
Total General Fund	45,595,200	17,362,600	17,452,000	22,272,200	17,382,400
Restricted Funds					
Balance Forward	77,000	77,000	77,000	77,000	77,000
Non-Revenue Receipts	341,500	349,700	358,100	349,700	358,100
Total Restricted Funds	418,500	426,700	435,100	426,700	435,100
Federal Funds					
Current Receipts	2,081,500	2,131,500	2,182,700	2,131,500	2,182,700
Total Federal Funds	2,081,500	2,131,500	2,182,700	2,131,500	2,182,700
TOTAL SOURCE OF FUNDS	48,095,200	19,920,800	20,069,800	24,830,400	20,000,200
EXPENDITURES BY CLASS					
Personnel Cost	1,544,900	1,620,300	1,706,400	1,720,300	1,806,400
Operating Expenses	913,500	1,092,000	1,103,700	901,600	934,100
Grants, Loans or Benefits	45,559,800	17,131,500	17,182,700	22,131,500	17,182,700
TOTAL EXPENDITURES	48,018,200	19,843,800	19,992,800	24,753,400	19,923,200
EXPENDITURES BY FUND SOURCE					
General Fund	45,595,200	17,362,600	17,452,000	22,272,200	17,382,400
Restricted Funds	341,500	349,700	358,100	349,700	358,100
Federal Funds	2,081,500	2,131,500	2,182,700	2,131,500	2,182,700
TOTAL EXPENDITURES	48,018,200	19,843,800	19,992,800	24,753,400	19,923,200
EXPENDITURES BY UNIT					
Associate Commissioner	2,275,700	2,303,500	2,362,700	2,303,500	2,362,700
Planning Services	288,000	292,600	308,100	292,600	308,100
Integration Services	780,300	942,400	971,100	890,700	940,100
System Support Services	839,200	977,100	1,009,500	938,400	970,900
Customer Support Services	356,700	328,200	341,400	328,200	341,400
KETS	43,478,300	15,000,000	15,000,000	20,000,000	15,000,000
TOTAL EXPENDITURES	48,018,200	19,843,800	19,992,800	24,753,400	19,923,200

The Office of Education Technology is responsible for policy and budget development as well as administration and quality assurance for the Kentucky Education Technology System (KETS). This Office also maintains the Department of Education's Information Resources Plan, oversees internal Department of Education computer services, assists educators in integrating instruction and administration using KETS technology, and assists local districts and schools with their technology plans.

**Education
Management Support Services
Education Technology
Associate Commissioner**

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	194,200	172,000	180,000	172,000	180,000
Total General Fund	194,200	172,000	180,000	172,000	180,000
Federal Funds					
Current Receipts	2,081,500	2,131,500	2,182,700	2,131,500	2,182,700
Total Federal Funds	2,081,500	2,131,500	2,182,700	2,131,500	2,182,700
TOTAL SOURCE OF FUNDS	2,275,700	2,303,500	2,362,700	2,303,500	2,362,700
EXPENDITURES BY CLASS					
Personnel Cost	178,200	157,000	165,000	157,000	165,000
Operating Expenses	16,000	15,000	15,000	15,000	15,000
Grants, Loans or Benefits	2,081,500	2,131,500	2,182,700	2,131,500	2,182,700
TOTAL EXPENDITURES	2,275,700	2,303,500	2,362,700	2,303,500	2,362,700
EXPENDITURES BY FUND SOURCE					
General Fund	194,200	172,000	180,000	172,000	180,000
Federal Funds	2,081,500	2,131,500	2,182,700	2,131,500	2,182,700
TOTAL EXPENDITURES	2,275,700	2,303,500	2,362,700	2,303,500	2,362,700

The Associate Commissioner for Education provides overall direction and coordination to the work of the System Support Services, Integration Services, Customer Support Services and Planning Services divisions. The Associate Commissioner also directs activities of the Department of Education relevant to the implementation of the Kentucky Education Technology System.

**Education
Management Support Services
Education Technology
Planning Services**

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	288,000	292,600	308,100	292,600	308,100
Total General Fund	288,000	292,600	308,100	292,600	308,100
TOTAL SOURCE OF FUNDS	288,000	292,600	308,100	292,600	308,100
EXPENDITURES BY CLASS					
Personnel Cost	260,000	264,400	278,100	264,400	278,100
Operating Expenses	28,000	28,200	30,000	28,200	30,000
TOTAL EXPENDITURES	288,000	292,600	308,100	292,600	308,100
EXPENDITURES BY FUND SOURCE					
General Fund	288,000	292,600	308,100	292,600	308,100
TOTAL EXPENDITURES	288,000	292,600	308,100	292,600	308,100

The Division of Planning Services is the point of primary responsibility for education technology planning at the state and district levels. The Division maintains the Master Plan for Education Technology, oversees expenditures of Education Technology Trust Funds, formulates policy to accelerate effective implementation of technology to improve instruction, and coordinates state participation in federal education technology programs.

**Education
Management Support Services
Education Technology
Integration Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	438,800	592,700	613,000	541,000	582,000
Total General Fund	438,800	592,700	613,000	541,000	582,000
Restricted Funds					
Balance Forward	77,000	77,000	77,000	77,000	77,000
Non-Revenue Receipts	341,500	349,700	358,100	349,700	358,100
Total Restricted Funds	418,500	426,700	435,100	426,700	435,100
TOTAL SOURCE OF FUNDS	857,300	1,019,400	1,048,100	967,700	1,017,100
EXPENDITURES BY CLASS					
Personnel Cost	225,300	263,600	282,400	363,600	382,400
Operating Expenses	555,000	678,800	688,700	527,100	557,700
TOTAL EXPENDITURES	780,300	942,400	971,100	890,700	940,100
EXPENDITURES BY FUND SOURCE					
General Fund	438,800	592,700	613,000	541,000	582,000
Restricted Funds	341,500	349,700	358,100	349,700	358,100
TOTAL EXPENDITURES	780,300	942,400	971,100	890,700	940,100

The Division of Integration Services provides systems analysis, design, and implementation services for the Kentucky Education Technology System (KETS) as well as the Department of Education. This division develops recommendations to re-engineer departmental business processes to take advantage of information technology, establishes and maintains data administration standards for KETS and the Department of Education, and develops processes to make education data accessible to internal and external decision makers.

**Education
Management Support Services
Education Technology
System Support Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	839,200	977,100	1,009,500	938,400	970,900
Total General Fund	839,200	977,100	1,009,500	938,400	970,900
TOTAL SOURCE OF FUNDS	839,200	977,100	1,009,500	938,400	970,900
EXPENDITURES BY CLASS					
Personnel Cost	545,200	627,100	659,500	627,100	659,500
Operating Expenses	294,000	350,000	350,000	311,300	311,400
TOTAL EXPENDITURES	839,200	977,100	1,009,500	938,400	970,900
EXPENDITURES BY FUND SOURCE					
General Fund	839,200	977,100	1,009,500	938,400	970,900
TOTAL EXPENDITURES	839,200	977,100	1,009,500	938,400	970,900

The Division of System Support Services is responsible for design, development, and ongoing support of computing capabilities and communications systems to support the Kentucky Education Technology System (KETS) as well as internal Department of Education systems.

The Division of System Support Services is responsible for: statewide KETS and Local Area Network Design; installation, upgrades, and maintenance of KETS network components; district/school network management and testing; and evaluation of all KETS hardware and network components. This Division also has a number of responsibilities relative to the operation of Department of Education information and office systems.

**Education
Management Support Services
Education Technology
Customer Support Services**

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	356,700	328,200	341,400	328,200	341,400
Total General Fund	356,700	328,200	341,400	328,200	341,400
TOTAL SOURCE OF FUNDS	356,700	328,200	341,400	328,200	341,400
EXPENDITURES BY CLASS					
Personnel Cost	336,200	308,200	321,400	308,200	321,400
Operating Expenses	20,500	20,000	20,000	20,000	20,000
TOTAL EXPENDITURES	356,700	328,200	341,400	328,200	341,400
EXPENDITURES BY FUND SOURCE					
General Fund	356,700	328,200	341,400	328,200	341,400
TOTAL EXPENDITURES	356,700	328,200	341,400	328,200	341,400

The Division of Customer Support Services provides education technology professional development activities for educators learning to integrate instruction and technology via the Kentucky Education Technology System (KETS). The Division provides technology education awareness and training programs, regional KETS coordinators to the regional service centers and direct consulting to district and school technology coordinators.

**Education
Management Support Services
Education Technology
KETS**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	15,000,000	15,000,000	15,000,000	20,000,000	15,000,000
Surplus Expenditure Plan	28,478,300				
Total General Fund	43,478,300	15,000,000	15,000,000	20,000,000	15,000,000
TOTAL SOURCE OF FUNDS	43,478,300	15,000,000	15,000,000	20,000,000	15,000,000
EXPENDITURES BY CLASS					
Grants, Loans or Benefits	43,478,300	15,000,000	15,000,000	20,000,000	15,000,000
TOTAL EXPENDITURES	43,478,300	15,000,000	15,000,000	20,000,000	15,000,000
EXPENDITURES BY FUND SOURCE					
General Fund	43,478,300	15,000,000	15,000,000	20,000,000	15,000,000
TOTAL EXPENDITURES	43,478,300	15,000,000	15,000,000	20,000,000	15,000,000

The 1990 Kentucky Education Reform Act provided for the establishment of a Kentucky Education Technology System (KETS). State funds for the development and implementation of KETS are appropriated to the Department of Education. These funds are then transferred during each fiscal year to the Education Technology Trust Fund where they are administered and invested by the Finance and Administration Cabinet. Funds from the Education Technology Trust Fund are withdrawn and expended based on guidelines established by the Education Technology Master Plan and in accordance with the various statutes governing this program.

Policy

The 2000-2002 Budget of the Commonwealth includes an additional \$5 million in General Fund support for KETS over during the biennium. The additional funding is appropriated to the Education Technology Escrow Account in fiscal year 2001 for expenditure during fiscal 2002 based on guidelines established by the Education Technology Master Plan.

Education
Management Support Services
Budget and Financial Management

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,232,300	5,476,200	5,700,800	5,389,700	5,567,500
Total General Fund	5,232,300	5,476,200	5,700,800	5,389,700	5,567,500
Restricted Funds					
Balance Forward	542,800	535,900	535,900	409,500	409,500
Non-Revenue Receipts	719,500	731,400	714,700	731,400	710,100
Total Restricted Funds	1,262,300	1,267,300	1,250,600	1,140,900	1,119,600
TOTAL SOURCE OF FUNDS	6,494,600	6,743,500	6,951,400	6,530,600	6,687,100
EXPENDITURES BY CLASS					
Personnel Cost	1,209,000	1,403,400	1,455,800	1,403,400	1,451,200
Operating Expenses	2,336,800	2,340,500	2,436,800	2,249,000	2,303,500
Grants, Loans or Benefits	2,406,000	2,463,700	2,522,900	2,463,700	2,522,900
TOTAL EXPENDITURES	5,951,800	6,207,600	6,415,500	6,116,100	6,277,600
EXPENDITURES BY FUND SOURCE					
General Fund	5,232,300	5,476,200	5,700,800	5,384,700	5,567,500
Restricted Funds	719,500	731,400	714,700	731,400	710,100
TOTAL EXPENDITURES	5,951,800	6,207,600	6,415,500	6,116,100	6,277,600
EXPENDITURES BY UNIT					
Associate Commissioner	376,900	443,600	464,400	436,800	455,800
Budget and Financial Management	5,574,900	5,764,000	5,951,100	5,679,300	5,821,800
TOTAL EXPENDITURES	5,951,800	6,207,600	6,415,500	6,116,100	6,277,600

The Office of Budget and Financial Management was created in December 1998 as a consequence of reorganization of the Department of Education via Executive Order 98-1671. Its organizational structure consists of an Associate Commissioner, the Division of Budgets and the Division of Financial and Materials Management. The Office and its divisions are charged with interpretation and enforcement of the statutes relating to financial administration of the Commonwealth, including KRS 41-Treasury, KRS 42-Finance and Administration, KRS 44 -Claims Upon the Treasury, KRS 45-Budget and Financial Administration and KRS 45A-Kentucky Model Procurement Code.

The Office is responsible to the Deputy Commissioner of Management Support Services and supervises all internal financial and budgetary activities of the department. The Office also writes and recommends financial operation policy to the Commissioner of Education.

The Office is responsible for the creation and submission of the biennial budget request, all contracts and master agreements, indirect cost calculations and negotiations and travel for department officials.

**Education
Management Support Services
Budget and Financial Management
Associate Commissioner**

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	301,900	288,100	294,700	281,300	286,100
Total General Fund	301,900	288,100	294,700	281,300	286,100
Restricted Funds					
Non-Revenue Receipts	75,000	155,500	169,700	155,500	169,700
Total Restricted Funds	75,000	155,500	169,700	155,500	169,700
TOTAL SOURCE OF FUNDS	376,900	443,600	464,400	436,800	455,800
EXPENDITURES BY CLASS					
Personnel Cost	301,900	366,800	385,800	366,800	385,800
Operating Expenses	75,000	76,800	78,600	70,000	70,000
TOTAL EXPENDITURES	376,900	443,600	464,400	436,800	455,800
EXPENDITURES BY FUND SOURCE					
General Fund	301,900	288,100	294,700	281,300	286,100
Restricted Funds	75,000	155,500	169,700	155,500	169,700
TOTAL EXPENDITURES	376,900	443,600	464,400	436,800	455,800

The Associate Commissioner is charged with interpretation and enforcement of the statutes regarding financial administration of the Commonwealth contained within KRS 41 through KRS 48 they relate to the Department of Education. The Office is responsible to the Deputy Commissioner of Management Support Services and supervises all internal financial and budgetary activities of the Department. The Office also writes and recommends financial operation policy to the Commissioner of Education.

The Office is responsible for the creation and submission of the biennial budget, all contracts and master agreements, indirect cost calculations and negotiations and travel for department officials.

Education
Management Support Services
Budget and Financial Management
Budget and Financial Management

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,930,400	5,188,100	5,406,100	5,108,400	5,281,400
Total General Fund	4,930,400	5,188,100	5,406,100	5,108,400	5,281,400
Restricted Funds					
Balance Forward	542,800	535,900	535,900	409,500	409,500
Non-Revenue Receipts	644,500	575,900	545,000	575,900	540,400
Total Restricted Funds	1,187,300	1,111,800	1,080,900	985,400	949,900
TOTAL SOURCE OF FUNDS	6,117,700	6,299,900	6,487,000	6,093,800	6,231,300
EXPENDITURES BY CLASS					
Personnel Cost	907,100	1,036,600	1,070,000	1,036,600	1,065,400
Operating Expenses	2,261,800	2,263,700	2,358,200	2,179,000	2,233,500
Grants, Loans or Benefits	2,406,000	2,463,700	2,522,900	2,463,700	2,522,900
TOTAL EXPENDITURES	5,574,900	5,764,000	5,951,100	5,679,300	5,821,800
EXPENDITURES BY FUND SOURCE					
General Fund	4,930,400	5,188,100	5,406,100	5,103,400	5,281,400
Restricted Funds	644,500	575,900	545,000	575,900	540,400
TOTAL EXPENDITURES	5,574,900	5,764,000	5,951,100	5,679,300	5,821,800
EXPENDITURES BY UNIT					
Budgets	517,900	644,200	673,100	559,500	548,400
Financial & Materials Management	2,651,000	2,656,100	2,755,100	2,656,100	2,750,500
KDOE Teacher Retirement Match	2,406,000	2,463,700	2,522,900	2,463,700	2,522,900
TOTAL EXPENDITURES	5,574,900	5,764,000	5,951,100	5,679,300	5,821,800

The Division of Budgets supervises all aspects of budget creation, both annual and biennial, budget analysis and forecasting, expenditure authorizations, personnel (financial aspects) approvals, and allotment and appropriation increases/adjustments. The division is an agency liaison with the Governor's Office for Policy and Management and the Legislative Research budget staff.

The Division of Financial and Materials Management supervises all department expenditure and accounting transactions, purchasing and document preparation, pre-audit functions of the agency, serves as liaison with the Auditor of Public Accounts and the Finance and Administration Cabinet and is the primary department authority for MARS training and implementation.

**Education
Learning Support Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	170,485,200	197,334,400	204,465,400	184,960,800	192,607,700
Current Year Appropriation	865,400				
Total General Fund	171,350,600	197,334,400	204,465,400	184,960,800	192,607,700
Restricted Funds					
Balance Forward	1,439,700	1,204,500	1,196,000	1,433,700	1,308,700
Current Receipts	3,400,000	3,479,200	3,560,200	3,479,200	3,560,200
Total Restricted Funds	4,839,700	4,683,700	4,756,200	4,912,900	4,868,900
Federal Funds					
Balance Forward	846,600	846,600	884,800	846,600	884,800
Current Receipts	285,264,000	292,220,500	299,121,100	292,070,500	298,960,200
Total Federal Funds	286,110,600	293,067,100	300,005,900	292,917,100	299,845,000
TOTAL SOURCE OF FUNDS	462,300,900	495,085,200	509,227,500	482,790,800	497,321,600
EXPENDITURES BY CLASS					
Personnel Cost	40,126,900	48,171,100	50,660,300	44,753,000	46,465,700
Operating Expenses	7,545,900	13,199,500	12,768,900	9,963,000	9,582,400
Grants, Loans or Benefits	412,347,800	430,653,800	443,438,500	425,821,300	439,012,800
Capital Outlay		980,000	250,000	60,000	
TOTAL EXPENDITURES	460,020,600	493,004,400	507,117,700	480,597,300	495,060,900
EXPENDITURES BY FUND SOURCE					
General Fund	171,350,600	197,334,400	204,465,400	184,960,800	192,607,700
Restricted Funds	3,406,000	3,487,700	3,571,300	3,604,200	3,571,300
Federal Funds	285,264,000	292,182,300	299,081,000	292,032,300	298,881,900
TOTAL EXPENDITURES	460,020,600	493,004,400	507,117,700	480,597,300	495,060,900
EXPENDITURES BY UNIT					
Deputy Commissioner	16,750,700	16,863,300	16,860,300	16,789,800	17,045,800
Special Instructional Services	294,647,100	307,858,400	315,236,300	307,069,700	314,427,900
Teacher Education and Certification	8,098,600	16,025,400	16,121,500	11,341,900	15,803,300
Leadership and School Improvement	20,197,400	20,357,600	20,594,200	20,334,300	20,969,600
Supportive Learning Environments	98,296,000	101,776,600	103,327,900	99,438,500	100,712,200
Assessment and Accountability	8,653,800	11,661,600	11,341,200	11,661,600	11,341,200
Academic and Professional Development	13,377,000	18,461,500	23,636,300	13,961,500	14,632,300
Wage Equity					128,600
TOTAL EXPENDITURES	460,020,600	493,004,400	507,117,700	480,597,300	495,060,900

Based on the December 1998 reorganization of the Department of Education Executive Order 98-1671, the Learning Support Services major program area consists of the following offices: Special Instructional Services, Teacher Education and Certification, Leadership and School Improvement, Supportive Learning Environments, Assessment and Accountability, and Academic and Professional Development, each headed by an associate commissioner.

**Education
Learning Support Services
Deputy Commissioner**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	15,969,700	16,575,500	16,565,600	16,535,500	16,912,000
Current Year Appropriation	500,000				
Total General Fund	16,469,700	16,575,500	16,565,600	16,535,500	16,912,000
Restricted Funds					
Balance Forward				116,500	
Total Restricted Funds				116,500	
Federal Funds					
Balance Forward	31,400	31,400	31,400	31,400	31,400
Current Receipts	281,000	287,800	294,700	137,800	133,800
Total Federal Funds	312,400	319,200	326,100	169,200	165,200
TOTAL SOURCE OF FUNDS	16,782,100	16,894,700	16,891,700	16,821,200	17,077,200
EXPENDITURES BY CLASS					
Personnel Cost	295,500	455,300	448,500	531,800	269,000
Operating Expenses	535,700	488,500	492,300	338,500	342,300
Grants, Loans or Benefits	15,919,500	15,919,500	15,919,500	15,919,500	16,434,500
TOTAL EXPENDITURES	16,750,700	16,863,300	16,860,300	16,789,800	17,045,800
EXPENDITURES BY FUND SOURCE					
General Fund	16,469,700	16,575,500	16,565,600	16,535,500	16,912,000
Restricted Funds				116,500	
Federal Funds	281,000	287,800	294,700	137,800	133,800
TOTAL EXPENDITURES	16,750,700	16,863,300	16,860,300	16,789,800	17,045,800

The Deputy Commissioner and associated support staff provide policy and administrative direction for the Learning Support Services major program area. The Deputy Commissioner reports directly to the Commissioner of Education and has the responsibility for the following offices: Special Instructional Services; Teacher Education and Certification; Leadership and School Improvement; Supportive Learning Environments; Assessment and Accountability and Academic and Professional Development, each headed by an associate commissioner.

Policy

As enacted in House Bill 502, the Kentucky Head Start Collaboration Project and associated funding is transferred during the fiscal 2000-2002 biennium from the Deputy Commissioner's office to the Governor's Office of Early Childhood.

EMPOWER Kentucky resulted in General Fund savings in fiscal year 2002 totaling \$20,000.

The enacted budget contains General Fund expansion totaling \$128,600 in fiscal year 2002 to meet obligations related to the Governor's Revised Wage Equity Plan.

The enacted budget contains \$500,000 in new General Fund support each year of the 2000-2002 biennium to support the Kentucky Virtual High School.

The enacted budget includes \$515,000 in new General Fund support in fiscal year 2002 to support a statewide multidimensional recruitment and information program to encourage persons to enter the teaching profession and to become teachers in Kentucky.

Education
Learning Support Services
Special Instructional Services

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	21,755,100	28,306,900	29,088,200	27,518,200	28,318,000
Total General Fund	21,755,100	28,306,900	29,088,200	27,518,200	28,318,000
Restricted Funds					
Balance Forward	537,700	477,600	469,100	415,200	406,700
Current Receipts	804,500	821,500	838,800	821,500	838,800
Total Restricted Funds	1,342,200	1,299,100	1,307,900	1,236,700	1,245,500
Federal Funds					
Balance Forward	715,000	715,000	715,000	715,000	715,000
Current Receipts	272,081,500	278,721,500	285,298,200	278,721,500	285,298,200
Total Federal Funds	272,796,500	279,436,500	286,013,200	279,436,500	286,013,200
TOTAL SOURCE OF FUNDS	295,893,800	309,042,500	316,409,300	308,191,400	315,576,700
EXPENDITURES BY CLASS					
Personnel Cost	17,432,700	20,208,400	21,283,300	19,923,900	20,952,200
Operating Expenses	3,510,500	3,706,200	3,693,400	3,681,200	3,668,400
Grants, Loans or Benefits	273,703,900	283,883,800	290,259,600	283,404,600	289,807,300
Capital Outlay		60,000		60,000	
TOTAL EXPENDITURES	294,647,100	307,858,400	315,236,300	307,069,700	314,427,900
EXPENDITURES BY FUND SOURCE					
General Fund	21,755,100	28,306,900	29,088,200	27,518,200	28,318,000
Restricted Funds	810,500	830,000	849,900	830,000	849,900
Federal Funds	272,081,500	278,721,500	285,298,200	278,721,500	285,260,000
TOTAL EXPENDITURES	294,647,100	307,858,400	315,236,300	307,069,700	314,427,900
EXPENDITURES BY UNIT					
Associate Commissioner	379,400	469,000	492,300	469,000	492,300
Exceptional Children Services	72,361,700	74,101,400	75,878,000	74,101,400	75,878,000
Secondary Vocational Education	15,187,800	20,548,300	20,818,800	20,008,700	20,302,900
Program Resources	192,505,000	197,235,200	201,856,200	197,235,200	201,818,000
Kentucky School for the Blind	5,215,300	5,938,400	6,177,400	5,878,400	6,114,300
Kentucky School for the Deaf	8,997,900	9,566,100	10,013,600	9,377,000	9,822,400
TOTAL EXPENDITURES	294,647,100	307,858,400	315,236,300	307,069,700	314,427,900

The Office of Special Instructional Services as established by KRS 156.010 is responsible for five divisions: the Division of Exceptional Children Services, Division of Program Resources, Division of Secondary Vocational Education, the Kentucky School for the Blind and the Kentucky School for the Deaf.

Education
Learning Support Services
Special Instructional Services
Associate Commissioner

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	379,400	469,000	492,300	469,000	492,300
Total General Fund	379,400	469,000	492,300	469,000	492,300
TOTAL SOURCE OF FUNDS	379,400	469,000	492,300	469,000	492,300
EXPENDITURES BY CLASS					
Personnel Cost	370,400	452,600	475,900	452,600	475,900
Operating Expenses	9,000	16,400	16,400	16,400	16,400
TOTAL EXPENDITURES	379,400	469,000	492,300	469,000	492,300
EXPENDITURES BY FUND SOURCE					
General Fund	379,400	469,000	492,300	469,000	492,300
TOTAL EXPENDITURES	379,400	469,000	492,300	469,000	492,300

The Associate Commissioner for the Office of Special Instructional Services is responsible for five divisions: the Division of Exceptional Children Services, Division of Program Resources, Division of Secondary Vocational Education, the Kentucky School for the Blind and the Kentucky School for the Deaf. The Associate Commissioner reports to the Commissioner of Education through the Deputy Commissioner for Learning Support Services.

Education
Learning Support Services
Special Instructional Services
Exceptional Children Services

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	298,700	308,900	314,500	308,900	314,500
Total General Fund	298,700	308,900	314,500	308,900	314,500
Restricted Funds					
Balance Forward	15,400	15,400	15,400	15,400	15,400
Current Receipts	53,000	54,300	55,600	54,300	55,600
Total Restricted Funds	68,400	69,700	71,000	69,700	71,000
Federal Funds					
Balance Forward	100,100	100,100	100,100	100,100	100,100
Current Receipts	72,010,000	73,738,200	75,507,900	73,738,200	75,507,900
Total Federal Funds	72,110,100	73,838,300	75,608,000	73,838,300	75,608,000
TOTAL SOURCE OF FUNDS	72,477,200	74,216,900	75,993,500	74,216,900	75,993,500
EXPENDITURES BY CLASS					
Personnel Cost	1,548,700	2,363,600	2,474,700	2,363,600	2,474,700
Operating Expenses	53,000	54,300	55,600	54,300	55,600
Grants, Loans or Benefits	70,760,000	71,683,500	73,347,700	71,683,500	73,347,700
TOTAL EXPENDITURES	72,361,700	74,101,400	75,878,000	74,101,400	75,878,000
EXPENDITURES BY FUND SOURCE					
General Fund	298,700	308,900	314,500	308,900	314,500
Restricted Funds	53,000	54,300	55,600	54,300	55,600
Federal Funds	72,010,000	73,738,200	75,507,900	73,738,200	75,507,900
TOTAL EXPENDITURES	72,361,700	74,101,400	75,878,000	74,101,400	75,878,000
EXPENDITURES BY UNIT					
Program Services	151,700	163,200	170,100	163,200	170,100
Federal Services	72,010,000	73,738,200	75,507,900	73,738,200	75,507,900
Special Education Mentors	200,000	200,000	200,000	200,000	200,000
TOTAL EXPENDITURES	72,361,700	74,101,400	75,878,000	74,101,400	75,878,000

Under KRS 156.010 and KRS 157.220, the Division of Exceptional Children Services provides general supervision of programs for children and youth with disabilities in Kentucky and administers Kentucky programs tied to the Individuals with Disabilities Education Act (IDEA; 20 U.S.C. 1412(6)); and the General Education Provision Act (20 U.S.C. 1232e).

Training and technical assistance is provided to the state's 176 school districts and 20 agencies that work with students with diverse needs.

The Special Education Mentor program provides assistance to local school districts in creating and implementing special education improvement plans where necessary based on state or federal requirements.

Education
Learning Support Services
Special Instructional Services
Secondary Vocational Education

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,143,800	12,311,200	12,384,000	11,771,600	11,868,100
Total General Fund	7,143,800	12,311,200	12,384,000	11,771,600	11,868,100
Restricted Funds					
Balance Forward	88,000	75,800	75,800	88,000	88,000
Current Receipts	475,500	486,900	498,600	486,900	498,600
Total Restricted Funds	563,500	562,700	574,400	574,900	586,600
Federal Funds					
Current Receipts	7,568,500	7,750,200	7,936,200	7,750,200	7,936,200
Total Federal Funds	7,568,500	7,750,200	7,936,200	7,750,200	7,936,200
TOTAL SOURCE OF FUNDS	15,275,800	20,624,100	20,894,600	20,096,700	20,390,900
EXPENDITURES BY CLASS					
Personnel Cost	1,319,500	1,488,900	1,564,800	1,428,500	1,501,200
Operating Expenses	651,300	660,700	669,300	660,700	669,300
Grants, Loans or Benefits	13,217,000	18,398,700	18,584,700	17,919,500	18,132,400
TOTAL EXPENDITURES	15,187,800	20,548,300	20,818,800	20,008,700	20,302,900
EXPENDITURES BY FUND SOURCE					
General Fund	7,143,800	12,311,200	12,384,000	11,771,600	11,868,100
Restricted Funds	475,500	486,900	498,600	486,900	498,600
Federal Funds	7,568,500	7,750,200	7,936,200	7,750,200	7,936,200
TOTAL EXPENDITURES	15,187,800	20,548,300	20,818,800	20,008,700	20,302,900
EXPENDITURES BY UNIT					
Program Services	7,619,300	12,798,100	12,882,600	12,258,500	12,366,700
Federal Programs	7,568,500	7,750,200	7,936,200	7,750,200	7,936,200
TOTAL EXPENDITURES	15,187,800	20,548,300	20,818,800	20,008,700	20,302,900

The Division of Secondary Vocational Education provides technical assistance, consultative services, staff development and program monitoring to secondary vocational education programs in local school districts and area vocational education centers.

The Carl D. Perkins Vocational and Applied Technology Education Act provides for distribution of federal vocational educational funds to local school districts offering approved secondary vocational education programs. The Division of Secondary Vocational Education administers these funds according to guidelines for implementation of the Carl D. Perkins Vocational and Applied Technology Education Act as prescribed in Public Law 98-254.

Funding is provided to districts operating a local vocational school or vocational department within a school to help cover the administrative and operational costs of providing the vocational programs.

The Future Farmers of American (FFA) Camp facility provides training in leadership development primarily to vocational organizations in the summer months. Participants generally spend three to five days at FFA Camp and receive intensive leadership training.

The Jobs for America's Graduates Program is designed to assist high schools in meeting the KERA accountability goals in the areas of dropout prevention and successful transition into adult life by specifically targeting at-risk and disadvantaged youth.

Policy

The 2000-2002 Budget of the Commonwealth contains General Fund support for the locally operated secondary vocational technology centers in Christian and Henderson counties in the amount of \$670,800 in fiscal year 2001 and \$697,700 in fiscal year 2002. The local boards of education for these counties petitioned the State Board for Adult and Technical Education to assume authority for the management and control of these facilities based on provisions contained within HB321 as enacted at the 1998 Regular Session of the General Assembly.

Additionally, the enacted budget includes General Fund support in the amount of \$3,850,000 in each year of the biennium for funding equalization for secondary vocational education programs at locally operated area technology centers. The goal is to move funding for such programs to a level comparable to programs offered by the Workforce Development Cabinet. Emphasis will be placed on equalizing funding for higher level technical skill programs which require high cost equipment, materials and facilities to operate.

**Education
Learning Support Services
Special Instructional Services
Program Resources**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	10,800	10,800	10,800	10,800	10,800
Current Receipts	103,000	105,500	108,000	105,500	108,000
Total Restricted Funds	113,800	116,300	118,800	116,300	118,800
Federal Funds					
Balance Forward	602,400	602,400	602,400	602,400	602,400
Current Receipts	192,402,000	197,129,700	201,748,200	197,129,700	201,748,200
Total Federal Funds	193,004,400	197,732,100	202,350,600	197,732,100	202,350,600
TOTAL SOURCE OF FUNDS	193,118,200	197,848,400	202,469,400	197,848,400	202,469,400
EXPENDITURES BY CLASS					
Personnel Cost	1,646,200	2,185,300	2,260,500	2,185,300	2,222,300
Operating Expenses	1,189,700	1,306,500	1,327,200	1,306,500	1,327,200
Grants, Loans or Benefits	189,669,100	193,743,400	198,268,500	193,743,400	198,268,500
TOTAL EXPENDITURES	192,505,000	197,235,200	201,856,200	197,235,200	201,818,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	103,000	105,500	108,000	105,500	108,000
Federal Funds	192,402,000	197,129,700	201,748,200	197,129,700	201,710,000
TOTAL EXPENDITURES	192,505,000	197,235,200	201,856,200	197,235,200	201,818,000
EXPENDITURES BY UNIT					
Program Support	103,000	105,500	108,000	105,500	108,000
Title I	144,848,500	148,324,900	151,884,700	148,324,900	151,846,500
Title VI	25,621,500	26,346,400	26,866,100	26,346,400	26,866,100
Other Federal Programs	14,832,000	15,188,000	15,552,500	15,188,000	15,552,500
Goals 2000	7,100,000	7,270,400	7,444,900	7,270,400	7,444,900
TOTAL EXPENDITURES	192,505,000	197,235,200	201,856,200	197,235,200	201,818,000

The Division of Program Resources administers many of the Department of Education's federal grant programs.

The Chapter I program provides remedial and supplementary educational services to disadvantaged students who meet at least one of the following criteria: educationally deprived, migrant, neglected or delinquent, handicapped and currently or formerly institutionalized, or confined in a correctional facility.

Chapter II of the Education Consolidation and Improvement Act of 1981 identifies six purposes for which funds must be targeted: programs for at-risk students; programs to acquire and use instructional materials; innovative programs for school-wide improvements, including effective schools programs; programs of professional development; programs to enhance personal excellence of students and student achievement, and other innovative projects to enhance the educational climate of the school. These funds are provided to the local educational agencies and participating private non-profit schools by a formula established in the federal Chapter II law.

Other grant programs administered by this division include: Drug-Free Schools and Communities program; Dwight D. Eisenhower Mathematics and Science Education Program; the AIDS Prevention program; and, the Class Size Reduction Act.

**Education
Learning Support Services
Special Instructional Services
Kentucky School for the Blind**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,082,300	5,802,200	6,037,900	5,742,200	5,974,800
Total General Fund	5,082,300	5,802,200	6,037,900	5,742,200	5,974,800
Restricted Funds					
Balance Forward	41,900			41,900	41,900
Current Receipts	73,000	74,800	76,600	74,800	76,600
Total Restricted Funds	114,900	74,800	76,600	116,700	118,500
Federal Funds					
Balance Forward	12,500	12,500	12,500	12,500	12,500
Current Receipts	60,000	61,400	62,900	61,400	62,900
Total Federal Funds	72,500	73,900	75,400	73,900	75,400
TOTAL SOURCE OF FUNDS	5,269,700	5,950,900	6,189,900	5,932,800	6,168,700
EXPENDITURES BY CLASS					
Personnel Cost	4,566,000	5,140,400	5,451,700	5,080,400	5,388,600
Operating Expenses	591,500	679,800	667,000	679,800	667,000
Grants, Loans or Benefits	57,800	58,200	58,700	58,200	58,700
Capital Outlay		60,000		60,000	
TOTAL EXPENDITURES	5,215,300	5,938,400	6,177,400	5,878,400	6,114,300
EXPENDITURES BY FUND SOURCE					
General Fund	5,082,300	5,802,200	6,037,900	5,742,200	5,974,800
Restricted Funds	73,000	74,800	76,600	74,800	76,600
Federal Funds	60,000	61,400	62,900	61,400	62,900
TOTAL EXPENDITURES	5,215,300	5,938,400	6,177,400	5,878,400	6,114,300
EXPENDITURES BY UNIT					
Instruction	1,610,900	2,114,400	2,271,200	2,054,400	2,208,100
Residential	928,900	1,049,200	1,102,500	1,049,200	1,102,500
Operational Support	1,581,700	1,796,700	1,781,100	1,796,700	1,781,100
Outreach	1,033,800	916,700	959,700	916,700	959,700
Federal Support	60,000	61,400	62,900	61,400	62,900
TOTAL EXPENDITURES	5,215,300	5,938,400	6,177,400	5,878,400	6,114,300

The four subprograms of the Kentucky School for the Blind are Instruction, Residential, Operational Support and Outreach. These subprograms work together to provide instructional and residential programs for students of the School. All four subprograms involve both direct services to students and related services that are necessary to accomplish the direct services.

Instruction and Related Services includes supervision, teaching, supplies, equipment, and clerical services, all of which are needed for the regular instruction of the students enrolled at the Kentucky School for the Blind. Tools utilized are Braille, large print, electronic aids, and other special aids and methods in the areas of basic academic skills, vocational skills, self-care skills, orientation and mobility, music, physical education, athletics, and counseling.

Residential Services include those services which are needed to provide housing, daily living skills, and leisure time activities for students who reside at the Kentucky School for the Blind in order to participate in the instructional program. This subprogram also deals with transportation arrangements when residential students go home on weekends and at the end of the school year.

Operational Support includes administration, business management, food service, housekeeping, utilities and other operating expenses, maintenance of buildings and grounds, and health care. The positions of Superintendent and Coordinator of Instruction and Related Services are included in this subprogram.

The Outreach program provides consultative, technical and evaluative support to local school districts relating to education of local school students who are blind or visually impaired

Federal Support includes funds to support federally mandated services. Funds received under Chapter I of the Education Consolidation and Improvement Act are used to provide services in the areas of speech therapy and basic skill instruction. Federal funds are also used to provide instruction and residential services for deaf-blind children.

Policy

The 2000-2002 Budget of the Commonwealth includes new General Fund dollars in the amounts of \$180,000 in fiscal year 2000 and \$191,000 in fiscal year 2002 for the purchase of a school bus, Braille text books, and provision of regional services through the centralized School for the Blind.

Included within the enacted budget is debt service funding, budgeted within Management Support Services, for roofing and weatherproofing at the Kentucky School for the Blind.

**Education
Learning Support Services
Special Instructional Services
Kentucky School for the Deaf**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,850,900	9,415,600	9,859,500	9,226,500	9,668,300
Total General Fund	8,850,900	9,415,600	9,859,500	9,226,500	9,668,300
Restricted Funds					
Balance Forward	381,600	375,600	367,100	259,100	250,600
Current Receipts	100,000	100,000	100,000	100,000	100,000
Total Restricted Funds	481,600	475,600	467,100	359,100	350,600
Federal Funds					
Current Receipts	41,000	42,000	43,000	42,000	43,000
Total Federal Funds	41,000	42,000	43,000	42,000	43,000
TOTAL SOURCE OF FUNDS	9,373,500	9,933,200	10,369,600	9,627,600	10,061,900
EXPENDITURES BY CLASS					
Personnel Cost	7,981,900	8,577,600	9,055,700	8,413,500	8,889,500
Operating Expenses	1,016,000	988,500	957,900	963,500	932,900
TOTAL EXPENDITURES	8,997,900	9,566,100	10,013,600	9,377,000	9,822,400
EXPENDITURES BY FUND SOURCE					
General Fund	8,850,900	9,415,600	9,859,500	9,226,500	9,668,300
Restricted Funds	106,000	108,500	111,100	108,500	111,100
Federal Funds	41,000	42,000	43,000	42,000	43,000
TOTAL EXPENDITURES	8,997,900	9,566,100	10,013,600	9,377,000	9,822,400
EXPENDITURES BY UNIT					
Instruction	3,529,400	3,945,800	4,168,300	3,795,800	4,018,300
Residential	1,832,300	1,943,600	2,031,100	1,920,900	2,007,200
Operational Support	2,550,500	2,624,300	2,704,600	2,607,900	2,687,300
Outreach	1,085,700	1,052,400	1,109,600	1,052,400	1,109,600
TOTAL EXPENDITURES	8,997,900	9,566,100	10,013,600	9,377,000	9,822,400

The Kentucky School for the Deaf (KSD) provides educational services to deaf children who cannot be served by local school districts. The School's educational program consists of appropriate classroom instruction, life skills, physical education, and vocational training. Students receive instruction in accordance with their Individual Education Plan that emphasizes language and communication skills development.

Students at the Kentucky School for the Deaf are housed in six campus dormitories and are supervised by house-parents. The students receive practical living skill instruction in such areas as personal safety, hygiene, and independent living skills.

The Kentucky School for the Deaf also supports an outreach program which provides consultative, technical, and evaluative support to local school districts on how to effectively provide educational services to deaf children attending school in a local district. The 1998 General Assembly designated KSD as the Statewide Educational Resource Center on Deafness.

Policy

The 2000-2002 Budget of the Commonwealth contains \$150,000 in each year of the biennium for Academic Reinforcement initiatives as they relate to KSD's status as the Statewide Educational Resource Center on Deafness.

Included in the enacted budget is debt service funding, budgeted in Management Support Services, for roof replacements and necessary fire safety modifications and related dorm renovations at the Kentucky School for the Deaf.

Education
Learning Support Services
Teacher Education and Certification

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,200,600	15,105,900	15,179,900	10,422,400	14,861,700
Total General Fund	7,200,600	15,105,900	15,179,900	10,422,400	14,861,700
Restricted Funds					
Balance Forward	706,000	706,000	706,000	706,000	706,000
Current Receipts	781,500	800,200	819,400	800,200	819,400
Total Restricted Funds	1,487,500	1,506,200	1,525,400	1,506,200	1,525,400
Federal Funds					
Balance Forward	74,500	74,500	74,500	74,500	74,500
Current Receipts	116,500	119,300	122,200	119,300	122,200
Total Federal Funds	191,000	193,800	196,700	193,800	196,700
TOTAL SOURCE OF FUNDS	8,879,100	16,805,900	16,902,000	12,122,400	16,583,800
EXPENDITURES BY CLASS					
Personnel Cost	1,929,200	5,450,600	6,274,900	2,308,600	2,538,200
Operating Expenses	572,000	4,072,000	4,057,900	1,010,500	1,046,400
Grants, Loans or Benefits	5,597,400	5,582,800	5,538,700	8,022,800	12,218,700
Capital Outlay		920,000	250,000		
TOTAL EXPENDITURES	8,098,600	16,025,400	16,121,500	11,341,900	15,803,300
EXPENDITURES BY FUND SOURCE					
General Fund	7,200,600	15,105,900	15,179,900	10,422,400	14,861,700
Restricted Funds	781,500	800,200	819,400	800,200	819,400
Federal Funds	116,500	119,300	122,200	119,300	122,200
TOTAL EXPENDITURES	8,098,600	16,025,400	16,121,500	11,341,900	15,803,300
EXPENDITURES BY UNIT					
Associate Commissioner	318,900	3,132,900	3,846,700	327,900	308,000
Education Professional Standards Board	997,500	1,054,700	1,041,300	2,254,700	3,541,300
Teacher Education	363,000	1,340,800	694,200	1,110,800	3,726,200
Teacher Certification	516,400	627,600	654,100	467,600	491,100
Testing & Internship	5,902,800	9,869,400	9,885,200	7,180,900	7,736,700
TOTAL EXPENDITURES	8,098,600	16,025,400	16,121,500	11,341,900	15,803,300

The Office of Teacher Education and Certification is responsible for leadership, coordination and oversight of all functions of the Educational Professional Standards Board and the Office of Teacher Education and Certification (OTEC) as required by KRS 161.027 through 161.120. Executive Order 98-1671 transferred the Division of Minority Educator Recruitment and Retention from the Office of Teacher Education and Certification to the Office of Supportive Learning Environments. The Office of Teacher Education and Certification now consists of the divisions of Testing and Internship, Teacher Education and Teacher Certification.

Policy

The Governor's Task Force on Teacher Quality recommended a number of initiatives designed to strengthen the Educational Professional Standards Board, enhance the preparation of teachers preparing to enter the workforce and, promote utilization

of National Board Certification as a means of alternative advancement. To address the Task Force's recommendations, the enacted budget includes new General Fund support totaling \$3,240,000 in fiscal year 2001 and \$7,680,000 in fiscal year 2002. In addition, the enacted budget also includes debt service funding within the Management Support Services appropriation to support a \$2 million capital project designed to provide the Education Professional Standards Board with adequate telecommunications and computing capacity to carry out its expanded role. Debt service funding is also provided for a \$2,900,000 capital project to implement a student data warehousing capacity for student, financial and related data needs and also in support of enhanced teacher quality.

**Education
Learning Support Services
Teacher Education and Certification
Associate Commissioner**

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	318,900	3,132,900	3,846,700	327,900	308,000
Total General Fund	318,900	3,132,900	3,846,700	327,900	308,000
TOTAL SOURCE OF FUNDS	318,900	3,132,900	3,846,700	327,900	308,000
EXPENDITURES BY CLASS					
Personnel Cost	211,500	2,481,000	3,224,000	251,000	264,300
Operating Expenses	107,400	651,900	622,700	76,900	43,700
TOTAL EXPENDITURES	318,900	3,132,900	3,846,700	327,900	308,000
EXPENDITURES BY FUND SOURCE					
General Fund	318,900	3,132,900	3,846,700	327,900	308,000
TOTAL EXPENDITURES	318,900	3,132,900	3,846,700	327,900	308,000

The Associate Commissioner and related staff provide support and guidance to the divisions of the Office of Teacher Education and Certification. The Associate Commissioner also serves as executive secretary to the Education Professional Standards Board. The Associate Commissioner reports to the Commissioner of Education through the Deputy Commissioner for Learning Support Services.

**Education
Learning Support Services
Teacher Education and Certification
Education Professional Standards Board**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	255,000	294,400	262,800	1,494,400	2,762,800
Total General Fund	255,000	294,400	262,800	1,494,400	2,762,800
Restricted Funds					
Balance Forward	663,900	663,900	663,900	663,900	663,900
Current Receipts	742,500	760,300	778,500	760,300	778,500
Total Restricted Funds	1,406,400	1,424,200	1,442,400	1,424,200	1,442,400
TOTAL SOURCE OF FUNDS	1,661,400	1,718,600	1,705,200	2,918,600	4,205,200
EXPENDITURES BY CLASS					
Personnel Cost	609,000	585,400	601,700	1,000,400	1,162,700
Operating Expenses	215,000	280,500	291,400	665,500	730,400
Grants, Loans or Benefits	173,500	188,800	148,200	588,800	1,648,200
TOTAL EXPENDITURES	997,500	1,054,700	1,041,300	2,254,700	3,541,300
EXPENDITURES BY FUND SOURCE					
General Fund	255,000	294,400	262,800	1,494,400	2,762,800
Restricted Funds	742,500	760,300	778,500	760,300	778,500
TOTAL EXPENDITURES	997,500	1,054,700	1,041,300	2,254,700	3,541,300
EXPENDITURES BY UNIT					
Education Professional Standards Board	888,500	945,700	932,300	2,145,700	3,432,300
Certificate Revocation	109,000	109,000	109,000	109,000	109,000
TOTAL EXPENDITURES	997,500	1,054,700	1,041,300	2,254,700	3,541,300

The Education Professional Standards Board was established by the Kentucky Education Reform Act of 1990. The Board has authority to issue, renew, revoke, and suspend certificates of professional school personnel, and to approve and accredit programs and institutions that prepares educators. The Board also has responsibility for administering the Teacher Testing and Internship program and the Principal Testing and Internship program.

Policy

The Governor's Task Force on Teacher Quality recommended a number of initiatives designed to strengthen the Educational Professional Standards Board (EPSB), enhance the preparation of teachers preparing to enter the workforce and promote utilization of National Board for Teaching Standards certification as a means of alternative advancement.

To address the Task Force's recommendations, the 2000-2002 Budget of the Commonwealth includes new General Fund support within the operating budget totaling \$3,240,000 in fiscal year 2001 and \$7,680,000 in fiscal year 2002. Of these amounts, \$800,000 in fiscal year 2001 and \$1,000,000 in fiscal year 2002 is provided to the Educational Professional Standards Board to support additional personnel and operating expenses for the board. These amounts also include \$400,000 and \$800,000 budgeted within EPSB to provide support for Kentucky teachers pursuing certification by the National Board for Teaching Standards. Also within the amounts budgeted within EPSB is \$700,000 in fiscal year 2002 to strengthen the evaluation process of teaching certificate renewals.

The enacted budget also includes debt service funding within the Management Support Services appropriation to support a \$2,000,000 capital project designed to provide the Educational Professional Standards Board with adequate telecommunications and computing capacity to carry out its expanded role. Debt service funding is also provided for a \$2,900,000 capital project to implement a student data warehousing capacity for student, financial and related data needs and also in support of enhanced teacher quality.

**Education
Learning Support Services
Teacher Education and Certification
Teacher Education**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	246,500	1,221,500	572,000	991,500	3,604,000
Total General Fund	246,500	1,221,500	572,000	991,500	3,604,000
Federal Funds					
Balance Forward	74,500	74,500	74,500	74,500	74,500
Current Receipts	116,500	119,300	122,200	119,300	122,200
Total Federal Funds	191,000	193,800	196,700	193,800	196,700
TOTAL SOURCE OF FUNDS	437,500	1,415,300	768,700	1,185,300	3,800,700
EXPENDITURES BY CLASS					
Personnel Cost	212,500	279,500	299,000	219,500	231,000
Operating Expenses	103,100	91,400	92,800	91,400	92,800
Grants, Loans or Benefits	47,400	49,900	52,400	799,900	3,402,400
Capital Outlay		920,000	250,000		
TOTAL EXPENDITURES	363,000	1,340,800	694,200	1,110,800	3,726,200
EXPENDITURES BY FUND SOURCE					
General Fund	246,500	1,221,500	572,000	991,500	3,604,000
Federal Funds	116,500	119,300	122,200	119,300	122,200
TOTAL EXPENDITURES	363,000	1,340,800	694,200	1,110,800	3,726,200

The Division of Teacher Education performs a variety of administrative and consultative functions in support of the other divisions within the Office of Teacher Education and Certification. The Division works to further the development of a system of teacher education in Kentucky that is based on the outcomes-oriented goals of the Kentucky Education Reform Act. Kentucky is a member of the National Council for Accreditation of Teacher Education (NCATE) Partnership Program. The Department ensures well-prepared and competent teachers through collaboration with NCATE in conducting joint reviews of schools and accreditation processes.

Policy

Included in the 2000-2002 Budget of the Commonwealth is new General Fund support totaling \$750,000 in fiscal year 2001 and \$1,250,000 in fiscal year 2002 for the establishment of a professional growth fund. In fiscal year 2002, an additional \$2,100,000 is provided to support teacher academies and provide stipends to teachers attending the academies.

**Education
Learning Support Services
Teacher Education and Certification
Teacher Certification**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	516,400	627,600	654,100	467,600	491,100
Total General Fund	516,400	627,600	654,100	467,600	491,100
TOTAL SOURCE OF FUNDS	516,400	627,600	654,100	467,600	491,100
EXPENDITURES BY CLASS					
Personnel Cost	497,400	596,300	622,100	436,300	459,100
Operating Expenses	19,000	31,300	32,000	31,300	32,000
TOTAL EXPENDITURES	516,400	627,600	654,100	467,600	491,100
EXPENDITURES BY FUND SOURCE					
General Fund	516,400	627,600	654,100	467,600	491,100
TOTAL EXPENDITURES	516,400	627,600	654,100	467,600	491,100

The Division of Teacher Certification provides staff support to the Education Professional Standards Board in evaluating and accrediting the teacher education programs at Kentucky's universities. The Division provides the Board administrative assistance with the issuance, renewal, revocation, and suspension of certificates for school personnel. The Division also assists in auditing personnel assignments in local school districts in the selection of instructional support personnel.

The Division of Certification is responsible for meeting the requirements of KRS 161.020. Responsibilities include the development and implementation of approved policies regarding the issuance, renewal, and re-issuance of teaching and administrative certificates. The Division also oversees certification for the National Board for Professional Teaching Standards, the Troops to Teachers program and the alternative certification program.

Policy

The 2000-2002 Budget of the Commonwealth includes new General Fund support of \$400,000 in fiscal year 2001 and \$800,000 in fiscal year 2002 (contained within the amounts budgeted for the Education Professional Standards Board) for Kentucky teachers who pursue National Board for Professional Teaching Standards certification.

The enacted budget also includes \$700,000 in new General Fund support in fiscal year 2002 (contained within the amounts budgeted for the Educational Professional Standards Board) to strengthen the evaluation process for teaching certificate renewals.

**Education
Learning Support Services
Teacher Education and Certification
Testing & Internship**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,863,800	9,829,500	9,844,300	7,141,000	7,695,800
Total General Fund	5,863,800	9,829,500	9,844,300	7,141,000	7,695,800
Restricted Funds					
Balance Forward	42,100	42,100	42,100	42,100	42,100
Current Receipts	39,000	39,900	40,900	39,900	40,900
Total Restricted Funds	81,100	82,000	83,000	82,000	83,000
TOTAL SOURCE OF FUNDS	5,944,900	9,911,500	9,927,300	7,223,000	7,778,800
EXPENDITURES BY CLASS					
Personnel Cost	398,800	1,508,400	1,528,100	401,400	421,100
Operating Expenses	127,500	3,016,900	3,019,000	145,400	147,500
Grants, Loans or Benefits	5,376,500	5,344,100	5,338,100	6,634,100	7,168,100
TOTAL EXPENDITURES	5,902,800	9,869,400	9,885,200	7,180,900	7,736,700
EXPENDITURES BY FUND SOURCE					
General Fund	5,863,800	9,829,500	9,844,300	7,141,000	7,695,800
Restricted Funds	39,000	39,900	40,900	39,900	40,900
TOTAL EXPENDITURES	5,902,800	9,869,400	9,885,200	7,180,900	7,736,700
EXPENDITURES BY UNIT					
Program Support	347,300	1,161,600	1,176,500	335,600	350,500
Teacher Testing & Internship	4,998,500	7,870,900	7,871,900	6,289,400	6,830,400
Principal Testing & Internship	320,000	601,000	601,000	320,000	320,000
Teacher Assessment Program	237,000	235,900	235,800	235,900	235,800
TOTAL EXPENDITURES	5,902,800	9,869,400	9,885,200	7,180,900	7,736,700

The Division of Testing and Internship administers the teacher and principal internship programs.

Teacher Internship - Beginning teachers are required to successfully complete a one-year internship prior to receiving certification. During the internship, the teacher is supervised and evaluated by a teacher evaluation committee made up of a resource teacher, the school principal of the school where the internship is served and a teacher educator from a state approved teacher-training institution. In addition to the internship, the teacher must also successfully complete a written test.

Principal Internship - Beginning principals are required to successfully complete a testing and internship program prior to receiving certification. Applicants are required to pass two exams - a generic test in school administration and a specialized examination on current Kentucky education policies. In addition to the tests, the new principal must also successfully complete an internship program.

Policy

The 2000-2002 Budget of the Commonwealth provides an increase in stipends to teacher internship mentors with an increase in General Fund support of \$540,000 in fiscal year 2001 and \$1,080,000 in fiscal year 2002. Additionally, the enacted budget contains \$750,000 in each year of the fiscal 2000-2002 biennium to provide support for increased resource teacher stipends.

Education
Learning Support Services
Leadership and School Improvement

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	20,014,900	20,170,800	20,403,000	20,147,500	20,778,400
Total General Fund	20,014,900	20,170,800	20,403,000	20,147,500	20,778,400
Restricted Funds					
Balance Forward	196,000	20,900	20,900	196,000	196,000
Current Receipts	14,000	14,300	14,600	14,300	14,600
Total Restricted Funds	210,000	35,200	35,500	210,300	210,600
Federal Funds					
Current Receipts	168,500	172,500	176,600	172,500	176,600
Total Federal Funds	168,500	172,500	176,600	172,500	176,600
TOTAL SOURCE OF FUNDS	20,393,400	20,378,500	20,615,100	20,530,300	21,165,600
EXPENDITURES BY CLASS					
Personnel Cost	6,531,100	6,576,400	6,828,900	6,553,100	6,804,300
Operating Expenses	1,253,200	1,241,100	1,234,800	1,241,100	1,234,800
Grants, Loans or Benefits	12,413,100	12,540,100	12,530,500	12,540,100	12,930,500
TOTAL EXPENDITURES	20,197,400	20,357,600	20,594,200	20,334,300	20,969,600
EXPENDITURES BY FUND SOURCE					
General Fund	20,014,900	20,170,800	20,403,000	20,147,500	20,778,400
Restricted Funds	14,000	14,300	14,600	14,300	14,600
Federal Funds	168,500	172,500	176,600	172,500	176,600
TOTAL EXPENDITURES	20,197,400	20,357,600	20,594,200	20,334,300	20,969,600
EXPENDITURES BY UNIT					
Associate Commissioner	259,800	264,700	268,600	264,700	668,600
Instructional Leadership Development	950,200	929,100	962,400	905,800	937,800
School Improvement	18,987,400	19,163,800	19,363,200	19,163,800	19,363,200
TOTAL EXPENDITURES	20,197,400	20,357,600	20,594,200	20,334,300	20,969,600

The Office of Leadership and School Improvement established by Executive Order 98-1671, is headed by an Associate Commissioner who reports directly to the Learning Support Services Deputy Commissioner. The Office is responsible for administering and overseeing the following programs and units: Division of Instructional Leadership; Division of School Improvement; Commonwealth School Improvement Fund; and the School Transformation Assistance and Reward program.

**Education
Learning Support Services
Leadership and School Improvement
Associate Commissioner**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	259,800	264,700	268,600	264,700	668,600
Total General Fund	259,800	264,700	268,600	264,700	668,600
TOTAL SOURCE OF FUNDS	259,800	264,700	268,600	264,700	668,600
EXPENDITURES BY CLASS					
Personnel Cost	216,800	227,200	238,700	227,200	238,700
Operating Expenses	43,000	37,500	29,900	37,500	29,900
Grants, Loans or Benefits					400,000
TOTAL EXPENDITURES	259,800	264,700	268,600	264,700	668,600
EXPENDITURES BY FUND SOURCE					
General Fund	259,800	264,700	268,600	264,700	668,600
TOTAL EXPENDITURES	259,800	264,700	268,600	264,700	668,600

The Associate Commissioner for the Office of Leadership and School Improvement reports directly to the Learning Support Services Deputy Commissioner. The Office is responsible for administering and overseeing the following programs and units: Division of Instructional Leadership; Division of School Improvement; Commonwealth School Improvement Fund (CSIF); and the School Transformation Assistance and Reward (STAR) program.

Policy

The enacted budget provides General Fund support totaling \$400,000 in fiscal year 2002 for the establishment of the Center for Middle School Academic Achievement.

Education
Learning Support Services
Leadership and School Improvement
Instructional Leadership Development

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	767,700	742,300	771,200	719,000	746,600
Total General Fund	767,700	742,300	771,200	719,000	746,600
Restricted Funds					
Balance Forward	20,900	20,900	20,900	20,900	20,900
Current Receipts	14,000	14,300	14,600	14,300	14,600
Total Restricted Funds	34,900	35,200	35,500	35,200	35,500
Federal Funds					
Current Receipts	168,500	172,500	176,600	172,500	176,600
Total Federal Funds	168,500	172,500	176,600	172,500	176,600
TOTAL SOURCE OF FUNDS	971,100	950,000	983,300	926,700	958,700
EXPENDITURES BY CLASS					
Personnel Cost	582,100	556,000	584,900	532,700	560,300
Operating Expenses	102,100	103,100	103,400	103,100	103,400
Grants, Loans or Benefits	266,000	270,000	274,100	270,000	274,100
TOTAL EXPENDITURES	950,200	929,100	962,400	905,800	937,800
EXPENDITURES BY FUND SOURCE					
General Fund	767,700	742,300	771,200	719,000	746,600
Restricted Funds	14,000	14,300	14,600	14,300	14,600
Federal Funds	168,500	172,500	176,600	172,500	176,600
TOTAL EXPENDITURES	950,200	929,100	962,400	905,800	937,800
EXPENDITURES BY UNIT					
Instructional Leadership Development	950,200	929,100	962,400	905,800	937,800
TOTAL EXPENDITURES	950,200	929,100	962,400	905,800	937,800

The Division of Instructional Leadership Development is responsible for: organizing and monitoring an endorsed trainer program to prepare individuals who will provide training and assistance on Site Based Decision Making (SBDM) issues; advising school councils and local districts on SBDM implementation issues; gathering data relative to the implementation of SBDM; developing and distributing documents to keep councils abreast of best practices; and, assisting schools and districts with SBDM legal roles and responsibilities.

The Division provides and monitors required training opportunities for superintendents working in their first year of service; administers and reports results of required testing; provides technical assistance for approval of the certified personnel evaluation plans for each local school district; provides required opportunities for school administrators and others to be trained in the process of effective evaluation of certified personnel; collects and approves all proposals of training opportunities to provide required leadership training for school administrators; develops and implements high quality training programs for principals; and collects and analyzes data relative to each of the above initiatives.

**Education
Learning Support Services
Leadership and School Improvement
School Improvement**

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	18,987,400	19,163,800	19,363,200	19,163,800	19,363,200
Total General Fund	18,987,400	19,163,800	19,363,200	19,163,800	19,363,200
Restricted Funds					
Balance Forward	175,100			175,100	175,100
Total Restricted Funds	175,100			175,100	175,100
TOTAL SOURCE OF FUNDS	19,162,500	19,163,800	19,363,200	19,338,900	19,538,300
EXPENDITURES BY CLASS					
Personnel Cost	5,732,200	5,793,200	6,005,300	5,793,200	6,005,300
Operating Expenses	1,108,100	1,100,500	1,101,500	1,100,500	1,101,500
Grants, Loans or Benefits	12,147,100	12,270,100	12,256,400	12,270,100	12,256,400
TOTAL EXPENDITURES	18,987,400	19,163,800	19,363,200	19,163,800	19,363,200
EXPENDITURES BY FUND SOURCE					
General Fund	18,987,400	19,163,800	19,363,200	19,163,800	19,363,200
TOTAL EXPENDITURES	18,987,400	19,163,800	19,363,200	19,163,800	19,363,200
EXPENDITURES BY UNIT					
Commonwealth School Improvement	2,660,000	2,659,200	2,659,100	2,659,200	2,659,100
Highly Skilled Educator	6,057,500	6,239,200	6,426,400	6,239,200	6,426,400
School Rewards	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
School Improvement-Program Support	269,900	265,400	277,700	265,400	277,700
TOTAL EXPENDITURES	18,987,400	19,163,800	19,363,200	19,163,800	19,363,200

The Division of School Improvement monitors the Kentucky Highly Skilled Educators program; oversees the implementation of the School Transformation, Assistance and Renewal (STAR) Program; and assists those schools identified by the CATS assessment and the Kentucky Board of Education as low-performing schools.

Education
Learning Support Services
Supportive Learning Environments

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	83,990,000	87,165,400	88,367,100	84,827,300	85,751,400
Total General Fund	83,990,000	87,165,400	88,367,100	84,827,300	85,751,400
Restricted Funds					
Current Receipts	1,800,000	1,843,200	1,887,400	1,843,200	1,887,400
Total Restricted Funds	1,800,000	1,843,200	1,887,400	1,843,200	1,887,400
Federal Funds					
Balance Forward	25,700	25,700	63,900	25,700	63,900
Current Receipts	12,506,000	12,806,200	13,113,500	12,806,200	13,113,500
Total Federal Funds	12,531,700	12,831,900	13,177,400	12,831,900	13,177,400
TOTAL SOURCE OF FUNDS	98,321,700	101,840,500	103,431,900	99,502,400	100,816,200
EXPENDITURES BY CLASS					
Personnel Cost	1,576,400	1,735,800	1,824,900	1,691,000	1,777,600
Operating Expenses	260,700	337,900	340,200	337,900	340,200
Grants, Loans or Benefits	96,458,900	99,702,900	101,162,800	97,409,600	98,594,400
TOTAL EXPENDITURES	98,296,000	101,776,600	103,327,900	99,438,500	100,712,200
EXPENDITURES BY FUND SOURCE					
General Fund	83,990,000	87,165,400	88,367,100	84,827,300	85,751,400
Restricted Funds	1,800,000	1,843,200	1,887,400	1,843,200	1,887,400
Federal Funds	12,506,000	12,768,000	13,073,400	12,768,000	13,073,400
TOTAL EXPENDITURES	98,296,000	101,776,600	103,327,900	99,438,500	100,712,200
EXPENDITURES BY UNIT					
Associate Commissioner	120,400	226,100	237,200	226,100	237,200
Minority Education Recruitment and Retention	2,000,000	2,499,300	2,499,400	1,975,000	1,973,800
Extended Learning	96,175,600	99,051,200	100,591,300	97,237,400	98,501,200
TOTAL EXPENDITURES	98,296,000	101,776,600	103,327,900	99,438,500	100,712,200

The Office of Supportive Learning Environments (OSLE) provides support and leadership to the Division of Extended Learning which contains the following programs: Extended School Services (ESS); Extended Learning/Prekindergarten; Primary Education; Early Reading and Federal Early Childhood. The Office also oversees the Division of Minority Recruitment and Retention (MERR). OSLE oversees the two divisions, provides recommendations for regulations supporting student initiatives in these divisions and monitors the activities related to all initiatives generated from the divisions. OSLE also provides general supervision for training initiatives associated with the programs in MERR, such as the alternative certificate programs.

**Education
Learning Support Services
Supportive Learning Environments
Associate Commissioner**

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	120,400	226,100	237,200	226,100	237,200
Total General Fund	120,400	226,100	237,200	226,100	237,200
TOTAL SOURCE OF FUNDS	120,400	226,100	237,200	226,100	237,200
EXPENDITURES BY CLASS					
Personnel Cost	110,400	216,100	227,200	216,100	227,200
Operating Expenses	10,000	10,000	10,000	10,000	10,000
TOTAL EXPENDITURES	120,400	226,100	237,200	226,100	237,200
EXPENDITURES BY FUND SOURCE					
General Fund	120,400	226,100	237,200	226,100	237,200
TOTAL EXPENDITURES	120,400	226,100	237,200	226,100	237,200

The Associate Commissioner of the Office of Supportive Learning Environments (OSLE) reports to the Deputy Commissioner of Learning Support Services and provides support and leadership to the Division of Extended Learning as well as the Division of Minority Recruitment and Retention (MERR).

Education
Learning Support Services
Supportive Learning Environments
Minority Education Recruitment & Retention

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,000,000	2,499,300	2,499,400	1,975,000	1,973,800
Total General Fund	2,000,000	2,499,300	2,499,400	1,975,000	1,973,800
TOTAL SOURCE OF FUNDS	2,000,000	2,499,300	2,499,400	1,975,000	1,973,800
EXPENDITURES BY CLASS					
Personnel Cost	235,500	218,500	230,000	194,200	204,400
Operating Expenses	48,000	72,000	73,200	72,000	73,200
Grants, Loans or Benefits	1,716,500	2,208,800	2,196,200	1,708,800	1,696,200
TOTAL EXPENDITURES	2,000,000	2,499,300	2,499,400	1,975,000	1,973,800
EXPENDITURES BY FUND SOURCE					
General Fund	2,000,000	2,499,300	2,499,400	1,975,000	1,973,800
TOTAL EXPENDITURES	2,000,000	2,499,300	2,499,400	1,975,000	1,973,800

The Division of Minority Educator Recruitment and Retention was established to administer and fund programs that would increase the percentage of minority educators in the Commonwealth, as well as to help retain those existing minority educators. It administers the Minority Educator Recruitment and Retention Scholarship program.

This program was previously in the Office of Learning Programs Development and the Office of Teacher Education and Certification prior to the 1998 reorganization of the Department of Education.

**Education
Learning Support Services
Supportive Learning Environments
Extended Learning**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	81,869,600	84,440,000	85,630,500	82,626,200	83,540,400
Total General Fund	81,869,600	84,440,000	85,630,500	82,626,200	83,540,400
Restricted Funds					
Current Receipts	1,800,000	1,843,200	1,887,400	1,843,200	1,887,400
Total Restricted Funds	1,800,000	1,843,200	1,887,400	1,843,200	1,887,400
Federal Funds					
Balance Forward	25,700	25,700	63,900	25,700	63,900
Current Receipts	12,506,000	12,806,200	13,113,500	12,806,200	13,113,500
Total Federal Funds	12,531,700	12,831,900	13,177,400	12,831,900	13,177,400
TOTAL SOURCE OF FUNDS	96,201,300	99,115,100	100,695,300	97,301,300	98,605,200
EXPENDITURES BY CLASS					
Personnel Cost	1,230,500	1,301,200	1,367,700	1,280,700	1,346,000
Operating Expenses	202,700	255,900	257,000	255,900	257,000
Grants, Loans or Benefits	94,742,400	97,494,100	98,966,600	95,700,800	96,898,200
TOTAL EXPENDITURES	96,175,600	99,051,200	100,591,300	97,237,400	98,501,200
EXPENDITURES BY FUND SOURCE					
General Fund	81,869,600	84,440,000	85,630,500	82,626,200	83,540,400
Restricted Funds	1,800,000	1,843,200	1,887,400	1,843,200	1,887,400
Federal Funds	12,506,000	12,768,000	13,073,400	12,768,000	13,073,400
TOTAL EXPENDITURES	96,175,600	99,051,200	100,591,300	97,237,400	98,501,200
EXPENDITURES BY UNIT					
Learning Support	36,533,600	36,408,100	36,398,800	36,408,100	36,398,800
Federal Early Childhood	10,649,000	10,866,400	11,126,200	10,866,400	11,126,200
Prekindergarten	48,993,000	51,776,700	53,066,300	49,962,900	50,976,200
TOTAL EXPENDITURES	96,175,600	99,051,200	100,591,300	97,237,400	98,501,200

The Division of Extended Learning is responsible for preschool (state and federal), primary school, the Early Reading Incentive Grants, Even-Start and Family Literacy as well as the Extended School Service (ESS) programs.

The above programs were previously housed in the Office of Learning Programs Development and the Office of Teacher Education and Certification before reorganization by Executive Order 98-1671.

**Education
Learning Support Services
Assessment and Accountability**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,288,400	11,661,600	11,341,200	11,661,600	11,341,200
Current Year Appropriation	365,400				
Total General Fund	8,653,800	11,661,600	11,341,200	11,661,600	11,341,200
TOTAL SOURCE OF FUNDS	8,653,800	11,661,600	11,341,200	11,661,600	11,341,200
EXPENDITURES BY CLASS					
Personnel Cost	8,127,000	9,233,300	9,290,800	9,233,300	9,290,800
Operating Expenses	506,800	2,428,300	2,050,400	2,428,300	2,050,400
Grants, Loans or Benefits	20,000				
TOTAL EXPENDITURES	8,653,800	11,661,600	11,341,200	11,661,600	11,341,200
EXPENDITURES BY FUND SOURCE					
General Fund	8,653,800	11,661,600	11,341,200	11,661,600	11,341,200
TOTAL EXPENDITURES	8,653,800	11,661,600	11,341,200	11,661,600	11,341,200
EXPENDITURES BY UNIT					
Associate Commissioner	385,200	344,300	359,700	344,300	359,700
Assessment Implementation	7,889,800	10,736,500	10,235,800	10,736,500	10,235,800
Validation and Research	378,800	580,800	745,700	580,800	745,700
TOTAL EXPENDITURES	8,653,800	11,661,600	11,341,200	11,661,600	11,341,200

The Office of Assessment and Accountability is responsible for developing the Commonwealth Accountability Testing System (CATS). This involves the continued development of the on-demand assessments in reading, writing, mathematics, science, social studies, arts and humanities, and practical living-vocational studies content areas. The Office consists of the Division of Assessment Implementation and the Division of Validation and Research.

**Education
Learning Support Services
Assessment and Accountability
Associate Commissioner**

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	385,200	344,300	359,700	344,300	359,700
Total General Fund	385,200	344,300	359,700	344,300	359,700
TOTAL SOURCE OF FUNDS	385,200	344,300	359,700	344,300	359,700
EXPENDITURES BY CLASS					
Personnel Cost	338,300	297,400	312,800	297,400	312,800
Operating Expenses	46,900	46,900	46,900	46,900	46,900
TOTAL EXPENDITURES	385,200	344,300	359,700	344,300	359,700
EXPENDITURES BY FUND SOURCE					
General Fund	385,200	344,300	359,700	344,300	359,700
TOTAL EXPENDITURES	385,200	344,300	359,700	344,300	359,700

The Associate Commissioner is responsible for monitoring the work of the Division of Assessment Implementation and the Division of Validation and Research and reports directly to the Deputy Commissioner for Learning Support Services.

Education
Learning Support Services
Assessment and Accountability
Assessment Implementation

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,524,400	10,736,500	10,235,800	10,736,500	10,235,800
Current Year Appropriation	365,400				
Total General Fund	7,889,800	10,736,500	10,235,800	10,736,500	10,235,800
TOTAL SOURCE OF FUNDS	7,889,800	10,736,500	10,235,800	10,736,500	10,235,800
EXPENDITURES BY CLASS					
Personnel Cost	7,472,900	8,648,100	8,675,300	8,648,100	8,675,300
Operating Expenses	416,900	2,088,400	1,560,500	2,088,400	1,560,500
TOTAL EXPENDITURES	7,889,800	10,736,500	10,235,800	10,736,500	10,235,800
EXPENDITURES BY FUND SOURCE					
General Fund	7,889,800	10,736,500	10,235,800	10,736,500	10,235,800
TOTAL EXPENDITURES	7,889,800	10,736,500	10,235,800	10,736,500	10,235,800

The Division of Assessment Implementation operates the Commonwealth Accountability Testing System (CATS) and coordinates the logistics of the assessment program at the district level. This involves managing and generating data necessary to report assessment results on which accountability performance judgments must be based. This also involves coordination, distribution and collection of assessment materials to and from the local district level as well as development and communication related to assessment administration practices and utilization of assessment data. The Division of Assessment Implementation is responsible for the implementation of an assessment program in the elementary, middle, and high school grade ranges for accountability purposes.

Policy

The 2000-2002 Budget of the Commonwealth includes additional General Fund support in fiscal year 2000 of \$365,400 as well as \$3,128,400 in fiscal year 2001 and \$2,600,500 in fiscal year 2002 for the Division of Assessment Implementation. Pursuant to KRS 158.645-158.6458 amended by HB53 enacted during the 1998 Regular Session of the General Assembly and as recommended by the National Technical Advisory Panel on Assessment and Accountability, the funding is provided for:

- Standards setting - provides a technically appropriate process for establishing the new Kentucky Core Content Test (KCCT);
- Longitudinal assessment - provides an extended view over time of student performance relative to the new KCCT;
- Commonwealth Accountability Testing System - increases funding for administration of CATS;
- Alternative portfolios - provides enhanced data for dissemination to districts based on CATS performance; and
- School report cards - provides data to parents and the public on student achievement and the learning environment including measures of parental involvement in local schools.

**Education
Learning Support Services
Assessment and Accountability
Validation and Research**

	<u>Revised FY 2000</u>	<u>Requested FY 2001</u>	<u>Requested FY 2002</u>	<u>Enacted FY 2001</u>	<u>Enacted FY 2002</u>
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	378,800	580,800	745,700	580,800	745,700
Total General Fund	378,800	580,800	745,700	580,800	745,700
TOTAL SOURCE OF FUNDS	378,800	580,800	745,700	580,800	745,700
EXPENDITURES BY CLASS					
Personnel Cost	315,800	287,800	302,700	287,800	302,700
Operating Expenses	43,000	293,000	443,000	293,000	443,000
Grants, Loans or Benefits	20,000				
TOTAL EXPENDITURES	378,800	580,800	745,700	580,800	745,700
EXPENDITURES BY FUND SOURCE					
General Fund	378,800	580,800	745,700	580,800	745,700
TOTAL EXPENDITURES	378,800	580,800	745,700	580,800	745,700

Pursuant to KRS 158.645-KRS 158.6458 the purpose of the Division of Validation and Research is to gather information to establish the validity of the assessment and accountability program. Validation studies shall include:

- The consistency of student results across multiple measures.
- The potential for all scores to yield fair, consistent, and accurate student performance level and school accountability decisions.

The Division also reviews the accuracy of scores assigned to students and schools as well as accuracy of the testing materials.

Policy

The 2000-2002 Budget of the Commonwealth contains \$250,000 in fiscal year 2001 and \$400,000 in fiscal year 2002 in General Fund support for additional measures used to validate the Commonwealth Accountability and Testing System.

Education
Learning Support Services
Academic and Professional Development

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	13,266,500	18,348,300	23,520,400	13,848,300	14,516,400
Total General Fund	13,266,500	18,348,300	23,520,400	13,848,300	14,516,400
Federal Funds					
Current Receipts	110,500	113,200	115,900	113,200	115,900
Total Federal Funds	110,500	113,200	115,900	113,200	115,900
TOTAL SOURCE OF FUNDS	13,377,000	18,461,500	23,636,300	13,961,500	14,632,300
EXPENDITURES BY CLASS					
Personnel Cost	4,235,000	4,511,300	4,709,000	4,511,300	4,705,000
Operating Expenses	907,000	925,500	899,900	925,500	899,900
Grants, Loans or Benefits	8,235,000	13,024,700	18,027,400	8,524,700	9,027,400
TOTAL EXPENDITURES	13,377,000	18,461,500	23,636,300	13,961,500	14,632,300
EXPENDITURES BY FUND SOURCE					
General Fund	13,266,500	18,348,300	23,520,400	13,848,300	14,516,400
Federal Funds	110,500	113,200	115,900	113,200	115,900
TOTAL EXPENDITURES	13,377,000	18,461,500	23,636,300	13,961,500	14,632,300
EXPENDITURES BY UNIT					
Associate Commissioner	95,800	5,252,900	10,266,000	252,900	766,000
Regional Service Centers	3,387,500	3,455,600	3,538,100	3,455,600	3,538,100
Curriculum Development	9,893,700	9,753,000	9,832,200	10,253,000	10,328,200
TOTAL EXPENDITURES	13,377,000	18,461,500	23,636,300	13,961,500	14,632,300

The Office of Academic and Professional Development was created as a consequence of Executive Order 98-1671. Its organizational structure consists of the office head and staff, the Division of Curriculum Development, the Division of Region One Service Center, the Division of Region Two Service Center, the Division of Region Three Service Center, the Division of Region Four Service Center, the Division of Region Five Service Center, the Division of Region Six Service Center, the Division of Region Seven Service Center, and the Division of Region Eight Service Center. The Office and its divisions are charged with providing academic support to schools and districts. The OAPD is responsible for assisting in the development of items for the Kentucky Core Content Test and the development and publication of curriculum materials designed to support local educators as they develop curriculum and implement the Kentucky Core Content Test. The Office has also is responsible for a middle-level initiative to improve middle-level student achievement.

Education
Learning Support Services
Academic and Professional Development
Associate Commissioner

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	95,800	5,252,900	10,266,000	252,900	766,000
Total General Fund	95,800	5,252,900	10,266,000	252,900	766,000
TOTAL SOURCE OF FUNDS	95,800	5,252,900	10,266,000	252,900	766,000
EXPENDITURES BY CLASS					
Personnel Cost	95,800	230,100	242,100	230,100	242,100
Operating Expenses		22,800	23,900	22,800	23,900
Grants, Loans or Benefits		5,000,000	10,000,000		500,000
TOTAL EXPENDITURES	95,800	5,252,900	10,266,000	252,900	766,000
EXPENDITURES BY FUND SOURCE					
General Fund	95,800	5,252,900	10,266,000	252,900	766,000
TOTAL EXPENDITURES	95,800	5,252,900	10,266,000	252,900	766,000

The Associate Commissioner of the Office of Academic and Professional Development is responsible for the Division of Curriculum Development, the Division of Region One Service Center, the Division of Region Two Service Center, the Division of Region Three Service Center, the Division of Region Four Service Center, the Division of Region Five Service Center, the Division of Region Six Service Center, the Division of Region Seven Service Center, and the Division of Region Eight Service Center. The Associate Commissioner reports to the Deputy Commissioner of Learning Support Services.

**Education
Learning Support Services
Academic and Professional Development
Regional Service Centers**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,387,500	3,455,600	3,538,100	3,455,600	3,538,100
Total General Fund	3,387,500	3,455,600	3,538,100	3,455,600	3,538,100
TOTAL SOURCE OF FUNDS	3,387,500	3,455,600	3,538,100	3,455,600	3,538,100
EXPENDITURES BY CLASS					
Personnel Cost	2,699,000	2,706,400	2,815,600	2,706,400	2,815,600
Operating Expenses	488,500	549,200	522,500	549,200	522,500
Grants, Loans or Benefits	200,000	200,000	200,000	200,000	200,000
TOTAL EXPENDITURES	3,387,500	3,455,600	3,538,100	3,455,600	3,538,100
EXPENDITURES BY FUND SOURCE					
General Fund	3,387,500	3,455,600	3,538,100	3,455,600	3,538,100
TOTAL EXPENDITURES	3,387,500	3,455,600	3,538,100	3,455,600	3,538,100

KRS 156.017 required the Commissioner of Education to establish regional service centers (RSCs) in the Commonwealth to provide services to schools and school districts as they plan, develop, and implement programs and strategies to achieve the goals of the Kentucky Educational Reform Act. The eight regional service centers provide support and build capacity in all schools and districts using research-based instructional practices, content knowledge, appropriate curriculum and standards-based assessment practices. Their aim is to improve student learning through technical assistance, professional development and resources.

The RSCs provide support to schools and districts by:

- Providing content specific assistance to teachers and administrators;
- Collaborating with regional state universities, colleges and educational cooperatives to provide high quality professional development;
- Collaborating with Highly Skilled Educators to assist schools in need of improvement;
- Implementing content-based teacher academies to increase teacher content knowledge and skill;
- Establishing regional school support teams to assist schools in need of improvement;
- Collaborating with Frankfort-based staff on a monthly basis to receive new information and share experiences;
- Convening regional focus groups to gather input relative to important initiatives of the Kentucky Department of Education; and
- Collaborating with Frankfort-based staff to conduct regional technical assistance meetings and training sessions.

Education
Learning Support Services
Academic and Professional Development
Curriculum Development

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,783,200	9,639,800	9,716,300	10,139,800	10,212,300
Total General Fund	9,783,200	9,639,800	9,716,300	10,139,800	10,212,300
Federal Funds					
Current Receipts	110,500	113,200	115,900	113,200	115,900
Total Federal Funds	110,500	113,200	115,900	113,200	115,900
TOTAL SOURCE OF FUNDS	9,893,700	9,753,000	9,832,200	10,253,000	10,328,200
EXPENDITURES BY CLASS					
Personnel Cost	1,440,200	1,574,800	1,651,300	1,574,800	1,647,300
Operating Expenses	418,500	353,500	353,500	353,500	353,500
Grants, Loans or Benefits	8,035,000	7,824,700	7,827,400	8,324,700	8,327,400
TOTAL EXPENDITURES	9,893,700	9,753,000	9,832,200	10,253,000	10,328,200
EXPENDITURES BY FUND SOURCE					
General Fund	9,783,200	9,639,800	9,716,300	10,139,800	10,212,300
Federal Funds	110,500	113,200	115,900	113,200	115,900
TOTAL EXPENDITURES	9,893,700	9,753,000	9,832,200	10,253,000	10,328,200
EXPENDITURES BY UNIT					
Curriculum	2,467,900	2,574,800	2,648,300	2,574,800	2,644,300
Gifted & Talented	6,906,000	6,906,000	6,906,000	7,406,000	7,406,000
Commonwealth Institute for Teachers	136,500	94,000	94,000	94,000	94,000
Multicultural Education	272,800	65,000	68,000	65,000	68,000
Bilingual Education	110,500	113,200	115,900	113,200	115,900
TOTAL EXPENDITURES	9,893,700	9,753,000	9,832,200	10,253,000	10,328,200

This division targets the needs of local educators in their efforts to implement content standards to improve schools and increase student achievement. Curriculum Development focuses on content and high standards for all students. It provides guidance and support to schools by:

- Providing technical assistance in the use of Core Content for Assessment, the Program of Studies, the design of units of study which reflect an aligned relationship among curriculum, instruction and assessment;
- Developing products to assist in the development of curriculum;
- Providing technical assistance and professional development on related curriculum and assessment projects to other KDE staff, schools, districts, providers of professional development, post-secondary staff, professional associations and other educational partners;
- Developing program effectiveness review documents in all content areas;
- Developing benchmarks in reading and mathematics to assist teachers assessing student progress toward proficient performance at the end of each grade (each year in primary, and grades 4, 5, 6, 7, and 8), and at regular periods within each of these years (i.e. at the end of a 9-week reporting period);
- Developing a vision, profile, self-assessment, mentor network and middle-level teacher academies as a part of the middle-level initiative;
- Collaborating with Regional Service Centers to implement content teacher academies;

- Collaborating with Regional Service Centers to provide resources and support to high need schools.
- Providing professional development, resources and technical assistance aimed at improving writing instruction and student writing performance;
- Providing university writing project experience to teachers in all regions;
- Providing writing portfolio and scoring training to teachers across the state
- Providing oversight and quality control for writing portfolio audit activities.
- Developing a purchasing plan, consumer guidelines and a state multiple list of approved resources;
- Coordinating textbook and instructional material review teams
- Supporting the Kentucky Textbook Commission; and providing resources for textbook/instructional selection

Policy

The 2000-2002 Budget of the Commonwealth contains an additional \$500,000 in each fiscal year of the 2000-2002 biennium for the Gifted and Talented program.